



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[www.tdhca.texas.gov](http://www.tdhca.texas.gov)

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December 17, 2025

*Writer's direct phone # (512) 475 -3907*  
*Email: christina.thompson@tdhca.texas.gov*

LSC Timberwalk Owner II, LLC  
New York, New York  
kent@lscre.com

RE: Timberwalk

Dear LSC Timberwalk Owner II, LLC:

The Texas Department of Housing and Community Affairs (Department) received documentation on May 23, 2025, addressing the noncompliance identified during the review of the Audit Report submitted by Novogradac & Company LLP on February 7, 2025. Corrective action was due on May 23, 2025.

The documentation submitted was sufficient to correct the noncompliance related to **Failure to comply with §10.1103(1)**. Please see attached Finding Report for details.

The noncompliance related to **Failure to comply with the Public Facility Corporation Regulatory Agreement** affecting five (5) HCV units, **Failure to comply with the Public Facility Corporation Regulatory Agreement** affecting required lease language for income restricted units, **Household above the income limit** affecting units 102, 103, 201, 301, 309, 614, 1011, 1302, 1503, 1817, 1908, 2001, 2308, 2413, 2714, 808, 903, 2506, 2507, and **Gross rent exceeds the highest rent allowed under the Regulatory Agreement** affecting units 102, 309, 2308, and Failure to comply with the Public Facility Corporation Regulatory Agreement affecting units 204, 301, 309, 808, 903, 1002, 1011, 1817, 1908, 2001, 2308, 2405, 2413 and 2702 has been dropped.

Please note, the noncompliance outlined above is considered corrected during the corrective action period.

The Department considers this review closed. The next annual Audit Report is due June 1, 2026 for reporting year ending December 31, 2025.



Page 2

If you have any questions, please contact Christina Thompson toll free in Texas at (800) 643-8204, directly at (512) 475-3907, or email: [christina.thompson@tdhca.texas.gov](mailto:christina.thompson@tdhca.texas.gov).

Sincerely,

A handwritten signature in black ink, appearing to be 'CT' with a flourish.

Christina Thompson  
PFC Monitor

Cc: [stephanie.naquin@novoco.com](mailto:stephanie.naquin@novoco.com)

## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION  
PFC PROGRAM

PFC User: LSC Timberwalk Owner II, LLC

Property Name: Timberwalk

Address: 5635 Timber Creek PI Dr, Houston, TX 77084

RA Date: 4/6/2023

Audit Report Date: 1/31/2025

Program: PFC

Corrective Action Due Date: 5/23/2025

## PROGRAM: PFC

## PROPERTY FINDINGS

Finding	Failure to comply with §10.1103(1)	
Noncompliance Date	1/31/2025	Correction Date: 5/23/2025
Reason	An Audit Report from an Auditor must be submitted to the Department annually. This submission will satisfy the requirements by demonstrating eligibility to continue under the former law, but must fully address the requirements of identifying the difference in rent charged for income-restricted residential units and the estimated maximum market rents that could be charged for those units without the rent and income restrictions.	
	The Audit Report submitted to the Department did not contain the comparison of the restricted rent to the estimated market rent on Tab 7 of the Audit Report.	
Corrective Action	Submit the comparison of the restricted rent to the estimated market rent for each unit identified in Tab 7.	