



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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October 23, 2025

Writer's direct phone # (512) 475-4065
Email: shay.erickson@tdhca.texas.gov

PFC User/Operator
PC Deerwood LLC
Austin, Texas
taryn.merrill@greystar.com

RE: Deerwood

Dear PFC User/Operator:

Texas Department of Housing and Community Affairs (Department) received documentation on August 27, 2025, addressing the noncompliance identified during the review of the Audit Report submitted by Novogradac & Company, LP on June 2, 2025. Corrective action was due on September 9, 2025.

The documentation submitted was sufficient to correct the noncompliance related to a **Household above the income limit** affecting unit 0417, **Gross rent exceeding the highest rent allowed under the Regulatory Agreement** affecting unit 0148, and **Failure to comply with the Public Facility Corporation Regulatory Agreement** requiring at least five (5) units for HCV holders at or below 60% AMI, two (2) three-bedroom units for Low-Income Tenants at 60% AMI, thirteen (13) units for Low-Income Tenants at 80% AMI, forty-two (42) one-bedroom units for Low-Income Tenants at 80% AMI, and two (2) three-bedroom units at or below 80% AMI. Please see the attached Finding Report for additional details.

The next Audit report is due June 1, 2026.

If you have any questions, please contact Shay Erickson toll free in Texas at (800) 643-8204, directly at (512) 475-4065, or email: shay.erickson@tdhca.texas.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Shay Erickson".

Shay Erickson
PFC Compliance Monitor

CC:deerwoodmgr@greystar.com; stephanie.naquin@novoco.com;
president@housingforhouston.com; jproler@housingforhouston.com; asmith@housingforhouston.com;
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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION REPORT

PFC ID: A24-101-0070
PFC User: PC Deerwood LLC
Property Name: Deerwood
Address: 5800 Woodway Dr., Houston, TX, 77057

Regulatory Agreement Date: 12/30/2022
Audit Report Received Date: 6/2/2025
Corrective Action Due Date: 9/9/2025

Audit Report Review Date: 7/10/2025

PROGRAM: PFC

PROPERTY FINDINGS

Finding: Failure to comply with the Public Facility Corporation Regulatory Agreement				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	6/2/2025	The Development's Regulatory Agreement requires at least five (5) of the 60% AMI units be reserved for or rented to and occupied by HCV holders. The Development currently has none.	As units become available, lease to HCV holders until the requirements of the Regulatory Agreement have been met.	Corrected Date: 8/27/2025

Finding: Failure to comply with the Public Facility Corporation Regulatory Agreement				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	6/2/2025	The Development's Regulatory Agreement requires at least two (2) three-bedroom units be reserved for or rented to and occupied by Low Income Tenants at 60% AMI. The Development currently has one (1).	As units become available, lease units to households' with 60% AMI or less until the occupancy requirements of the Regulatory Agreement have been met. The owner may also survey existing market rate households and certify them if their income is at or below 60% AMI. Submit copies of one (1) new move-ins etc. that have been certified at 60% AMI and a current rent roll showing at least two (2) units are restricted. Provide the Department copies of the following for the new certified households: application(s), verifications of income/assets, executed Income Certification and the lease contract.	Corrected Date: 8/27/2025

Finding: Failure to comply with the Public Facility Corporation Regulatory Agreement				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	6/2/2025	The Development's Regulatory Agreement requires at least thirteen (13) units be reserved for or rented to and occupied by Low Income Tenants at 80% AMI. The Development currently has twelve (12).	As units become available, lease units to households' with 80% AMI or less until the occupancy requirements of the Regulatory Agreement have been met. The owner may also survey existing market rate households and certify them if their income is at or below 80% AMI. Submit copies of one (1) new move-ins etc. that have been certified at 80% AMI and a current rent roll showing at least thirteen (13) units are restricted. Provide the Department copies of the following for the new certified households: application(s), verifications of income/assets, executed Income Certification and the lease contract.	Corrected Date: 8/27/2025

Finding: Failure to comply with the Public Facility Corporation Regulatory Agreement				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	6/2/2025	The Development's Regulatory Agreement requires at least forty-two (42) one-bedroom units be reserved for or rented to and occupied by Low Income Tenants at 80% AMI. The Development currently has forty (40).	As units become available, lease units to households' with 80% AMI or less until the occupancy requirements of the Regulatory Agreement have been met. The owner may also survey existing market rate households and certify them if their income is at or below 80% AMI. Submit copies of two (2) new move-ins etc. that have been certified at 80% AMI and a current rent roll showing at least forty-two (42) units are restricted. Provide the Department copies of the following for the new certified households: application(s), verifications of income/assets, executed Income Certification and the lease contract.	Corrected Date: 8/27/2025

Finding: Failure to comply with the Public Facility Corporation Regulatory Agreement				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	6/2/2025	The Development's Regulatory Agreement requires at least two (2) three-bedroom units be reserved for or rented to and occupied by Low Income Tenants at 80% AMI. The Development currently has one (1).	As units become available, lease units to households' with 80% AMI or less until the occupancy requirements of the Regulatory Agreement have been met. The owner may also survey existing market rate households and certify them if their income is at or below 80% AMI. Submit copies of one (1) new move-ins etc. that have been certified at 80% AMI and a current rent roll showing at least two (2) units are restricted. Provide the Department copies of the following for the new certified households: application(s), verifications of income/assets, executed Income Certification and the lease contract.	Corrected Date: 8/27/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
0417	9/17/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$56,340.98, which exceeds the applicable 80% AMI income limit of \$52,960.	To correct, designate unit 0417 to a non-program unit since their income exceeds the 80% AMI limit and lease the next available unit of comparable or smaller size to a household that income qualifies at the 80% AMI limit. Owner may survey existing vacant non-program units to replace unit 0417 and reserve as a program-unit to be occupied with a household that income qualifies at 80% AMI. Submit documentation to the Department that the unit is vacant and a statement that it is reserved to be occupied by a Low-Income Household. Or if the household's circumstances have changed, the owner may certify them under current circumstances using current income limits. If verifying under current circumstances, submit a copy of the household file, application, verification of income and assets, executed Income Certification and lease agreement.	Corrected Date: 8/27/2025

Finding: Gross rent exceeds the highest rent allowed under the Regulatory Agreement				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
0148	11/13/2024	Unit 148 is designated as 60% AMI. The household's rent of \$1,170 exceeds the 60% AMI rent limit of \$1,135.	To correct, reduce the household's rent to \$1,135 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).	Corrected Date: 8/27/2025