

Texas State Affordable Housing Corporation Compliance Review Observation Report

<u>Rita Blanca</u>			
701 Maynard St., TX 79109			
Owner: Guadalupe Economic Services Corporation (GESC)		Date Built: 2014	
Management Company: JL Gray		Property Manager: Francis Arriaga	
Inspection Date & Time: October 30, 2014 at 8:30 A.M.		Inspector's Name: James Matias & Celina Mizcles	
Number of Units:	50	Number of required LI units:	50
		Number of required VLI units:	NA
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
COMMENTS: Rita Blanca is a newly constructed property located in Dalhart, Texas. Management began pre-leasing activities in January 2014 and began occupying low-income units in June 2014.			

	YES	NO	N/A
SET-ASIDES			
1)	Do the files reviewed establish that the property is meeting the Low Income residency requirements: whereby at least 20 percent of the units shall be reserved for households earning fifty-percent (50%) or less of the area median income by family size as determined by HUD, and (ii) all remaining units will be reserved for households earning eighty-percent (80%) or less of the area median income by family size as determined by HUD?		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?		X
	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
COMMENTS:			

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

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

COMMENTS:

Observation: Per the Loan Agreement, Rita Blanca must provide a minimum of five resident services consistently throughout the year. TSAHC suggests management review the Resident Service Program Guidelines (attached) to ensure services are adequate for the program. The services must be provided onsite or transportation to off-site services must be provided. It is management’s responsibility to provide services and maintain documentation to support the frequency of services provided, resident attendance, and the notification to residents regarding the services offered. Management will also be required to submit monthly resident services reports through our web-based Compliance System. Please note: No later than March 1st of each year, management must provide TSAHC with the Fair Housing Sponsor Report (attached) together with a summary of resident service programs. During the onsite visit, management was advised on resident services and discussed that TSAHC will review the resident services during the second onsite visit. The current resident services program is not meeting the minimum requirements. TSAHC understands that the property just leased up and the resident services are not fully established at this point. However, TSAHC expects the resident services program to meet the minimum requirements by June 1, 2015.

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		
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	

COMMENTS: The files were nicely organized.

Observation: The following issues were noted during the resident file review:

- **Health and Safety Form: Management is not utilizing the required Health and Safety Form (attached). Management**

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must ensure to provide the Health and Safety form to all current households and to all future residents prior to the time of initial move-in.

- **Verifications:** The files contained completed Verification of Employment (VOE) forms, however the reviewer was unable to determine how the VOE's were obtained. The Property Manager confirmed that VOEs were obtained by fax, email, and in person. TSAHC recommends management strengthen current practices by ensuring the following, moving forward. If the VOEs are faxed, the verification will display a fax stamp, if they are hand-delivered, the file should contain a clarification page noting who provided it, title of person who signed it and date and time received, and if emailed, the file should contain the print out of the email sent.

Unit	Finding	Corrective Action Requirement
NA		

COMMENTS:

SUMMARY OF FINDINGS AND OBSERVATIONS

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The following issues were noted during the resident file review:

- **Health and Safety Form:** Management is not utilizing the required Health and Safety Form (attached). Management must ensure to provide the Health and Safety form to all current households and to all future residents prior to the time of initial move-in.
- **Verifications:** The files contained completed VOE's, however the reviewer was unable to determine how the VOE's were obtained. The Property Manager confirmed that most VOEs are obtained through fax, email, and in person. TSAHC recommends management strengthen current practices by ensuring the following, moving forward. If the VOEs are faxed, the verification will display a fax stamp, if they are hand-delivered, the file should contain a clarification page noting who provided it, title of person who signed it and date and time received, and if emailed, the file should contain the print out of the email sent.