



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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

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October 22, 2025

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

Nick Gonzales  
DTC Warehouse District Phase II, LLC  
Houston, Texas  
[NG@civicap.com](mailto:NG@civicap.com)

RE: Warehouse District II

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 **Household above the income limit** affecting units 205, 309, 319, 216, 315 and 341. Please see attached Finding Report for details.

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](mailto:christina.thompson@tdhca.texas.gov).

Sincerely,

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

Christina Thompson  
PFC Compliance Monitor

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



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION

PFC ID: A24-101-0008  
PFC User: DTC Warehouse District Phase II LLC  
Property Name: Warehouse District II  
Address: 1702 Nance Street Houston, TX 77020

Regulatory Agreement Date: 9/1/2022  
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: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
205	11/29/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$41,667.60, which exceeds the applicable 60% AMI income limit of \$39,720.	To correct, designate unit 205 to an 80% AMI unit since their income exceeds the 60% AMI limit and lease the next available unit of comparable or smaller size to a household that income qualifies at the 60% AMI limit. Owner may survey existing vacant non-program units to replace unit 205 and reserve as a program-unit to be occupied with a household that income qualifies at 60% 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
309	11/8/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$43,844.84, which exceeds the applicable 60% AMI income limit of \$39,720.	To correct, designate unit 309 to an 80% AMI unit since their income exceeds the 60% AMI limit and lease the next available unit of comparable or smaller size to a household that income qualifies at the 60% AMI limit. Owner may survey existing vacant non-program units to replace unit 309 and reserve as a program-unit to be occupied with a household that income qualifies at 60% 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
319	10/2/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$48,230.88, which exceeds the applicable 60% AMI income limit of \$39,720.	To correct, designate unit 319 to an 80% AMI unit since their income exceeds the 60% AMI limit and lease the next available unit of comparable or smaller size to a household that income qualifies at the 60% AMI limit. Owner may survey existing vacant non-program units to replace unit 319 and reserve as a program-unit to be occupied with a household that income qualifies at 60% 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
216	10/4/2024	<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 Eatz Hospitality. 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
315	10/12/2024	<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 HISD. 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
341	11/1/2024	<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 tenant file only contains two (2) weekly pay stubs. Regulatory Agreement requires pay stubs for the most recent four-week period. Auditor reports income could not 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