



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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October 23, 2026

*Writer's direct phone # (512) 475-4047
Email: Kendall.kauten@tdhca.texas.gov*

Hassan Elmasri
SM Hop, LLC
Boston, MA
hassan.elmasri@cottonwoodmgmt.com

RE: Vista Two52

Dear Vista Two52 Owner:

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 Pecos 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 **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.

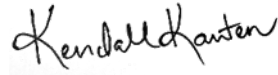


221 East 11th Street P.O. Box 13941 Austin, Texas 78711-3941 (800) 525-0657 (512) 475-3800



If you have any questions about this monitoring report, please contact 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@mesaassurance.com; econ.dev@cpa.texas.gov; twinklescc@pecostx.gov; aoronacc@pecostx.gov; hcarrascocc@pecostx.gov; rgrahamcc@pecostx.gov; vtrujillocc@pecostx.gov; pecospha@earthlink.net; phfced@gmail.com; hassan.elmrasi@cottonwoodmgmt.com

Audit Report

Vista Two52

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 all contact information for the HFC Sponsor or the board members of the HFC Governing Body of Sponsor. 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: Vistas Two 52		Is the Regulatory Agreement (RA) is properly recorded? Yes		PRE or POST May 28, 2025 Development? PRE					
HFC Property Street Address: 3787 Perrin Central Blvd		Regulatory Agreement Effective Date: 12/31/2024		Development Type: Acquisition					
HFC City, State Zip: San Antonio, TX 78217		Does the development participate in other affordable programs? No		Occupancy Type: General/Family					
Property County: Bexar		Jurisdictional Boundaries: Outside Sponsor Boundaries		Total Number of Units in the Development (ALL Restricted & Unrestricted): 260					
HFC User Name: SM Hqp, 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? 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	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	74	43	13	0	130			
100% AMI Units	0	0	0	0	0	0			
120% AMI Units	0	0	0	11	0	0			
140% AMI Units	0	59	34	2	0	94			
Other AMI Units (Add % here)	0	0	0	0	0	0			
Market Units	0	113	77	24	0	214			
Total Units (Restricted + Market)	0	148	86	25	0	259			
Development Contacts									
Organization Name: City, State Zip									
Property Name: Vistas Two 52		San Antonio, TX 78217							
Texas Comptroller: Not provided		Austin, TX 78753							
Appraisal District: Bexar Appraisal District		Not provided							
Individual Auditor: Matthew Vara		Not provided							
HFC User: SM Hqp, LLC		Not provided							
HFC Management Company: Cottonwood		Not provided							
HFC Sponsor: Pecos Housing Finance Corporation		Pecos Housing Finance Corporation							
HFC Governing Body of Sponsor: Board of Directors, Pecos Housing Finance Corporation		Board of Directors, Pecos Housing Finance Corporation							
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: 0		Restricted Occupied Units: 209		Non-Restricted Occupied Units: 0					
Total Units (ALL): 260		Restricted Vacant Units: 51		Non-Restricted Vacant Units: 0					
		Total Restricted Units: 260		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									
Set-Aside - Select Only One Option									
Option 1:									
At least 10% of units reserved for HH not earning more than 60% AMI		0							
At least 40% of units reserved for HH not earning more than 80% AMI		0							
Option 2:									
At least 10% of units reserved for HH not earning more than 50% AMI		Select One							
At least 40% of units reserved for HH not earning more than 100% AMI		Select One							
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: 8/31/2026					
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? 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? 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 transtion period? NA									
Noncompliant: Pending									
Overall Chapter 394 Status: Corrective Action									
TDHCA Notes/Notations: See Detailed Findings									

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION

HFC ID: AA26-015-0033
HFC User: SM Hop, LLC
Property Name: Vistas Two 52
Address: 3787 Perrin Central Blvd, San Antonio, TX

Regulatory Agreement Date: 12/31/2024
Audit Report Received Date: 8/31/2026
Corrective Action Due Date: 4/21/2027

Audit Report Review Date: 10/20/2026

PROGRAM: HFC

PROPERTY FINDINGS

Finding:	Failure to comply with §10.1203(1)(C)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	8/31/2026	<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>	<p>Ensure all required documents are provided to the Auditor prior to submission of the first Audit Report for the Development.</p> <p>Submit to the Department a copy of the one-time exemption application submitted to the Texas Comptroller's office.</p>	