



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*

August 7, 2026

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

Kenneth W. Fambro, II
Garland IL Group, LP
Southlake, TX 76092
kfambro@ireg.us

RE: Watermere Garland Apartments

Dear Kenneth W. Fambro, II

The Texas Department of Housing and Community Affairs (Department) has reviewed the Housing Facility Corporation (HFC) Audit Report submitted by Stephanie Naquin on July 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 Garland IL Group, LP.

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
PFC Monitor

CC:stephanie.naquin@novoco.com; dadair@ireg.us; info@garlandhfc.org; mayor@garlandtx.gov; info@garlandhfc.org; council1@garlandtx.gov; council2@garlandtx.gov; council3@garlandtx.gov; council4@garlandtx.gov; council5@garlandtx.gov; council6@garlandtx.gov; council7@garlandtx.gov; council8@garlandtx.gov; jwhitworth@ireg.us; econ.dev@cpa.texas.gov



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



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: <u>6/1/2026</u>		Current Reporting Year: <u>2026</u>		Occupancy Period Begin Date: <u>1/1/2025</u> Occupancy Period End Date: <u>12/31/2025</u>							
Development & Regulatory											
HFC Property Name	Watermere Garland Apartments	Is the Regulatory Agreement (RA) properly recorded?		<u>Yes</u>		PRE or POST May 28, 2025 Development?		<u>PRE</u>			
HFC Property Street Address	6868 N President George Bush Hwy	Regulatory Agreement Effective Date		<u>8/1/2022</u>		Development Type		<u>New Construction</u>			
HFC City, State Zip	Garland, TX 75044	Does the development participate in other affordable programs?		<u>No</u>		Occupancy Type		<u>General/Family</u>			
HFC Property County	Dallas	Jurisdictional Boundaries		<u>Within Sponsor Boundaries</u>		Total Number of Units in the Development (All Restricted & Unrestricted)		<u>301</u>			
HFC User Name	Garland IL Group, LP	If Outside Sponsor Boundaries, was the Development acquired by Sept. 1, 2025?		<u>NA</u>							
		If Outside Sponsor Boundaries, has approval been obtained or is the Development in the transition period?		<u>NA</u>							
Affordability Requirements - AMI Percentage by Bedroom Size (Post Developments Only)											
	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total					
80% AMI Units	0	0	0	0	0	154					
140% AMI Units	0	0	0	0	0	117					
Market Units	0	0	0	0	0	30					
Total Restricted Units	0	0	0	0	0	271					
Total Units (Restricted + Market)	0	0	0	0	0	301					
Development Contacts											
Organization Name	City, State Zip										
Property Name	Garland, TX 75044										
Texas Comptroller	Austin, TX 78733										
Appraisal District	Dallas, TX 75247										
Individual Auditor	Austin, TX 78758										
HFC User	Southlake, TX 76092										
HFC Management Company	Southlake, TX 76092										
HFC Sponsor	City of Garland										
Board Member	Garland Housing Finance Corporation										
Auditor Qualifications & Affiliations											
Does the Auditor have a current Certified Occupancy Specialist (COS) or equivalent certification?						<u>Yes</u>					
Has the Auditor provided a resume demonstrating housing compliance audit experience?						<u>Yes</u>					
Is the Auditor free from any financial, ownership, or management interest in the Development or any Responsible Party?						<u>Yes</u>					
Is the Auditor currently serving, or has the Auditor previously served, as the Management Agent for this Development?						<u>No</u>					
Has the HFC User complied with the three-year rotation and, if applicable, the two-year cooling-off requirement?						<u>Yes</u>					
Income & Rents Limits											
Does the Regulatory Agreement specify income limits?						<u>Yes</u>					
Are the income limits adjusted for household size?						<u>Yes</u>					
Are the income limits based on HUD income limits?						<u>Yes</u>					
Did the Development comply with the Available Unit Rule when a household became over-income?						<u>NA</u>					
Does the Regulatory Agreement specify rent limits for Restricted Units?						<u>No</u>					
Are the rent limits based on HUD rental limits?						<u>NA</u>					
Are restricted unit rents <30% of the applicable income limit (adjusted for household size)?						<u>NA</u>					
Are rent limit adjusted for family size, as determined by HUD?						<u>NA</u>					
What is the family-size adjustment specified by the Development's Regulatory Agreement?						<u>NA</u>					
Fees											
Does Rent charged to income-restricted tenants include any recurring fees or charges?						<u>NA</u>					
If "Yes", are any recurring fees or charges required as a condition of occupancy?						<u>NA</u>					
Units & Occupancy											
Restricted Units Occupied by Voucher Holders		<u>NA</u>		Restricted Occupied Units		<u>107</u>		Non-Restricted Occupied Units		<u>17</u>	
Total Units (ALL)		<u>301</u>		Restricted Vacant Units		<u>165</u>		Non-Restricted Vacant Units		<u>12</u>	
				Total Restricted Units		<u>272</u>		Total Non-Restricted Units		<u>29</u>	
Triggering Events: Acquisition and Ownership Transfer											
Did a triggering event occur during the reporting period or any prior Tax Year?						<u>No</u>					
Set Asides											
Date first occupied by one or more tenants?	<u>8/23/2024</u>										
Is the Development currently in lease up?	<u>Yes</u>										
Do Restricted Units have comparable square footage and floor plans as Non-Restricted Units?	<u>NA</u>										
Are Restricted Units equal in finishes and equipment to Non-Restricted units?	<u>NA</u>										
Do Restricted Units have equal amenity and program access as Non-Restricted Units?	<u>NA</u>										
Are Restricted Units proportionally distributed by unit type and income category?	<u>NA</u>										
Did the Auditor receive photographic evidence and written certification confirming unit comparability?	<u>NA</u>										
Marketing											
Does the Development's website include information about the Development and its compliance with Section 394.9026(c)(1)(7)?						<u>N/A for Reporting YR 2025</u>					
Does the website include Housing Choice Voucher (HCV) acceptance policies?						<u>N/A for Reporting YR 2025</u>					
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.						<u>N/A for Reporting YR 2025</u>					
Vouchers											
Does the HFC User refrain from refusing to rent to households solely due to participation in the Housing Choice Voucher (HCV) program?						<u>N/A for Reporting YR 2025</u>					
Do leasing and screening policies avoid any provision that prohibits or discourages HCV participation?						<u>N/A for Reporting YR 2025</u>					
Does the Development avoid imposing a minimum income requirement on HCV households exceeding 250% of the tenant-paid portion of rent?						<u>N/A for Reporting YR 2025</u>					
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?						<u>N/A for Reporting YR 2025</u>					
Did the Auditor review evidence of HCV marketing material consistent with Sections 394.9026?						<u>N/A for Reporting YR 2025</u>					
How many Restricted Units are occupied by HCV (Section 8) households?						<u>N/A for Reporting YR 2025</u>					
Lease & Policies											
Does the Development provide tenants with at least 30 days' written notice of non-renewal?						<u>N/A for Reporting YR 2025</u>					
Do lease agreements prohibit tenants from waiving required protections?						<u>N/A for Reporting YR 2025</u>					
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?						<u>N/A for Reporting YR 2025</u>					