



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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

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January 10, 2025

*Writer's direct phone # (512) 475-3907  
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Bianca Fuqua  
San Antonio, Texas  
[bfuqua@placemakr.com](mailto:bfuqua@placemakr.com)

RE: The '68 Apartments

Dear Area Real Estate LLC:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Public Facility Corporation (PFC) Audit Report submitted by Celine M. Williams Services on December 10, 2024. 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 Hemisfair Park Area Redevelopment Corporation.

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 **March 11, 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 the initials 'CT' followed by a flourish.

Christina Thompson  
PFC Monitor

CC: [celine.williams2122@gmail.com](mailto:celine.williams2122@gmail.com)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION  
PFC PROGRAM

PFC User: Area Real Estate LLC  
Property Name: 1968 Hemisfair  
Address: 623 Hemisfair Blvd., San Antonio, TX

Audit Report Date: 10/21/2024  
Program: PFC

Corrective Action Due Date: 3/11/2025

Audit Report Review Date: 1/10/2025

PROGRAM: PFC

PROPERTY FINDINGS

Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	12/10/2024	Correction Date:
Reason	In addition to the Mixed-Income Housing Requirement, the Ground Lease includes a Public Facility Workforce Housing Requirement. This requirement states that at least fifty percent (50%) of the units are reserved for occupancy by individuals and families earning less than eighty percent (80%) AMI. A unit may simultaneously count towards both the Mixed-Income Requirement and the Public Facility Workforce Housing Requirement. The Development is comprised of one hundred and fifty-five (155) total units, which seventy-eight (78) are required to be income restricted at eighty percent (80%) AMI. The Audit Report indicates that eighty-four (84) units are restricted but fails to specify the restricted AMI percentage, therefore the Department is unable to establish compliance with the Ground Lease.	
Corrective Action	Submit for Department review the amount of units restricted below eighty percent (80%) AMI. If there are less than seventy-eight (78) units restricted below 80%, as units become available, lease units to households' with 80% AMI or less until the occupancy requirements of the Ground Lease 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 new move-ins or current households that have been certified at 80% AMI and a current rent roll showing at least amount seventy-eight (78) units are restricted at or below 80%. 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	12/10/2024	Correction Date:
Reason	The Development's Ground Lease requires at least 2 units income restricted between 90%AMI - 100%AMI. The Development currently only has zero (0) units restricted at this AMI range.	

Corrective Action As market units become available, lease units to households' with 90% AMI - 100% AMI until the occupancy requirements of the Ground Lease have been met. The owner may also survey existing market rate households and certify them if their income is between 90% AMI - 100% AM. Submit copies two (2) new move-ins etc. that have been certified between 90% AMI - 100% AMI and a current rent roll showing at least amount 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.

Unit # 203

Finding Gross rent not determined as directed under the Ground Lease  
 Noncompliance Date 12/21/2023 Correction Date:  
 Reason The Ground Lease requires rent be restricted at or below 25% of the household income. Auditor was unable to establish household income and therefore unable to determine if rent was restricted.

Corrective Action Submit documentation demonstrating household income at the time of initial occupancy. If unable to submit complete documentation of household income at the time of occupancy, certify under current circumstances and adjust household rent to comply to Ground Lease requirements. Submit to the Department for review: application, verification of income and assets and Income Certification.

If rent is not currently restricted at or below 25% of household income, reduce rent, notify tenant of rent reduction, give tenant an option to credit account or receive full refund for any overpayment of rent. Submit documentation evidencing household income, reduction of rent, proof of tenant notification, tenant election and check issued to tenant or proof of credit on the account.

Unit # 209

Finding Gross rent not determined as directed under the Ground Lease  
 Noncompliance Date 1/24/2024 Correction Date:  
 Reason The Ground Lease requires rent be restricted at or below 25% of the household income. Auditor was unable to establish household income and therefore unable to determine if rent was restricted.

