



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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October 9, 2026

*Writer's direct phone # (512) 475-4047
Email: Kendall.kauten@tdhca.texas.gov*

Jack Alexander
CAF Arden Cypress Owner LLC
Frisco, TX
cynthia@cafmanagement.com

RE: Arden Cypress Station

Dear Arden Cypress Station Owner:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Housing Facility Corporation (HFC) Audit Report submitted by Matt Vara on August 30, 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. Enclosed is a copy of the Audit Report summary.

Events of noncompliance have been identified and detailed in the attached Findings Report with required corrective action. In accordance with TAC Section 394.9027(d) a copy of this notice will be sent to the Chief Appraiser of the appraisal district in which the development is located.

This notice begins the corrective action period. Supply all required documentation via Serv-U, no later than **April 7, 2027**, the last day of the corrective action period.

If you need a Serv-U account, email hfc@tdhca.texas.gov. Submissions must include a cover letter explaining, in detail, how each event of noncompliance was corrected.

Remaining uncorrected noncompliance after the corrective action period deadline will result in a referral to the Texas Comptroller and Chief Appraiser, with a recommendation for loss of ad valorem tax exemption under Section 394.905 of the Texas Local Government Code for the Tax Year being Audited.

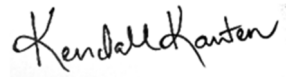


221 East 11th Street P.O. Box 13941 Austin, Texas 78711-3941 (800) 525-0657 (512) 475-3800



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: matt@mesaassurance.com; arden.pm@cafmanagement.com; econ.dev@cpa.texas.gov;
Cynthia@cafmanagement.com; twinklescc@pecostx.gov; aoronacc@pecostx.gov; hcarrascocc@pecostx.gov;
rgrahamcc@pecostx.gov; vtrujillocc@pecostx.gov; pecospha@earthlink.net; phfced@gmail.com

Audit Report
Arden Cypress Station

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 contact information for the HFC Sponsor or the board members of the HFC Governing Body of Sponsor. Ensure current contact information for all Responsible Parties is provided in the Audit Report.

