



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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December 11, 2025

Writer's direct phone # (512) 475-4065
Email: shay.erickson@tdhca.texas.gov

PFC Operator
AS Katy Lakecrest Owner, LLC
Houston, TX
ashley.reese@rpmliving.com; benpisklak@slaterep.com

RE: Lakecrest

Dear PFC Operator:

The Texas Department of Housing and Community Affairs (Department) received documentation on May 1, 2025 addressing the noncompliance identified during the review of the Audit Report submitted by Murphy HTC, LLC on January 13, 2025. Corrective action was due on April 28, 2025.

The documentation submitted was sufficient to correct the noncompliance related to **Failure to comply with §10.1103(8), Households above the income limit** affecting units 11304, 11204, 11203, 11202, 10306, 10106, 9206, 7206, 6304, 4205, 4303, 3203, 2308, 2211, and 1300, **Failure to comply with the Public Facility Corporation Regulatory Agreement** which requires lease provisions for Low-Income Units, nineteen (19) 1-bedroom units at or below 60% AMI, and affecting unit 10103. Please see the attached Finding Report for details.

If you have any questions, please contact Shay Erickson toll free in Texas at (800) 643-8204, directly at (512) 475-4065, or email: 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 Compliance Monitor

CC:christine.doggett@rpmliving.com; ashley.reese@rpmliving.com; adukes@tehpfc.org;
kmassay@sh130mmd.com; adukes@tehpfc.org; lakecrest@rpmliving.com; anna@murphyhtc.com;
patricia@murphyhtc.com



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION
PFC PROGRAM
Corrective Action Response

PFC User: RPM Living
Property Name: Lakecrest
Address: 1944 Katy Ford Bend Rd Katy, TX 77493
RA Date: 5/24/2023

Audit Report Date: 1/13/2025
Program: PFC

Corrective Action Due Date: 4/28/2025

PROGRAM: PFC

PROPERTY FINDINGS

Finding	Failure to comply with §10.1103(8)	
Noncompliance Date	1/15/2025	Correction Date: 5/1/2025
Reason	An Audit Report from an Auditor must be submitted to the Department annually. This submission will satisfy the requirements by demonstrating eligibility to continue under the former law, but must include the Audit Report, supporting documentation and required forms.	
Corrective Action	The Audit Report submitted to the Department did not include a copy of the Development's rent roll as required on Tab 8 of the Audit Report. Submit to the Department the rent roll as issued for the Audit Report.	
Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	2/1/2024	Correction Date: 5/1/2025
Reason	The Development's Regulatory Agreement requires at least nineteen (19) 1-bedroom units are reserved for, rented to and occupied by households earning no more than 60% AMI. The Development currently only has eighteen (18) 1-bedroom units designated at 60% AMI.	
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 a copy of one (1) new move-in file that has been certified at 60% AMI and a current rent roll showing at least amount nineteen (19) 1-bedroom units are restricted. Provide the Department copies of the following for the new certified household: 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	1/15/2025	Correction Date: 5/1/2025

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.	
Corrective Action	The auditor reports that the required language is absent from all leases for the Low-Income Households in the tenant sample. 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.	
Unit # 2308		
Finding	Household above the income limit upon initial occupancy	
Noncompliance Date	12/1/2023	Correction Date: 5/1/2025
Reason	Annualizing the average of the each household member's income resulted in the household's annual gross income of \$33,813 which exceeds the applicable 30% AMI income limit of \$27,960.	
Corrective Action	Redesignate unit 2308 to an 60% AMI unit since their initial income exceeds the 30% AMI limit but not the 60% AMI limit. Lease the next available unit to a household that income qualifies at the 30% AMI limit. Or if the household's circumstances have changed, the owner may certified them under current circumstances using current income limits. In either scenario, submit a copy of the household file, application, verification of income and assets, executed Income Certification and lease agreement.	
Unit # 10103		
Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	8/4/2023	Correction Date: 5/1/2025
Reason	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.	
Corrective Action	No household income documentation was presented for audit examination, as noted by the auditor. To correct, submit for Department review the income from the time of initial occupancy, and an updated Income Certification, if needed. If unable to verify income from the time of initial occupancy, the household may be certified under current circumstances using current income limits. If verifying under current circumstances, please provide the following for Department review: application, verification of income/assets, and executed Income Certification. If the household remains ineligible, when the unit becomes available lease to a qualified household and submit the following for Department review: application, verification of income/assets and, executed Income Certification and the lease contract.	
Unit # 1300		
Finding	Household above the income limit	
Noncompliance Date	5/24/2023	Correction Date: 5/1/2025
Reason	Tenant file indicates the household's annual gross income is \$82,768.28 which exceeds the applicable 80% AMI income limit of \$72,080. Current tenant occupied unit prior to the Development transition into a PFC. Auditor reports Development did not certify the tenant upon the transition to a PFC.	

Corrective Action To correct, designate unit 1300 to an 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 1300 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.

Unit # 2211

Finding

Noncompliance Date

Household above the income limit

5/24/2023

Correction Date: 5/1/2025

Reason

Tenant file indicates the household's annual gross income is \$200,000 which exceeds the applicable 80% AMI income limit of \$72,080. Current tenant occupied unit prior to the Development transition into a PFC. Auditor reports Development did not certify the tenant upon the transition

Corrective Action

To correct designate unit 2211 to an 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 2211 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.

