TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.texas.gov

Greg Abbott
GOVERNOR

July 15, 2026

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

Bishop Arts Property Owner, LLC
Venice, California
WMyers@banyanres.com

RE: Banyan Flats

Dear Bishop Arts Property Owner, LLC:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Public Facility Corporation (PFC) Audit Report submitted by Stephanie Naquin on June 1, 2026. 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 Banyan Flats.

Events of noncompliance were 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. Submit all requested documentation, along with a cover letter explaining the materials provided, to pfc.monitoring@tdhca.texas.gov by **September 12, 2026**, the last day of the corrective action period.

If clarification is needed, contact us promptly. If you cannot meet the deadline, correct what you can and submit a corrective action plan outlining how and when remaining noncompliance will be resolved. For Developments approved on or after June 18, 2023, any uncorrected noncompliance, including a corrective action plan, will be provided to the Texas Comptroller and the Chief Appraiser.

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
PFC Monitor

cc: Phong.Tran@novoco.com; banyanflats@bridgepm.com; Leguntese.patton@bridgepm.com; eric.johnson@dallas.gov; Chad.West@dallas.gov; jesse.moreno@dallas.gov; Carlton.brewer@dallas.gov; District4@DallasCityHall.com; jaime.resendez@dallas.gov; Laura.cadena@dallas.gov; Adam.Bazaldua@dallas.gov; Lorie.Blair@dallas.gov; paula.blackmon@dallas.gov; katherine.stewart@dallas.gov; bill.roth@dallas.gov; cara.mendelsohn@dallas.gov; gay.willis@dallas.gov; paul.ridley@dallas.gov; Scott.Hounsel@dallas.gov; Stacy.Marshall@dallas.gov; Ronald.Stinson@dallas.gov; Prime.Blankenship@dallas.gov; Christian.Marquez@dallas.gov; Victor.Toledo@dallas.gov; Jason.Brown@dallas.gov; Ken.Montgomery@dallas.gov; Mark.Holmes@dallas.gov; Marc.Lombardi@dallas.gov; Kevin.Winters@dallas.gov; Laurel.Stone@dallas.gov; Keith.Pomykal@dallas.gov; ekycon.dev@cpa.texas.gov dallas.gov;

Texas Department of Housing and Community Affairs

Public Facility Corporation Audit - Preliminary Summary of Audit

Post–June 18, 2023 Development Utilizing a Prior Version of the Workbook

This is a preliminary summary of the Audit Report. TDHCA's review remains in progress.
Applicable non-compliance in this Summary will be formally issued in the Monitoring Report.

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

Regulatory

PFC Property Name	Banyan Flats	PRE or POST June 18, 2023 Development?	POST	RA includes a minimum 10-year restriction term?	YES
PFC Property Street Address	2022 N Beckley Ave				
PFC City, State Zip	Dallas TX 75208	Is the Regulatory Agreement (RA) is properly recorded?	Yes	Traveling Status:	Non-Traveling
		Regulatory Agreement Effective Date:	11/17/2023		
PFC User Name	Bishop Arts Property Owner, LLC	Approval Date (if differs from RA Effective Date):	N/A	Total Number of Units in the Development (Include ALL Restricted & Unrestricted)	289
Latitude:	32.76863	Does the development participate in other affordable programs?	NO		
Longitude:	-96.82178				

Development Contacts

	Organization Name	City, State Zip
Individual Auditor:	Stephanie Naquin	Austin, TX 78758
PFC User:	Bishop Arts Property Owner, LLC	Venice, CA 90291
PFC Management Company:	Bridge Property Management	Dallas, TX 75208
PFC Sponsor:	Dallas Public Facility Corporation	Dallas, TX 75201

Auditor Qualifications & Affiliations

Is the Auditor affiliated with or related to any PFC Responsible Parties?	NO
Has the Auditor provided a resume demonstrating housing compliance audit experience?	NO

Income & Rents Limits

Does the Regulatory Agreement specify income & rent limits?	YES
Are the income limits adjusted for household size?	YES
Are the income and rent limits derived from data released by HUD?	YES

Occupancy

How many units are occupied	253	How many units are vacant?	36

Difference Between Restricted Rents & Estimated Maximum Market Rents §303.0426(b)(2)

Rent Roll Classification:	Unit Type:	Designation:	# of Units:	Highest Restricted Rent Amount:	Highest Market Rent Amount:
6 at end	0	60%	9	$1,233	$1,520
6 at end	1	60%	14	$1,298	$2,380
6 at end	2	60%	5	$1,392	$3,224
6 at end	3	60%	1	$1,608	$3,359
8 at end	0	80%	35	$1,472	$1,520
8 at end	1	80%	54	$1,761	$2,380
8 at end	2	80%	25	$2,082	$3,224
8 at end	3	80%	2	$2,294	$3,359

Set Asides

Development Type	New Construction
Date acquired **or** first occupied by tenants:	3/4/2024

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

This is a preliminary summary of the Audit Report. TDHCA's review remains in progress.

