



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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April 23, 2025

Writer's direct phone # (512) 475 -4065
Email: Shay.Erickson@tdhca.texas.gov

Richmond Uptown Owner, LP
Houston, Texas
assetmanagement@morgangroup.com

RE: Richmond Uptown

Dear Richmond Uptown Owner:

The Texas Department of Housing and Community Affairs (Department) received documentation on March 11, 2025, addressing the noncompliance identified during the review of the Audit Report submitted by Novogradac & Company, LLP on December 6, 2024. Corrective action was due on March 22, 2025.

The documentation submitted was sufficient to correct the noncompliance related to the following findings: **Household above the income limit upon initial occupancy** affecting unit 4021, **Failure to comply with the Public Facility Corporations Regulatory Agreement** affecting unit 3079, **Failure to comply with §10.1103(1)**, and **§10.1104(a)**. Please see attached Finding Report for details.

Please note, in accordance with the Department's PFC rule and the Texas Local Government Code Chapter 303, the Department will not accept or review any additional corrective action documentation resulting from this audit submission.

The next Audit report is due June 1, 2025, for reporting year ending December 31, 2024.



If you have any questions, please contact Shay Erickson toll free in Texas at (800) 643-8204, directly at (512) 475-4065, or email: shay.erickson@tdhca.texas.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Shay Erickson', with a long horizontal line extending to the right.

Shay Erickson
PFC Monitor

CC: stephanie.naquin@novoco.com

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION
PFC PROGRAM

PFC User: Richmond Uptown Owner, LP
Property Name: Richmond Uptown
Address: 5455 Richmond Ave., Houston, TX 77056
RA Date: May 26, 2022

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

Corrective Action Due Date: 3/22/2025

Audit Report Review Date: 1/21/2025

PROGRAM: PFC

PROPERTY FINDINGS

Unit # 4021

Finding Household above the income limit upon initial occupancy.
Noncompliance Date 10/1/2023 Correction Date: 3/22/2025
Reason Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$63,438.72, which exceeds the applicable 80% AMI income limit of \$59,680.

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 # 3079

Finding Failure to comply with the Public Facility Corporation Regulatory Agreement
Noncompliance Date 12/7/2023 Correction Date: 3/22/2025
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 3079 moved in 12/7/2022, 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.

Finding	Failure to comply with §10.1103(1)	
Noncompliance Date	12/6/2024	Correction Date: 3/22/2025
Reason	<p>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.</p> <p>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.</p>	
Corrective Action	Submit the comparison of the restricted rent to the estimated market rent for each unit identified in Tab 7.	

Finding	Failure to comply with §10.1104(a)	
Noncompliance Date	12/6/2024	Correction Date: 3/22/2025
Reason	<p>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.</p> <p>The sample size submitted to the Department did not contain at least ten percent (10%) sample of recertified household files.</p>	
Corrective Action	Submit the complete file for four (4) additional restricted units for Department review. The submission should include the initial and renewal application, verification of income and assets and an executed Income Certification.	