

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
8625 WINKLER DRIVE HOUSTON LLC	§	TEXAS DEPARTMENT OF
WITH RESPECT TO	§	HOUSING AND COMMUNITY
THE LIFE AT STERLING WOODS	§	AFFAIRS
(HTC FILE # 04478 / CMTS # 4176)	§	

AGREED FINAL ORDER

General Remarks and official action taken:

On this 6th day of March, 2025, the Governing Board (“Board”) of the Texas Department of Housing and Community Affairs (“TDHCA” or “Department”) considered the matter of whether enforcement action should be taken against **8625 WINKLER DRIVE HOUSTON LLC**, a Delaware limited liability company (“Respondent”).

This Agreed Order is executed pursuant to the authority of the Administrative Procedure Act (“APA”), Tex. Gov’t Code §2001.056, which authorizes the informal disposition of contested cases. In a desire to conclude this matter without further delay and expense, the Board and Respondent agree to resolve this matter by this Agreed Final Order. The Respondent agrees to this Order for the purpose of resolving this proceeding only and without admitting or denying the findings of fact and conclusions of law set out in this Order.

Upon recommendation of the Enforcement Committee, the Board makes the following findings of fact and conclusions of law and enters this Order:

WAIVER

Respondent acknowledges the existence of their right to request a hearing as provided by Tex. Gov’t Code §2306.044, and to seek judicial review, in the District Court of Travis County, Texas, of any order as provided by Tex. Gov’t Code §2306.047. Pursuant to this compromise and settlement, the Respondent waives those rights and acknowledges the jurisdiction of the Board over Respondent.

FINDINGS OF FACT (FOF)

Jurisdiction:

1. During 2004, Winkler Senior Housing, Limited Partnership (Prior Owner) was awarded an allocation of Low Income Housing Tax Credits by the Board to build and operate The Life at Sterling Woods (Property) (HTC File No. 04478 / CMTS No. 4176).

2. Prior Owner signed a land use restriction agreement (LURA) regarding the Property. The LURA was effective September 15, 2008, and filed of record on March 4, 2009, at Document Number 20090089476 of the Official Public Records of Real Property of Harris County, Texas (Records), as amended by a First Amendment executed on August 10, 2010, and filed in the Records at Document Number 20100421507 on October 1, 2010. In accordance with Section 2 of the LURA, the LURA is a restrictive covenant/deed restriction encumbering the Property and binding on all successors and assigns for the full term of the LURA.
3. Respondent is subject to the regulatory authority of TDHCA.

Compliance Violations¹:

4. An on-site monitoring review was conducted on March 28, 2024, to determine whether Respondent was in compliance with LURA requirements to lease units to low-income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. Notifications of noncompliance were sent and an August 7, 2024, corrective action deadline was set. Partial corrective documentation was submitted on August 7, 2024, and the Department set a 10-day cure date of October 14, 2024, to address the remaining noncompliance. Additional documentation was received on October 14, 2024, however, the following violations remained uncorrected and were referred for an administrative penalty on December 6, 2024:
 - a. Respondent collected gross rents that exceeded income limits for units 1203, 2109, and 3122 as a result of an improperly calculated utility allowance. TDHCA publishes maximum rent limits for the tax credit program annually, and owners are responsible for ensuring that the maximum rents that they charge include the amount of rent paid by the household, plus an allowance for utilities, plus any mandatory fees. Exceeding the maximum rent is a violation of 10 TAC §10.622 (Special Rules Regarding Rents and Rent Limit Violations). It is also a violation of 26 C.F.R § 1.42-11, as interpreted by the IRS Guide for Completing Form 8823, Chapter 11, Category 11g, which stipulates that all required costs or fees be included in the rent computation. Final documentation to correct this violation was submitted on January 6, 2025.
5. The Department received a complaint regarding a nonfunctional elevator in Building 4. A nonfunctional elevator is a National Standards for the Physical Inspection of Real Estate (NSPIRE) violation under 10 TAC § 10.621 (Property Condition Standards). This elevator is part of the accessible route and is, therefore, also an accessibility violation under the Fair Housing Accessibility Standards, Tex. Gov't Code §§2306.6722 and 2306.6730, 10 TAC §§1.201-1.212 (Accessibility Rules), and Appendix A of the LURA. The Department

¹ Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TAC Chapter 10 refers to the versions of the code in effect at the time of the compliance monitoring reviews and/or inspections that resulted in recording each violation. All past violations remain violations under the current code and all interim amendments.

issued a notification of noncompliance on November 14, 2024, setting a corrective action deadline of November 24, 2024. The TDHCA Compliance Division referred the noncompliance for an administrative penalty on December 5, 2024. The elevator was restored to service on February 18, 2025.