Report Due Date:	6/1/2026	Current Reporting Year:	2026	Audit Received Date:	6/1/2026

Preliminary Compliance Indicators:

Reporting	
Is the Development required to submit an audit report under Chapter 303?	YES
Did the Development submit an audit report as required by Chapter 303?	YES
Auditor	
Does the Auditor meet all required independence and qualification standards and comply with the limit on consecutive audits for the Development?	YES
Regulatory	
Is there a properly recorded Regulatory Agreement, as required by TAC §10.1104(b)(1)?	YES
Does the Regulatory Agreement have a minimum 10-year term, as required by TAC §10.1104(b)(1)?	YES
Income & Rent Limits	
Do monthly rents for Restricted Units comply with TAC §10.1104(b)(4) by not exceeding 30% of the applicable income limit (adjusted for household size)?	NO
If a household becomes over-income, does the Development apply the Available Unit Rule in accordance with IRC §42(g)(2)(D)?	YES
Rent Difference	
Does the Audit Report include an annual rent savings calculation, as required by TAC §10.1104(d)?	N/A
Do the calculated annual rent savings equal or exceed 60% of the estimated ad valorem taxes that would be imposed without the exemption, as required by TAC §10.1104(d)?	N/A
Audit Sample Summary	
Does the audit file sample meet the minimum size requirements under TAC §10.1104(a) (at least 20% of Restricted Units, not to exceed 50 files)?	YES
Does the audit file sample include the required move-in files in accordance with TAC §10.1104(a)?	YES
Does the audit file sample include at least ten percent (10%) recertification files, as required by TAC §10.1104(a)?	YES
Audit Sample - Income Certification: Move-In & Recertification	
Number of Files Missing an Income Certification Prior to Move-In	NONE
Number of Files Missing Income Certification at Lease Renewal	3
Number of Files with "Self"-Certified Income	NONE
Number of Files Missing Executed Income Certification?	NONE
Audit Sample - Income & Asset Verification	
Number of Files Missing Verification of Income?	NONE
Number of Files Missing a Verification of Assets?	NONE
Audit Sample - Income & Rent Compliance	
Number of Files Over the Income Limit	3
Number of Files Over the Rent Limit	15
Audit Sample - Required Forms & Lease Documentation	
Number of Files Missing a TDHCA Tenant Income Certification (TIC) form	3
Number of Files Where Lease/Addendum Does Not Include Provisions Consistent with §10.1104(c)(3)	NONE
Number of Files Missing an Executed Lease?	NONE
Audit Sample - Documentation Standards	
Number of Files with income documentation inconsistent with §10.1205	3
Set Aside	
Are at least 50% of units at ≤ 80% AMI?	YES
For each unit type, does the percentage of Restricted Units equal or exceed the percentage of unrestricted units of the same unit type, as required by TAC §10.1104(b)(5)?	NO
For newly constructed Developments, are at least 10% of units reserved or occupied at or below 60% AMI (TAC §10.1104(b)(2)(A))?	YES
For newly constructed Developments, are an additional 40% of units reserved or occupied by households at or below 80% AMI, as required by TAC §10.1104(b)(2)(B)?	YES
Marketing	
Does the PFC's website display the required public disclosures demonstrating compliance with Texas Local Government Code §303.0425?	YES
Does the PFC's website include policies regarding acceptance of Housing Choice Voucher holders, as required by TAC §10.1104(b)(8)?	YES
Does the Development affirmatively market to Housing Choice Voucher holders and local housing authorities, as required by TAC §10.1104(b)(7)?	YES
Vouchers	
Does the Public Facility User refrain from refusing to rent to households solely based on participation in the Housing Choice Voucher program, as required by TAC §10.1104(c)(1)?	YES
Do lease or screening policies avoid any refusal clause that prohibits HCV participation, as required by TAC §10.1104(c)(1)?	YES
Does the PFC User refrain from imposing a minimum income standard for HCV households that exceeds 250% of the tenant-paid portion of rent, as required by TAC §10.1104(c)(2)?	YES
Tenant Lease, Policies & Retaliation	
Does the Development provide tenants with at least 30 days' written notice of non-renewal?	YES
Do lease agreements prohibit tenants from waiving required protections, as required by TAC §10.1104(c)(3)(D)?	UNKNOWN
Do Restricted Unit lease agreements prohibit retaliation against tenants for participating in tenant organizations, as required by TAC §10.1104(c)(3)(A)?	UNKNOWN
Do Restricted Unit lease agreements prohibit retaliation against tenants for organizing or participating in lawful tenant activities, as required by TAC §10.1104(c)(3)(B)?	UNKNOWN
Do Restricted Unit lease agreements limit non-renewals to permitted grounds, as required by TAC §10.1104(c)(3)(B)?	UNKNOWN
Do Restricted Unit lease agreements prohibit retaliation against tenants for exercising rights related to tenant organizations/collective activities, as required by TAC §10.1104(c)(3)(C)?	UNKNOWN
Overall Chapter 303 Status:	Noncompliant: Pending Corrective Action
TDHCA Notes/Notations:	Refer to Detailed Findings

