



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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July 11, 2025

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

Karla Hill
Bridge Partners
Walnut Creek, California
hill@bridgepartners.com

RE: The Carlton

Dear Karla Hill:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Public Facility Corporation (PFC) Audit Report submitted by Darren Smith 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 The Carlton.

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.

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: Darren.smith@auxanocdevelopment.com

Audit Report
The Carlton

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 twenty-three (23) 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.
- Development is required to obtain, complete and maintain on file Income Certifications from each Low-Income Household, including (i) the Income Certification provided as Exhibit D, attached hereto and incorporated herein, dated prior to the initial occupancy of such Low-Income Household in the Project that occupied the unit. The file sample revealed two (2) household files where the income certification was dated after the occupancy date. Ensure initial Income Certifications are completed prior to initial occupancy in accordance with Section 3(c) of the Regulatory Agreement to maintain compliance.

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DETAIL FINDINGS AND CORRECTIVE ACTION REPORT

PFC ID: A24-101-0029
PFC User: Karla Hill- Bridge Partners
Property Name: The Carlton
Address: 3805 West Alabama Street, Houston, TX 77027

Regulatory Agreement Date: 10/4/2022
Audit Report Received Date: 6/2/2025
Corrective Action Due Date: 9/9/2025

Audit Report Review Date: 7/10/2025

PROGRAM: PFC

PROPERTY FINDINGS

Finding: Gross rent exceeds the highest rent allowed under the Regulatory Agreement				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
4112	3/4/2024	Unit 4112 is designated as 80% AMI. The household's rent of \$1,650 exceeds the 80% AMI rent limit of \$1,492.	To correct, reduce the household's rent to \$1,492 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).	

Finding: Failure to comply with the Public Facility Corporation Regulatory Agreement				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
4112	3/4/2024	Development is required to obtain, complete and maintain on file Income Certifications from each Low-Income Household, including (i) the Income Certification provided as Exhibit D, attached hereto and incorporated herein, dated prior to the initial occupancy of such Low-Income Household in the Project that occupied the unit. Tenant file does not contain an executed copy of the required Exhibit D Income Certification form, required by the Development's Regulatory Agreement.	Provide the household with the completed Exhibit D Income Certification for execution. Do not backdate. Submit to the Department for review a copy of the executed Exhibit D Income Certification form.	

Finding: Failure to comply with the Public Facility Corporation Regulatory Agreement				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
6103	5/13/2024	Development is required to obtain, complete and maintain on file Income Certifications from each Low-Income Household, including (i) the Income Certification provided as Exhibit D, attached hereto and incorporated herein, dated prior to the initial occupancy of such Low-Income Household in the Project that occupied the unit. Tenant file does not contain an executed copy of the required Exhibit D Income Certification form, required by the Development's Regulatory Agreement.	Provide the household with the completed Exhibit D Income Certification for execution. Do not backdate. Submit to the Department for review a copy of the executed Exhibit D Income Certification form.	