6. All violations listed above are considered resolved at the time of this Order.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503 and 10 TAC Chapter 2.
2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).
3. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance.
4. Pursuant to Tex. Gov't Code Chapter 2306, Subchapter DD and Tex. Gov't Code §2306.185, TDHCA is authorized to make Housing Tax Credit Allocations for the State of Texas and is required to monitor to ensure compliance.
5. Respondent violated 10 TAC §10.622 and 26 C.F.R § 1.42-11 in 2024 by charging rents that exceeded income limits for three units as a result of a utility allowance miscalculation.
6. Respondent violated 10 TAC § 10.621, Fair Housing Accessibility Standards, Tex. Gov't Code §§2306.6722 and 2306.6730, 10 TAC §§1.201-1.212, and Appendix A of the LURA, in 2024 due to a nonfunctioning elevator.²
7. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to Tex. Gov't Code §2306.041 and Tex. Gov't Code §2306.267.
8. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.
9. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code §2306.053 and has violated agreements with the Agency to which Respondent is a

² HUD's NSPIRE is the inspection standard adopted by TDHCA pursuant to 10 TAC 10.621(a).

party, the Agency may impose an administrative penalty pursuant to Tex. Gov't Code §2306.041.

10. An administrative penalty of \$12,000.00 is an appropriate penalty in accordance with 10 TAC Chapter 2.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of the factors set forth in Tex. Gov't Code §2306.042 to be considered in assessing such penalties as applied specifically to the facts and circumstances present in this case, the Governing Board of the Texas Department of Housing and Community Affairs orders the following:

IT IS HEREBY ORDERED that Respondent is assessed an administrative penalty in the amount of \$12,000.00.

IT IS FURTHER ORDERED that Respondent shall pay and is hereby directed to pay the \$12,000.00 administrative penalty by cashier's check payable to the "Texas Department of Housing and Community Affairs" on or before April 7, 2025, to the following address:

If via overnight mail (FedEx, UPS):	If via USPS:
TDHCA Attn: Ysella Kaseman 221 E 11 th St Austin, Texas 78701	TDHCA Attn: Ysella Kaseman P.O. Box 13941 Austin, Texas 78711

IT IS FURTHER ORDERED that Respondent shall follow the requirements of [10 TAC §10.406](#), and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

IT IS FURTHER ORDERED that the terms of this Agreed Final Order shall be published on the TDHCA website.

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Approved by the Governing Board of TDHCA on March 6, 2025.

By: _____

Name: Leo Vasquez

Title: Chair of the Board of TDHCA

By: _____

Name: James "Beau" Eccles

Title: Secretary of the Board of TDHCA

THE STATE OF TEXAS §

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COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 6th day of March, 2025, personally appeared Leo Vasquez, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

THE STATE OF TEXAS §

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COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 6th day of March, 2025, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF _____ §

BEFORE ME, _____ (*notary name*), a notary public in and for the State of _____ on this day personally appeared Ian Bel, known to me or proven to me through circle one: personally known / driver's license / passport to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, who being by me duly sworn, deposed as follows:

1. "My name is Ian Bel, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I hold the office of _____ for Respondent. I am the authorized representative of Respondent, owner of the Property, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized by Respondent to execute this document.
3. The Taxpayer ID for Respondent is _____.
4. The mailing address for Respondent is _____.
5. Respondent knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Governing Board of the Texas Department of Housing and Community Affairs."

RESPONDENT:

8625 WINKLER DRIVE HOUSTON LLC, a Delaware limited liability company

OLIVE TREE MULTIFAMILY MANAGER II, LLC, a Delaware limited liability company, its manager

By: _____

Name: Ian Bel

Title: Manager and Sole Member

Given under my hand and seal of office this _____ day of _____, 2025.

Signature of Notary Public

Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____
My Commission Expires: _____