



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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August 13, 2025

Writer's direct phone # (512) 475 -3907
Email: christina.thompson@tdhca.texas.gov

Azure Apartments LLC
Houston, Texas
assetmanagement@morgangroup.com

RE: Azure

Dear Azure Apartments LLC:

The Texas Department of Housing and Community Affairs (Department) received documentation on March 3, 2025 addressing the noncompliance identified during the review of the Audit Report submitted by Novogradac & Company LLP on December 13, 2024. Corrective action was due on March 7, 2025.

The documentation submitted was sufficient to correct the noncompliance related to **Failure to comply with the Public Facility Corporation Regulatory Agreement** affecting units 429 and 517, **Household above the income limit upon initial occupancy** affecting units 412 and 529. Please see attached Finding Report for details.

The noncompliance related to **Failure to comply with §10.1103(1)** has been dropped.

Please note, the noncompliance outlined above is considered corrected during the corrective action period.

The Department considers this review closed. The next annual Audit Report is due June 1, 2026, for reporting year ending December 31, 2025.



If you have any questions, 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

Corrective Action Report
Azure Apartment

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

- The documentation provided by the Development shows that the new tenant in unit 529 exceeds the 60% AMI limit but falls below the 80% AMI limit. Going forward, please indicate when a unit is converted from a 60% AMI designation to an 80% AMI designation and provide documentation showing the impact of this change on the Development's current set-aside. The Department acknowledges that the required 60% AMI set-aside has been met and considers the noncompliance related to unit 529 resolved.

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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: 3/3/2025
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: 3/3/2025
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: 3/3/2025

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: 3/3/2025

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.