

Texas State Affordable Housing Corporation Compliance Review Observation Report

Vista Rita Blanca
701 Maynard St., Dalhart, Texas 79109

Owner: Guadalupe Economic Service Corp. (GESC) **Date Built:** 2014
Management Company: JL Gray Company **Property Manager:** Frances Arriaga
Inspection Date & Time: July 8, 2015 at 9:00 a.m. **Inspector's Name:** Celina Mizcles

Number of Units: 50 **Number of required LI units:** 50 **Number of required VLI units:** N/A

| 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: According to management, there has not been a rent increase since the last onsite visit.

| 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

| Unit # | USR Designation | New Designation | Comments |
|--------|-----------------|-----------------|----------|
| N/A | | | |

COMMENTS: Management failed to issue resident notices of physical inspection; therefore, the reviewer was unable to physically inspect occupied units.

Observation:

- On June 9, 2015 site visit notification letters were sent to the owner, owner representative, and management agent (via email) of Rita Blanca which notifies them of the onsite visit, lists the reports needed prior to the day of the onsite visit, and notifies them that a limited physical inspection of at least three units will be completed. However, on the day of the onsite visit, it was confirmed that the Property Manager was not aware of the site visit and that resident notifications of unit inspection were not issued to residents in a timely manner. This resulted in the reviewer not being able to physically inspect units. It is the owner's responsibility to ensure that a property is available and ready for annual monitoring and review by TSAHC. TSAHC strongly suggest owners notify the site manager of all correspondence relating to TSAHC's annual onsite monitoring visit in the future.

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| RESIDENT SERVICES | YES | NO | N/A |
|--|-----|----|-----|
| 1) Do the resident services appear to cater to the resident profile of the property? | X | | |
| 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 | | |
| 3) Are the following displayed in full view: | | | |
| a) Occupancy Qualifications? | X | | |
| b) Fair Housing Poster? | X | | |
| COMMENTS: | | | |

| 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: During the resident files review, it was determined that management properly screens and verifies all income and assets. However, the reviewer noted the following TSAHC required form was missing:

- TSAHC's Notice of Health and Safety form was missing in files 1D, 2F, 3D, and 4B. Based on the move-in dates for these units, management was requested to provide an executed copy of the Notice of Health and Safety form for all 2015 move-ins. Prior to the issuance of this report, management submitted copies of executed Health and Safety forms for the units mentioned above and all 2015 move-ins. Therefore, no Finding was issued.

Management was also reminded that there are seven units (units 1D, 1E, 2B, 2C, 2E, 2G, and 4A) that will require annual recertification on or before the anniversary of the move in date, which for these seven units will occur in July 2015.

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

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| Unit | Finding | Corrective Action Requirement |
|------------------|---------|-------------------------------|
| N/A | | |
| COMMENTS: | | |

SUMMARY OF FINDINGS AND OBSERVATIONS

Observations:

- On June 9, 2015 site visit notification letters were sent to the owner, owner representative, and management agent (via email) of Rita Blanca which notifies them of the onsite visit, lists the reports needed prior to the day of the onsite visit, and notifies them that a limited physical inspection of at least three units will be completed. However, on the day of the onsite visit, it was confirmed that the Property Manager was not aware of the site visit and that resident notifications of unit inspection were not issued to residents in a timely manner. This resulted in the reviewer not being able to physically inspect units. It is the owner's responsibility to ensure that a property is available and ready for annual monitoring and review by TSAHC. TSAHC strongly suggests owners notify the site manager of all correspondence relating to TSAHC's annual onsite monitoring visit in the future.

No Findings.