



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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October 23, 2026

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

EPHFC RTO LLC
El Paso TX
moyae@elpasotexas.gov

RE: Myrtle Apartments II

Dear EPHFC RTO LLC:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Housing Facility Corporation (HFC) Audit Report submitted by Juanita Sanchez 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 Myrtle Apartments II. 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 21, 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: JohnsonR@elpasotexas.gov; ChavezA33@elpasotexas.gov; AcevedoJ@elpasotexas.gov;
MaldonadoRochaDR@elpasotexas.gov; TrejoCB@elpasotexas.gov; NinoI@elpasotexas.gov;
District6@elpasotexas.gov; LimonLB@elpasotexas.gov; District8@elpasotexas.gov; Admin@ElpasoHFC.org;
MoyaE@elpasotexas.gov; econ.dev@cpa.texas.gov

Audit Report
Myrtle Apartments II

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: Myrtle Apartments II		Is the Regulatory Agreement (RA) is properly recorded?		No		PRE or POST May 28, 2025 Development?		PRE					
HFC Property Street Address: 1108 Myrtle		Regulatory Agreement Effective Date		None		Development Type		Acquisition					
HFC City, State Zip: El Paso TX 79901		Does the development participate in other affordable programs?		No		Occupancy Type		General/Family					
HFC Property County: El Paso		Jurisdictional Boundaries		Within Sponsor Boundaries		Total Number of Units in the Development (All Restricted & Unrestricted)		14					
HFC User Name: EPHFC RTO LLC		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		14		0		0		0		14	
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: (Add % here)		0		0		0		0		0		0	
Market Units		0		0		0		0		0		0	
Total Restricted Units		0		14		0		0		0		14	
Total Units (Restricted + Market)		0		14		0		0		0		14	
Development Contacts													
		Organization Name		City, State Zip									
		Property Name		Myrtle II- EPHFC RTO LLC- 1108 Myrtle									
		Texas Comptroller		Not Provided									
		Appraisal District		0									
		Individual Auditor		Juanita Sanchez									
		HFC User		EPHFC RTO LLC									
		HFC Management Company		Hiett & Associates									
		HFC Sponsor		City of El Paso									
		HFC Governing Body of Sponsor		City of El Paso City Council and Mayor									
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?		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?		No									
		Are the income limits adjusted for household size?		No									
		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?		NA									
		Does the Regulatory Agreement specify rent limits for Restricted Units?		No									
		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?		No									
		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?		No									
		If "Yes", are any recurring fees or charges required as a condition of occupancy?		No									
Units & Occupancy													
Restricted Units Occupied by Voucher Holders		0		Restricted Occupied Units		11		Non-Restricted Occupied Units		0			
Total Units (All)		14		Restricted Vacant Units		3		Non-Restricted Vacant Units		0			
				Total Restricted Units		14		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?		7/10/2019											
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											
Set-Aside - Select Only One Option													
Option 1:		At least 10% of units reserved for HH not earning more than 60% AMI		No									
		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									
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?		0									
Lease & Policies													
		Does the Development provide tenants with at least 30 days' written notice of non-renewal?		Yes									
		Do lease agreements prohibit tenants from waiving required protections?		Yes									
		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?		Yes									
		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)?		Yes									
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									
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		Within 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 Boundaries									
		Overall Chapter 394 Status:		Noncompliant: See Detail Findings Report									
		TDHCA Notes/Notations:		None									

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION REPORT

HFC ID: AA26-070-0003
HFC User: EPHFC RTO LLC
Property Name: Myrtle II- EPHFC RTO LLC- 1108 Myrtle
Address: 1108 Myrtle El Paso TX 79901

Regulatory Agreement Date: 1/0/1900
Audit Report Received Date: 8/31/2026
Corrective Action Due Date: 4/21/2027

Audit Report Review Date: 10/22/2026

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.	

Finding:	Failure to comply with §10.1203(1)(C)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	8/31/2026	<p>TAC §10.1203(1)(C) requires that the Regulatory Agreement be submitted to the Department with the Development's initial Audit Report.</p> <p>The Regulatory Agreement is defined as--A Land Use Restriction Agreement (LURA), Ground Lease, Deed Restriction, or any similar restrictive instrument that is recorded in the real property records of the county in which the Development is located or an agreement between the HFC and HFC User which is not recorded in the real property records.</p> <p>The Audit Report submitted to the Department did not contain the Regulatory Agreement.</p>	Submit to the Department a copy of the property's Regulatory Agreement.	