



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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July 11, 2025

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

Josue Garza
Lynd Management Group
San Antonio, TX
jgarza@lynd.com

RE: Ranch at Huntsville

Dear Josue Garza:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Public Facility Corporation (PFC) Audit Report submitted by Premier Compliance Consulting on June 2, 2025. This review was performed as required by Section 303.042 (c) of Chapter 303, the Texas Administrative Code Chapter 10, Subchapter I, and the Regulatory Agreement/Deed Restriction for Ranch at Huntsville.

Events of noncompliance have been identified and corrective action is required. The attached Findings Report details the event(s) of noncompliance and the required corrective action. This notice begins the corrective action period. Please supply all requested documentation no later than **August 9, 2025**, the last day of the corrective action period.

If clarification is necessary to complete the corrective action, contact us as soon as possible. If it is not possible to provide the requested documentation by the corrective action period, correct as much as you can and submit a corrective action plan detailing how and when the remaining issue(s) of noncompliance will be corrected.

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.

Sincerely,

A handwritten signature in black ink, appearing to read "Shay Erickson", with a long horizontal flourish extending to the right.

Shay Erickson
PFC Monitor

CC: yvette@premiercomplianceconsulting.com; nicole@premiercomplianceconsulting.com



Audit Report
Ranch at Huntsville

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

- Section 3(c) of the Regulatory Agreement requires the Development to obtain, complete, and maintain on file an Income Certification for each Low-Income Household, using the form provided in Exhibit D. This certification must be dated prior to the household's initial occupancy. The file sample revealed thirteen (13) files were missing Exhibit D, and one (1) file contained an unsigned certification. Please ensure that all required certifications are properly completed, signed, and retained in accordance with the agreement.
- Section 3(f) requires each lease or rental agreement for a Low-Income Unit to include a provision stating that the Grantor relied on the tenant's Income Certification and supporting documentation to determine eligibility, and that any material misstatement may result in immediate lease termination. It must also disclose that the tenant's income is subject to annual recertification. The lease must also disclose that the tenant's income is subject to annual recertification. The file sample revealed one (1) file missing the required language in the lease or addendum, and one (1) file missing an executed lease agreement. Please ensure all lease agreements are fully executed and include the required provisions.
- Annual income also includes all income derived from assets as identified and calculated in accordance with 24 CFR § 5.609(a). All income and asset sources must be properly verified and documented to ensure full compliance. Moving forward, failure to verify and document assets will result in a finding of noncompliance. Households with assets valued at \$51,600 or less may utilize the Asset Certification of Net Family Assets form found on the Department's website here: [Compliance Forms | Texas Department of Housing and Community Affairs](#) or a comparable form.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION

PFC ID: A24-236-0001
PFC User: Lynd Management Group
Property Name: Ranch at Huntsville
Address: 172 Ravenwood Village Dr., Huntsville TX 77340

Regulatory Agreement Date: 2/1/2021
Audit Report Received Date: 6/2/2025
Corrective Action Due Date: 9/9/2025

Audit Report Review Date: 7/1/2025

PROGRAM: PFC

PROPERTY FINDINGS

Finding:	Failure to comply with the Public Facility Corporation Regulatory Agreement - Set-Aside			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property-Wide	6/2/2025	Section 3(a) of the Development's Regulatory Agreement requires that no fewer than fifty percent (50%) or one hundred twenty-five (125) units of the total units in the project be reserved for and occupied by Low-Income Households. The Auditor reports that only one hundred twenty-one (121) units are currently reserved/occupied, falling short of the required threshold. To achieve and maintain compliance, ensure that at least 125 units are properly designated for and occupied by Low-Income Households.	As units become available, lease them to households with incomes at or below 80% AMI until the occupancy requirements under Section 3(a) of the Regulatory Agreement are met. The owner may also survey existing market-rate households and certify those whose income meets the requirements of Section 3(a). To demonstrate compliance, submit documentation for four (4) new move-ins certified at or below 80% AMI, along with a current rent roll showing that at least one hundred twenty-five (125) units are restricted. For each newly certified household, provide the following to the Department: application(s), income and asset verifications, executed Income Certification and lease contract.	

Finding:	Household above the income limit			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
111	7/25/2024	<p>Department unable to establish eligibility. The tenant file for Unit 111 indicates that the tenant is both employed and self-employed; however, no documentation was provided to verify income from self-employment. The Auditor reported that household income could not be determined or verified.</p> <p>In accordance with Section 3(c) of the Regulatory Agreement, the following items are acceptable to determine income eligibility: (1) pay stubs for the most recent four-week period; (2) income tax returns for the most recent two tax years; (3) an income verification from the applicant's current employer; (4) an income verification from the Social Security Administration; or (5) if applicant is unemployed, does not have tax returns or is otherwise unable to provide other forms of verification as required, another form of independent verification as would be satisfactory.</p>	<p>The owner may complete a retroactive income certification that clearly documents all sources of income and assets—including employment and self-employment—that were in place at the time of initial occupancy, using the income limits in effect on the move-in date. Submit to the Department a copy of the application(s), income and asset verifications for both employment and self-employment, and a new Income Certification dated as of move-in.</p> <p>Alternatively, the owner may complete a current certification using current income and asset sources and current income limits. In this case, submit the current application(s), income and asset verifications, and a new Income Certification to the Department for review.</p> <p>If the household is no longer income-eligible or has vacated the unit, the unit (or a comparable unit on the property) must be occupied by a new qualified household. Submit to the Department the new application(s), income and asset verifications, executed Income Certification, lease contract, and any applicable lease addendums for review.</p>	

