

Texas State Affordable Housing Corporation Compliance Review Observation Report

Garden Apartments			
1340 65 th St. Lubbock TX 79412			
Owner: RHAC-Garden , LLC		Date Built: 1981	
Management Company: Capstone Real Estate Services		Property Manager: Rhonda Anderson	
Inspection Date & Time: 2.12.2015 at 12:30 P.M.		Inspector's Name: James Matias	

Number of Units:	62	Number of required LI units:	62	Number of required VLI units:	0	
COMPLIANCE AUDIT				YES	NO	N/A
1) Are procedures that ensure compliance with the set aside requirements and rent requirements effective?				X		
2) Is the property accepting Section 8 households?				X		
3) Is the income to rent ratio for Section 8 households less than 2.5?				X		
4) Are the rent increases smaller than 5%?				X		
5) Is there any discriminatory language on the Application for Tenancy or Occupancy Qualifications?					X	
6) Does the lease or rental agreement inform the resident of Very Low Income/Low Income Recertification requirements?				X		
7) Is additional monitoring by TSAHC recommended?					X	

COMMENTS:

SET-ASIDES				YES	NO	N/A
1) Is the property meeting all occupancy restrictions required by the property's Regulatory Agreement and Asset Oversight and Compliance Agreement?				X		
2) Are the set-aside units evenly distributed?						
a) No more than 60% of the set-aside requirements consist of one unit type?						X
b) No less than 20% of the set aside requirements consist of any particular unit type?						X
3) If either of the set asides have not been met, are any units:						
a) Rented for less than 30 days, not including month-to-month?					X	
b) Utilized as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home, or trailer court or park?					X	
c) Leased to a corporation, business or university?					X	
d) Owned by a cooperative housing corporation?					X	
e) Not available for rental on a continuous basis to members of the general public?					X	

COMMENTS:

UNITS WALKED			
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Unit #	USR Designation	New Designation	Comments
4A	60	NA	
19A	60	NA	
24A	60	NA	
33A	60	NA	

COMMENTS: The 4 units walked included 3 occupied units (4A, 24A, and 33A) and 1 vacant unit (19A). The units walked were found to be adequate for the affordable program and no designation changes are necessary. Any and all health and safety issues for these units, which are outlined in the Asset Oversight Report, were corrected within 24 hours of the review.

RESIDENT SERVICES				YES	NO	N/A
1) Do the resident services appear to cater to the resident profile of the property?				X		

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2) Do the resident services appear to be effective? Discuss your observations in the comments section below.	X		
3) Is the property meeting the Resident Service requirements as required by the Regulatory Agreement and Asset Oversight and Compliance Agreement?	X		
4) Is management monitoring the following:			
a) Resident attendance	X		
b) Frequency of service provided	X		
c) Notification to residents of services	X		
d) Number or type of services	X		
e) Survey of residents	X		
5) Is management properly submitting monthly Resident Service reports through the Compliance System?	X		
6) Did TSAHC provide any Technical Assistance regarding Resident Services?	X		

COMMENTS:

OFFICE	YES	NO	N/A
1) Is the office neat, the desk uncluttered?	X		
2) Are accurate office hours posted?	X (see comment)		
3) Are the following displayed in full view:			
a) Occupancy Qualifications?	X		
b) Fair Housing Poster?	X		

COMMENTS:

Observation:

- The verbiage found on the posted office hours flyer was not clear about when the office was actually open. The flyer said, "Applications are accepted during the following times". It is recommended that flyer be edited to mention actual office hours to avoid any confusion for residents or anyone wanting assistance.

RESIDENT FILE REVIEW	YES	NO	N/A
1) Does the owner maintain all records relating to initial resident income certifications, together with supporting documentation?	X		
2) Does the Owner/Agent make an effort to determine that the income certification provided by the resident is accurate	X		
3) Does the file audit establish that residents are being recertified on an annual basis?	X		
4) For mixed (low-income and market units) developments, are there any Next Available Unit Rule Violations?			X
5) Does the file audit indicate that staff needs additional training?		X	

COMMENTS:

Observation:

The following items were found to be discrepancies or inconsistencies during the file review:

- Unit 15B: The income on the Unit Status Report (USR) did not match the income on the initial Tenant Income Certification (TIC).
- During the site visit, several unit files were missing the copies of the applicant screenings and initial application (units affected 4B, 7A, 8B, 9A, 10A, 13A, 15B, 19A, 24A, 29A, 35A and 39A). All of the items were obtained from separate files and provided during the review, therefore no findings were issued. It appears that the issues stem from not properly filing tenant documents. If management decides to keep separate files for different program requirement, section off the file into program sections, or submit files to a compliance department for review and approval, management must ensure that each tenant file, sections of the tenant file, or approved compliance file contains all required forms moving forward.

If a new household moves in to any of the units with Findings (listed below), instead of submitting the required Corrective Action documents, submit with your response: the application for tenancy, all income and asset

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verifications, the executed Income Certification, and the 1st page of the lease for the new household occupying the unit.

Unit	Finding	Corrective Action Requirement
COMMENTS:		

SUMMARY OF FINDINGS AND OBSERVATIONS
<p>Observations:</p> <ul style="list-style-type: none"> The verbiage found on the posted office hours flyer was not clear about when the office was actually open. The flyer said, "Applications are accepted during the following times". It is recommended that flyer be edited to mention actual office hours to avoid any confusion for residents or anyone wanting assistance. <p>The following items were found to be discrepancies or inconsistencies during the file review:</p> <ul style="list-style-type: none"> Unit 15 B: The income on the Unit Status Report (USR) did not match the income on the initial Tenant Income Certification (TIC). During the site visit, several unit files were missing the copies of the applicant screenings and initial application (units affected 4B, 7A, 8B, 9A, 10A, 13A, 15B, 19A, 24A, 29A, 35A and 39A). All of the items were obtained from separate files and provided during the review, therefore no findings were issued. It appears that the issues stem from not properly filing tenant documents. If management decides to keep separate files for different program requirement, section off the file into program sections, or submit files to a compliance department for review and approval, management must ensure that each tenant file, sections of the tenant file, or approved compliance file contains all required forms moving forward. No Findings.