TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.texas.gov

Greg Abbott
GOVERNOR

September 18, 2026

Writer's direct phone # (512) 475 -3907
Email: Christina.Thompson@tdhca.texas.gov

Graham Johnston
TDI Real Estate
Dallas, TX
graham.johnson@tdire.com; will.vanderstraaten@tdire.com

RE: Zenith North Collins

Dear TDI Real Estate:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Housing Facility Corporation (HFC) Audit Report submitted by Kelly Prejean on July 31, 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 Jefferson North Collins. 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 **March 17, 2027**, the last day of the corrective action period.

If you need a Serv-U account, email 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.

If you have any questions about this monitoring report, please contact Christina Thompson toll free in Texas at (800) 643-8204, directly at (512) 475-3907, or email: christina.thompson@tdhca.texas.gov.

Sincerely,

Christina Thompson
Team Lead, HFC and PFC Monitoring

CC: zenith@zrsmanagement.com ; econ.dev@cpa.texas.gov; Kelly.Prejean@auxanocompliance.com; phfced@gmail.com; twinklescc@pecostx.gov; aoronacc@pecostx.gov; hcarrascocc@pecostx.gov; rgrahamcc@pecostx.gov; vtrujillocc@pecostx.gov

Audit Report
Zenith North Collins

The Texas Department of Housing and Community Affairs provides the following Technical Assistance:

- TAC §10.1203(3)(B) requires that all Audit Reports include contact information for all Responsible Parties. Ensure current contact information for all Responsible Parties is provided in the Audit Report.

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.

Reporting Details

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 Name	Zenith North Collins
HFC Property Street Address	735 Washington Drive
HFC City, State Zip	Arlington, TX 76011
Property County	Tarrant
HFC User Name	TDI Real Estate
Is the Regulatory Agreement (RA) is properly recorded?	Yes
Regulatory Agreement Effective Date	12/6/2024
Does the development participate in other affordable programs?	No
Jurisdictional Boundaries	Outside Sponsor Boundaries
If Outside Sponsor Boundaries, was the Development acquired by Sept. 1, 2025?	Yes
If Outside Sponsor Boundaries, has approval been obtained or is the Development in the transition period?	In the Transition Period
PRE or POST May 28, 2025 Development?	PRE
Development Type	Acquisition
Occupancy Type	General/Family
Total Number of Units in the Development (ALL Restricted & Unrestricted)	346

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

	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total
80% AMI Units	0	116	56	1	0	173
100% AMI Units	0	0	0	0	0	0
120% AMI Units	0	0	0	0	0	0
140% AMI Units	0	103	35	1	0	139
Other AMI Units: [Add % here]	0	0	0	0	0	0
Market Units	0	10	20	4	0	34
Total Restricted Units	0	219	91	2	0	312
Total Units (Restricted + Market)	0	229	111	6	0	346

Development Contacts

	Organization Name	City, State Zip
Property Name	Zenith North Collins	Arlington, TX 76011
Texas Comptroller	Not Provided	Austin, TX 78753
Appraisal District	Not Provided	Not Provided
Individual Auditor	Kelly Prejean	Rowlett, TX 75089
HFC User	TDI Real Estate	Dallas, TX 75204
HFC Management Company	ZRS Management	Dallas, TX 75204
HFC Sponsor	Pecos City Municipal Court Judge	Pecos City Municipal Court Judge
HFC Governing Body of Sponsor	Not Provided	Not Provided

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
Is the Auditor currently serving, or has the Auditor previously served, as the Management Agent for this Development?	No
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?	Yes
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)?	Yes
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?	1.5 Persons per Bedroom

Units & Occupancy

Restricted Units Occupied by Voucher Holders	0
Total Units (ALL)	346
Restricted Occupied Units	294
Restricted Vacant Units	18
Total Restricted Units	312
Non-Restricted Occupied Units	31
Non-Restricted Vacant Units	3
Total Non-Restricted Units	34

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?	Unknown
Is the Development currently in lease up?	No
Do Restricted Units have comparable square footage and floor plans as Non-Restricted Units?	Yes
Are Restricted Units equal in finishes and equipment to Non-Restricted units?	Yes
Do Restricted Units have equal amenity and program access as Non-Restricted Units?	Yes
Are Restricted Units proportionally distributed by unit type and income category?	Yes
Did the Auditor receive photographic evidence and written certification confirming unit comparability?	Yes

Set-Aside - Select Only One Option

Option 1:	
At Least 10% of units reserved for HH not earning more than 60% AMI	NA
At least 40% of units reserved for HH not earning more than 80% AMI	NA
Option 2:	
At Least 10% of units reserved for HH not earning more than 50% AMI	NA
At least 40% of units reserved for HH not earning more than 100% AMI	NA

Audit Sample Summary

Audit Sample	**Item**
Overall Sample meets minimum requirements?	No
Move-In Sample meets minimum requirements?	No
Recertification Sample meets minimum requirements?	No
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:	7/31/2026

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?	No
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?	Yes
Did the first Audit Report include all required supporting documentation?	Yes
Auditor	
Does the Auditor meet independence and qualification standards?	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?	Yes

Overall Chapter 394 Status:	Noncompliant: See Detail Findings Report
TDHCA Notes/Notations:	None

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION REPORT

HFC ID: AA26-220-0019
HFC User: TDI Real Estate
Property Name: Zenith North Collins
Address: 735 Washington Drive Arlington, TX 76011

Regulatory Agreement Date: 12/6/2024
Audit Report Received Date: 7/31/2026
Corrective Action Due Date: 3/17/2027

Audit Report Review Date: 9/16/2026

PROGRAM: HFC

PROPERTY FINDINGS

Finding:	Failure to comply with §10.1204(2)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	7/31/2026	TAC §10.1204(2) requires the file sample must contain at least 20% of the total number of Restricted Units, not to exceed 50 household files, with at least 75% of files from newly moved-in households and at least 10% from households that have recertified. The audit file sample does not meet the minimum threshold. Auditor reports the property has a total of three hundred twelve (312) restricted units, requiring a sample size of fifty (50) household files. The audit sample submitted contained twenty-three (23) household files.	Submit to the Department for review: copies of the application(s), income and asset verifications, executed Income Certification, lease contract, and applicable lease addendums for twenty-seven (27) households that moved into income-restricted units during 2025, in accordance with TAC §10.1204(2). The owner may complete a retroactive income certification that completely and clearly documents the sources of income and assets for all household members that were in place at the time of the initial occupancy and apply income limits in effect on the move-in date. Submit to Department for review documentation to evidence the income from the assets have been verified and included in the total household eligibility, application, executed Income Certification and lease contract. Or the owner has the option to complete a new current certification using current income and assets sources and current income limits. Submit for Department review a copy of the application(s), income and evidence the income from the assets have been verified and included in the total household eligibility, and a new Income Certification form. If the household has moved out or is not income eligible, occupy the unit or another comparable unit on the property with a new qualified household.	