



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.texas.gov

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March 31, 2025

*Writer's direct phone # (512) 475-3907
Email: Christina.Thompson@tdhca.texas.gov*

1300 NPO Owner LLC
Washington, DC
Cgonzales@nhpfoundation.org

RE: 1300 North Post Oak

Dear 1300 NPO Owner LLC:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Public Facility Corporation (PFC) Audit Report submitted by Sanchez Compliance & Consulting, LLC on February 14, 2025. This review was performed as required by Section 303.042 (c) of Chapter 303, the Texas Administrative Code Chapter 10, Subchapter I, and the Regulatory Agreement/Deed Restriction for North Post Oak Lofts.

Events of noncompliance have been identified and corrective action is required. The attached Findings Report details the event(s) of noncompliance and the required corrective action. This notice begins the corrective action period. Please supply all requested documentation no later than **May 30, 2025**, the last day of the corrective action period.

If clarification is necessary to complete the corrective action, contact us as soon as possible. If it is not possible to provide the requested documentation by the corrective action period, correct as much as you can and submit a corrective action plan detailing how and when the remaining issue(s) of noncompliance will be corrected.

The Department recommends submitting a cover letter explaining the documentation submitted to address each event of noncompliance. Submit corrective action to pfc.monitoring@tdhca.texas.gov.



If you have any questions about this monitoring report, 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 long horizontal flourish extending to the right.

Christina Thompson
PFC Monitor

CC: juanita@sanchezcompliance.com

Audit Report
1300 North Post Oak

The Texas Department of Housing and Community Affairs provides the following Technical Assistance:

- In accordance with Section 3(f) of the Development's Regulatory Agreement, the Development must maintain complete and accurate records pertaining to the Low-Income Units. The file sample revealed eight (8) household files where the move-in date listed on Exhibit-D does not match the actual move-in date. Please ensure to maintain accurate records pertaining to Low-Income Units in accordance with Section 3(f) of the Regulatory Agreement to maintain compliance.
- Annual Income Certifications as described in Section 3(c) of the Development's Regulatory Agreement, must be obtained on the anniversary of such Low-Income Household's occupancy of the unit, and in no event less than once in every 12-month period following each Low-Income Household's occupancy of a unit. The file sample revealed one (1) household files where the income certification was conducted after the anniversary date. Ensure all recertifications are completed in accordance with the Regulatory Agreement to maintain compliance.
- Section 1 of the Development's Regulatory Agreement identifies the "Calculator" the Development is required to use to establish the applicable rent and income limits for Low Income Households. The Development did not use the required calculator and the file sample revealed twenty (20) household files contained the wrong income limits listed on the Exhibit-D form. Please ensure the correct calculator as provided in Section 1 of the Regulatory Agreement is being used to determine rent and income limits for program units in order to maintain compliance.
- Exhibit-E of the Development's Regulatory Agreement identifies and requires a specific unit mix for program units. Auditor reports the required set-aside unit mix was not achieved and the unit types listed in the rent roll do not match the unit types used in Exhibit-E. To ensure the Development's set-aside remains in compliance with the Regulatory Agreement, please use a key or legend that accurately cross-references the unit names in the rent roll with the unit types listed in Exhibit E of the Regulatory Agreement.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION
PFC PROGRAM

PFC User: 1300 NPO Owner LLC
Property Name: 1300 North Post Oak
Address: 1300 N Post Oak Road Houston, TX 77055
RA Date: 12/1/2019

Audit Report Date: 2/10/2025
Program: PFC

Corrective Action Due Date: 5/30/2025

Audit Report Review Date: 3/26/2025

PROGRAM: PFC

PROPERTY FINDINGS

| | | |
|--------------------|---|------------------|
| Finding | Failure to comply with the Public Facility Corporation Regulatory Agreement | |
| Noncompliance Date | 12/31/2023 | Correction Date: |
| 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. | |
| Unit # 2323 | | |
| Finding | Household above the income limit | |
| Noncompliance Date | 6/16/2023 | Correction Date: |
| Reason | Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$52,793, which exceeds the applicable 80% AMI income limit of \$52,200. | |

Corrective Action To correct, designate unit 2323 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 ##% AMI limit. Owner may survey existing vacant non-program units to replace unit 2323 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 # 1129

Finding

Household above the income limit

Noncompliance Date

7/22/2023

Correction Date:

Reason

Auditor unable to establish eligibility. The household disclosed that it held assets that were not verified or included in the total household income.

