



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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

Greg Abbott  
GOVERNOR

### BOARD MEMBERS

Leo Vasquez, *Chair*  
Kenny Marchant, *Vice Chair*  
Cindy Conroy, *Member*  
Anna Maria Farias, *Member*  
Holland Harper, *Member*  
Ajay Thomas, *Member*

May 26, 2025

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

Brixton Regatta Investors GP, LLC  
Solana Beach, California  
[cboone@brixtoncapital.com](mailto:cboone@brixtoncapital.com)

RE: Regatta Bay

Dear Brixton Regatta Investors GP, LLC:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Public Facility Corporation (PFC) Audit Report submitted by Sanchez Compliance & Consulting, LLC on April 11, 2025. This review was performed as required by Section 303.042 (c) of Chapter 303, the Texas Administrative Code Chapter 10, Subchapter I, and the Regulatory Agreement/Deed Restriction for Regatta Bay Apartments.

Events of noncompliance have been identified and corrective action is required. The attached Findings Report details the event(s) of noncompliance and the required corrective action. This notice begins the corrective action period. Please supply all requested documentation no later than **July 27, 2025**, the last day of the corrective action period.

If clarification is necessary to complete the corrective action, contact us as soon as possible. If it is not possible to provide the requested documentation by the corrective action period, correct as much as you can and submit a corrective action plan detailing how and when the remaining issue(s) of noncompliance will be corrected.

The Department recommends submitting a cover letter explaining the documentation submitted to address each event of noncompliance. Submit corrective action to [pfc.monitoring@tdhca.texas.gov](mailto:pfc.monitoring@tdhca.texas.gov).



If you have any questions about this monitoring report, 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 long horizontal flourish.

Christina Thompson  
PFC Monitor

CC: [juanita@sanchezcompliance.com](mailto:juanita@sanchezcompliance.com)

**Audit Report**  
Regatta Bay

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

- In accordance with Section 3(d) of the Development's Regulatory Agreement, the Development must maintain complete and accurate records pertaining to the Low-Income Units. The file sample revealed twenty-three (23) household files had the incorrect AMI designation on the Income Certification form. Please ensure all records pertaining to Low-Income units are complete and accurate.
- Auditor indicated the incorrect income and rent limits were being used by the Development. Please ensure the income and rent limits used are in accordance with the Development's Regulatory Agreement.

## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION  
PFC PROGRAM

PFC User: Brixton Regatta Investors GP, LLC

Property Name: Regatta Bay

Address: 2555 Repsдорф Rd Seabrook TX, 77586

RA Date: 11/22/2022

Audit Report Date: 4/10/2025

Program: PFC

Corrective Action Due Date: 7/27/2025

Audit Report Review Date: 5/21/2025

PROGRAM: PFC

## PROPERTY FINDINGS

Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	12/31/2023	Correction Date:
Reason	The Development's Regulatory Agreement requires at least seven (7) units be reserved for or rented to and occupied by Low Income Tenants at 30% AMI. The Development currently has five (5).	
Corrective Action	As units become available, lease units to households' with 30% 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 30% AMI. Submit copies of two (5) new move-ins etc. that have been certified at 30% AMI and a current rent roll showing at least seven (7) 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.	
Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	12/31/2023	Correction Date:
Reason	The Development's Regulatory Agreement requires at least seventeen (17) units be reserved for or rented to and occupied by Low Income Tenants at 50% AMI. The Development currently has sixteen (16).	
Corrective Action	As units become available, lease units to households' with 50% 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 50% AMI. Submit copies of one (1) new move-ins etc. that have been certified at 50% AMI and a current rent roll showing at least seventeen (17) 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.	

Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	Correction Date:
Noncompliance Date	12/31/2023	
Reason	The Development's Regulatory Agreement requires at least one-hundred twenty (120) units be reserved for or rented to and occupied by Low Income Tenants at 80% AMI. The Development currently has ninety-eight (98).	
Corrective Action	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 twenty-two (22) new move-ins etc. that have been certified at 80% AMI and a current rent roll showing at least one-hundred twenty (120) 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.	
Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	Correction Date:
Noncompliance Date	12/31/2023	
Reason	Section 3(D) 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.	
Corrective Action	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.	
Unit # 135		
Finding	Household above the income limit	Correction Date:
Noncompliance Date	12/15/2023	
Reason	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) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification.	
	The tenant file does not contain enough paystubs for the most recent four-week period as required per the Regulatory Agreement. Auditor reports income cannot be determined or verified.	
Corrective Action	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.	

Unit # 226

Finding

Household above the income limit

Noncompliance Date

12/15/2023

Correction Date:

Reason

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) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification.

The tenant file does not contain paystubs for the most recent four-week period as required per the Regulatory Agreement. All household members were not screened for income. Auditor reports income cannot be determined or verified.

Corrective Action

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.

Unit # 328

Finding

Household above the income limit

Noncompliance Date

11/15/2023

Correction Date:

Reason

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) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification.

Household is comprised of two (2) persons. Application indicates one household member is not employed but files does not include an executed zero-income form for the household member. Auditor reports income cannot be determined or verified.

Corrective Action	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.	
Unit # 426		
Finding	Household above the income limit	
Noncompliance Date	12/15/2023	Correction Date:
Reason	Annualizing the average of the paystubs for the household resulted in the household's annual gross income of \$74,804, which exceeds the applicable 80% AMI income limit of \$74,560.	
Corrective Action	To correct, designate unit 426 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 426 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.	
Unit # 612		
Finding	Household above the income limit	
Noncompliance Date	11/1/2023	Correction Date:
Reason	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) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification.	
	The household is comprised of four-persons. Only one household member's income was documented and included in the file. Auditor reports income cannot be determined as the income file is incomplete.	
Corrective Action	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.	

Unit # 628

Finding

Household above the income limit

Noncompliance Date

11/1/2023

Correction Date:

Reason

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) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification.

The household is comprised of two-persons. Application indicates household is receiving income from employment but file did not contain income documents. Auditor reports income cannot be determined as the income file is incomplete.

Corrective Action

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.

Unit # 715

Finding

Household above the income limit

Noncompliance Date

9/1/2023

Correction Date:

Reason

Annualizing the average of the paystubs for the household resulted in the household's annual gross income of \$78,036, which exceeds the applicable 80% AMI income limit of \$74,560.

Corrective Action

To correct, designate unit 715 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 715 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.

Unit # 928

Finding

Household above the income limit

Noncompliance Date

8/22/2023

Correction Date:



**Reason** 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) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification.

Application indicated tip income is received. This source of income was not verified. Auditor reports income cannot be determined.

**Corrective Action** 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.

**Unit # 1035**

**Finding**

Household above the income limit

**Noncompliance Date**

9/1/2023

**Correction Date:**

**Reason**

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) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification.

Application indicated tip income is received. This source of income was not verified. Auditor reports income cannot be determined.

**Corrective Action** 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.

**Unit # 1224**

**Finding**

Household above the income limit

**Noncompliance Date**

11/15/2023

**Correction Date:**

Reason	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) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification.		
	The household is comprised of two-persons. Application indicates household is receiving income from employment but file did not contain income documents. Auditor reports income cannot be determined as the income file is incomplete.		
Corrective Action	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.		
Unit # 1321			
Finding	Household above the income limit		
Noncompliance Date	12/15/2023	Correction Date:	
Reason	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) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification.		
	Household file contained expired income verifications for Social Security Benefits and pension. Verification for child support income was not provided. Auditor reports income cannot be determined as the income file is incomplete.		
Corrective Action	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.		