



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[www.tdhca.texas.gov](http://www.tdhca.texas.gov)

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February 28, 2025

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RPM Living  
Austin, Texas  
[ashley.reese@rpmiliving.com](mailto:ashley.reese@rpmiliving.com)

RE: Lakecrest

Dear RPM Living:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Public Facility Corporation (PFC) Audit Report submitted by Murphy HTC, LLC on January 15, 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 Katy Lakecrest 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 **April 29, 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](mailto: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](mailto: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: [anna@murphyhtc.com](mailto:anna@murphyhtc.com)

**Audit Report**  
Lakecrest

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

- 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 file sample revealed household files that that did not contain any income documentation/verification. Ensure all household are properly income certified and income documentation is collected in accordance with the Regulatory Agreement to maintain compliance.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION  
PFC PROGRAM

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: 4/29/2025

Audit Report Review Date: 2/28/2025

PROGRAM: PFC

PROPERTY FINDINGS

Finding	Failure to comply with §10.1103(8)	
Noncompliance Date	1/15/2025	Correction Date:
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.	
	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.	
Corrective Action	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:
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:  
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.  
The auditor reports that the required language is absent from all leases for the Low-Income Households in the tenant sample.  
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 # 2308

Finding Household above the income limit upon initial occupancy  
Noncompliance Date 12/1/2023 Correction Date:  
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:  
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.  
No household income documentation was presented for audit examination, as noted by the auditor.

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 # 1300

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

Correction Date:

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:

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 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 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:

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 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 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:
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 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 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:
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:
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:
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:
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:  
 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:  
 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:  
 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.