Corrective Action Submit documentation demonstrating household income at the time of initial occupancy. If unable to submit complete documentation of household income at the time of occupancy, certify under current circumstances and adjust household rent to comply to Ground Lease requirements. Submit to the Department for review: application, verification of income and assets and Income Certification.

If rent is not currently restricted at or below 25% of household income, reduce rent, notify tenant of rent reduction, give tenant an option to credit account or receive full refund for any overpayment of rent. Submit documentation evidencing household income, reduction of rent, proof of tenant notification, tenant election and check issued to tenant or proof of credit on the account.

Unit # 508

Finding Gross rent not determined as directed under the Ground Lease  
 Noncompliance Date 10/6/2023 Correction Date:  
 Reason The Ground Lease requires rent be restricted at or below 25% of the household income. Auditor was unable to establish household income and therefore unable to determine if rent was restricted.

Corrective Action Submit documentation demonstrating household income at the time of initial occupancy. If unable to submit complete documentation of household income at the time of occupancy, certify under current circumstances and adjust household rent to comply to Ground Lease requirements. Submit to the Department for review: application, verification of income and assets and Income Certification.

If rent is not currently restricted at or below 25% of household income, reduce rent, notify tenant of rent reduction, give tenant an option to credit account or receive full refund for any overpayment of rent. Submit documentation evidencing household income, reduction of rent, proof of tenant notification, tenant election and check issued to tenant or proof of credit on the account.

Unit # 603

Finding Gross rent not determined as directed under the Ground Lease  
 Noncompliance Date 1/22/2024 Correction Date:

Reason The Ground Lease requires rent be restricted at or below 25% of the household income. Auditor was unable to establish household income and therefore unable to determine if rent was restricted.

Corrective Action Submit documentation demonstrating household income at the time of initial occupancy. If unable to submit complete documentation of household income at the time of occupancy, certify under current circumstances and adjust household rent to comply to Ground Lease requirements. Submit to the Department for review: application, verification of income and assets and Income Certification.

If rent is not currently restricted at or below 25% of household income, reduce rent, notify tenant of rent reduction, give tenant an option to credit account or receive full refund for any overpayment of rent. Submit documentation evidencing household income, reduction of rent, proof of tenant notification, tenant election and check issued to tenant or proof of credit on the account.

Unit # 704

Finding Gross rent not determined as directed under the Ground Lease  
 Noncompliance Date 4/1/2024 Correction Date:

Reason The Ground Lease requires rent be restricted at or below 25% of the household income. Auditor was unable to establish household income and therefore unable to determine if rent was restricted.

Corrective Action Submit documentation demonstrating household income at the time of initial occupancy. If unable to submit complete documentation of household income at the time of occupancy, certify under current circumstances and adjust household rent to comply to Ground Lease requirements. Submit to the Department for review: application, verification of income and assets and Income Certification.

If rent is not currently restricted at or below 25% of household income, reduce rent, notify tenant of rent reduction, give tenant an option to credit account or receive full refund for any overpayment of rent. Submit documentation evidencing household income, reduction of rent, proof of tenant notification, tenant election and check issued to tenant or proof of credit on the account.

Unit # 810

Finding Gross rent not determined as directed under the Ground Lease  
 Noncompliance Date 12/31/2022 Correction Date:

Reason The Ground Lease requires rent be restricted at or below 25% of the household income. Auditor was unable to establish household income and therefore unable to determine if rent was restricted.

Corrective Action

Submit documentation demonstrating household income at the time of initial occupancy. If unable to submit complete documentation of household income at the time of occupancy, certify under current circumstances and adjust household rent to comply to Ground Lease requirements. Submit to the Department for review: application, verification of income and assets and Income Certification.

If rent is not currently restricted at or below 25% of household income, reduce rent, notify tenant of rent reduction, give tenant an option to credit account or receive full refund for any overpayment of rent. Submit documentation evidencing household income, reduction of rent, proof of tenant notification, tenant election and check issued to tenant or proof of credit on the account.