



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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September 19, 2025

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

Morgan Group
Caroline Post Oak Owner, LP
Houston, Texas
manager.carolinepostoak@morgangroup.com; assetmanagement@morgangroup.com;
essentialhousingteam@morgangroup.com

RE: Caroline Post Oak

Dear Morgan Group,

The Texas Department of Housing and Community Affairs (Department) received documentation on August 6, 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 26, 2025.

The documentation submitted was sufficient to resolve the noncompliance finding related to the **Household above the income limit** for units 1-115, 1-315, 1-339, and 1-431. These findings have been corrected.

The documents submitted do not correct the following findings:

- **Household above the income limit** affecting unit 1-344: The Auditor reported that the tenant application did not include income verification documentation. The Development submitted a retroactive income certification; however, the file remained incomplete. The application indicates the tenant held two jobs; wage employment was documented, but self-employment income was not verified. The Department is unable to determine household income. The 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, 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,



Shay Erickson
PFC Monitor

CC: manager.carolinepostoak@morgangroup.com; assetmanagement@morgangroup.com; essentialhousingteam@morgangroup.com; president@housingforhouston.com; jproler@housingforhouston.com; asmith@housingforhouston.com; caceves-lewis@housingforhouston.com; sballard@housingforhouston.com; ecarter@housingforhouston.com; kkirkendoll6@housingforhouston.com; kli@housingforhouston.com mayor@houstontx.gov

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION

PFC ID: A24-101-0019
PFC User: Caroline Post Oak Owner, LP, Attn: Morgan Group
Property Name: Caroline Post Oak
Address: 2525 McCue Rd, Houston, TX 77056

Regulatory Agreement Date: 11/15/2022
Audit Report Received Date: 5/30/2025
Corrective Action Due Date: 8/26/2025

Audit Report Review Date: 6/25/2025

PROGRAM: PFC

PROPERTY FINDINGS

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-339	12/28/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$74,515.60, which exceeds the applicable 80% AMI income limit of \$60,560.	To correct, designate unit 1-339 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 1-339 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 8/6/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-115	11/5/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$61,955.14 , which exceeds the applicable 80% AMI income limit of \$60,560.	To correct, designate unit 1-115 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 1-115 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 8/6/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-431	10/30/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$83,400, which exceeds the applicable 80% AMI income limit of \$75,680.	To correct, designate unit 1-431 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 1-431 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 8/6/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-315	10/30/2023	In accordance with Section 3(c) of the Regulatory Agreement, the following items are acceptable to determine income eligibility: (1) pay stubs for the most recent four-week period; (2) income tax returns for the most recent two tax years; (3) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification. Household file indicates tenant is self-employed. Regulatory Agreement requires tax returns for the most recent two (2) tax years for this type of income verification. Auditor reports file does not contain tax returns as required by the Regulatory Agreement and income cannot be determined or verified.	The owner may complete a retroactive income certification that completely and clearly documents the sources of income and assets for all household members that were in place at the time of the initial occupancy and apply income limits in effect on the move-in date. Submit for Department review a copy of the application(s), income and asset verifications and a new Income Certification form the time of move-in. Or the owner has the option to complete a new current certification using current income and assets sources and current income limits. Submit for Department review a copy of the application(s), income and asset verifications and a new Income Certification form. If the household has moved out or is not income eligible, occupy the unit or another comparable unit on the property with a new qualified household. Submit copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.	Corrected Date 8/6/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-344	12/14/2023	In accordance with Section 3(c) of the Regulatory Agreement, the following items are acceptable to determine income eligibility: (1) pay stubs for the most recent four-week period; (2) income tax returns for the most recent two tax years; (3) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification. The household reported income was being received from employment on the application but file does not contain any income verification documents. Auditor reports income cannot be determined or verified.	The owner may complete a retroactive income certification that completely and clearly documents the sources of income and assets for all household members that were in place at the time of the initial occupancy and apply income limits in effect on the move-in date. Submit for Department review a copy of the application(s), income and asset verifications and a new Income Certification form the time of move-in. Or the owner has the option to complete a new current certification using current income and assets sources and current income limits. Submit for Department review a copy of the application(s), income and asset verifications and a new Income Certification form. If the household has moved out or is not income eligible, occupy the unit or another comparable unit on the property with a new qualified household. Submit copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.	Uncorrected: