



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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January 8, 2025

*Writer's direct phone # (512) 475-3907  
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Azure Apartments LLC  
Houston, Texas  
[assetmanagement@morgangroup.com](mailto:assetmanagement@morgangroup.com)

RE: Azure Apartments

Dear Azure Apartments LLC

The Texas Department of Housing and Community Affairs (Department) has reviewed the Public Facility Corporation (PFC) Audit Report submitted by Novogradac & Company LLP on December 13, 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 Azure Houston Apartment Complex.

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 9, 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: [Stephanie.Naquin@novoco.com](mailto:Stephanie.Naquin@novoco.com)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION  
PFC PROGRAM

PFC User: Azure Apartments LLC  
Property Name: Azure  
Address: 1111 Durham Drive, Houston TX 77007

Audit Report Date: 12/6/2024  
Program: PFC

Corrective Action Due Date: 3/9/2025

Audit Report Review Date: 12/30/2024

PROGRAM: PFC

PROPERTY FINDINGS

Unit # 429

Finding Failure to comply with the Public Facility Corporation Regulatory Agreement

Noncompliance Date 11/8/2023

Correction Date:

Reason In accordance with the Regulatory Agreement, Section 3(c), annual Income Certification with verification of income must be obtained by the household's anniversary date (occupancy date of the unit) and no less than once in a 12-month period. Unit number 429 moved in 11/8/2022, and a new Income Certification with verifications has not been completed as required.

Corrective Action To correct, complete annual Income Certification with verifications and submit to the Department for review. Submit the following documentation for review: application, verification of income/assets and an executed Income Certification form.

Unit # 517

Finding Failure to comply with the Public Facility Corporation Regulatory Agreement

Noncompliance Date 12/8/2023

Correction Date:

Reason In accordance with the Regulatory Agreement, Section 3(c), annual Income Certification with verification of income must be obtained by the household's anniversary date (occupancy date of the unit) and no less than once in a 12-month period. Unit number 517 moved in 12/8/2022, and a new Income Certification with verifications has not been completed as required.

Corrective Action To correct, complete annual Income Certification with verifications and submit to the Department for review. Submit the following documentation for review: application, verification of income/assets and an executed Income Certification form.

Unit # 412

Finding Householed above the income limit upon initial occupancy  
Noncompliance Date 9/26/2023 Correction Date:  
Reason The average of the most recent paystubs for the household result in the household's income exceeding the applicable 60% income limit at move-in.  
Corrective Action When the unit becomes available occupy with an eligible household and submit the following documentation to the Department for review: application, verification of income and assets, executed Income Certification. If the households circumstances have changed they may be qualified using current income limits. If qualifying the household under current circumstances please submit the following for Department review: application, verification of income and assets, and executed Income Certification.

Unit # 529

Finding Householed above the income limit upon initial occupancy  
Noncompliance Date 9/21/2023 Correction Date:  
Reason Paystubs for the tenant support a recent pay raise. The inclusion of the additional income results in the household's income exceeding the applicable 60% limit at move-in.  
Corrective Action When the unit becomes available occupy with an eligible household and submit the following documentation to the Department for review: application, verification of income and assets, executed Income Certification. If the households circumstances have changed they may be qualified using current income limits. If qualifying the household under current circumstances please submit the following for Department review: application, verification of income and assets, and executed Income Certification.

Finding Failure to comply with §10.1103(1)  
Noncompliance Date 12/6/2024 Correction Date:  
Reason An Audit Report from an Auditor must be submitted to the Department annually. This submission will satisfy the requirements by demonstrating eligibility to continue under the former law, but must fully address the requirements of identifying the difference in rent charged for income-restricted residential units and the estimated maximum market rents that could be charged for those units without the rent and income restrictions.  
The Audit Report submitted to the Department did not contain the comparison of the restricted rent to the estimated market rent on Tab 7 of the Audit Report.  
Corrective Action Submit the comparison of the restricted rent to the estimated market rent for each unit identified in Tab 7.