TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.texas.gov

Greg Abbott
GOVERNOR

BOARD MEMBERS
Leo Vasquez, *Chair*
Kenny Marchant, *Vice Chair*
Cindy Conroy, Member
Anna Maria Farias, Member
Holland Harper, Member
Ajay Thomas, Member

September 4, 2026

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

Ben Percell
Senior Housing Resources, Inc.
Houston, TX 77089
bpercell@sethfc.com

RE: Monarch at Bay Prairie East Apartments

Dear Ben Percell:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Housing Facility Corporation (HFC) Audit Report submitted by Stephanie Naquin 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 Senior Housing Resources, Inc.

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
Compliance Monitor

CC:stephanie.naquin@novoco.com;bpercell@sethfc.com;rwilliams@sethfc.com;monarcheast@myyahoo.com;
meyer@sethtexas.com;bilski@sethtexas.com;cary@sethtexas.com;cothran@sethtexas.com;deshotels@sethtexas.com;
gibson@sethtexas.com;hackett@sethtexas.com;jones@sethtexas.com;meicher@sethtexas.com;moore@sethtexas.com;
payne@sethtexas.com;srose@sethtexas.com;spell@sethtexas.com;stellhorn@sethtexas.com;towner@sethtexas.com;
unfried@sethtexas.com;econ.dev@cpa.texas.gov

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	Monarch at Bay Prairie East Apartments	Is the Regulatory Agreement (RA) is properly recorded?	No	PRE or POST May 28, 2025 Development?	PRE
HFC Property Street Address	1009 Ave H and 1901 Merlin St	Regulatory Agreement Effective Date	N/A		
HFC City, State Zip	Bay City, Texas 77414			Development Type	New Construction
Property County	Matagorda	Does the development participate in other affordable programs?	No		
				Occupancy Type	Elderly
HFC User Name	Senior Housing Resources, Inc	Jurisdictional Boundaries	Within Sponsor Boundaries		
		If Outside Sponsor Boundaries, was the Development acquired by Sept. 1, 2025?	NA	Total Number of Units in the Development	6
		If Outside Sponsor Boundaries, has approval been obtained or is the Development in the transition period?	NA	(ALL Restricted & Unrestricted)	

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

	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total
60% AMI Units	0	0	0	0	0	1
80% AMI Units	0	0	0	0	0	3
Total Restricted Units	0	0	0	0	0	4
Total Units (Restricted + Market)	0	0	0	0	0	4

Development Contacts

	Organization Name	City, State Zip
Property Name	Monarch at Bay Prairie East Apartments	Bay City, Texas 77414
Texas Comptroller	Texas Comptroller	Austin, TX 78753
Appraisal District	Matagorda County Appraisal	Bay City, TX 77414
Individual Auditor	Stephanie Naquin	Austin, TX 78758
HFC User	Senior Housing Resources, Inc	Houston, TX 77089
HFC Management Company	SETH Personnel	Houston, TX 77089
HFC Sponsor	Represents Cities of Texas City & La Marque	Represents Cities of Texas City & La Marque
Board Member	Represents Austin County	Represents Austin County

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

Units & Occupancy

		Restricted Occupied Units	5	Non-Restricted Occupied Units	1
Restricted Units Occupied by Voucher Holders	N/A for Reporting YR 2025	Restricted Vacant Units	0	Non-Restricted Vacant Units	0
Total Units (ALL)	6	Total Restricted Units	5	Total Non-Restricted Units	1

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?	N/A
Is the Development currently in lease up?	No
Do Restricted Units have comparable square footage and floor plans as Non-Restricted Units?	NA
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 proportionally 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	Yes
At least 40% of units reserved for HH not earning more than 80% AMI	Yes
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?	Yes
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:	8/30/2026

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?	Yes
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?	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