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION REPORT

PFC ID: B25-057-0004
PFC User: Bishop Arts Property Owner, LLC
Property Name: Banyan Flats
Address: 2022 N Beckley Ave Dallas, TX 75208

Regulatory Agreement Date: 11/17/2023
Audit Report Received Date: 6/1/2026
Corrective Action Due Date: 9/13/2026

Audit Report Review Date: 7/14/2026

PROGRAM: PFC

PROPERTY FINDINGS

Finding:	Failure to comply with §10.1104(b)(5)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	6/1/2026	TAC §10.1104(b)(5) requires the percentage of Restricted Units by unit type to be equal to or greater than the percentage of unrestricted units of that same unit type. Auditor reports the development has thirty (30) 2-bedroom restricted units and thirty-two (32) 2-bedroom unrestricted units, which are not proportionally distributed in accordance with TAC §10.1104(b)(5).	Redesignate a sufficient number of 2-bedroom units as Restricted Units to bring the unit-type distribution into compliance with TAC §10.1104(b)(5). If all unrestricted 2-bedroom units are currently occupied, as they become available, redesignate until the percentage of 2-bedroom restricted units is equal to or greater than the percentage of 2-bedroom unrestricted units. Submit to the Department an updated unit inventory and rent roll identifying each redesignated 2-bedroom unit, its Restricted Unit designation, applicable AMI level, and the effective date of the redesignation. If the required redesignations cannot be completed immediately due to occupancy, submit a corrective action plan identifying the units to be redesignated and provide updated documentation as each redesignation occurs until compliance is achieved.	

Finding:	Gross rent exceeds the highest rent allowed under TAC §10.1104(b)(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1228	10/5/2025	TAC §10.1104(b)(4) requires that monthly rent for Restricted Units not exceed 30% of the imputed household income limitation for the unit, adjusted for an imputed family size of one person per bedroom plus one person, as determined by HUD. Unit 1228 is designated as an 60% AMI Restricted Unit. The monthly rent charged for the unit is $1,277, which exceeds the applicable maximum monthly rent of $1,231.	To correct, reduce the household’s rent to $1,231 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household’s rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).	

Finding:	Gross rent exceeds the highest rent allowed under TAC §10.1104(b)(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1229	9/13/2025	TAC §10.1104(b)(4) requires that monthly rent for Restricted Units not exceed 30% of the imputed household income limitation for the unit, adjusted for an imputed family size of one person per bedroom plus one person, as determined by HUD. Unit 1229 is designated as an 80% AMI Restricted Unit. The monthly rent charged for the unit is $1,994, which exceeds the applicable maximum monthly rent of $1,876.	To correct, reduce the household’s rent to $1,876 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household’s rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).	

Finding:	Gross rent exceeds the highest rent allowed under TAC §10.1104(b)(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1237	11/17/2025	TAC §10.1104(b)(4) requires that monthly rent for Restricted Units not exceed 30% of the imputed household income limitation for the unit, adjusted for an imputed family size of one person per bedroom plus one person, as determined by HUD. Unit 1237 is designated as an 60% AMI Restricted Unit. The monthly rent charged for the unit is $1,298, which exceeds the applicable maximum monthly rent of $1,231.	To correct, reduce the household's rent to $1,231 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household's rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).	

Finding:	Gross rent exceeds the highest rent allowed under TAC §10.1104(b)(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1247	11/7/2025	TAC §10.1104(b)(4) requires that monthly rent for Restricted Units not exceed 30% of the imputed household income limitation for the unit, adjusted for an imputed family size of one person per bedroom plus one person, as determined by HUD. Unit 1247 is designated as an 60% AMI Restricted Unit. The monthly rent charged for the unit is $1,277, which exceeds the applicable maximum monthly rent of $1,231.	To correct, reduce the household's rent to $1,231 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household's rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).	

