



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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September 11, 2026

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

Ben Percell
Wharton Sweetwater Housing Corporation
Houston, TX
bpercell@sethfc.com

RE: Sweetwater 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 Wharton Sweetwater Housing Corporation.

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; rsmith@sethfc.com; rwilliams@sethfc.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



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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.

Report Due Date:6/1/2026

Current Reporting Year:2026

Occupancy Period Begin Date:1/1/2025

Occupancy Period End Date:12/31/2025

HFC Property NameSweetwater Apartments

HFC Property Street Address200 Main Entry Ave

HFC City, State ZipWharton, Texas 77488

HFC Property CountyWharton

HFC User NameWharton Sweetwater Housing Corporation

Is the Regulatory Agreement (IRA) properly recorded?No

Regulatory Agreement Effective DateN/A

Does the development participate in other affordable programs?No

If Outside Sponsor Boundaries, was the Development acquired by Sept. 1, 2003?Within Sponsor Boundaries

If Outside Sponsor Boundaries, has approval been obtained or is the Development in the transition period?NA

PRE or POST May 28, 2025 Development?PRE

Development TypeAcquisition

Occupancy TypeGeneral/Family

Total Number of Units in the Development (ALL Restricted & Unrestricted)56

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	0	0	0	0	0
65% AMI Units	0	0	0	0	0	0
70% AMI Units	0	0	0	0	0	0
80% AMI Units	0	0	0	0	0	0
100% AMI Units	0	0	0	0	0	23
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	27
Total Restricted Units	0	0	0	0	0	29
Total Units (Restricted + Market)	0	0	0	0	0	56

Development Contacts

Organization Name	City, State Zip
Property Name	Sweetwater Apartments
Texas Comptroller	Wharton, Texas 77488
Appraisal District	Austin, TX 78751
Individual Auditor	Wharton, TX 77488
HFC User	Stephanie Naquin
HFC Management Company	Austin, TX 78758
SETH Personnel	Houston, TX 77089
HFC Sponsor	Represents Cities of Texas City & La Marque
Board Member	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

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?No

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?Other(specify)

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?NA

Units & Occupancy

Restricted Units Occupied by Voucher Holders	N/A for Reporting YR 2025	Restricted Occupied Units	27	Non-Restricted Occupied Units	24
Total Units (ALL)	56	Restricted Vacant Units	5	Non-Restricted Vacant Units	0
		Total Restricted Units	32	Total Non-Restricted Units	24

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 proportionately 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% AMIYes

At least 40% of units reserved for HH not earning more than 80% AMIYes

Option 2:

At Least 10% of units reserved for HH not earning more than 50% AMI

At least 40% of units reserved for HH not earning more than 100% AMI

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