



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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July 10, 2026

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

Nick Gonzales
DTC Waterworks, LLC
Houston, Texas
NG@civicap.com

RE: Waterworks Highline

Dear Nick Gonzales:

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 Waterworks Apartments.

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; leasing@coopwaterworks.com; cleee@mpcres.com; reidcompliance@housingforhouston.com; Mayor@houston.tx.gov



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



Audit Report
Waterworks Highline

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: Waterworks Highline	PRE or POST June 18, 2023?: PRE	Development Type: New Construction
PFC Property Street Address: 616 W. 20th St	Regulatory Agreement Effective Date: 3/9/2021	Date acquired OR first occupied by tenants: 12/19/2023
PFC City, State Zip: Houston, TX 77008	Approval Date (if differs from RA Effect Date): N/A	
PFC User Name: DTC Waterworks, LLC	Does the RA include a minimum 10-year restriction term? If No, include any notes regarding the RA term? N/A	In effect until the exemption from ad valorem taxation available under Section 303.042 of the Texas Local Government Code is lost for any reason
Latitude: 29.80379		
Longitude: -95.40858	The development participates in other affordable programs? NO	
Development Contacts		
Individual Auditor: Stephanie Naquin	Organization Name: City, State Zip: Austin, TX 78758	
PFC User: DTC Waterworks, LLC	Houston, TX 77098	
PFC Management: Magnolia Property Management	Southlake, TX 76092	
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: 109	How many units are vacant? 15
Set-Aside		
	What percentage of the program units are occupied and/or reserved? 49.19%	
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 Issued	