



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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

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January 16, 2025

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

RE: Caroline Uptown West

Dear Morgan Group:

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 Caroline Uptown West .

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 17, 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' with a long horizontal flourish extending to the right.

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: Morgan Group  
Property Name: Caroline Uptown West  
Address: 7600 Highmeadow Dr, Houston, TX 77063

Audit Report Date: 12/11/2024  
Program: PFC

Corrective Action Due Date: 3/17/2025

Audit Report Review Date: 1/2/2025

PROGRAM: PFC

PROPERTY FINDINGS

Unit # 1054

Finding Household above the income limit upon initial occupancy  
Noncompliance Date 10/19/2023 Correction Date:  
Reason Annualizing the average of the most recent paystubs for the household result in the household's income exceeding the applicable 80% 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 # 1032

Finding Failure to comply with the Public Facility Corporation Regulatory Agreement  
Noncompliance Date 12/2/2023 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 1032 moved in 12/2/2022, 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 # 2082

Finding

Household above the income limit upon initial occupancy.

Noncompliance Date

10/24/2023

Correction Date:

Reason

Auditor unable to establish eligibility as the request file was not submit for review.

Corrective Action

Submit the complete tenant file for Department review including: application, verification of income and assets, executed Income Certification or Exhibit D, and Lease Contract.

Finding

Failure to comply with §10.1104(a)

Noncompliance Date

12/11/2023

Correction Date:

Reason

Audit requirements under §10.1104(a) require the file sample size of Restricted Units primarily be new move-ins but also contain/include at least ten percent (10%) sample of all household files that have recertified.

The rent roll provided has an end date of 12/11/2023. The sample size submitted to the Department did not contain at least ten percent (10%) sample of recertified household files that occurred within the rent roll's effective period.

Corrective Action

Submit the complete file for one additional restricted unit the occurred within the rent roll's effective period for Department review. The submission should include the initial and renewal application, verification of income and assets and an executed Income Certification.