TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.texas.gov

Greg Abbott
GOVERNOR

September 11, 2026

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

Stonehawk Capital
Dallas, TX
info@stonehawkcapital.com

RE: The Olsen

Dear The Olsen Owner:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Housing Facility Corporation (HFC) Audit Report submitted by Matt Vara on July 18, 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 Garland 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 10, 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@mesassurance.com; ptad.cpa@cpa.texas.gov; JTran@GarlandTX.gov; JCaraway@GarlandTX.gov; EMoore@GarlandTX.gov; CSegoviano@GarlandTX.gov; MLucht@GarlandTX.gov; CDutton@GarlandTX.gov; JThomas@GarlandTX.gov; COtt@GarlandTX.gov; david.gibbons@garlandhfc.org; Mayor@GarlandTX.gov; theolsen@cushwake.com; stephanie.cano@cushwake.com; info@stonehawkcapital.com

Audit Report

The Olsen

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

DETAIL FINDINGS AND CORRECTIVE ACTION

HFC ID: AA26-057-0014
HFC User: Stonehawk Capital
Property Name: The Olsen
Address: 4245 Bobtown Rd, Garland TX 75043

Regulatory Agreement Date: 8/7/2023
Audit Report Received Date: 7/18/2026
Corrective Action Due Date: 3/10/2027

Audit Report Review Date: 9/1/2026

PROGRAM: HFC

PROPERTY FINDINGS

Finding:	Failure to comply with §10.1203(1)(C)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	7/18/2026	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.	

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 Olsen	Is the Regulatory Agreement (RA) is properly recorded?	Yes	PRE or POST May 28, 2025 Development?	PRE
HFC Property Street Address	4245 Bobtown Rd	Regulatory Agreement Effective Date	8/7/2023	Development Type	New Construction
HFC City, State Zip	Garland, TX 75043				
Property County	Dallas	Does the development participate in other affordable programs?	No	Occupancy Type	General/Family
HFC User Name	Stonehawk Capital	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 (ALL Restricted & Unrestricted)	238
		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	13	0	0	0	13
65% AMI Units	0	0	0	0	0	0
70% AMI Units	0	0	0	0	0	0
80% AMI Units	0	49	23	23	26	121
100% AMI Units	0	0	0	0	0	0
120% AMI Units	0	0	0	0	0	0
140% AMI Units	0	10	40	29	1	80
Other AMI Units: [Add % here]	0	0	0	0	0	0
Market Units	0	23	0	0	1	24
Total Restricted Units	0	72	63	52	27	214
Total Units (Restricted + Market)	0	95	63	52	28	238

Development Contacts

	Organization Name	City, State Zip
Property Name	The Olsen	Garland, TX 75043
Texas Comptroller	Not provided	Austin, TX 78753
Appraisal District	Dallas County Appraisal District	Dallas, Texas 75247
Individual Auditor	Matthew Vara	Dallas, TX 75201
HFC User	Stonehawk Capital	Dallas, TX 75205
HFC Management Company	Cushman Wakefield	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?	No
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?	NA
What is the family-size adjustment specified by the Development's Regulatory Agreement?	NA

Units & Occupancy

		Restricted Occupied Units	72	Non-Restricted Occupied Units	9
Restricted Units Occupied by Voucher Holders	0	Restricted Vacant Units	143	Non-Restricted Vacant Units	14
Total Units (ALL)	238	Total Restricted Units	215	Total Non-Restricted Units	23

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?	5/23/2025
Is the Development currently in lease up?	Yes
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	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?	Yes
Recertification Sample meets minimum requirements?	NA
Is the Development currently in lease-up?	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:	7/18/2026

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?	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 Detail Findings