

# Texas State Affordable Housing Corporation Compliance Review Observation Report

## Peppertree Acres Apartments

6555 Sheridan Circle Ft Worth, Tx 76134

**OWNER:** RHAC – Peppertree Acres, LLC.

**INSPECTOR'S NAME:** James Matias and Celina Mizcles

**INSPECTION DATE:** October 8, 2014 at 8:30 A.M.

<b>Number of Units:</b>	<b>148</b>	<b>Number of required LI units:</b>	<b>148</b>	<b>Number of required VLI units:</b>	<b>N/A</b>	
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 and Recertification requirements?	X				
7)	Is additional monitoring by TSAHC recommended?		X			
<b>COMMENTS:</b> The property maintains files for Tax Exempt Bond, Tax Credit, and Project Based Section 8.						

SET-ASIDES				YES	NO	N/A
1)	Do the files reviewed establish that the property is meeting the Low Income residency requirement whereby 75 percent of the units are rented to tenants whose adjusted income is 80 percent or less of the median gross income for the Metropolitan Statistical Area where the property is located?					X
2)	Do the files reviewed establish that the property is meeting the Very Low Income residency requirement?					X
3)	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
4)	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		
<b>COMMENTS:</b>						

UNITS WALKED			
(units vacant and unready for extended period of time and all down units)			
Unit #	USR Designation	New Designation	Comments
NA			
<b>COMMENTS:</b>			

RESIDENT SERVICES				YES	NO	N/A
1)	Does the programming appear to cater to the resident profile of the property?	X				
2)	Does the programming appear to be effective?	X				

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3) Is there a resident services notebook available to review?	X		
4) TSAHC provided Technical assistance regarding:			
a) Resident attendance	X		
b) Frequency of service provided	X		
c) Transportation provided for off site services	X		
d) Notification to residents of services		X	
e) Number or type of services	X		
f) Survey of residents		X	
g) On-line reporting		X	
5) Does the property comply with the resident services requirement?	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) Are there any Next Available Unit Rule Violations?			X
2) Does the file audit establish that residents are being recertified on an annual basis?	X		
3) Does the owner maintain all records relating to resident income certifications, together with supporting documentation?		X (see finding)	
4) Does the Owner/Agent make an effort to determine that the income certification provided by the resident is accurate?	X		
5) Does the file audit indicate that staff needs additional training?		X	
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*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, the verifications, the Income Certification, and the 1<sup>st</sup> page of the lease for the new household occupying the unit.*

Unit	Finding	Corrective Action Requirement
6520	Management was unable to provide TSAHC with the tenant file for unit 6520.	Management must provide documentation to support the household was eligible at the time of move in or certify the household under current circumstances using current rent and income limits. Documents must be submitted to TSHAC no later than <u>November 23, 2014</u> .

**COMMENTS:**

## SUMMARY OF FINDINGS AND OBSERVATIONS

**Observation:**

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- The practices noted above are highly discouraged. It is the owner's responsibility to ensure all households are eligible at the initial time of occupancy. Management must screen all applicants and execute an initial Income Certification and maintain all supporting documentation in the tenant file. Additionally, it is the owner's responsibility to obtain a self-certification for each household annually thereafter. Supporting documentation of income and/or non-employment must always be maintained in the tenant file and white-out must never be used as it compromises the authenticity of the document. Annual self-certifications collected on the Annual Eligibility Certification (AEC) forms must be thoroughly completed within 120 days from the anniversary date of the household's move-in date. Example: The household moved in on June 1, 2014, so annual recertifications must be completed within 120 days of June 1st every year thereafter. The AEC form provides TSAHC with important information that is required to be gathered on an annual basis.

### Findings:

- **Unit 6520:** Management was unable to provide the tenant file for unit 6520 on the day of the site visit. In order to correct this finding, management must provide documentation to support the household was eligible at the time of move in or certify the household under current circumstances using current rent and income limits. Documents must be submitted to TSHAC no later than November 23, 2014.
- Peppertree Apartments is required to maintain 100% of the units at 60%AMI. TSAHC was unable to determine program eligibility for unit 6520 on the day of the site visit. Therefore, Peppertree is not meeting their set aside requirement. In order to correct this findings, management must lease enough units to low income households to achieve the set aside requirement and submit copies of the file (unit 6520) which will restore compliance and reflect household eligibility. Management must submit supporting documentation to TSHAC no later than November 23, 2014.