



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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June 27, 2025

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

Morgan Group
Caroline West Gray Owner LP
Houston, Texas
assetmanagement@morgangroup.com

RE: Caroline West Gray

Dear Morgan Group:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Public Facility Corporation (PFC) Audit Report submitted by Stephanie Naquin on May 30, 2025. This review was performed as required by Section 303.042 (c) of Chapter 303, the Texas Administrative Code Chapter 10, Subchapter I, and the Regulatory Agreement/Deed Restriction for Caroline West Gray.

Events of noncompliance have been identified and corrective action is required. The attached Findings Report details the event(s) of noncompliance and the required corrective action. This notice begins the corrective action period. Please supply all requested documentation no later than **August 26, 2025**, the last day of the corrective action period.

If clarification is necessary to complete the corrective action, contact us as soon as possible. If it is not possible to provide the requested documentation by the corrective action period, correct as much as you can and submit a corrective action plan detailing how and when the remaining issue(s) of noncompliance will be corrected.

The Department recommends submitting a cover letter explaining the documentation submitted to address each event of noncompliance. Submit corrective action to pfc.monitoring@tdhca.texas.gov.



If you have any questions about this monitoring report, 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 long horizontal flourish.

Christina Thompson
PFC Monitor

CC: Stephanie.Naquin@novoco.com

Audit Report
Caroline West Gray

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

- Annual income also includes all income derived from assets as identified and calculated in accordance with 24 CFR § 5.609(a). All income and asset sources must be properly verified and documented to ensure full compliance. The file sample revealed nineteen (19) household files where income from asset was not verified. Moving forward, failure to verify and document assets will result in a finding of noncompliance. Households with assets valued at \$51,600 or less may utilize the Asset Certification of Net Family Assets form found on the Department's website here <https://www.tdhca.texas.gov/compliance-forms> or a comparable form.
- In accordance with Section 4(b) of the Regulatory Agreement, the following items are acceptable to determine income eligibility: (1) pay stubs for the two most recent pay periods; (2) income tax returns for the most recent tax year; (3) a consumer credit search; (4) an income verification from the applicant's current employer; (5) 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 as would, in Operator's reasonable commercial judgment. . The file sample revealed that one (1) household files did not contain income verification documentation as required by the Regulatory Agreement.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION

PFC ID: A24-101-0021
PFC User: Morgan Group
Property Name: Caroline West Gray
Address: 1340 W Gray St, Houston, TX 77019

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 |
| 354 | 11/21/2024 | Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$61,200 , which exceeds the applicable 80% AMI income limit of \$60,560. | To correct, designate unit 354 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 354 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. | |

| Finding: Household above the income limit | | | | |
|---|---------------------|--|---|-----------------|
| Unit # | Non-Compliance Date | Reason | Corrective Action | Correction Date |
| 374 | 10/24/2024 | Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$66,870.44, which exceeds the applicable 80% AMI income limit of \$60,560. | To correct, designate unit 374 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 374 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. | |

| Finding: Household above the income limit | | | | |
|---|---------------------|---|---|-----------------|
| Unit # | Non-Compliance Date | Reason | Corrective Action | Correction Date |
| 427 | 10/17/2024 | Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$67,722.48 , which exceeds the applicable 80% AMI income limit of \$60,560. | To correct, designate unit 427 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 427 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. | |

| Finding: Household above the income limit | | | | |
|---|---------------------|--|--|-----------------|
| Unit # | Non-Compliance Date | Reason | Corrective Action | Correction Date |
| 503 | 11/1/2024 | Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$46,865.26, which exceeds the applicable 80% AMI income limit of \$45,420. | To correct, designate unit 503 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 503 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. | |