



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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September 11, 2026

Writer's direct phone # (512) 876-9671
Email: Kendall.kauten@tdhca.texas.gov

Jacob Garza
5110 Azalea, LLC
San Antonio, TX
jacob@jacob.garza.com

RE: 51ten

Dear 51ten Owner:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Housing Facility Corporation (HFC) Audit Report submitted by Matthew Vara on July 18, 2026. This review was performed as required by Section 394.9027 (b) of Chapter 394, the Texas Administrative Code (TAC) Chapter 10, Subchapter J, for Pecos Housing Finance Corporation.

In accordance TAC §10.1203 (5) enclosed is a copy of the Audit Report summary. No event(s) of noncompliance were identified during the review. Please note that although no event(s) of noncompliance were identified, only a sample of information provided to the Department was reviewed for the purposes of this report. It is the HFC User's responsibility to maintain compliance.

The Department considers this review closed. The next annual Audit Report is due June 1, 2027.

If you have any questions about this monitoring report, please contact Kendall Kauten toll free in Texas at (800) 643-8204, directly at (512) 475-4047, or email: Kendall.kauten@tdhca.texas.gov.

Sincerely,

Kendall Kauten
Compliance Monitor

CC: ptad.cpa@cpa.texas.gov; pecospha@earthlink.net; phfced@gmail.com; twinklescc@pecostx.gov; aoronacc@pecostx.gov; hcarrascocc@pecostx.gov; rgrahamcc@pecostx.gov; vtrujillocc@pecostx.gov; matt@mesassurance.com; debbie@reepresidential.com



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Audit Report

51ten

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

- TAC §10.1203(3)(B) requires that all Audit Reports include contact information for all Responsible Parties. The Audit Report did not contain the contact information for the board members of the HFC Sponsor. Ensure current contact information for all Responsible Parties is provided in the Audit Report.

CC:

This is a preliminary summary of the Audit Report. TDHCA's review is ongoing and not final. Findings and any required Corrective Action will be addressed in the official Monitoring Report Letter, if applicable.

Development & Regulatory

If Outside Sponsor Boundaries, was the Development acquired by Sept. 1, 2025?
If Outside Sponsor Boundaries, has approval been obtained or is the Development in the transition period?

Affordability Requirements - AMI Percentage by Bedroom Size (Post Developments Only)

Development Contacts

Auditor Qualifications & Affiliations

Income & Rents Limits

Units & Occupancy

Triggering Events: Acquisition and Ownership Transfer

Set Asides

Set-Aside - Select Only One Option

Audit Sample Summary

Texas Department of Housing and Community Affairs (TDHCA) Observations - DEPARTMENT USE ONLY

Preliminary summary. TDHCA review is ongoing and not final.

KEY COMPLIANCE INDICATORS

PRELIMINARY COMPLIANCE INDICATORS

Auditor _____

Boundaries

or—if outside those boundaries—has required approval been obtained or is the Development within the applicable transition period?	NA
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Overall Chapter 394 Status: **Compliant**

Overall Chapter 394 Status:	Compliant
TDHCA Notes/Notations:	NA