



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[www.tdhca.texas.gov](http://www.tdhca.texas.gov)

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July 11, 2025

*Writer's direct phone # (512)475-4065*

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

Taryn Merrill  
AO West Cypress Owner, LLC  
Austin, TX  
[taryn.merrill@greystar.com](mailto:taryn.merrill@greystar.com)

RE: Emory West Cypress

Dear Taryn Merrill:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Public Facility Corporation (PFC) Audit Report submitted by Novogradac & Company LLP on June 2, 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 Emory West Cypress.

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 **September 9, 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.

If you have any questions about this monitoring report, 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", with a long horizontal flourish extending to the right.

Shay Erickson  
PFC Monitor

CC: [Stephanie.Naquin@novoco.com](mailto:Stephanie.Naquin@novoco.com)



**Audit Report**  
Emory West Cypress

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

- Section 3(f) requires each lease or rental agreement for a Low-Income Unit to include a provision stating that the Grantor relied on the tenant's Income Certification and supporting documentation to determine eligibility, and that any material misstatement may result in immediate lease termination. It must also disclose that the tenant's income is subject to annual recertification. The file sample revealed thirty-two (32) files that were missing the required language in the lease itself or as an addendum.
- 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. 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: [Compliance Forms | Texas Department of Housing and Community Affairs](#) or a comparable form.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION

PFC ID: A24-101-0072  
PFC User: AO West Cypress Owner, LLC  
Property Name: Emory West Cypress  
Address: 19770 Clay Rd., Katy, TX, 77449

Regulatory Agreement Date: 2/18/2022  
Audit Report Received Date: 6/2/2025  
Corrective Action Due Date: 9/9/2025

Audit Report Review Date: 7/2/2025

PROGRAM: PFC

PROPERTY FINDINGS

Finding:	Failure to comply with the Public Facility Corporation Regulatory Agreement - Set-Aside HCV			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property-Wide	6/2/2025	Failure to Comply with Section 3(a)(ii) – Housing Choice Voucher (HCV) Set-Aside Requirement. Section 3(a)(ii) of the Regulatory Agreement requires that at least five (5) of the 60% AMI units shall be reserved for rental to Housing Choice Voucher (HCV) holders. The Development is not in compliance with this requirement, as only one (1) of the five (5) required units is currently occupied by an HCV holder.	As units become available, they must be leased or reserved for HCV holders with incomes at or below 60% AMI until the requirements of the Regulatory Agreement are met. Submit copies of a current rent roll showing at least five 5 of the 60% AMI units are reserved for or occupied by HCV holders.	

Finding:	Household above the income limit			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1106	12/27/2024	In accordance with Section 3(c) 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) 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.  Tenant file contains one (1) tax return for self-employment income verification, but the Regulatory Agreement requires tax returns for the most recent two (2) tax years for this type of income verification. The Auditor reported the income could not 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.	

Finding:	Household above the income limit			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
5305	10/31/2024	In accordance with Section 3(c) 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) 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.  Tenant file contains one (1) tax return for self-employment income verification, but the Regulatory Agreement requires tax returns for the most recent two (2) tax years for this type of income verification. The Auditor reported the income could not 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.	

Finding:	Household above the income limit			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
9303	11/1/2024	<p>The household file included an occupant who was not listed on the application. Additionally, income documentation indicated income from two sources, while the application stated that the household had no income. As a result, the Auditor reported that household income could not be determined or verified.</p> <p>In accordance with Section 3(c) 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) 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.</p>	<p>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.</p>	

Finding:	Household above the income limit			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
10107	9/11/2024	<p>In accordance with Section 3(c) 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) 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.</p> <p>Tenant file contains one (1) tax return for self-employment income verification, but the Regulatory Agreement requires tax returns for the most recent two (2) tax years for this type of income verification. The Auditor reported the income could not be determined or verified.</p>	<p>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.</p>	