



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*

October 16, 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 August 26, 2025 addressing the noncompliance identified during the review of the Audit Report submitted by Stephanie Naquin on June 2, 2025. Corrective action was due on September 9, 2025.

The documentation submitted was sufficient to correct the noncompliance related to **Failure to comply with the Public Facility Corporation Regulatory Agreement** regarding required language in the lease for restricted units, **Household above the income limit** affecting units 1-1208, 2-2325, and 1-1230, **Failure to comply with the Public Facility Corporation Regulatory Agreement** affecting units 1-1222, 2-2105, 2-2206, and **Failure to comply with the Public Facility Corporation Regulatory Agreement** affecting five (5) HCV units. Please see attached Finding Report for details.

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.

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" followed by a flourish.

Christina Thompson
PFC Compliance Monitor

Cc: stephanie.naquin@novoco.com



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION

PFC ID: A24-101-0077
PFC User: AO Highpoint Owner, LLC
Property Name: Highpoint at Cypresswood
Address: 13920 Mandolin Dr., Houston, TX, 77070

Regulatory Agreement Date: 5/3/2022
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: Failure to comply with the Public Facility Corporation Regulatory Agreement				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	6/2/2025	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.	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.	8/26/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-1208	12/24/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$50,835.46, which exceeds the applicable 60% AMI income limit of \$45,420.	To correct, designate unit 1-1208 to an 80% AMI 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 1-1208 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.	8/26/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
2-2325	11/27/2024	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$60,734.44, which exceeds the applicable 60% AMI income limit of \$45,420.	To correct, designate unit 2-2325 to an 80% AMI 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 2-2325 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.	8/26/2025

Finding: Household above the income limit				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-1230	10/1/2024	<p>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.</p> <p>The household disclosed monthly support is received. This source of income was not verified. Auditor reports income cannot be determined or verified.</p>	<p>The owner may complete a retroactive income certification that completely and clearly documents the sources of income and assets for all household members that were in place at the time of the initial occupancy and apply income limits in effect on the move-in date. Submit for Department review a copy of the application(s), income and asset verifications and a new Income Certification form the time of move-in. Or the owner has the option to complete a new current certification using current income and assets sources and current income limits. Submit for Department review a copy of the application(s), income and asset verifications and a new Income Certification form. If the household has moved out or is not income eligible, occupy the unit or another comparable unit on the property with a new qualified household. Submit copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.</p>	8/26/2025

Finding: Failure to comply with the Public Facility Corporation Regulatory Agreement				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
1-1222	12/9/2024	<p>In accordance with the Regulatory Agreement, Section 3(c), annual Income Certification of income must be obtained by the household's anniversary date and no less than once in a 12-month period. Unit number 1-1222 moved in December 9, 2023 , and the annual Income Certification due on December 9, 2024, has not been completed as required.</p>	<p>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. If the household has moved out or is not income eligible, occupy the unit or another comparable unit on the property with a new qualified household. Submit copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.</p>	8/26/2025

Finding: Failure to comply with the Public Facility Corporation Regulatory Agreement				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
2-2105	12/4/2023	<p>In accordance with the Regulatory Agreement, Section 3(c), annual Income Certification of income must be obtained by the household's anniversary date and no less than once in a 12-month period. Unit number 2-2105 moved in December 4, 2023, and the annual Income Certification due on December 4, 2024 , has not been completed as required.</p>	<p>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. If the household has moved out or is not income eligible, occupy the unit or another comparable unit on the property with a new qualified household. Submit copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.</p>	8/26/2025

Finding: Failure to comply with the Public Facility Corporation Regulatory Agreement				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
2-2206	12/13/2023	<p>In accordance with the Regulatory Agreement, Section 3(c), annual Income Certification of income must be obtained by the household's anniversary date and no less than once in a 12-month period. Unit number 2-2206 moved in December 13, 2023, and the annual Income Certification due on December 13, 2024has not been completed as required.</p>	<p>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. If the household has moved out or is not income eligible, occupy the unit or another comparable unit on the property with a new qualified household. Submit copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.</p>	8/26/2025

Finding: Failure to comply with the Public Facility Corporation Regulatory Agreement				
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	6/2/2025	The Development's Regulatory Agreement requires at least five (5) of the 60% AMI units be reserved for or rented to and occupied by HCV holders. The Development currently has none.	As units become available, lease to HCV holders until the requirements of the Regulatory Agreement have been met.	8/26/2025