



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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March 1, 2025

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

The NRP Group
Cleveland, Ohio
info@nrpgroup.com

RE: The Exchange

Dear The NRP Group:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Public Facility Corporation (PFC) Audit Report submitted by Murphy HTC, LLC on January 15, 2025. 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 Red Line Station Apartments.

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 **April 30, 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 long horizontal flourish.

Christina Thompson
PFC Monitor

CC: patricia@murphyhtc.com

Audit Report
The Exchange

The Texas Department of Housing and Community Affairs provides the following Technical Assistance:

- Annual Income Certifications as described in Section 3(c) of the Development's Regulatory Agreement, must be obtained on the anniversary of such Low-Income Household's occupancy of the unit, and in no event less than once in every 12-month period following each Low-Income Household's occupancy of a unit. The file sample revealed six (6) household files where the income certification was conducted after the anniversary date. Ensure all recertifications are completed in accordance with the Regulatory Agreement to maintain compliance.
- In accordance with Section 3(f) of the Development's Regulatory Agreement, each lease for a Low-Income Unit must include a provision stating that the Operator based the tenant's eligibility on the Income Certification and supporting information provided by the tenant and that any material misrepresentation is found, may cause for immediate termination of the lease or rental agreement. The lease must also disclose that the tenant's income will be reviewed annually. The file sample revealed two (2) household files where the Lease Addendum was not provided to the Auditor for review and the language required could not be verified. Ensure all required language as outlined in the Regulatory Agreement is included in all Low-Income Tenant lease contracts to ensure compliance with the Regulatory Agreement.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION
PFC PROGRAM

PFC User: The NRP Group
 Property Name: The Exchange
 Address: 1250 Leona Street, Houston, TX 77009
 RA Date: 10/18/2019

Audit Report Date: 1/7/2025
 Program: PFC

Corrective Action Due Date: 4/30/2025

Audit Report Review Date: 2/24/2025

PROGRAM: PFC

PROPERTY FINDINGS

Unit # 2303

Finding Household above the income limit upon initial occupancy
 Noncompliance Date 2/3/2023 Correction Date:
 Reason Income documentation reveals tip income was being received but was not included in the initial income calculation. The inclusion of the additional income results in the household's annual gross income of \$83,955 which exceeds the applicable 80% AMI income limit of \$72,080.

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 # 1121

Finding Household above the income limit
 Noncompliance Date 7/29/2023 Correction Date:
 Reason Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$85,847 which exceeds 100% of the applicable renewal income limit of \$74,560 but is below 120% of the applicable income limit.

In accordance with the Regulatory Agreement, the Next Available Unit Rule must be followed in the event a tenant's income falls between 100% to 120% of the applicable income limit.

Corrective Action To correct, designate unit 1121 to an non-program unit since their income exceeds the renewal limit and lease the next available unit of comparable or smaller size to a household that income qualifies at the 80% AMI limit. Owner may survey existing vacant non-program units to replace unit 1121 and hold vacant as an available program-unit for immediate occupancy by a household that income qualifies at 80% AMI. Submit documentation to the Department that the unit is vacant and a statement that it is reserved to be occupied by a Low-Income Household. Or if the household's circumstances have changed, the owner may certify them under current circumstances using current income limits. If verifying under current circumstances, submit a copy of the household file, application, verification of income and assets, executed Income Certification and lease agreement.

Unit # 1427

Finding

Household above the income limit

Noncompliance Date

10/9/2023

Correction Date:

Reason

Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$76,674 which exceeds the applicable renewal income limit of \$74,560.

In accordance with the Regulatory Agreement, the Next Available Unit Rule must be followed in the event a tenant's income falls between 100% to 120% of the applicable income limit.

Corrective Action

To correct, designate unit 1427 to an non-program unit since their income falls between the 100% to 120% of the applicable income limit and lease the next available unit of comparable or smaller size to a household that income qualifies at the 80% AMI limit. Owner may survey existing vacant non-program units to replace unit 1427 and hold vacant as an available program-unit for immediate occupancy by a household that income qualifies at 80% AMI. Submit documentation to the Department that the unit is vacant and a statement that it is reserved to be occupied by a Low-Income Household. Or if the household's circumstances have changed, the owner may certify them under current circumstances using current income limits. If verifying under current circumstances, submit a copy of the household file, application, verification of income and assets, executed Income Certification and lease agreement.

Unit # 3116

Finding

Failure to comply with the Public Facility Corporation Regulatory Agreement

Noncompliance Date

4/1/2023

Correction Date:

Reason

In Accordance with Section 3(c) of the Development's Regulatory Agreement, annual Income Certifications must be obtained on the anniversary of such Low-Income Household's occupancy of the unit, and in no event less than once in every 12-month period following each Low-Income Tenant's occupancy of a unit. The Development's Regulatory Agreement requires the Exhibit-D, form be completed as part of the Income Certification.

Auditor reports the Exhibit-D form was not completed for the annual income certification.

Corrective Action

To correct, have the tenant complete and execute the Exhibit-D form and submit the following for Department review: application, verification of income and assets, executed Exhibit-D form and lease contract.

Unit # 3209

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 Development's Regulatory Agreement, annual Income Certifications must be obtained on the anniversary of such Low-Income Household's occupancy of the unit, and in no event less than once in every 12-month period following each Low-Income Tenant's occupancy of a unit. The Development's Regulatory Agreement requires the Exhibit-D, form be completed as part of the Income Certification.	
	Auditor reports the Exhibit-D form was not completed for the annual income certification.	
Corrective Action	To correct, have the tenant complete and execute the Exhibit-D form and submit the following for Department review: application, verification of income and assets, executed Exhibit-D form and lease contract.	