



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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August 21, 2026

Writer's direct phone # (512) 475-4065
Email: shay.erickson@tdhca.texas.gov

Melanie Bailey
EPT EPC Arterra At Alto Rey Apartments, LLC
El Paso, Texas 79912
m Bailey@integrityamc.com

RE: Arterra at Alto Rey

Dear Melanie Bailey:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Housing Facility Corporation (HFC) Audit Report submitted by Stephanie Naquin on July 23, 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 EPT EPC Arterra At Alto Rey Apartments, LLC.

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, please contact Shay Erickson toll free in Texas at (800) 643-8204, directly at (512) 475-4065, or email: shay.erickson@tdhca.texas.gov.

Sincerely,

Shay Erickson
PFC Monitor

CC: stephanie.naquin@novoco.com; m Bailey@integrityamc.com; arterra@integrityamc.com;
countychiefadmin@epcounty.com; countyjudge@epcounty.com; commissioner1@epcounty.com;
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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 NameArterra at Alto Rey

HFC Property Street Address1918 Hwy

HFC City, State ZipEl Paso, Texas 79912

HFC CountyEl Paso

Is the Regulatory Agreement (RA) properly recorded?Yes

Regulatory Agreement Effective Date4/21/2025

Does the development participate in other affordable programs?No

If Outside Sponsor Boundaries, was the Development acquired by Sept. 8, 2021?Jurisdictional BoundariesNA

If Outside Sponsor Boundaries, has approval been obtained or is the Development in the transition period?Within Sponsor BoundariesNA

PRI or POST May 28, 2025 Development?PRI

Development TypeAcquisition

Occupancy TypeGeneral/Family

Total Number of Units in the Development (All Restricted & Unrestricted)160

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

	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total
80% AMI Units	0	0	0	0	0	0
50%-80% AMI Units	0	0	0	0	0	0
Unrestricted Units	0	0	0	0	0	0
Total Restricted Units - Market	0	0	0	0	0	160

Development Contacts

	Organization Name	City, State Zip
Property Name	Arterra at Alto Rey	El Paso, Texas 79912
Texas Comptroller	Texas Comptroller	Austin, TX 78713
Appraisal District	El Paso Central Appraisal District	El Paso, TX 79905
Individual Auditor	Ernst & Young	Austin, TX 78750
HFC User	EPT EPC Arterra at Alto Rey Apartments, LLC	El Paso, Texas 79912
HFC Management Company	University Asset Management	El Paso, TX 79902
HFC Lender	El Paso County	El Paso County
HFC Governing Body of Sponsor	El Paso County Commissioners Court	El Paso County Commissioners Court

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

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?NA

Are the income limits based on HUD income limits?NA

Did the Development comply with the Available Unit Rule when a household became over-income?NA

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)?NA

Are rent limit adjusted for family size, as determined by HUD?NA

What is the family-size adjustment specified by the Development's Regulatory Agreement?NA

Units & Occupancy

	Restricted Occupied Units	Non-Restricted Occupied Units
Restricted Units Occupied by Voucher Holders	N/A for Reporting YR 2025	133
Restricted Vacant Units	0	7
Total Restricted Units	20	140

Triggering Events: Acquisition and Ownership Transfer

Did a triggering event occur during the reporting period or any prior Tax Year?No

Set Asides

Data first occupied by one or more tenants?N/A-Acquired 4/21/2025

Is the Development currently in lease-up?Yes

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?NA

Do Restricted Units have equal amenity and program access as Non-Restricted Units?NA

Are Restricted Units proportionately distributed by unit type and income category?NA

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	NA
	At least 40% of units reserved for HH not earning more than 80% AMI	NA
Option 2:	At Least 10% of units reserved for HH not earning more than 50% AMI	NA
	At least 40% of units reserved for HH not earning more than 100% AMI	NA

Audit Sample Summary

	Audit Sample	Yes
Overall Sample meets minimum requirements?	Yes	Yes
Move-In Sample meets minimum requirements?	Yes	Yes
Recertification Sample meets minimum requirements?	NA	Yes
Is the Development currently in lease-up?	Yes	Yes

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

Report Due Date:6/1/2026

Current Reporting Year:2026

Audit Received Date:7/23/2026

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?Yes

Was the Audit Report submitted in the Department prescribed manner through the Department's file transfer system (Data-UI-File Serve)?Yes

Was the annual service fee (\$25 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?Yes

Did the first Audit Report include all required supporting documentation?Yes

Auditor

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

Overall Chapter 394 Status:Compliant

TDHCA Notes/Notations:None