Finding:	Gross rent exceeds the highest rent allowed under TAC §10.1104(b)(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1251	9/1/2025	TAC §10.1104(b)(4) requires that monthly rent for Restricted Units not exceed 30% of the imputed household income limitation for the unit, adjusted for an imputed family size of one person per bedroom plus one person, as determined by HUD. Unit 1251 is designated as an 80% AMI Restricted Unit. The monthly rent charged for the unit is $1,657, which exceeds the applicable maximum monthly rent of $1,642.	To correct, reduce the household's rent to $1,642 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household's rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).	

Finding:	Gross rent exceeds the highest rent allowed under TAC §10.1104(b)(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1330	11/18/2025	TAC §10.1104(b)(4) requires that monthly rent for Restricted Units not exceed 30% of the imputed household income limitation for the unit, adjusted for an imputed family size of one person per bedroom plus one person, as determined by HUD. Unit 1330 is designated as an 80% AMI Restricted Unit. The monthly rent charged for the unit is $1,761, which exceeds the applicable maximum monthly rent of $1,642.	To correct, reduce the household's rent to $1,642 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household's rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).	

Finding:	Gross rent exceeds the highest rent allowed under TAC §10.1104(b)(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1331	11/1/2025	TAC §10.1104(b)(4) requires that monthly rent for Restricted Units not exceed 30% of the imputed household income limitation for the unit, adjusted for an imputed family size of one person per bedroom plus one person, as determined by HUD. Unit 1331 is designated as an 80% AMI Restricted Unit. The monthly rent charged for the unit is $1,701, which exceeds the applicable maximum monthly rent of $1,642.	To correct, reduce the household's rent to $1,642 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household's rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).	

Finding:	Gross rent exceeds the highest rent allowed under TAC §10.1104(b)(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1334	11/18/2025	TAC §10.1104(b)(4) requires that monthly rent for Restricted Units not exceed 30% of the imputed household income limitation for the unit, adjusted for an imputed family size of one person per bedroom plus one person, as determined by HUD. Unit 1334 is designated as an 60% AMI Restricted Unit. The monthly rent charged for the unit is $1,277, which exceeds the applicable maximum monthly rent of $1,231.	To correct, reduce the household's rent to $1,231 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household's rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).	

Finding:	Gross rent exceeds the highest rent allowed under TAC §10.1104(b)(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1344	12/23/2024	TAC §10.1104(b)(4) requires that monthly rent for Restricted Units not exceed 30% of the imputed household income limitation for the unit, adjusted for an imputed family size of one person per bedroom plus one person, as determined by HUD. Unit 1334 is designated as an 80% AMI Restricted Unit. The monthly rent charged for the unit is $1,916, which exceeds the applicable maximum monthly rent of $1,544.	To correct, reduce the household's rent to $1,544 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household's rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).	

Finding:	Gross rent exceeds the highest rent allowed under TAC §10.1104(b)(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1439	12/1/2025	TAC §10.1104(b)(4) requires that monthly rent for Restricted Units not exceed 30% of the imputed household income limitation for the unit, adjusted for an imputed family size of one person per bedroom plus one person, as determined by HUD. Unit 1439 is designated as an 80% AMI Restricted Unit. The monthly rent charged for the unit is $2,057, which exceeds the applicable maximum monthly rent of $1,876.	To correct, reduce the household's rent to $1,876 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household's rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).	

Finding:	Gross rent exceeds the highest rent allowed under TAC §10.1104(b)(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1441	12/9/2025	TAC §10.1104(b)(4) requires that monthly rent for Restricted Units not exceed 30% of the imputed household income limitation for the unit, adjusted for an imputed family size of one person per bedroom plus one person, as determined by HUD. Unit 1441 is designated as an 80% AMI Restricted Unit. The monthly rent charged for the unit is $1,725, which exceeds the applicable maximum monthly rent of $1,642.	To correct, reduce the household's rent to $1,642 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household's rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).	

Finding:	Gross rent exceeds the highest rent allowed under TAC §10.1104(b)(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1526	12/14/2024	TAC §10.1104(b)(4) requires that monthly rent for Restricted Units not exceed 30% of the imputed household income limitation for the unit, adjusted for an imputed family size of one person per bedroom plus one person, as determined by HUD. Unit 1526 is designated as an 80% AMI Restricted Unit. The monthly rent charged for the unit is $1,725, which exceeds the applicable maximum monthly rent of $1,642.	To correct, reduce the household's rent to $1,642 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household's rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).	

