



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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September 18, 2026

*Writer's direct phone # (512) 475-3907
Email: Christina.Thompson@tdhca.texas.gov*

Homero Cabello
Cabello Realty
Austin, TX
homero@cabellorealty.com

RE: Jackson Place Apartments

Dear Cabello Realty:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Housing Facility Corporation (HFC) Audit Report submitted by Kelly Prejean on July 31, 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 Jackson Place Apartments. 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.



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 Christina Thompson toll free in Texas at (800) 643-8204, directly at (512) 475-3907, or email: christina.thompson@tdhca.texas.gov.

Sincerely,



Christina Thompson
Team Lead, HFC and PFC Monitoring

CC: Kelly.Prejean@auxanocompliance.com ; econ.dev@cpa.texas.gov ; cityclerksoffice@pharr-tx.gov ; mayor@pharr-tx.gov; commissioner1@pharr-tx.gov; commissioner2@pharr-tx.gov; commissioner3@pharr-tx.gov; commissioner4@pharr-tx.gov; commissioner5@pharr-tx.gov; commissioner6@pharr-tx.gov ; jpmgr@wlsapts.com

Audit Report
Jackson Place Apartments

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. Audit Report was missing contact information for the HFC, HFC Sponsor, and HFC Sponsor Governing Body. To prevent noncompliance, 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: Jackson Place Apartments			Is the Regulatory Agreement (RA) is properly recorded? Yes			PRE or POST May 28, 2025 Development? PRE			
HFC Property Street Address: 1701 W. Sioux Rd			Regulatory Agreement Effective Date: 12/20/2024						
HFC City, State Zip: Pharr, TX 78577						Development Type: Acquisition			
Property County: Hidalgo			Does the development participate in other affordable programs? No			Occupancy Type: General/Family			
HFC User Name: Cabello Realty			Jurisdictional Boundaries: Within Sponsor Boundaries			Total Number of Units in the Development (All Restricted & Unrestricted): 288			
			If Outside Sponsor Boundaries, was the Development acquired by Sept. 1, 2025? NA						
			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			
80% AMI Units	0	22	92	25	0	139			
100% AMI Units	0	0	0	0	0	0			
120% AMI Units	0	0	0	0	0	0			
140% AMI Units	0	0	0	0	0	0			
Other AMI Units: 160%	0	12	76	10	0	98			
Market Units	0	10	86	5	0	101			
Total Restricted Units	0	34	168	35	0	237			
Total Units (Restricted + Market)	0	44	204	40	0	288			
Development Contacts									
		Organization Name		City, State Zip					
		Property Name: Jackson Place Apartments		Pharr, TX 78577					
		Texas Comptroller: Not Provided		Austin, TX 78753					
		Appraisal District: Hidalgo County		Not Provided					
		Individual Auditor: Kelly Prejean		Rowlett, TX 75089					
		HFC User: Not Provided		Not Provided					
		HFC Management Company: W.L.S. Interests Inc		Houston, TX 77019					
		HFC Sponsor: Cabello Realty		Cabello Realty					
		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?						NA			
Fees									
Does Rent charged to income-restricted tenants include any recurring fees or charges?						Yes			
If "Yes", are any recurring fees or charges required as a condition of occupancy?						Yes			
Units & Occupancy									
Restricted Units Occupied by Voucher Holders: 63		Restricted Occupied Units: 223		Non-Restricted Occupied Units: 42					
Total Units (ALL): 288		Restricted Vacant Units: 14		Non-Restricted Vacant Units: 9					
		Total Restricted Units: 237		Total Non-Restricted Units: 51					
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?		Unknown							
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							
Audit Sample Summary									
				Audit Sample		Item			
				Overall Sample meets minimum requirements?		No			
				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: 7/31/2026			
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?						No			
Auditor									
Does the Auditor meet independence and qualification standards?						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?						Within Sponsor Boundaries			
						Noncompliant: See Detail			
						Findings Report			
Overall Chapter 394 Status:									
TDHCA Notes/Notations:						None			

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION REPORT

HFC ID: AA26-108-0001
HFC User: Cabello Realty
Property Name: Jackson Place Apartments
Address: 1701 W. Sioux Rd Pharr, TX 78577

Regulatory Agreement Date: 12/20/2024
Audit Report Received Date: 7/31/2026
Corrective Action Due Date: 3/17/2027

Audit Report Review Date: 9/16/2026

PROGRAM: HFC

PROPERTY FINDINGS

Finding:	Failure to comply with §10.1203(1)(C)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	7/31/2026	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.	Submit to the Department a copy of the one-time exemption application submitted to the Texas Comptroller's office.	

Finding:	Failure to comply with §10.1204(2)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	7/31/2026	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. The audit file sample in the Audit Report did not meet the minimum threshold. Auditor reports the property has a total of two hundred thirty-seven (237) restricted units, requiring a sample size of fifty (50) household files. The audit sample submitted contained forty-two (42) household 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 eight (8) 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.	

Finding:	Failure to comply with §10.1203(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	7/31/2026	TAC §10.1203(4) requires the HFC User to submit an annual service fee to the Department by June 1 of each year, in the amount of the greater of \$35 per Restricted Unit included in the audit sample or \$500, tendered by check, money order, payable to the Texas Department of Housing and Community Affairs. The annual service fee received by the Department for this property was \$1,560. The amount is incorrect as the sample size submitted to the Department was incorrect. The correct annual fee amount is \$1,750.	To correct, submit the remaining balance of \$190 toward the \$1,750 to the Department, in accordance with TAC §10.1203(4). Payments must be paid by check or money order payable to the Texas Department of Housing and Community Affairs and either delivered to 221 E. 11th St., Austin, TX 78701, or mailed to PO Box 13941, Austin, TX 78711-3941. Payment must include the completed HFC Annual Service Fee Form, available on the Department's website: https://www.tdhca.texas.gov/housing-finance-corporation-compliance-monitoring	