Texas Department of Housing and Community Affairs Housing Finance Corporation (HFC) Preliminary Summary of Audit						
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.						
Reporting Details						
Report Due Date:	6/1/2026	Current Reporting Year:	2026	Occupancy Period Begin Date:	1/1/2025	
				Occupancy Period End Date:	12/31/2025	
Development & Regulatory						
HFC Property Name	The Arden Cypress Station	Is the Regulatory Agreement (RA) properly recorded?	Yes	PRE or POST May 28, 2025 Development?	PRE	
HFC Property Street Address	905 Cypress Station Drive	Regulatory Agreement Effective Date	3/14/2025	Development Type	Acquisition	
HFC City, State Zip	Houston, TX 77059	Does the development participate in other affordable programs?	No	Occupancy Type	General/Family	
Property County	Harris	Jurisdictional Boundaries	Outside Sponsor Boundaries	Total Number of Units in the Development (All Restricted & Unrestricted)	432	
HFC User Name	CAF Arden Cypress Owner LLC	If Outside Sponsor Boundaries, was the Development acquired by Sept. 1, 2025?	Yes			
		If Outside Sponsor Boundaries, has approval been obtained or is the Development in the transition period?	NA			
Affordability Requirements - AMI Percentage by Bedroom Size (Post Developments Only)						
	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total
20% AMI Units	0	0	0	0	0	0
30% AMI Units	0	0	0	0	0	0
40% AMI Units	0	0	0	0	0	0
50% AMI Units	0	0	0	0	0	0
60% AMI Units	0	0	0	0	0	0
70% AMI Units	0	0	0	0	0	0
80% AMI Units	0	154	38	24	0	216
100% AMI Units	0	0	0	0	0	0
150% AMI Units	0	0	0	0	0	0
140% AMI Units	0	124	31	20	0	175
Other AMI Units (Add % here)	0	0	0	0	0	0
Market Units	0	30	7	0	0	37
Total Restricted Units	0	278	69	44	0	391
Total Units (Restricted + Market)	0	308	76	44	0	432
Development Contacts						
Organization Name	The Arden Cypress Station	City, State Zip	Houston, TX 77090			
Property Name	The Arden Cypress Station	City, State Zip	Houston, TX 77090			
Texas Comptroller	Not provided	Austin, TX 78753				
Appraisal District	Harris Central Appraisal District	Houston, TX 77040				
Individual Auditor	Matt Vara	Dallas, TX 75201				
HFC User	CAF Arden Cypress Owner LLC	Frisco, TX 75034				
HFC Management Company	CAF Management LLC	Frisco, TX 75034				
HFC Sponsor	Not provided					
HFC Governing Body of Sponsor	HFC's Housing Finance Corporation - Board of Directors					
Auditor Qualifications & Affiliations						
	Does the Auditor have a current Certified Occupancy Specialist (COS) or equivalent certification?	Yes				
	Has the Auditor provided a resume demonstrating housing compliance audit experience?	Yes				
	Is the Auditor free from any financial, ownership, or management interest in the Development or any Responsible Party?	Yes				
	Is the Auditor currently serving, or has the Auditor previously served, as the Management Agent for this Development?	No				
	Has the HFC User complied with the three-year rotation and, if applicable, the two-year cooling-off requirement?	Yes				
Income & Rents Limits						
	Does the Regulatory Agreement specify income limits?	Yes				
	Are the income limits adjusted for household size?	Yes				
	Are the income limits based on HUD income limits?	Yes				
	Did the Development comply with the Available Unit Rule when a household became over-income?	Yes				
	Does the Regulatory Agreement specify rent limits for Restricted Units?	Yes				
	Are the rent limits based on HUD rental limits?	Yes				
	Are restricted unit rents ≤30% of the applicable income limit (adjusted for household size)?	Yes				
	Are rent limit adjusted for family size, as determined by HUD?	Yes				
	What is the family-size adjustment specified by the Development's Regulatory Agreement?	1.5 Persons per Bedroom				
Units & Occupancy						
Restricted Units Occupied by Voucher Holders	0	Restricted Occupied Units	358	Non-Restricted Occupied Units	0	
		Restricted Vacant Units	74	Non-Restricted Vacant Units	0	
Total Units (ALL)	432	Total Restricted Units	432	Total Non-Restricted Units	0	
Triggering Events: Acquisition and Ownership Transfer						
	Did a triggering event occur during the reporting period or any prior Tax Year?	No				
Set Asides						
Date first occupied by one or more tenants?	Not provided					
Is the Development currently in lease-up?	No					
Do Restricted Units have comparable square footage and floor plans as Non-Restricted Units?	Yes					
Are Restricted Units equal in finishes and equipment to Non-Restricted Units?	Yes					
Do Restricted Units have equal amenity and program access as Non-Restricted Units?	Yes					
Are Restricted Units proportionally distributed by unit type and income category?	Yes					
Did the Auditor receive photographic evidence and written certification confirming unit comparability?	NA					
Set-Aside - Select Only One Option						
Option 1:	At least 10% of units reserved for HH not earning more than 60% AMI	Select One				
	At least 40% of units reserved for HH not earning more than 80% AMI	Select One				
Option 2:	At least 10% of units reserved for HH not earning more than 50% AMI	Select One				
	At least 40% of units reserved for HH not earning more than 100% AMI	Select One				
Audit Sample Summary						
	Audit Sample	Yes				
	Overall Sample meets minimum requirements?	YES				
	Move-In Sample meets minimum requirements?	YES				
	Recertification Sample meets minimum requirements?	NO				
	Is the Development currently in lease-up?	No				
Texas Department of Housing and Community Affairs (TDHCA) Observations - DEPARTMENT USE ONLY						
Preliminary summary. TDHCA review is ongoing and not final.						
Report Due Date:	6/1/2026	Current Reporting Year:	2026	Audit Received Date:	8/30/2026	
PRELIMINARY COMPLIANCE INDICATORS						
	Reporting					
	Is the Development required to submit an Audit Report?	Yes				
	Did the Development submit an Audit Report by the deadline, with approved extensions?	Yes				
	Does the Audit Report cover the full prior reporting year ending December 31 and include a rent roll for the same period?	Yes				
	Does the Audit Report include contact information for all Responsible Parties?	No				
	Was the Audit Report submitted in the Department-prescribed manner through the Department's file transfer system (Serv-U/File Serve)?	Yes				
	Was the annual service fee (\$35 per Restricted Unit in the sample or \$500 minimum) submitted with the Audit Report?	Yes				
	Did the Audit Report include a one-time exemption application submitted to the Texas Comptroller's Office?	No				
	Did the first Audit Report include all required supporting documentation?	Yes				
	Does the Auditor meet independence and qualification standards and comply with applicable rotation and cooling-off requirements?	Yes				
	Geographic Boundaries					
	Is the Development within sponsor boundaries, or—if outside those boundaries—has required approval been obtained or is the Development within the applicable transition period?	NA				
	Noncompliant: Pending					
	Overall Chapter 394 Status:	Corrective Action				
	TDHCA Notes/Notations:	See Detailed Findings				

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION

HFC ID: AA26-101-0030
HFC User: CAF Arden Cypress Owner LLC
Property Name: The Arden Cypress Station
Address: 905 Cypress Station Dr, Houston, TX

Regulatory Agreement Date: 3/14/2025
Audit Report Received Date: 8/30/2026
Corrective Action Due Date: 4/7/2027

Audit Report Review Date: 10/8/2026

PROGRAM: HFC

PROPERTY FINDINGS

Finding:	Failure to comply with §10.1203(1)(C)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	8/30/2026	TAC §10.1203(1)(C) requires the HFC User to provide the Auditor with all required documents prior to submission of the first Audit Report, including the underwriting assessment, applicable resolutions, board meeting minutes, the Regulatory Agreement, and the one-time exemption application submitted to the Texas Comptroller's office. These documents must be submitted to the Department with the first Audit Report. The Audit Report submitted to the Department did not contain the one-time exemption application submitted to the Texas Comptroller's office.	Ensure all required documents are provided to the Auditor prior to submission of the first Audit Report for the Development. Submit to the Department a copy of the one-time exemption application submitted to the Texas Comptroller's office.	