



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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September 23, 2025

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Morgan Group  
Houston, Texas  
[assetmanagement@morgangroup.com](mailto:assetmanagement@morgangroup.com)

RE: Caroline Uptown West

Dear Morgan Group:

The Texas Department of Housing and Community Affairs (Department) received documentation on March 10, 2025 addressing the noncompliance identified during the review of the Audit Report submitted by Novogradac & Company LLP on December 13, 2024. Corrective action was due on March 17, 2025.

The documentation submitted was sufficient to correct the noncompliance related to **Household above the income limit upon initial occupancy** affecting units 1054 and 2082, and **Failure to comply with the Public Facility Corporation Regulatory Agreement** affecting unit 1032. Please see attached Finding Report for details.

The noncompliance related to **Failure to comply with §10.1104(a)** has been dropped.

Please note, the noncompliance outlined above is considered corrected during the corrective action period.

The Department considers this review closed. The next annual Audit Report is due June 1, 2026 for reporting year ending December 31, 2025.



If you have any questions, 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 the initials 'CT' followed by a long horizontal flourish.

Christina Thompson  
PFC Monitor

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

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION  
PFC PROGRAM

PFC User: Morgan Group  
 Property Name: Caroline Uptown West  
 Address: 7600 Highmeadow Dr, Houston, TX 77063

Audit Report Date: 12/11/2024  
 Program: PFC

Corrective Action Due Date: 3/17/2025

PROGRAM: PFC

PROPERTY FINDINGS

Unit # 1054

Finding Household above the income limit upon initial occupancy  
 Noncompliance Date 10/19/2023 Correction Date: 3/10/2025  
 Reason Annualizing the average of the most recent paystubs for the household result in the household's income exceeding the applicable 80% income limit at move-in.

Corrective Action When the unit becomes available occupy with an eligible household and submit the following documentation to the Department for review: application, verification of income and assets, executed Income Certification. If the households circumstances have changed they may be qualified using current income limits. If qualifying the household under current circumstances please submit the following for Department review: application, verification of income and assets, and executed Income Certification.

Unit # 1032

Finding Failure to comply with the Public Facility Corporation Regulatory Agreement  
 Noncompliance Date 12/2/2023 Correction Date: 3/10/2025  
 Reason In accordance with the Regulatory Agreement, Section 3(c), annual Income Certification with verification of income must be obtained by the household's anniversary date (occupancy date of the unit) and no less than once in a 12-month period. Unit number 1032 moved in 12/2/2022, and a new Income Certification with verifications has not been completed as required.

Corrective Action To correct, complete annual Income Certification with verifications and submit to the Department for review. Submit the following documentation for review: application, verification of income/assets and an executed Income Certification form.

Unit # 2082

Finding

Household above the income limit upon initial occupancy.

Noncompliance Date

10/24/2023

Correction Date: 3/10/2025

Reason

Auditor unable to establish eligibility as the request file was not submit for review.

Corrective Action

Submit the complete tenant file for Department review including: application, verification of income and assets, executed Income Certification or Exhibit D, and Lease Contract.