Finding:	Household above the income limit			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
426	8/1/2024	<p>Department unable to establish eligibility. The tenant file for unit 426 includes screenshots in place of full pay stubs; however, the screenshots do not include the employee's name. It is unclear whether the income documentation pertains to the tenant. The Auditor was unable to verify household income or establish eligibility.</p> <p>In accordance with Section 3(c) of the Regulatory Agreement, the following items are acceptable to determine income eligibility: (1) pay stubs for the most recent four-week period; (2) income tax returns for the most recent two tax years; (3) an income verification from the applicant's current employer; (4) an income verification from the Social Security Administration; or (5) if applicant is unemployed, does not have tax returns or is otherwise unable to provide other forms of verification as required, another form of independent verification as would be satisfactory.</p>	<p>The owner may complete a retroactive income certification that clearly documents all sources of income and assets—including employment and self-employment—that were in place at the time of initial occupancy, using the income limits in effect on the move-in date. Submit to the Department a copy of the application(s), income and asset verifications for both employment and self-employment, and a new Income Certification dated as of move-in.</p> <p>Alternatively, the owner may complete a current certification using current income and asset sources and current income limits. In this case, submit the current application(s), income and asset verifications, and a new Income Certification to the Department for review.</p> <p>If the household is no longer income-eligible or has vacated the unit, the unit (or a comparable unit on the property) must be occupied by a new qualified household. Submit to the Department the new application(s), income and asset verifications, executed Income Certification, lease contract, and any applicable lease addendums for review.</p>	

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
721	2/6/2025	Department unable to establish eligibility. The file for unit 721 is missing income and eligibility documentation for household members. The file did not include a screening application, income verification and asset documentation. The Auditor was unable to verify household income or establish eligibility in accordance with program requirements.	<p>The owner may complete a retroactive income certification that clearly documents all sources of income and assets—including employment and self-employment—that were in place at the time of initial occupancy, using the income limits in effect on the move-in date. Submit to the Department a copy of the application(s), income and asset verifications for both employment and self-employment, and a new Income Certification dated as of move-in.</p> <p>Alternatively, the owner may complete a current certification using current income and asset sources and current income limits. In this case, submit the current application(s), income and asset verifications, and a new Income Certification to the Department for review.</p> <p>If the household is no longer income-eligible or has vacated the unit, the unit (or a comparable unit on the property) must be occupied by a new qualified household. Submit to the Department the new application(s), income and asset verifications, executed Income Certification, lease contract, and any applicable lease addendums for review.</p>	

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
317	1/22/2024	<p>In accordance with Section 3(c) of the Regulatory Agreement, the following items are acceptable to determine income eligibility: (1) pay stubs for the most recent four-week period; (2) income tax returns for the most recent two tax years; (3) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) another form of independent verification if the applicant is unemployed or unable to provide the standard forms of documentation.</p> <p>The Auditor reported that the tenant file did not contain the necessary documentation to confirm household income or establish eligibility, specifically: an executed lease contract, an executed Income Certification, pay stubs for the most recent four-week period, and a complete move-in file.</p>	<p>The owner may complete a retroactive income certification that clearly documents all sources of income and assets that were in place at the time of initial occupancy, using the income limits in effect on the move-in date. Submit to the Department a copy of the application(s), income and asset verifications, lease agreement with applicable addendum(s), and a new Income Certification dated as of move-in.</p> <p>Alternatively, the owner may complete a current certification using current income and asset sources and current income limits. In this case, submit the current application(s), income and asset verifications, lease with applicable addendum(s), and a new Income Certification to the Department for review.</p> <p>If the household is no longer income-eligible or has vacated the unit, the unit (or a comparable unit on the property) must be occupied by a new qualified household. Submit to the Department the new application(s), income and asset verifications, executed Income Certification and lease agreement with applicable addendum(s).</p>	

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
114	7/25/2024	Above income limit: Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$65,145.45, which exceeds the applicable 80% AMI income limit of \$60,800.00. The Auditor noted that the property should have calculated employment income based on a 12-month period using a bi-weekly pay frequency.	<p>To correct, designate unit 114 as a non-program unit, as the household's income exceeds the 80% AMI limit, and lease the next available unit of comparable or smaller size to a household that qualifies under the 80% AMI income limit. The owner may also survey existing vacant non-program units and designate one as a replacement program unit to be reserved for occupancy by an income-qualified household. Submit documentation to the Department confirming the unit is vacant and a statement that it is reserved for a Low-Income Household.</p> <p>Alternatively, if the household's circumstances have changed, the owner may re-certify the household under current conditions using current income limits. In that case, submit the full household file, including the application, income and asset verifications, and executed Income Certification and lease agreement.</p>	