



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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November 20, 2025

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

PFC Operator
L+M Fund Management, LLC
New York, NY
jweishaar@lmfm.com

RE: Ridgcrest Apartments

Dear PFC Operator:

The Texas Department of Housing and Community Affairs (Department) received documentation on March 17, 2025, addressing the noncompliance identified during the review of the Audit Report submitted by Celine M. Williams Services on December 13, 2024. Corrective action was due on March 17, 2025.

The documentation submitted was sufficient to correct the noncompliance related to **Failure to comply with the Public Facility Corporation Regulatory Agreement** which requires 21 units at 50%, 21 units at 60% AMI, and 167 units at 80% AMI as outlined in Exhibit E, as well as **Failure to comply with the Public Facility Corporation Regulatory Agreement** affecting units 1-0718, 1-0725, 1-1111, 1-1611, 1-1621, 2-1111, 2-1311, 2-1924, 2-2123, and 2-2322. Additionally, the issues related to **Households exceeding the applicable income limits** for units 1-0728 and 1-1024 have been resolved. The documentation also corrected the noncompliance with **§10.1104(a)** and the **Failure to comply with the Public Facility Corporation Regulatory Agreement's** lease provision for Low-Income Units. Please refer to the attached Finding Report for further detail.

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".

Shay Erickson
PFC Compliance Monitor

CC:kasandra.mancillas@rpmliving.com;s.mcdade@dentonhousingauthority.com;
k.weisbeck@dentonhousingauthority.com;aryzowy@lmfm.com,ahellegers@lmdevpartners.com;
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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION
PFC PROGRAM

Corrective Action Response

PFC User: L+M Fund Management LLC
Property Name: Ridgecrest Apartments
Address: 1300 Dallas Drive, Denton, TX 76205
RA Date: June 16, 2022

Audit Report Date: 12/13/2024
Program: PFC

Corrective Action Due Date: 3/17/2025

Audit Report Review Date: 1/16/2025

PROGRAM: PFC

PROPERTY FINDINGS

Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	12/13/2024	Correction Date: Corrected
Reason	The Development's Regulatory Agreement requires a specific Designation of Low-Income Units detailed in Exhibit E. No less than 21 units must be designated at 50% AMI. The twenty-one (21) units are designated as follows per Exhibit E of the Development's Regulatory Agreement, nine (9) one-bedroom units and twelve (12) two-bedroom units.	
	The audit report submitted to the Department did not indicate on Tab 8 if this Regulatory Agreement unit mix requirement has been met.	
Corrective Action	Survey the existing 50% AMI units at the Development and submit for Department review the number of units for each bedroom unit type. If the minimum requirement is not met, owner may also survey existing market rate households and certify them if their income is at or below 50% AMI. 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	12/13/2024	Correction Date: Corrected
Reason	The Development's Regulatory Agreement requires a specific Designation of Low-Income Units detailed in Exhibit E. No less than 21 units must be designated at 60% AMI. The twenty-one (21) units are designated as follows per Exhibit E of the Development's Regulatory Agreement, nine (9) one-bedroom units and twelve (12) two-bedroom units.	
	The audit report submitted to the Department did not indicate on Tab 8 if this Regulatory Agreement unit mix requirement has been met.	
Corrective Action	Survey the existing 60% AMI units at the Development and submit for Department review the number of units for each bedroom unit type. If the minimum requirement is not met, owner may also survey existing market rate households and certify them if their income is at or below 60% AMI. 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	12/13/2024	Correction Date: Corrected
Reason	The Development's Regulatory Agreement requires a specific Designation of Low-Income Units detailed in Exhibit E. No less than 167 units must be restricted at 80% AMI and designated as follows per Exhibit E of the Development's Regulatory Agreement, seventy-four (74) one-bedroom units and ninety-three (93) two-bedroom units.	
	The audit report submitted to the Department did not indicate on Tab 8 if this Regulatory Agreement unit mix requirement has been met.	
Corrective Action	Survey the existing 80% AMI units at the Development and submit for Department review the number of units for each bedroom unit type. If the minimum requirement is not met, owner may also survey existing market rate households and certify them if their income is at or below 80% AMI. 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.	
Unit # 1-1611		
Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement:	
Noncompliance Date	8/17/2022	Correction Date: Corrected
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 1-1611 moved in 8/17/2021 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, executed Income Certification form and lease renewal contract.	
Finding	Failure to comply with §10.1104(a)	
Noncompliance Date	12/13/2024	Correction Date: Corrected
Reason	Audit requirements under §10.1104(a) require the file sample size of Restricted Units primarily be new move-ins but also contain/include at least ten percent (10%) sample of all household files that have recertified.	
	The sample size submitted to the Department did not contain at least ten percent (10%) sample of recertified household files.	
Corrective Action	Submit the complete file for one (1) additional restricted unit for Department review. The submission should include the initial and renewal application, verification of income and assets and an executed Income Certification.	
Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	8/17/2021	Correction Date: Corrected

