

Texas State Affordable Housing Corporation Compliance Review Observation Report

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|---|--|-------------------------------------|--|
| Spring Terrace | | | |
| 2600 S. Spring St., Amarillo, Texas 79109 | | | |
| Owner: RHAC – Spring, LLC | | Date Built: 1983 | |
| Management Company: Capstone Real Estate Services | | Property Manager: Nicole Huddleston | |
| Inspection Date & Time: July 7, 2015 at 8:30 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:

| 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:

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| UNITS WALKED |
|---------------------|

| Unit # | USR Designation | New Designation | Comments |
|--------|-----------------|-----------------|----------|
| 5 | 60 | 60 | N/A |
| 26 | 60 | 60 | N/A |
| 38 | 60 | 60 | N/A |
| 41 | 60 | 60 | N/A |

COMMENTS:

| 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 | | |

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|--|---|---|--|
| 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: The tenant files that were reviewed on the day of the onsite visit were well organized and contained proper documentation to support household eligibility. | | | |

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.

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

| SUMMARY OF FINDINGS AND OBSERVATIONS |
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| No Observations and Findings. |