



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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January 10, 2025

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

Caroline on Voss, LLC
Houston, Texas
assetmanagement@morgangroup.com

RE: Caroline on Voss

Dear Caroline on Voss:

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 on Voss.

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.



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.

Sincerely,

A handwritten signature in black ink, appearing to be 'CT' followed by a flourish.

Christina Thompson
PFC Monitor

CC: Stephanie.Naquin@novoco.com

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION
PFC PROGRAM

PFC User: Caroline on Voss, LLC
Property Name: Caroline on Voss
Address: 2525 S Voss Rd, Houston, TX 77057

Audit Report Date: 12/6/2023
Program: PFC

Corrective Action Due Date: 3/11/2025

Audit Report Review Date: 12/31/2024

PROGRAM: PFC

PROPERTY FINDINGS

Unit # 306

Finding Failure to comply with the Public Facility Corporation Regulatory Agreement
Noncompliance Date 10/31/2023 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 every 12-month period. Unit number 306 moved in 10/31/2022, 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 # 432

Finding Failure to comply with the Public Facility Corporation Regulatory Agreement
Noncompliance Date 10/26/2023 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 every 12-month period. Unit number 432 moved in 10/26/2022, 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 # 166

Finding

Noncompliance Date

Gross rent exceeds the highest rent allowed under the Regulatory Agreement

11/9/2023

Correction Date:

Reason

Unit #166 is designated as 60% AMI . The household's rent of \$1,125 exceeds the 60% AMI rent limit of \$1,119 for a 1- bedroom unit.

Corrective Action

To correct, reduce the household's rent to \$1,119 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household's rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).

Unit # 306

Finding

Noncompliance Date

Gross rent exceeds the highest rent allowed under the Regulatory Agreement

11/30/2022

Correction Date:

Reason

Unit #306 is designated as 80% AMI . The household's rent of \$2,400 exceeds the 80% AMI rent limit of \$1,442 for a 1- bedroom unit.

Corrective Action

To correct, reduce the household's rent to \$1,442 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household's rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).

Unit # 219

Finding

Noncompliance Date

Householed above the income limit upon initial occupancy

7/23/2023

Correction Date:

Reason

Annualizing 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 # 272

Finding

Noncompliance Date

Householed above the income limit upon initial occupancy

8/16/2023

Correction Date:

Reason

Annualizing 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 # 215

Finding Failure to comply with the Public Facility Corporation Regulatory Agreement

Noncompliance Date 12/29/2023

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.

Department unable to establish eligibility. The tenant file for unit 215 does not contain pay stubs from the most current four-week-period. Only two weeks of income was provided.

Corrective Action To correct, submit for Department review the income from the time of initial occupancy, and an updated Income Certification, if needed. If unable to verify income from the time of initial occupancy, the household may be certified under current circumstances using current income limits. If verifying under current circumstances, please provide the following for Department review: application, verification of income/assets, and executed Income Certification. If the household remains ineligible, when the unit becomes available lease to a qualified household and submit the following for Department review: application, verification of income/assets and, executed Income Certification and the lease contract.

Unit # 418

Finding Failure to comply with the Public Facility Corporation Regulatory Agreement

Noncompliance Date 10/26/2023

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.

Department unable to establish eligibility. The tenant file for unit 418 does not contain pay stubs from the most current four-week-period. Only two weeks of income was provided.

Corrective Action To correct, submit for Department review the income from the time of initial occupancy, and an updated Income Certification, if needed. If unable to verify income from the time of initial occupancy, the household may be certified under current circumstances using current income limits. If verifying under current circumstances, please provide the following for Department review: application, verification of income/assets, and executed Income Certification. If the household remains ineligible, when the unit becomes available lease to a qualified household and submit the following for Department review: application, verification of income/assets and, executed Income Certification and the lease contract.

Unit # 439

Finding
Noncompliance Date
Reason

Failure to comply with the Public Facility Corporation Regulatory Agreement
11/28/2023

Correction Date:

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.

Department unable to establish eligibility. The tenant file for unit 439 does not contain pay stubs from the most current four-week-period. Paystubs used in the calculation are from 12/26/2022.

Corrective Action

To correct, submit for Department review the income from the time of initial occupancy, and an updated Income Certification, if needed. If unable to verify income from the time of initial occupancy, the household may be certified under current circumstances using current income limits. If verifying under current circumstances, please provide the following for Department review: application, verification of income/assets, and executed Income Certification. If the household remains ineligible, when the unit becomes available lease to a qualified household and submit the following for Department review: application, verification of income/assets and, executed Income Certification and the lease contract.

Finding
Noncompliance Date
Reason

Failure to comply with §10.1103(1)
12/6/2024

Correction Date:

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.

Finding
Noncompliance Date
Reason

Failure to comply with §10.1104(a)
12/6/2024

Correction Date:

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 sample size submitted to the Department did not contain at least ten percent (10%) sample of recertified household files.

Corrective Action

Submit the complete file for three (3) additional restricted units for Department review. The submission should include the initial and renewal applications, verification of income and assets and an executed Income Certifications.