



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[www.tdhca.texas.gov](http://www.tdhca.texas.gov)

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October 9, 2026

Writer's direct phone # (512) 475-4065  
Email: [shay.erickson@tdhca.texas.gov](mailto:shay.erickson@tdhca.texas.gov)

Courtney Banker  
AHFC Midtown Flats Non-Profit Corporation  
Austin, TX 78702  
[courtney.banker@austintexas.gov](mailto:courtney.banker@austintexas.gov)

RE: Midtown Flats

Dear Courtney Banker:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Housing Facility Corporation (HFC) Audit Report submitted by Stephanie Naquin on September 17, 2026. This review was performed as required by Section 394.9027 (b) of Chapter 394, the Texas Administrative Code (TAC) Chapter 10, Subchapter J, for AHFC Midtown Flats Non-Profit Corporation. Enclosed is a copy of the Audit Report Summary.

Events of noncompliance have been identified and detailed in the attached Findings Report with required corrective action. In accordance with TAC Section 394.9027(d) a copy of this notice will be sent to the Chief Appraiser of the appraisal district in which the development is located.

This notice begins the corrective action period. Supply all required documentation via Serv-U, no later than **April 7, 2027**, the last day of the corrective action period.

If you need a Serv-U account, email [hfc@tdhca.texas.gov](mailto:hfc@tdhca.texas.gov). Submissions must include a cover letter explaining, in detail, how each event of noncompliance was corrected.

**Remaining uncorrected noncompliance after the corrective action period deadline will result in a referral to the Texas Comptroller and Chief Appraiser, with a recommendation for loss of ad valorem tax exemption under Section 394.905 of the Texas Local Government Code for the Tax Year being Audited.**



221 East 11th Street P.O. Box 13941 Austin, Texas 78711-3941 (800) 525-0657 (512) 475-3800



If you have any questions about this monitoring report, please contact Shay Erickson toll free in Texas at (800) 643-8204, directly at (512) 475-4065, or email: [shay.erickson@tdhca.texas.gov](mailto:shay.erickson@tdhca.texas.gov).

Sincerely,



Shay Erickson  
Compliance Monitor

CC: [stephanie.naquin@novoco.com](mailto:stephanie.naquin@novoco.com); [maryv@prakproperty.com](mailto:maryv@prakproperty.com); [bdprak@prakproperty.com](mailto:bdprak@prakproperty.com); [kirk.watson@austintexas.gov](mailto:kirk.watson@austintexas.gov); [jose.vela@austintexas.gov](mailto:jose.vela@austintexas.gov); [natasha.harper-madison@austintexas.gov](mailto:natasha.harper-madison@austintexas.gov); [vanessa.fuentes@austintexas.gov](mailto:vanessa.fuentes@austintexas.gov); [jose.velasquez@austintexas.gov](mailto:jose.velasquez@austintexas.gov); [ryan.alter@austintexas.gov](mailto:ryan.alter@austintexas.gov); [krista.laine@austintexas.gov](mailto:krista.laine@austintexas.gov); [mike.siegel@austintexas.gov](mailto:mike.siegel@austintexas.gov); [paige.ellis@austintexas.gov](mailto:paige.ellis@austintexas.gov); [zohaib.qadri@austintexas.gov](mailto:zohaib.qadri@austintexas.gov); [marc.duchen@austintexas.gov](mailto:marc.duchen@austintexas.gov); [csinfo@tcadcentral.org](mailto:csinfo@tcadcentral.org); [econ.dev@cpa.texas.gov](mailto:econ.dev@cpa.texas.gov)

Texas Department of Housing and Community Affairs

Housing Finance Corporation (HFC)

Preliminary Summary of Audit

This is a preliminary summary of the Audit Report. TDHCA's review is ongoing and not final. Findings and any required Corrective Action will be addressed in the official Monitoring Report Letter, if applicable.

