



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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May 6, 2025

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

Karla Hill  
Bridge Partners  
Walnut Creek, California  
[hill@bridgepartners.com](mailto:hill@bridgepartners.com)

RE: The Carlton

Dear Karla Hill:

The Texas Department of Housing and Community Affairs (Department) received documentation on March 17, 2025, addressing the noncompliance identified during the review of the Audit Report submitted by Auxano Development on December 16, 2024. Corrective action was due on March 17, 2025.

The documentation submitted was sufficient to correct the noncompliance related to the **Failure to comply with the Public Facility Corporation Regulatory Agreement** for the lease provision for Low-Income units. Please see attached Finding Report for details.

The documents submitted do not correct the following findings:

- **Failure to comply with the Public Facility Corporation Regulatory Agreement** affecting unit #6102. The Development advised the tenant of unit #6102 no longer occupies the unit and the requested income documents could not be obtained. The Development submitted income documents for unit #4203 as a replacement. Unit #4203 was included in the original audit sample and cannot be used to replace unit #6102. Finding remains uncorrected.

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](mailto:shay.erickson@tdhca.texas.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'Shay Erickson', followed by a long horizontal flourish line.

Shay Erickson  
PFC Monitor

CC: [darren.smith@auxanodevelopment.com](mailto:darren.smith@auxanodevelopment.com)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION  
PFC PROGRAM

PFC User: Bridge-Carlton LP  
Property Name: The Carlton  
Address: 3805 West Alabama Street, Houston, Texas 77027  
RA Date: October 4, 2022

Audit Report Date: 12/16/2025  
Program: PFC

Corrective Action Due Date: 3/17/2025

Audit Report Review Date: 1/13/2025

PROGRAM: PFC

PROPERTY FINDINGS

|                    |   |                              |
|--------------------|---|------------------------------|
| Finding            | Failure to comply with the Public Facility Corporation Regulatory Agreement   |                              |
| Noncompliance Date | 12/1/2023   | Correction Date: 3/17/2025   |
| Reason             | Section 2(f) of the Development's Regulatory Agreement states, each lease or rental agreement pertaining to a Low Income Unit shall contain a provision to the effect that the Development has relied on the Income Certification and supporting information supplied by the Low Income Household in determining qualification for occupancy of the Low Income Unit and that any material misstatement in such certification (whether or not intentional) may be cause for immediate termination of such lease or rental agreement. Each lease or rental agreement shall also disclose that the tenant's income is subject to annual certification. |                              |
| Corrective Action  | Submit to the Department for review an owner's statement of compliance with the Regulatory Agreement moving forward, along with a blank template of the Lease or Lease Addenda that includes the required language.   |                              |
| Unit # 6102        |   |                              |
| Finding            | Failure to comply with the Public Facility Corporation Regulatory Agreement   |                              |
| Noncompliance Date | 12/17/2023  | Correction Date: Uncorrected |
| 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.  |                              |
|                    | Department unable to determine eligibility. Auditor advised 2022 income was used to for the recertification.  |                              |
| Corrective Action  | To correct, complete annual Income Certification with verifications for 2023 income and submit to the Department for review. Submit the following documentation for review: application, verification of income/assets and an executed Income Certification form.   |                              |