



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.texas.gov

Greg Abbott
GOVERNOR

BOARD MEMBERS

Leo Vasquez, *Chair*
Kenny Marchant, *Vice Chair*
Cindy Conroy, *Member*
Anna Maria Fariás, *Member*
Holland Harper, *Member*
Ajay Thomas, *Member*

December 4, 2025

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

AO Highpoint Owner, LLC
Austin, Texas
taryn.merrill@greystar.com

RE: Highpoint at Cypresswood

Dear AO Highpoint Owner, LLC:

The Texas Department of Housing and Community Affairs (Department) received documentation on June 16, 2025, addressing the noncompliance identified during the review of the Audit Report submitted by Novogradac & Company LLP on March 3, 2025. Corrective action was due on June 16, 2025.

The documentation submitted was sufficient to correct the noncompliance related to **Failure to comply with the Public Facility Corporation Regulatory Agreement** affecting fifty-four (54) one-bedroom units at 80% AMI, eighty-one (81) one-bedroom units AT 80% AMI, twenty-one (21) two-bedroom units at 80% AMI, and five (5) HCV units . Please see attached Finding Report for details.

The noncompliance related to **Household above the income limit** affecting units 2-2206, 1-1110, 1-1208, 1-1309, 2-2325, 1-1222, and 2-2225, and **Gross rent exceeds the highest rent allowed under the Regulatory Agreement** affecting units 1-1325 and 2-2420 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.

Sincerely,

A handwritten signature in black ink, appearing to be 'CT' with a flourish.

Christina Thompson
PFC Monitor

Cc: Stephanie.Naquin@novoco.com

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION
PFC PROGRAM

PFC User: AO Highpoint Owner, LLC
Property Name: Highpoint at Cypresswood
Address: 13920 Mandolin Dr., Houston, TX, 77070
RA Date: 5/3/2022

Audit Report Date: 2/21/2025
Program: PFC

Corrective Action Due Date: 6/16/2025

PROGRAM: PFC

PROPERTY FINDINGS

Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	12/31/2023	Correction Date: 6/16/2025
Reason	Section 3(f) of the Development's Regulatory Agreement states, each lease or rental agreement pertaining to a Low-Income Unit shall contain a provision to the effect that the Development has relied on the Income Certification and supporting information supplied by the Low Income Household in determining qualification for occupancy of the Low Income Unit and that any material misstatement in such certification (whether or not intentional) may be cause for immediate termination of such lease or rental agreement. Each lease or rental agreement shall also disclose that the tenant's income is subject to annual certification.	
Corrective Action	Submit to the Department for review an owner's statement of compliance with the Regulatory Agreement moving forward, along with a blank template of the Lease or Lease Addenda that includes the required language.	
Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	12/31/2023	Correction Date: 6/16/2025
Reason	The Development's Regulatory Agreement requires at least fifty-four (54) one-bedroom units be reserved for or rented to and occupied by Low Income Tenants at 60% AMI. The Development currently has forty-eight (48).	
Corrective Action	As units become available, lease units to households' with 60% AMI or less until the occupancy requirements of the Regulatory Agreement have been met. The owner may also survey existing market rate households and certify them if their income is at or below 60% AMI. Submit copies of six (6) new move-ins etc. that have been certified at 60% AMI and a current rent roll showing at least fifty-four (54) one-bedroom units are restricted. Provide the Department copies of the following for the new certified households: application(s), verifications of income/assets, executed Income Certification and the lease contract.	

Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	12/31/2023	Correction Date: 6/16/2025
Reason	The Development's Regulatory Agreement requires at least eighty-one (81) one-bedroom units be reserved for or rented to and occupied by Low Income Tenants at 80% AMI. The Development currently has sixty-seven (67).	
Corrective Action	As units become available, lease units to households' with 80% AMI or less until the occupancy requirements of the Regulatory Agreement have been met. The owner may also survey existing market rate households and certify them if their income is at or below 80% AMI. Submit copies of fourteen (14) new move-ins etc. that have been certified at 80% AMI and a current rent roll showing at least eighty-one (81) one-bedroom units are restricted. Provide the Department copies of the following for the new certified households: application(s), verifications of income/assets, executed Income Certification and the lease contract.	
Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	12/31/2023	Correction Date: 6/16/2025
Reason	The Development's Regulatory Agreement requires at least twenty-one (21) two-bedroom units be reserved for or rented to and occupied by Low Income Tenants at 80% AMI. The Development currently has eighteen (18).	
Corrective Action	As units become available, lease units to households' with 80% AMI or less until the occupancy requirements of the Regulatory Agreement have been met. The owner may also survey existing market rate households and certify them if their income is at or below 80% AMI. Submit copies of three (3) new move-ins etc. that have been certified at 80% AMI and a current rent roll showing at least twenty-one (21) two-bedroom units are restricted. Provide the Department copies of the following for the new certified households: application(s), verifications of income/assets, executed Income Certification and the lease contract.	