



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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

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June 11, 2025

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

Caroline at Memorial Owner, LLC  
Houston, Texas  
[assetmanagement@morgangroup.com](mailto:assetmanagement@morgangroup.com)

RE: Caroline at Memorial

Dear Caroline at Memorial Owner, LLC:

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 at Memorial.

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 8, 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](mailto: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](mailto: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](mailto:Stephanie.Naquin@novoco.com)

**Audit Report**  
Caroline at Memorial

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

- 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) an income verification from the applicant's current employer; (4) an income verification from the Social Security Administration; or (5) if applicant is unemployed, does not have tax returns or is otherwise unable to provide other forms of verification as required, another form of independent verification as would be satisfactory. The file sample revealed that two (2) households were missing income verification documentation as required by the Regulatory Agreement.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION

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 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 1-203 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.	

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 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 1-317 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.	

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.	

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).	

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).	

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).	

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).	

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).	

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).	

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).	

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).	