



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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October 16, 2026

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

AREIT RE 1505 Exchange LLC
New York, NY
e.kurban@summitapm.com

RE: The Madeleine Apartments

Dear AREIT RE 1505 Exchange LLC:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Housing Facility Corporation (HFC) Audit Report submitted by Matt Vara on August 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 The Madeleine 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 **April 14, 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: twinklescc@pecostx.gov; aoronacc@pecostx.gov; hcarrascocc@pecostx.gov;
rgrahamcc@pecostx.gov; vtrujillocc@pecostx.gov; econ.dev@cpa.texas.gov ;
Matt@Mesaassurance.com ; phfced@gmail.com

Audit Report
The Madeleine 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. 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 Madeleine Apartments	Is the Regulatory Agreement (RA) is properly recorded?	Yes	PRE or POST May 28, 2025 Development?	PRE		
HFC Property Street Address	7511 Garnett Ln	Regulatory Agreement Effective Date	3/19/2025	Development Type	Acquisition		
HFC City, State Zip	Fort Worth, TX 76112	Does the development participate in other affordable programs?	Not Provided	Occupancy Type	General/Family		
HFC Property County	Tarrant	Jurisdictional Boundaries	Outside Sponsor Boundaries	Total Number of Units in the Development (All Restricted & Unrestricted)	256		
HFC User Name	AREIT RE 1505 Exchange 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?	In Transition Period				
Affordability Requirements - AMI Percentage by Bedroom Size (Post Developments Only)							
	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total	
70% AMI Units	0	0	0	0	0	0	
80% AMI Units	0	88	32	8	0	128	
100% AMI Units	0	0	0	0	0	0	
120% AMI Units	0	0	0	0	0	0	
140% AMI Units	0	71	26	6	0	103	
Other AMI Units: (Add % here)	0	0	0	0	0	0	
Market Units	0	17	6	2	0	25	
Total Restricted Units	0	159	58	14	0	231	
Total Units (Restricted + Market)	0	176	64	16	0	256	
Development Contacts							
	Organization Name	City, State Zip					
	Property Name	The Madeleine Apartments					
	Texas Comptroller	Not Provided					
	Appraisal District	Not Provided					
	Individual Auditor	Matt Vera					
	HFC User	AREIT RE 1505 Exchange LLC					
	HFC Management Company	Summit					
	HFC Sponsor	Town of Pecos City					
	HFC Governing Body of Sponsor	Pecos City Council					
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	27	Restricted Occupied Units	220	Non-Restricted Occupied Units	0		
Total Units (All)	256	Restricted Vacant Units	36	Non-Restricted Vacant Units	0		
		Total Restricted Units	256	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						
Marketing							
			Does the Development's website include information about the Development and its compliance with Section 394.9026(c)(7)?	Yes			
			Does the website include Housing Choice Voucher (HCV) acceptance policies?	Yes			
			The Development affirmatively markets both Restricted and non-Restricted Units to Housing Choice Voucher (HCV) households and notify local housing authorities of their acceptance of HCV tenants.	Yes			
Vouchers							
			Does the HFC User refrain from refusing to rent to households solely due to participation in the Housing Choice Voucher (HCV) program?	Yes			
			Do leasing and screening policies avoid any provision that prohibits or discourages HCV participation?	Yes			
			Does the Development avoid imposing a minimum income requirement on HCV households exceeding 250% of the tenant-paid portion of rent?	Yes			
			If an HCV household occupies a Restricted Unit and the voucher payment standard is below the approved rent, is the household charged only the allowable difference?	Yes			
			Did the Auditor review evidence of HCV marketing material consistent with Sections 394.9026?	Yes			
			How many Restricted Units are occupied by HCV (Section 8) households?	27			
Lease & Policies							
			Does the Development provide tenants with at least 30 days' written notice of non-renewal?	NA			
			Do lease agreements prohibit tenants from waiving required protections?	NA			
			Do Restricted Unit lease agreements prohibit retaliation against tenants or the tenant's guests for taking action because the tenant established, attempted to establish, or participated in a tenant organization?	NA			
			Does the lease restrict non-renewals to major violations, failure to provide required income information, or repeated disruptive violations affecting livability, safety, quiet enjoyment, management, or finances (including late rent)?	NA			
Audit Sample Summary							
			Audit Sample	Item			
			Overall Sample meets minimum requirements?	YES			
			Move-In Sample meets minimum requirements?	YES			
			Recertification Sample meets minimum requirements?	NA			
			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:	8/31/2026		
PRELIMINARY COMPLIANCE INDICATORS							
			Reporting	Yes			
			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	Yes			
			Does the Auditor meet independence and qualification standards and comply with applicable rotation and cooling-off requirements?	Yes			
			Geographic Boundaries	In Transition Period			
			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?	In Transition Period			
			Noncompliant-See Detail Findings Report	TA Issued			
			Overall Chapter 394 Status:	Findings Report			
			TDHCA Notes/Notations:	TA Issued			

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION REPORT

HFC ID: AA26-220-0070
HFC User: AREIT RE 1505 Exchange LLC
Property Name: The Madeleine Apartments
Address: 7521 Garnet Ln Fort Worth, TX 76112

Regulatory Agreement Date: 3/19/2025
Audit Report Received Date: 8/31/2026
Corrective Action Due Date: 4/14/2027

Audit Report Review Date: 10/14/2026

PROGRAM: HFC

PROPERTY FINDINGS

Finding:	Failure to comply with §10.1203(1)(C)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	6/1/2026	<p>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.</p> <p>The Audit Report submitted to the Department did not contain the one-time exemption application submitted to the Texas Comptroller's office.</p>	Submit to the Department a copy of the one-time exemption application submitted to the Texas Comptroller's office.	