Reason Section 2(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.

Unit # 1-0718

Finding Failure to comply with the Public Facility Corporation Regulatory Agreement

Noncompliance Date 6/7/2024

Correction Date: Corrected

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 above, another form of independent verification as would be satisfactory.

Department is unable to establish eligibility. The tenant file for unit 1-0718 does not contain any acceptable forms of income verification documentation.

Corrective Action 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 # 1-0725

Finding Failure to comply with the Public Facility Corporation Regulatory Agreement

Noncompliance Date 7/18/2024

Correction Date: Corrected

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 above, another form of independent verification as would be satisfactory.

Department is unable to establish eligibility. The tenant file for unit 1-0725 does not contain consecutive paystubs.

Corrective Action 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 # 1-1111

Finding Failure to comply with the Public Facility Corporation Regulatory Agreement

Noncompliance Date 7/11/2022

Correction Date: Corrected

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 above, another form of independent verification as would be satisfactory.

Department is unable to establish eligibility. Auditor stated the tenant file for unit 1-1111 does not contain complete income/pay information to determine Gross Income.

Corrective Action 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 # 1-1621

Finding Failure to comply with the Public Facility Corporation Regulatory Agreement

Noncompliance Date 2/25/2024

Correction Date: Corrected

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 above, another form of independent verification as would be satisfactory.

Department is unable to establish eligibility. The tenant file for unit 1-1621 does not contain any acceptable forms of income verification documentation.

Corrective Action 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 # 2-1311

Finding Failure to comply with the Public Facility Corporation Regulatory Agreement

Noncompliance Date 3/26/2024

Correction Date: Corrected

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 above, another form of independent verification as would be satisfactory.

Department is unable to establish eligibility. The tenant file for unit 2-1311 does not contain any acceptable forms of income verification documentation.

Corrective Action	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 # 2-1924		
Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	10/30/2023	Correction Date: Corrected
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 above, another form of independent verification as would be satisfactory.	
Corrective Action	Department is unable to establish eligibility. The tenant file for unit 2-1924 does not contain any acceptable forms of income verification documentation. 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 # 2-2123		
Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	6/28/2024	Correction Date: Corrected
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 above, another form of independent verification as would be satisfactory.	
Corrective Action	Department is unable to establish eligibility. The tenant file for unit 2-2123 does not contain any acceptable forms of income verification documentation. 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 # 1-0728		
Finding	Household above the income limit upon initial occupancy	
Noncompliance Date	3/9/2023	Correction Date: Corrected
Reason	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$73,168.22 which exceeds the applicable 60% AMI income limit of \$52,920.	

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 # 1-1024		
Finding	Household above the income limit upon initial occupancy	
Noncompliance Date	12/18/2023	Correction Date: Corrected
Reason	Income documentation showed household received bonus income. The inclusion of the additional income resulted in the household's annual gross income of \$82,673.20 which exceeds the applicable 80% limit of \$70,560.	
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 # 2-1111		
Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	3/4/2024	Correction Date: Corrected
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.	
	Department unable to establish eligibility. The tenant file for unit 2-1111 does not contain any acceptable forms of income verification documentation. The Auditor reported the income could not be verified.	
Corrective Action	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 # 2-2322		
Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	12/28/2023	Correction Date: Corrected

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.

Department unable to establish eligibility. The tenant file for unit 2-2322 does not contain any acceptable forms of income verification documentation.

Corrective Action 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.