



## 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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Melia Apartments, LLC  
San Francisco, California  
[bianca@belveronpartners.com](mailto:bianca@belveronpartners.com)

RE: Melia Medical Center

Dear Melia Apartments 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 January 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 Melia Medical Center 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: [Stephanie.Naquin@novoco.com](mailto:Stephanie.Naquin@novoco.com)

**Audit Report**  
Melia Medical Center

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

- 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 two (2) 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.
- 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 eight (8) household files where the income certification was dated after the occupancy date. Ensure initial Income Certifications are completed prior to initial occupancy in accordance with Section 3(c) of the Regulatory Agreement to maintain compliance.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION  
PFC PROGRAM

PFC User: Melia Apartments, LLC  
Property Name: Melia Medical Center  
Address: 8383 El Mundo St, Houston, TX 77054  
RA Date: 11/5/2020

Audit Report Date: 1/8/2025  
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(1)	
Noncompliance Date	1/14/2025	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 fully address the requirements of identifying the difference in rent charged for income-restricted residential units and the estimated maximum market rents that could be charged for those units without the rent and income restrictions.	
	The Audit Report submitted to the Department did not contain the comparison of the restricted rent to the estimated market rent on Tab 7 of the Audit Report.	
Corrective Action	Submit the comparison of the restricted rent to the estimated market rent for each unit identified in Tab 7.	
Finding	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Noncompliance Date	1/14/2025	Correction Date:
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 # 121

Finding  
Noncompliance Date  
Reason

Household above the income limit upon initial occupancy  
11/1/2023

Correction Date:

The tenant provided offer of employment letter reflecting hourly pay rate. Annualizing the hourly pay rate for full-time work week resulted in the household's annual gross income of \$59,831.89 which exceeds the applicable 80% AMI income limit of \$59,680.

Corrective Action

Redesignate this household to market. Lease the next available unit to an income eligible household. Submit a copy of the new household's application(s), income/asset verifications and new Income Certification form, lease contract and applicable lease addendum.

Unit # 801

Finding  
Noncompliance Date  
Reason

Household above the income limit upon initial occupancy  
8/24/2023

Correction Date:

Annualizing the average of the most recent full paystubs for the household resulted in the household's annual gross income of \$61,105.64 which exceeds the applicable 80% AMI income limit of \$59,680.

Corrective Action

Redesignate this household to market. Lease the next available unit to an income eligible household. Submit a copy of the new household's application(s), income/asset verifications and new Income Certification form, lease contract and applicable lease addendum.

Unit # 901

Finding  
Noncompliance Date  
Reason

Household above the income limit upon initial occupancy  
8/12/2023

Correction Date:

Annualizing the average of the most recent paystubs for the household resulted in the household's annual gross income of \$69,780.36 which exceeds the applicable 80% AMI income limit of \$59,680.

Corrective Action

Redesignate this household to market. Lease the next available unit to an income eligible household. Submit a copy of the new household's application(s), income/asset verifications and new Income Certification form, lease contract and applicable lease addendum.

Unit # 818

Finding  
Noncompliance Date  
Reason

Failure to comply with the Public Facility Corporation Regulatory Agreement  
5/22/2023

Correction Date:

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 818 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 # 834	Failure to comply with the Public Facility Corporation Regulatory Agreement	
Finding	9/15/2023	Correction Date:
Noncompliance Date	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.	
Reason	Department unable to establish eligibility. The tenant file for unit 834 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.	