TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.texas.gov

Greg Abbott
GOVERNOR

September 18, 2026

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

Shakti C'Ganti
Esencias 238 Oates LLC
Dallas, TX
shakti@ashlandgreene.com

RE: Barrett

Dear Barrett 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 24, 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.

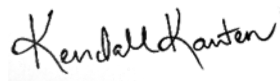
This notice begins the corrective action period. Supply all required documentation via Serv-U, no later than **March 17, 2027**, the last day of the corrective action period.

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.

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; ptad.cpa@cpa.texas.gov; aoronacc@pecostx.gov; hcarrascocc@pecostx.gov; rgrahamcc@pecostx.gov; vtrujillocc@pecostx.gov; phfced@gmail.com; econ.dev@cpa.texas.gov; shakti@ashlandgreene.com; rena.rosborough@aglivingapts.com

Audit Report
Barrett

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:

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	Barrett Apartment Homes	Is the Regulatory Agreement (RA) is properly recorded?	Yes	PRE or POST May 28, 2025 Development?	PRE
HFC Property Street Address	238 E Oates Rd	Regulatory Agreement Effective Date	4/25/2025		
HFC City, State Zip	Garland, TX 75043			Development Type	Acquisition
Property County	Dallas County	Does the development participate in other affordable programs?	No		
				Occupancy Type	General/Family
HFC User Name	Esencias 238 Oates LLC	Jurisdictional Boundaries	Outside Sponsor Boundaries		
		If Outside Sponsor Boundaries, was the Development acquired by Sept. 1, 2025?	Yes	Total Number of Units in the Developmen (ALL Restricted & Unrestricte	200
		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
65% AMI Units	0	0	0	0	0	0
70% AMI Units	0	0	0	0	0	0
80% AMI Units	0	16	38	46	0	100
100% AMI Units	0	0	0	0	0	0
120% AMI Units	0	0	0	0	0	0
140% AMI Units	0	13	30	37	0	80
Other AMI Units: [Add % here]	0	0	0	0	0	0
Market Units	0	3	8	9	0	20
Total Restricted Units	0	29	68	83	0	180
Total Units (Restricted + Market)	0	32	76	92	0	200

Development Contacts

	Organization Name	City, State Zip
Property Name	Barrett Apartment Homes	Garland, TX 75043
Texas Comptroller	Not provided	Austin, TX 78753
Appraisal District	Dallas Central Appraisal District	Dallas, TX 75247
Individual Auditor	Matt Vara	Dallas, TX 75201
HFC User	Esencias 238 Oates LLC	Not provided
HFC Management Company	Ashland Greene Living	Not provided
HFC Sponsor	Not provided	Not provided
HFC Governing Body of Sponsor	Not provided	Not provided

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 Occupied Units	180	Non-Restricted Occupied Units	0
Restricted Units Occupied by Voucher Holders	0	Restricted Vacant Units	20	Non-Restricted Vacant Units	0
Total Units (ALL)	200	Total Restricted Units	200	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	Yes

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	Item
Overall Sample meets minimum requirements?	YES
Move-In Sample meets minimum requirements?	NO
Recertification Sample meets minimum requirements	YES
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:	8/24/2026

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
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:	Noncompliant: Pending Corrective Action
TDHCA Notes/Notations:	See Detailed Findings Report

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION

HFC ID: AA26-057-0044
HFC User: Esencias 238 Oates LLC
Property Name: Barrett Apartment Homes
Address: 238 E Oates Rd, Garland, TX 75043

Regulatory Agreement Date: 4/25/2025
Audit Report Received Date: 8/24/2026
Corrective Action Due Date: 3/17/2027

Audit Report Review Date: 9/16/2026

PROGRAM: HFC

PROPERTY FINDINGS

Finding: Failure to comply with §10.1204(2)

Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	8/24/2026	TAC §10.1204(2) requires the file sample must contain at least 20% of the total number of Restricted Units, not to exceed 50 household files, with at least 75% of files from newly moved-in households and at least 10% from households that have recertified. he audit file sample in the Audit Report did not meet the minimum threshold of at least 75% of files from newly moved-in households. A total of 180 Restricted Units exist at the property, requiring a sample of 36 household files, including 27 move-in files. The audit sample submitted contained 16 move-in files.	Submit to the Department for review: copies of the application(s), income and asset verifications, executed Income Certification, lease contract, and applicable lease addendums for eleven (11) households that moved into income-restricted units during 2025, in accordance with TAC §10.1204(2). The owner may complete a retroactive income certification that completely and clearly documents the sources of income and assets for all household members that were in place at the time of the initial occupancy and apply income limits in effect on the move-in date. Submit to Department for review documentation to evidence the income from the assets have been verified and included in the total household eligibility, application, executed Income Certification and lease contract. Or the owner has the option to complete a new current certification using current income and assets sources and current income limits. Submit for Department review a copy of the application(s), income and evidence the income from the assets have been verified and included in the total household eligibility, and a new Income Certification form. If the household has moved out or is not income eligible, occupy the unit or another comparable unit on the property with a new qualified household	

Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	8/24/2026	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.	