Corrective Action

To correct submit the following: documentation to evidence the income from the assets have been verified and included in the total household eligibility, copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.

Unit # 1130

Finding

Household above the income limit

Noncompliance Date

8/15/2023

Correction Date:

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) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification.

Auditor reports tenant file does not contain any income verification documents and income cannot be determined or verified.

Corrective Action

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.

Unit # 1218

Finding

Household above the income limit

Noncompliance Date

7/1/2023

Correction Date:

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) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification.

Auditor reports tenant file does not contain any income verification documents and income cannot be determined or verified.

Corrective Action

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.

Unit # 1229

Finding

Household above the income limit

Noncompliance Date

7/14/2023

Correction Date:

Reason

Auditor unable to establish eligibility. The household disclosed that it held assets that were not verified or included in the total household income.

Corrective Action

To correct submit the following: documentation to evidence the income from the assets have been verified and included in the total household eligibility, copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.

Unit # 1306

Finding

Household above the income limit

Noncompliance Date

8/8/2023

Correction Date:

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) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification.

Auditor reports tenant file does not contain any income verification documents and income cannot be determined or verified.

Corrective Action

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.

Unit # 2114

Finding

Household above the income limit

Noncompliance Date

8/4/2023

Correction Date:

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) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification.

Tenant file contained an employer verification of employment but form was not completed and has missing tip income information . Auditor reports income cannot be determined or verified.

Corrective Action

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.

Unit # 2129

Finding

Household above the income limit

Noncompliance Date

11/22/2023

Correction Date:

Reason

Auditor unable to establish eligibility. The household disclosed that it held assets that were not verified or included in the total household income.

Corrective Action

To correct submit the following: documentation to evidence the income from the assets have been verified and included in the total household eligibility, copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.

Unit # 2203

Finding

Household above the income limit

Noncompliance Date

10/2/2023

Correction Date:

Reason

Auditor unable to establish eligibility. The household disclosed that it held assets that were not verified or included in the total household income.

Corrective Action

To correct submit the following: documentation to evidence the income from the assets have been verified and included in the total household eligibility, copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.

Unit # 2233

Finding

Household above the income limit

Noncompliance Date

6/30/2023

Correction Date:

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) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification.

Household is comprised of two-persons. Tenant file contains income verification documents for only one (1) household member. Auditor reports income cannot be determined or verified.

Corrective Action

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.

Unit # 2305
Finding Household above the income limit
Noncompliance Date 6/14/2023 Correction Date:
Reason Auditor unable to establish eligibility. The household disclosed that it held assets that were not verified or included in the total household income.

Corrective Action To correct submit the following: documentation to evidence the income from the assets have been verified and included in the total household eligibility, copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.

Unit # 2319
Finding Household above the income limit
Noncompliance Date 8/19/2023 Correction Date:
Reason Auditor unable to establish eligibility. The household disclosed that it held assets that were not verified or included in the total household income.

Corrective Action To correct submit the following: documentation to evidence the income from the assets have been verified and included in the total household eligibility, copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.

Unit # 2325
Finding Household above the income limit
Noncompliance Date 10/7/2023 Correction Date:
Reason Auditor unable to establish eligibility. The household disclosed that it held assets that were not verified or included in the total household income.

Corrective Action To correct submit the following: documentation to evidence the income from the assets have been verified and included in the total household eligibility, copies of the application(s), income and asset verifications, an executed Income Certification, lease contract and applicable lease addendums to the Department for review.

Unit # 2419
Finding Household above the income limit
Noncompliance Date 6/23/2023 Correction Date:

| | |
|-------------------|---|
| Reason | <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) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification.</p> <p>Household is comprised of three (3) persons. Tenant file indicates one (1) household member does not receive income but the certification of zero income was not completed. Auditor reports income cannot be determined or verified.</p> |
| Corrective Action | <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> |