Report Due Date:6/1/2026

Current Reporting Year:2026

Occupancy Period Begin Date:1/1/2025

Occupancy Period End Date:12/31/2025

Development & Regulatory

HFC Property NameMidtown Flats

HFC Property Street Address615 W. St Johns Ave

HFC City, State ZipAustin, Texas 78752

Property CountyTravis

HFC User NameAHFC Midtown Flats Non-Profit Corporation

Is the Regulatory Agreement (RA) properly recorded?No

Regulatory Agreement Effective DateN/A

Does the development participate in other affordable programs?No

Jurisdictional BoundariesIf Outside Sponsor Boundaries, was the Development acquired by Sept. 1, 2025?NA

Within Sponsor BoundariesNA

Development TypeAcquisition

Occupancy TypeGeneral/Family

Total Number of Units in the Development (All Restricted & Unrestricted)39

Affordability Requirements - AMI Percentage by Bedroom Size (Post Developments Only)

|                                   | Efficiency | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom | Total |
|-----------------------------------|------------|-----------|-----------|-----------|-----------|-------|
| 50% AMI Units                     | 0          | 5         | 19        | 0         | 0         | 15    |
| 50% AMI Units                     | 0          | 19        | 5         | 0         | 0         | 15    |
| 80% AMI Units                     | 0          | 4         | 5         | 0         | 0         | 9     |
| Total Restricted Units            | 0          | 19        | 20        | 0         | 0         | 39    |
| Total Units (Restricted + Market) | 0          | 19        | 20        | 0         | 0         | 39    |

Development Contacts

|                                  |                                                        |
|----------------------------------|--------------------------------------------------------|
| Organization Name                | City, State Zip                                        |
| Property Name                    | Austin, Texas 78752                                    |
| Texas Comptroller                | Austin, TX 78763                                       |
| Appraisal District               | Travis Central Appraisal District                      |
| Individual Auditor               | Austin, TX 78758                                       |
| HFC User                         | AHFC Midtown Flats Non-Profit Corporation              |
| HFC Management Company           | Peak Property Management, Inc.                         |
| HFC Sponsor                      | City of Austin                                         |
| Board Member/City Council Member | Austin Housing Finance Corporation/Austin City Council |

Auditor Qualifications & Affiliations

Does the Auditor have a current Certified Occupancy Specialist (COS) or equivalent certification?Yes

Has the Auditor provided a resume demonstrating housing compliance audit experience?Yes

Is the Auditor free from any financial, ownership, or management interest in the Development or any Responsible Party?Yes

Has the HFC User complied with the three-year rotation and, if applicable, the two-year cooling-off requirement?Yes

Income & Rents Limits

Does the Regulatory Agreement specify income limits?Yes

Are the income limits adjusted for household size?Yes

Are the income limits based on HUD income limits?Yes

Did the Development comply with the Available Unit Rule when a household became over-income?NA

Does the Regulatory Agreement specify rent limits for Restricted Units?Yes

Are the rent limits based on HUD rental limits?Yes

Are restricted unit rents <30% of the applicable income limit (adjusted for household size)?NA

Are rent limit adjusted for family size, as determined by HUD?Yes

What is the family-size adjustment specified by the Development's Regulatory Agreement?NA

Units & Occupancy

Restricted Units Occupied by Voucher Holders#REF!

Total Units (All)39

Restricted Occupied Units36

Restricted Vacant Units3

Total Restricted Units39

Non-Restricted Occupied Units0

Non-Restricted Vacant Units0

Total Non-Restricted Units0

Triggering Events: Acquisition and Ownership Transfer

Did a triggering event occur during the reporting period or any prior Tax Year?No

Set Asides

Date first occupied by one or more tenants?N/A-Acquisition

Is the Development currently in lease-up?No

Do Restricted Units have comparable square footage and floor plans as Non-Restricted Units?NA