Finding:	Gross rent exceeds the highest rent allowed under TAC §10.1104(b)(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1531	9/24/2025	TAC §10.1104(b)(4) requires that monthly rent for Restricted Units not exceed 30% of the imputed household income limitation for the unit, adjusted for an imputed family size of one person per bedroom plus one person, as determined by HUD. Unit 1531 is designated as an 80% AMI Restricted Unit. The monthly rent charged for the unit is $1,986, which exceeds the applicable maximum monthly rent of $1,764.	To correct, reduce the household's rent to $1,764 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household's rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).	

Finding:	Gross rent exceeds the highest rent allowed under TAC §10.1104(b)(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1547	10/1/2025	TAC §10.1104(b)(4) requires that monthly rent for Restricted Units not exceed 30% of the imputed household income limitation for the unit, adjusted for an imputed family size of one person per bedroom plus one person, as determined by HUD. Unit 1547 is designated as an 80% AMI Restricted Unit. The monthly rent charged for the unit is $1,657, which exceeds the applicable maximum monthly rent of $1,642.	To correct, reduce the household's rent to $1,642 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household's rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).	

Finding:	Gross rent exceeds the highest rent allowed under TAC §10.1104(b)(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1554	12/20/2025	TAC §10.1104(b)(4) requires that monthly rent for Restricted Units not exceed 30% of the imputed household income limitation for the unit, adjusted for an imputed family size of one person per bedroom plus one person, as determined by HUD. Unit 1554 is designated as an 60% AMI Restricted Unit. The monthly rent charged for the unit is $1,233, which exceeds the applicable maximum monthly rent of $1,231.	To correct, reduce the household's rent to $1,231 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household's rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).	

Finding:	Household above the income limit			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1214	11/14/2025	TAC §10.1105(a) requires annual income be determined using the definitions in 24 C.F.R. §5.609, as further described in the HUD Handbook 4350.3. The HUD Handbook 4350.3 also outlines the appropriate forms of income documentation and verification that must be obtained to ensure household income is accurately determined. The household application indicates income is received weekly from employment. File contained only two paystubs. Auditor reports at least one full month of consecutive paystubs are required to determine the household income. Auditor was unable to determine household income.	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 for Department review a copy of the application(s), income and asset verifications and a new Income Certification from the time of move-in. 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 asset verifications and a new executed 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. Submit copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.	

Finding:	Household above the income limit			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1251	9/1/2025	TAC §10.1105(a) requires annual income be determined using the definitions in 24 C.F.R. §5.609, as further described in the HUD Handbook 4350.3. The HUD Handbook 4350.3 also outlines the appropriate forms of income documentation and verification that must be obtained to ensure household income is accurately determined. The household file indicates income is being received from employer Grand Fitness but paystubs were not provided in the file. Auditor was unable to determine and verify household income.	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 for Department review a copy of the application(s), income and asset verifications and a new Income Certification from the time of move-in. 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 asset verifications and a new executed 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. Submit copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.	

Finding:	Household above the income limit			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1439	9/1/2025	TAC §10.1105(a) requires annual income be determined using the definitions in 24 C.F.R. §5.609, as further described in the HUD Handbook 4350.3. The HUD Handbook 4350.3 also outlines the appropriate forms of income documentation and verification that must be obtained to ensure household income is accurately determined. The household application indicates income is received weekly from employment. File contained only three paystubs. Auditor reports at least one full month of consecutive paystubs are required to determine the household income. Auditor was unable to determine household income.	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 for Department review a copy of the application(s), income and asset verifications and a new Income Certification from the time of move-in. 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 asset verifications and a new executed 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. Submit copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.	

Finding:	Failure to comply with §10.1104(c)(3)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1214, 1228, 1229, 1237, 1247, 1251, 1311, 1314, 1319, 1330, 1331, 1334, 1336, 1344, 1353, 1357, 1406, 1410, 1420, 1432, 1439, 1441, 1457, 1513, 1525, 1526, 1531, 1547, 1554	6/1/2026	TAC §10.1104(c)(3) requires that all Restricted Unit leases include tenant protections ensuring that: the landlord may not retaliate against a tenant or the tenant's guests for establishing, attempting to establish, or participating in a tenant organization; a lease may only be non-renewed for specific lease violations or eligibility-related reasons; the landlord must provide at least thirty (30) days' written notice of non-renewal; and tenants may not be required to waive these protections in a lease or lease addendum. The Audit Report received does not confirm the required lease language in §10.1104(c)(3) is included in the lease agreements for Restricted Units.	Submit for Department review the executed lease contract and all applicable lease addenda for each Restricted Unit included in the audit sample, demonstrating that the required lease provisions under TAC §10.1104(c)(3) are included.	