7/15/2026

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

GS Denton Phase 3 Project, LP
Austin, TX
taryn.merrill@greystar.com

RE: Birchway Denton

Dear Owner First and Last nam GS Denton Phase 3 Project, LP:

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 Elan Denton Phase 3.

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 13, 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: stephanie.naquin@novoco.com; birchwaydenton@greystar.com; taryn.merrill@greystar.com; s8@dentonhousingauthority.com; ekycon.dev@cpa.texas.gov

Audit Report
Birchway Denton

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

- The Development's Regulatory Agreement requires the verification of income form to be completed for each Restricted Unit. The auditor reports that three (3) household files were missing an executed verification of income form. To achieve and maintain compliance with the Regulatory Agreement, ensure that a fully executed verification of income form is completed and maintained in each Restricted Unit household file.

- In accordance with Section 3(d) of the Development's Regulatory Agreement, the Development must maintain complete and accurate records pertaining to the Low-Income Units. Auditor reports two household files did not contain the executed lease agreement for the Low-Income Unit. Please ensure all records pertaining to Low-Income units are complete and accurate.

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	Birchway Denton
PFC Property Street Address	1710 North Star Road
PFC City, State Zip	Denton, TX 76208
PFC User Name	GS Denton Phase 3 Project, LP
Latitude:	33.19176
Longitude:	-97.08947
PRE or POST June 18, 2023 Development?	POST
Is the Regulatory Agreement (RA) is properly recorded?	YES
Regulatory Agreement Effective Date:	12/29/2023
Approval Date (if differs from RA Effective Date):	N/A
Does the development participate in other affordable programs?	NO
RA includes a minimum 10-year restriction term?	YES
Traveling Status:	Non-Traveling
Total Number of Units in the Development (Include ALL Restricted & Unrestricted)	336

Development Contacts

	Organization Name	City, State Zip
Individual Auditor:	Stephanie Naquin	Austin, TX 78758
PFC User:	GS Denton Phase 3 Project, LP	Austin, TX 78746
PFC Management Company:	Greystar	Austin, TX 78746
PFC Sponsor:	Denton Housing Authority	Denton, TX 76205

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	177
How many units are vacant?	159

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

Provide the following current information as of the time of submission of this report (units identified as reserved for *or* rented to and occupied by Low-Income Households):

Rent Roll Classification:	Unit Type:	Designation:	# of Units:	Highest Restricted Rent Amount:	Highest Market Rent Amount:
A	1 BR	60%	38	$1,120	$1,249
B	2 BR	60%	30	$1,499	$1,771
A	1 BR	80%	58	$1,269	$1,249
B	2 BR	80%	43	$1,625	$1,771

Set Asides

Development Type	New Construction
Date acquired **or** first occupied by tenants:	5/26/2025
What percentage of the program units are occupied and/or reserved?	24% (In Lease Up)

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)?	Yes
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)?	N/A (In Lease Up)
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	N/A
Number of Files with "Self"-Certified Income	NONE
Number of Files Missing Executed Income Certification?	3
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	NONE
Number of Files Over the Rent Limit	NONE
Audit Sample - Required Forms & Lease Documentation	
Number of Files Missing a TDHCA Tenant Income Certification (TIC) form	NONE
Number of Files Where Lease/Addendum Does Not Include Provisions Consistent with §10.1104(c)(3)	18
Number of Files Missing an Executed Lease?	2
Audit Sample - Documentation Standards	
Number of Files with income documentation inconsistent with §10.1205	NONE
Set Aside	
Are at least 50% of units at ≤ 80% AMI?	N/A (In Lease Up)
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)?	YES
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
For Acquisition Developments, are at least 25% of units reserved or occupied at or below 60% AMI (TAC §10.1104(b)(3)(A))?	N/A
For Acquisition Developments, are an additional 40% of units reserved or occupied at or below 80% AMI (TAC §10.1104(b)(3)(B))?	N/A
For Acquisition Developments, did the Development expend at least 15% of the gross acquisition cost on qualifying rehabilitation within the required post-acquisition timeframe under TAC §10.1104(b)(3)(D)?	N/A
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)?	NO
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 Report

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION REPORT

PFC ID: B26-061-0008
PFC User: GS Denton Phase 3 Project, LP
Property Name: Birchway Denton
Address: 1710 North Star Road, Denton, Texas 76208

Regulatory Agreement Date: 12/29/2023
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(c)(3)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
2202, 2203, 2204, 3307, 4104, 4209, 4301, 5101, 5203, 5302, 5305, 5311, 5316, 6101, 6104, 6110, 6211, 6314	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 TAC §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.	

Finding:	Failure to comply with §10.1104(b)(7)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	6/1/2026	TAC §10.1104(b)(7) requires all Developments to affirmatively market to Housing Choice Voucher holders and local housing authorities. Auditor reports the AFHMP provided by the Development does not identify local housing authorities for affirmatively marketing to Section 8 voucher holders. Auditor could not confirm the Development complied with the requirements provided in TAC §10.1104(b)(7).	Submit to the Department for review documentation of affirmative marketing efforts to Housing Choice Voucher households and notifications to local housing authorities. Documentation can include marketing logs, emails, flyers, and housing authority outreach showing targeted efforts to lease to voucher holders.	