



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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October 31, 2025

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

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

RE: Summer Street Coop

Dear Nick Gonzales:

The 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 Stephanie Naquin on May 31, 2025. Corrective action was due on September 1, 2025.

The documentation submitted was sufficient to correct the noncompliance related to **Failure to comply with the Public Facility Corporation Regulatory Agreement** regarding leases of Low-Income Tenants containing required language from the Development's Regulatory Agreement, **Household above the income limit** affecting units 1-2402, 1-1522, 1-1429, 1-333, 1-2406, 1-1306, 1-2306, 1-1201, and 1-1216. Please see attached Finding Report for details.

The noncompliance related to **Gross rent exceeds the highest rent allowed under the Regulatory Agreement** affecting units 1-2301, 1-2402, 1-2406, 1-1213, 1-1216, 1-1218, 1-1234, 1-1302, 1-1324, 1-1333, 1-1427, 1-1522, 1-1530, 1-1201, 1-1219 and 1-1319, **Household above the income limit** affecting units 1-1218, 1-1219, 1-1234, 1-302, 1-1319 and 1-1532, 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.



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.

Sincerely,

A handwritten signature in black ink, appearing to be 'CT' followed by a long horizontal flourish.

Christina Thompson
PFC Compliance Monitor

Cc: stephanie.naquin@novoco.com

Audit Report
Summer Street Coop

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

- To achieve and maintain the Development's required set-aside, any re-designation of a restricted unit to market-rate requires a comparable replacement unit. That replacement unit must be reserved as a program-unit to be occupied by a qualifying Low-Income household. The Owner must document the replacement unit in the Corrective Action Response to the Department.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION

PFC ID: A24-101-0007
PFC User: DTC SS Coop LLC
Property Name: Summer Street Coop
Address: 3275 Summer Street Houston, TX 77007

Regulatory Agreement Date: 3/18/2021
Audit Report Received Date: 5/31/2025
Corrective Action Due Date: 9/1/2025

Audit Report Review Date: 6/27/2025

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	5/31/2025	Section 3(f) of the Development's Regulatory Agreement states, each lease or rental agreement pertaining to a Low-Income Unit shall contain a provision to the effect that the Development has relied on the Income Certification and supporting information supplied by the Low Income Household in determining qualification for occupancy of the Low Income Unit and that any material misstatement in such certification (whether or not intentional) may be cause for immediate termination of such lease or rental agreement. Each lease or rental agreement shall also disclose that the tenant's income is subject to annual certification.	Submit to the Department for review an owner's statement of compliance with the Regulatory Agreement moving forward, along with a blank template of the Lease or Lease Addenda that includes the required language.	8/27/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-2402	9/14/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$80,825.04, which exceeds the applicable 80% AMI income limit of \$52,960.	To correct, designate unit 1-2402 to an 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 1-2402 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.	8/27/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-1522	9/14/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$100,963.20, which exceeds the applicable 80% AMI income limit of \$52,960.	To correct, designate unit 1-1522 to an 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 1-1522 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.	8/27/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-1429	9/6/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$54,033.60, which exceeds the applicable 80% AMI income limit of \$52,960.	To correct, designate unit 1-1429 to an 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 1-1429 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.	8/27/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-3333	11/25/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$119,336.10, which exceeds the applicable 80% AMI income limit of \$52,960.	To correct, designate unit 1-3333 to an 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 1-3333 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.	8/27/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-2406	11/18/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$54,080, which exceeds the applicable 80% AMI income limit of \$52,960.	To correct, designate unit 1-2406 to an 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 1-2406 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.	8/27/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-1306	9/13/2024	The file was requested as part of the twenty-percent sample; however the file provided to the Auditor only contained the lease contract. Auditor reports income cannot be determined or verified as tenant file is incomplete.	The owner may complete a retroactive income certification that completely and clearly documents the sources of income and assets for all household members that were in place at the time of the initial occupancy and apply income limits in effect on the move-in date. Submit for Department review a copy of the application(s), income and asset verifications and a new Income Certification form the time of move-in. Or the owner has the option to complete a new current certification using current income and assets sources and current income limits. Submit for Department review a copy of the application(s), income and asset verifications and a new Income Certification form. If the household has moved out or is not income eligible, occupy the unit or another comparable unit on the property with a new qualified household. Submit copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.	8/27/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-2306	9/20/2024	<p>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.</p> <p>The household reported income was being received from employment with Texas Southern University. This source of income was not verified. Auditor reports income cannot be determined or verified.</p>	<p>The owner may complete a retroactive income certification that completely and clearly documents the sources of income and assets for all household members that were in place at the time of the initial occupancy and apply income limits in effect on the move-in date. Submit for Department review a copy of the application(s), income and asset verifications and a new Income Certification form the time of move-in. Or the owner has the option to complete a new current certification using current income and assets sources and current income limits. Submit for Department review a copy of the application(s), income and asset verifications and a new Income Certification form. If the household has moved out or is not income eligible, occupy the unit or another comparable unit on the property with a new qualified household. Submit copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.</p>	8/27/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-1201	12/10/2024	<p>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.</p> <p>Household is comprised of two-persons. Both household members reported income was being received from self-employment. Self-employment income was not verified. Auditor reports income cannot be determined or verified.</p>	<p>The owner may complete a retroactive income certification that completely and clearly documents the sources of income and assets for all household members that were in place at the time of the initial occupancy and apply income limits in effect on the move-in date. Submit for Department review a copy of the application(s), income and asset verifications and a new Income Certification form the time of move-in. Or the owner has the option to complete a new current certification using current income and assets sources and current income limits. Submit for Department review a copy of the application(s), income and asset verifications and a new Income Certification form. If the household has moved out or is not income eligible, occupy the unit or another comparable unit on the property with a new qualified household. Submit copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.</p>	8/27/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-1216	10/16/2024	<p>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.</p> <p>The head of household disclosed that is owns real estate, but the asset was not verified or included in the household's gross annual income. Auditor reported that asset income was not verified.</p>	<p>The owner may complete a retroactive income certification that completely and clearly documents the sources of income and assets for all household members that were in place at the time of the initial occupancy and apply income limits in effect on the move-in date. Submit to Department for review documentation to evidence the income from the assets have been verified and included in the total household eligibility, application, executed Income Certification and lease contract. Or the owner has the option to complete a new current certification using current income and assets sources and current income limits. Submit for Department review a copy of the application(s), income and evidence the income from the assets have been verified and included in the total household eligibility, and a new Income Certification form. If the household has moved out or is not income eligible, occupy the unit or another comparable unit on the property with a new qualified household. Submit copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.</p>	8/27/2025