



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.texas.gov

Greg Abbott
GOVERNOR

BOARD MEMBERS

Leo Vasquez, *Chair*
Kenny Marchant, *Vice Chair*
Cindy Conroy, *Member*
Anna Maria Farias, *Member*
Holland Harper, *Member*
Ajay Thomas, *Member*

July 1, 2026

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

LSC Madison Bear Creek Owner II, LLC
New York, New York
kent@lscrc.com

RE: Madison at Bear Creek

Dear LSC Madison Bear Creek Owner II, 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 Madison at Bear Creek.

No event(s) of noncompliance were identified during the review. Please note that although no event(s) of noncompliance were identified, only a sample of information provided to the Department was reviewed for the purposes of this report. It is the Public Facility Corporation User's responsibility to maintain compliance.

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; econ.dev@cpa.texas.gov; Michelle.Coles@liveatlsc.com;
Sawyer@lscrc.com; reidcompliance@housingforhouston.com; Mayor@houstontx.gov



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



Audit Report
Madison at Bear Creek

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

- The Development's Regulatory Agreement requires not less than fifty percent (50%) of the total number of units in the combined project be reserved/occupied by Low-Income Households, whose adjusted income is less than 80% of the median gross income. Auditor reports the Development does not have at least fifty percent (50%) reserved for Low-Income Households. To achieve and maintain compliance with the Development's Regulatory Agreement, ensure at least fifty percent (50%) of the total number of units in the combined project is reserved for/occupied by Low-Income Households.

Texas Department of Housing and Community Affairs		
Public Facility Corporation Audit - Preliminary Summary of Audit		
Pre-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 Year: 2025
Regulatory		
Property Name: Madison at Bear Creek Apartments	PRE or POST June 18, 2023?: PRE	Development Type: Acquisition
PFC Property Street Address: 5735 Timber Creek Pl Dr	Regulatory Agreement Effective Date: 5/17/2023	Date acquired OR first occupied by tenants: 5/17/2023
PFC City, State Zip: Houston, TX 77084	Approval Date (if differs from RA Effect Date): N/A	
PFC User Name: USC Madison Bear Creek Owner II, LLC	Does the RA include a minimum 10-year restriction term?: YES	
Latitude: 29.86038	If No, include any notes regarding the RA term?: N/A	
Longitude: -95.64336	The development participates in other affordable programs?: NO	
Development Contacts		
Individual Auditor: Stephanie Naquin	Organization Name: USC Madison Bear Creek Owner II, LLC	City, State Zip: Austin, TX 78758
PFC User: USC Madison Bear Creek Owner II, LLC	PFC Management: Lone Star Capital	New York, NY 10007
PFC Sponsor: Houston Housing Authority		Houston, TX 77057
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?		YES
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		152
How many units are vacant?		28
Set-Aside		
What percentage of the program units are occupied and/or reserved?		37.22%
Texas Department of Housing and Community Affairs (TDHCA) Observations - DEPARTMENT USE ONLY		
This is a preliminary summary. 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:		
Is the Development required to submit an audit report under Local Government Code Chapter 303?		YES
Did the Development submit an audit report as required by Local Government Code Chapter 303?		YES
Is the auditor independent of all PFC Responsible Parties and has the auditor provided a resume demonstrating housing compliance audit experience?		YES
Did the Development provide the difference between restricted rents and estimated maximum market rents?		YES
Overall Chapter 303 Status:		Compliant: Pending Final Close Out Letter
TDHCA Notes/Notations:		Technical Assistance Provided