



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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April 11, 2025

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

AO Fountainview Owner, LLC
Austin, Texas
dhunter@greystar.com

RE: 2626 Fountain View

Dear AO Fountainview Owner, LLC:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Public Facility Corporation (PFC) Audit Report submitted by Novogradac & Company LLP on March 3, 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 2626 Fountain View Apartments.

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 **June 10, 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' followed by a long horizontal flourish.

Christina Thompson
PFC Monitor

CC: Stephanie.Naquin@novoco.com

Audit Report
2626 Fountain View

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

- As stated in Section 3(c) of the Development's Regulatory Agreement, the Development is required to obtain, complete and maintain on file Income Certifications from each Low-Income Household, including (i) the Income Certification provided as Exhibit D, attached hereto and incorporated herein, dated prior to the initial occupancy of such Low-Income Household in the Project that occupied the unit. The file sample revealed one (1) household file where the Exhibit D form was not signed by the tenant. Please ensure all Low-Income Household's complete and execute the Exhibit D form to maintain compliance with the Regulatory Agreement.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION
PFC PROGRAM

PFC User: AO Fountainview Owner, LLC
Property Name: 2626 Fountain View
Address: 2626 Fountain View Dr., Houston, TX, 77057
RA Date: 4/28/2022

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

Corrective Action Due Date: 6/10/2025

Audit Report Review Date: 4/7/2025

PROGRAM: PFC

PROPERTY FINDINGS

Finding Failure to comply with the Public Facility Corporation Regulatory Agreement
Noncompliance Date 12/31/2023 Correction Date:
Reason 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.

Corrective Action As units become available, lease to HCV holders until the requirements of the Regulatory Agreement have been met.

Finding Failure to comply with the Public Facility Corporation Regulatory Agreement
Noncompliance Date 12/31/2023 Correction Date:
Reason The Development's Regulatory Agreement requires at least twenty-two (22) one-bedroom units be reserved for or rented to and occupied by Low Income Tenants at 60% AMI . The Development currently has twenty-one (21).

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 one (1) new move-in etc. that have been certified at 60% AMI and a current rent roll showing at least twenty-two (22) 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:

Reason	The Development's Regulatory Agreement requires at least eighty-nine (89) one-bedroom units be reserved for or rented to and occupied by Low Income Tenants at 80% AMI . The Development currently has fifty-six (56).		
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 thirty-three (33) new move-ins etc. that have been certified at 80% AMI and a current rent roll showing at least eighty-nine (89) 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:	
Reason	The Development's Regulatory Agreement requires at least twenty-four (24) two-bedroom units be reserved for or rented to and occupied by Low Income Tenants at 80% AMI . The Development currently has twelve (12).		
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 twelve (12) new move-ins etc. that have been certified at 80% AMI and a current rent roll showing at least twenty-four (24) 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.		
Unit # 415			
Finding	Household above the income limit		
Noncompliance Date	2/21/2025	Correction Date:	
Reason	The file was requested as part of the twenty-percent sample; however the file was not made available to the Auditor as required. Household eligibility could not be 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 # 162			
Finding	Household above the income limit		
Noncompliance Date	2/21/2025	Correction Date:	
Reason	The file was requested as part of the twenty-percent sample; however the file was not made available to the Auditor as required. Household eligibility could not be 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 # 464		
Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	11/1/2023	Correction Date:
Reason	In accordance with the Regulatory Agreement, Section 3(c), annual Income Certification 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 464 moved in November 1, 2022, and the annual Income Certification due on (date) 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 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.	
Unit # 207		
Finding	Household above the income limit	
Noncompliance Date	11/11/2023	Correction Date:
Reason	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$72,240, which exceeds the applicable 80% AMI income limit of \$67,120.	
Corrective Action	To correct, designate unit 207 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 207 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 # 319		
Finding	Household above the income limit	
Noncompliance Date	12/21/2023	Correction Date:
Reason	Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$53,990.30, which exceeds the applicable 80% AMI income limit of \$52,160.	

Corrective Action To correct, designate unit 319 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 319 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 # 344**Finding**

Household above the income limit

Noncompliance Date

9/6/2023

Correction Date:

Reason

Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$55,552.12, which exceeds the applicable 80% AMI income limit of \$52,160.

Corrective Action

To correct, designate unit 344 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 344 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 # 302**Finding**

Household above the income limit

Noncompliance Date

9/16/2023

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) 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.

The household is comprised of two-persons. Only one household member's income was documented and included in the file. Auditor reports income cannot be determined as the income file is incomplete

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 # 464

Finding

Gross rent exceeds the highest rent allowed under the Regulatory Agreement

Noncompliance Date

11/1/2022

Correction Date:

Reason

Unit 464 is designated as 60% AMI. The household's rent of \$1,113 exceeds the 60% AMI rent limit of \$1,081.

Corrective Action

To correct, reduce the household's rent to \$1,081 per month. Calculate the rent overage from the time of move-in, and either refund or credit the household the overpaid rent. Submit the follow documentation for review: the rent overage calculation, an amended lease contract reflecting the new rent amount, the household's rent ledger of the new rent amount reflected and the rent credit (if applicable) or a copy of the cancelled check (if a refund is issued).