Are Restricted Units equal in finishes and equipment to Non-Restricted units?NA

Do Restricted Units have equal amenity and program access as Non-Restricted units?NA

Are Restricted Units proportionally distributed by unit type and income category?NA

Did the Auditor receive photographic evidence and written certification confirming unit comparability?NA

Set-Aside - Select Only One Option

Option 1:

At least 10% of units reserved for HH not earning more than 60% AMI

At least 40% of units reserved for HH not earning more than 80% AMI

NA

NA

Option 2:

At least 10% of units reserved for HH not earaine more than 50% AMI

At least 40% of units reserved for HH not earaine more than 100% AMI

NA

NA

Audit Sample Summary

| Audit Sample                                       | Item |
|----------------------------------------------------|------|
| Overall Sample meets minimum requirements?         | Yes  |
| Move-In Sample meets minimum requirements?         | Yes  |
| Recertification Sample meets minimum requirements? | Yes  |
| Is the Development currently in lease-up?          | No   |

Texas Department of Housing and Community Affairs (TDHCA) Observations - DEPARTMENT USE ONLY

Preliminary Summary. TDHCA review is ongoing and not final.

Report Due Date:6/1/2026

Current Reporting Year:2026

Audit Received Date:9/17/2026

PRELIMINARY COMPLIANCE INDICATORS

Reporting

Is the Development required to submit an Audit Report?Yes

Did the Development submit an Audit Report by the deadline, with approved extensions?Yes

Does the Audit Report cover the full prior reporting year ending December 31 and include a rent roll for the same period?Yes

Does the Audit Report include contact information for all Responsible Parties?Yes

Was the Audit Report submitted in the Department-prescribed manner through the Department's file transfer system (Serv-U/File Serve)?Yes

Was the annual service fee (\$35 per Restricted Unit in the sample or \$500 minimum) submitted with the Audit Report?Yes

Did the Audit Report include a one-time exemption application submitted to the Texas Comptroller's Office?No

Did the first Audit Report include all required supporting documentation?Yes

Auditor

Does the Auditor meet independence and qualification standards and comply with applicable rotation and cooling-off requirements?Yes

Geographic Boundaries

Is the Development within sponsor boundaries, or—if outside those boundaries—has required approval been obtained or is the Development within the applicable transition period?NA

Overall Chapter 394 Status:Noncompliant

TDHCA Notes/Notations:Corrective Action Issued

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION

HFC User: AHFC Midtown Flats Non-Profit Corporation  
 Property Name: Midtown Flats  
 Address: 615 W. St Johns Ave  
 Austin, Texas 78752

Corrective Action Report Issued: 10/9/2026  
 Corrective Action Due Date: 4/7/2027

PROGRAM: HFC

PROPERTY FINDINGS

| Finding: Failure to comply with §10.1203(1)(c) |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                 |
|------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Unit #                                         | Non-Compliance Date | Reason                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Corrective Action                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Correction Date |
| Property Wide                                  | 9/17/2026           | <p>TAC §10.1203(1)(C) requires the HFC User to provide the Auditor with all required documents prior to submission of the first Audit Report, including the underwriting assessment, applicable resolutions, board meeting minutes, the Regulatory Agreement, and the one-time exemption application submitted to the Texas Comptroller's office.</p> <p>The Audit Report did not include a copy of the Land Use Restriction Agreement (LURA), Ground Lease, Deed Restriction, or other similar restrictive instrument recorded in the real property records of the county in which the Development is located, or a Partnership Agreement between the HFC and HFC User that is not recorded in the real property records.</p> | <p>To correct, submit a copy of the Land Use Restriction Agreement (LURA), Ground Lease, Deed Restriction, or other similar restrictive instrument recorded in the real property records of the county in which the Development is located, or a Partnership Agreement between the HFC and HFC User that is not recorded in the real property records.</p> <p>Ensure all required documents are provided to the Auditor prior to submission of the Audit Report for the Development.</p> |                 |