

Texas State Affordable Housing Corporation Compliance Review Observation Report

Garden Apartments

1340 65th St. Lubbock TX 79412

Owner: RHAC-Garden , LLC

Date Built: 1981

Management Company: Capstone Real Estate Services

Property Manager: Mitzi Morre

Inspection Date & Time: 2.24.2016 at 12:00 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?				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?					
3)	If either of the set asides have not been met, are any units:			X		
	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
9A	60	NA	
20A	60	NA	
27A	60	NA	
37A	60	NA	
4B	60	NA	
8B	60	NA	
18B	60	NA	

COMMENTS: The seven units walked were all vacant at the time of the review. 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 7 business days of the review.

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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: All observations listed below were corrected prior to the submission of the report. Based on the discrepancies noted, management was advised of the importance of signing all necessary documents and ensuring the data on the TSHAC Unit Status Report (USR) is accurate.

Observations:

The following items were found to be incorrect or inconsistent during the file review:

- **Unit 11A:** The number of household members and the household income is incorrect on the USR. This information needs to be updated to reflect the current household information which is listed on the original Tenant Income Certification (TIC).
- **Unit 22A:** The housing rent on the USR does not match the rent on the HUD-50059.
- **Unit 25A:** The housing and tenant rent on the USR does not match the rent on the HUD-50059.
- **Unit 29A:** The tenant and housing rent on the USR does not match the rent on the HUD-50059.
- **Unit 30A:** The number of household members and the household income is incorrect on the USR. This information needs to be updated to reflect the current household information which is listed on the original Tenant Income Certification (TIC).

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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, 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

No Findings.

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- Unit 29A: The tenant and housing rent on the USR does not match the rent on the HUD-50059.
- Unit 30A: The number of household members and the household income is incorrect on the USR. This information needs to be updated to reflect the current household information which is listed on the original Tenant Income Certification (TIC).