



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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November 3, 2025

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

PFC Operator
Nitya Capital
Houston Texas
awu@nityacapital.com

RE: Interlace Apartments

Dear PFC Operator:

The Texas Department of Housing and Community Affairs (Department) received documentation on September 2, 2025, addressing the noncompliance identified during the review of the Audit Report submitted by Auxano Development LLC on June 2, 2024. Corrective action was due on August 30, 2025.

The documentation submitted was sufficient to correct the noncompliance related to **Failure to comply with §10.1104(a)** which requires that the file sample size used by the Auditor must contain at least twenty percent (20%) of the total number of Restricted Units for the Development, but no more than a total of fifty (50) household files. Please see attached Finding Report for 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: awu@nityacapital.com; dsalzman@auroxinc.com; kmassay@sh130mmd.com; tim@txwhf.org; darren.smith@auxanodevelopment.com



Audit Report
Interlace Apartments

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

- Development is required to obtain, complete and maintain on file Income Certifications from each Low-Income Household, including (i) the Income Certification provided as Exhibit D, attached hereto and incorporated herein, dated prior to the initial occupancy of such Low-Income Household in the Project that occupied the unit. The file sample revealed ten (10) household files where the Income Certification was dated after the occupancy date, and twenty-nine (29) files that did not include an executed Income Certification. Ensure initial Income Certifications are completed prior to initial occupancy in accordance with Section 3(c) of the Regulatory Agreement to maintain compliance.
- Each lease for a Low Income Unit must include a provision stating that the Operator based the tenant's eligibility on the Income Certification and supporting information provided by the tenant and that any material misrepresentation is found, may cause for immediate termination of the lease or rental agreement. The lease must also disclose that the tenant's income will be reviewed annually. The file sample revealed forty-four (44) files were missing the required lease provisions or addendum. Ensure that each lease includes the required language as specified in the Regulatory Agreement.
- In accordance with Section 3(c) of the Regulatory Agreement, the following items are acceptable to determine income eligibility: (1) pay stubs for the most recent four-week period; (2) income tax returns for the most recent two tax years; (3) an income verification from the applicant's current employer; (4) an income verification from the Social Security Administration; or (5) if applicant is unemployed, does not have tax returns or is otherwise unable to provide other forms of verification as required, another form of independent verification as would be satisfactory. The file sample revealed twenty-six (26) household files that were missing verification of income. Ensure that each household file includes documentation, as specified by the Regulatory Agreement, to verify income eligibility.
- Annual Income Certifications as described in Section 3(c) of the Development's Regulatory Agreement, must be obtained on the anniversary of such Low-Income Household's occupancy of the unit, and in no event less than once in every 12-month period following each Low-Income Household's occupancy of a unit. The file sample revealed seventeen (17) household files where the income certification was conducted after the anniversary date. Ensure all recertifications are completed in accordance with the Regulatory Agreement to maintain compliance.

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DETAIL FINDINGS AND CORRECTIVE ACTION REPORT

PFC ID: A25-057-0005
PFC User: Nitya Capital
Property Name: Interlace Apartments
Address: 3801 Gannon Lane, Dallas, TX 75237

Regulatory Agreement Date: 6/16/2023
Audit Report Received Date: 6/2/2025
Corrective Action Due Date: 8/30/2025

Audit Report Review Date: 6/27/2025

PROGRAM: PFC

PROPERTY FINDINGS

Finding:	Failure to comply with §10.1104(a).			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	6/3/2025	<p>Audit requirements under TAC §10.1104(a) require the file sample size used by the Auditor must contain at least twenty percent (20%) of the total number of Restricted Units for the Development but no more than a total of fifty (50) household files.</p> <p>The total number of Restricted Units for the Development is two hundred sixteen (216) and requires a sample size of forty-four (44) household files. Audit report contained no sample size.</p>	<p>Engage an Auditor to complete the file review in accordance with §10.1104(a), which requires that the file sample include at least twenty percent (20%) of the total number of Restricted Units, not to exceed fifty (50) total household files. The sample must primarily consist of new move-ins and include at least a ten percent (10%) sample of households that completed a recertification. Submit to the Department for review an updated Tab-9 of the audit workbook for at least thirty-nine (39) new move-in files and at least five (5) renewal files from year 2024.</p>	Corrected Date: 9/2/2025