



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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September 18, 2025

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

Manager
Caroline at Memorial
Houston, Texas
manager.cmemorial@morgangroup.com

RE: Caroline at Memorial

Dear Manager,

The Texas Department of Housing and Community Affairs (Department) received documentation on August 5, 2025, addressing the noncompliance identified during the review of the Audit Report submitted by Novogradac & Company, LLP on May 30, 2025. Corrective action was due on August 18, 2025.

The documentation submitted was sufficient to resolve the noncompliance findings related to **households above the income limit** for units 1-203, 1-317, and 2-233, and **gross rent exceeding the maximum rent allowed under the Regulatory Agreement** for units 1-219, 1-220, 1-320, 2-325, 2-334, 2-430, 2-432, and 2-434.

The next Audit report is due June 1, 2026, for reporting year ending December 31, 2025.

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".

Shay Erickson
PFC Monitor

CC: essentialhousingteam@morgangroup.com; assetmanagement@morgangroup.com;
president@housingforhouston.com; jproler@housingforhouston.com; asmith@housingforhouston.com; caceves-lewis@housingforhouston.com; ecarter@housingforhouston.com;
sballard@housingforhouston.com; kkirkendoll6@housingforhouston.com; kli@housingforhouston.com;
mayer@houstontx.gov; stephanie.naquin@novoco.com



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION REPORT

PFC ID: A25-101-0089
PFC User: Caroline at Memorial Owner, LLC
Property Name: Caroline at Memorial
Address: 15635 Memorial Dr, Houston, TX 77079

Regulatory Agreement Date: 7/29/2022
Audit Report Received Date: 5/30/2025
Corrective Action Due Date: 8/10/2025

Audit Report Review Date: 6/6/2025

PROGRAM: PFC

PROPERTY FINDINGS

Finding:	Household above the income limit			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-203	12/2/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$77,145.12, which exceeds the applicable 80% AMI income limit of \$75,680.	To correct, designate unit 1-203 to an non-program unit since their income exceeds the 80% AMI 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 1-203 and reserve as a program-unit to be occupied with 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.	Corrected Date 8/5/2025

Finding:	Household above the income limit			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-317	12/18/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$78,494.88, which exceeds the applicable 80% AMI income limit of \$75,680.	To correct, designate unit 1-317 to an non-program unit since their income exceeds the 80% AMI 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 1-317 and reserve as a program-unit to be occupied with 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.	Corrected Date 8/5/2025

Finding:	Household above the income limit			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
2-233	12/16/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$119,081.92, which exceeds the applicable 80% AMI income limit of \$75,680.	To correct, designate unit 2-233 to a non-program unit since their income exceeds the 80% AMI 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 2-233 and reserve as a program-unit to be occupied with 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.	Corrected Date 8/5/2025

Finding:	Gross rent exceeds the highest rent allowed under the Regulatory Agreement			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-219	10/18/2024	Unit #1-219 is designated as 80% AMI. The household's rent of \$1,515 exceeds the 80% AMI rent limit of \$1,514.	To correct, reduce the household's rent to \$1,514 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).	Corrected Date 8/5/2025

Finding:	Gross rent exceeds the highest rent allowed under the Regulatory Agreement			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-220	11/22/2024	Unit #1-220 is designated as 80% AMI. The household's rent of \$1,515 exceeds the 80% AMI rent limit of \$1,514.	To correct, reduce the household's rent to \$1,514 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).	Corrected Date 8/5/2025

Finding:	Gross rent exceeds the highest rent allowed under the Regulatory Agreement			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-320	12/23/2024	Unit #1-320 is designated as 80% AMI. The household's rent of \$1,515 exceeds the 80% AMI rent limit of \$1,514.	To correct, reduce the household's rent to \$1,514 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).	Corrected Date 8/5/2025

Finding:	Gross rent exceeds the highest rent allowed under the Regulatory Agreement			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
2-325	12/13/2024	Unit #2-325 is designated as 80% AMI. The household's rent of \$1,515 exceeds the 80% AMI rent limit of \$1,514.	To correct, reduce the household's rent to \$1,514 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).	Corrected Date 8/5/2025

Finding:	Gross rent exceeds the highest rent allowed under the Regulatory Agreement			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
2-334	12/9/2024	Unit #2-334 is designated as 80% AMI. The household's rent of \$1,515 exceeds the 80% AMI rent limit of \$1,514.	To correct, reduce the household's rent to \$1,514 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).	Corrected Date 8/5/2025

Finding:	Gross rent exceeds the highest rent allowed under the Regulatory Agreement			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
2-430	12/12/2024	Unit #2-430 is designated as 80% AMI. The household's rent of \$1,515 exceeds the 80% AMI rent limit of \$1,514.	To correct, reduce the household's rent to \$1,514 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).	Corrected Date 8/5/2025

Finding:	Gross rent exceeds the highest rent allowed under the Regulatory Agreement			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
2-432	12/1/2024	Unit #2-432 is designated as 80% AMI. The household's rent of \$1,515 exceeds the 80% AMI rent limit of \$1,514.	To correct, reduce the household's rent to \$1,514 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).	Corrected Date 8/5/2025

Finding:	Gross rent exceeds the highest rent allowed under the Regulatory Agreement			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
2-434	11/15/2024	Unit #2-434 is designated as 80% AMI. The household's rent of \$1,515 exceeds the 80% AMI rent limit of \$1,514.	To correct, reduce the household's rent to \$1,514 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).	Corrected Date 8/5/2025