Unit # 3203

Finding

Noncompliance Date

Household above the income limit

5/24/2023

Correction Date: 5/1/2025

Reason

Tenant file indicates the household's annual gross income is \$144,000 which exceeds the applicable 80% AMI income limit of \$55,920. Current tenant occupied unit prior to the Development transition into a PFC. Auditor reports Development did not certify the tenant upon the transition

Corrective Action

To correct designate unit 3203 to an 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 3203 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.

Unit # 4205

Finding

Noncompliance Date

Household above the income limit

5/24/2023

Correction Date: 5/1/2025

Reason

Tenant file does not indicate a household income. Current tenant occupied unit prior to the Development transition into a PFC. Auditor reports Development did not certify the tenant upon the transition and did not provide any income documentation for audit review.

Corrective Action

To correct designate unit 4205 to an 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 4205 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.

Unit # 4303

Finding

Household above the income limit

Noncompliance Date

5/24/2023

Correction Date: 5/1/2025

Reason

Tenant file does not indicate a household income. Current tenant occupied unit prior to the Development transition into a PFC. Auditor reports Development did not certify the tenant upon the transition and did not provide any income documentation for audit review.

Corrective Action

To correct designate unit 4303 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 4303 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.

Unit # 6304

Finding

Household above the income limit

Noncompliance Date

5/24/2023

Correction Date: 5/1/2025

Reason

Tenant file indicates the household's annual gross income is \$75,751.52 which exceeds the applicable 80% AMI income limit of \$72,080. Current tenant occupied unit prior to the Development transition into a PFC. Auditor reports Development did not certify the tenant upon the transition

Corrective Action

To correct designate unit 6304 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 6304 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.

Unit # 7206

Finding

Household above the income limit

Noncompliance Date

5/24/2023

Correction Date: 5/1/2025

Reason

Tenant file indicates the household's annual gross income is \$174,459.74 which exceeds the applicable 80% AMI income limit of \$72,080. Current tenant occupied unit prior to the Development transition into a PFC. Auditor reports Development did not certify the tenant upon the transition.

Corrective Action

To correct designate unit 7206 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 7206 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.

Unit # 9206

Finding

Household above the income limit

Noncompliance Date

5/24/2023

Correction Date: 5/1/2025

Reason

Tenant file indicates the household's annual gross income is \$74,799.12 which exceeds the applicable 80% AMI income limit of \$72,080. Current tenant occupied unit prior to the Development transition PFC transition. Auditor reports Development did not certify the tenant upon the transition.

Corrective Action To correct designate unit 9206 to an 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 9206 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.

Unit # 10106

Finding Household above the income limit
 Noncompliance Date 5/24/2023 Correction Date: 5/1/2025

Reason Tenant file does not indicate income for all household members and cannot be determined. Current tenant occupied unit prior to the Development transition into a PFC. Auditor reports Development did not certify the tenant upon the transition and did not provide any income documentation for audit review.

Corrective Action To correct designate unit 10106 to an 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 10106 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.

Unit # 10306

Finding Household above the income limit
 Noncompliance Date 5/24/2023 Correction Date: 5/1/2025

Reason Tenant file does not indicate a household income. Current tenant occupied unit prior to the Development transition into a PFC. Auditor reports Development did not certify the tenant upon the transition and did not provide any income documentation for audit review.

Corrective Action To correct designate unit 10306 to an 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 10306 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.

Unit # 11202

Finding Household above the income limit
 Noncompliance Date 5/24/2023 Correction Date: 5/1/2025

Reason Tenant file does not contain complete income documentation cannot be determined. Current tenant occupied unit prior to the Development transition into a PFC. Auditor reports Development did not certify the tenant upon the transition and did not provide any income documentation for audit review.

Corrective Action To correct designate unit 11202 to an 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 11202 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.

Unit # 11203

Finding Household above the income limit
Noncompliance Date 5/24/2023 Correction Date: 5/1/2025
Reason Tenant file indicates the household's annual gross income is \$77,752.67 which exceeds the applicable 80% AMI income limit of \$72,080. Current tenant occupied unit prior to the Development transition PFC transition. Auditor reports Development did not certify the tenant upon the transition.
Corrective Action To correct designate unit 11203 to an 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 11203 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.

Unit # 11204

Finding Household above the income limit
Noncompliance Date 5/24/2023 Correction Date: 5/1/2025
Reason Tenant file does not indicate income for all household members and cannot be determined. Current tenant occupied unit prior to the Development transition into a PFC. Auditor reports Development did not certify the tenant upon the transition and did not provide any income documentation for audit review.
Corrective Action To correct designate unit 11204 to an non-program unit since their income exceeds the 60% AMI limit and lease the next available unit of comparable or smaller size to a household that income qualifies at the 60% AMI limit. Owner may survey existing vacant non-program units to replace unit 11204 and reserve as a program-unit to be occupied with a household that income qualifies at 60% 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.

Unit # 11304

Finding Household above the income limit
Noncompliance Date 5/24/2023 Correction Date: 5/1/2025
Reason Tenant file does not indicate income for all household members and cannot be determined. Current tenant occupied unit prior to the Development transition into a PFC. Auditor reports Development did not certify the tenant upon the transition and did not provide any income documentation for audit review.
Corrective Action To correct designate unit 11304 to an 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 11304 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.