

# Texas State Affordable Housing Corporation Compliance Review Observation Report

<b>Garden Apartments</b>	
1340 65 <sup>th</sup> St. Lubbock TX 79412	
<b>Owner:</b> RHAC-Garden , LLC	<b>Date Built:</b> 1981
<b>Management Company:</b> J. Allen Management Co., Inc	<b>Property Manager:</b> Sheila Velasquez
<b>Inspection Date &amp; Time:</b> 2.22.2017 at 12:00 P.M.	<b>Inspector's Name:</b> James Matias

<b>Number of Units:</b> 62	<b>Number of required LI units:</b> 62	<b>Number of required VLI units:</b> 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?				
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			
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Unit #	USR Designation	New Designation	Comments
1A	60	NA	
2A	60	NA	
6A	60	NA	
27A	60	NA	
31A	60	NA	
43A	60	NA	

**COMMENTS:** The seven units walked were all vacant at the time of the review. The units walked were found to be adequate condition f 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	
<b>COMMENTS:</b>			

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		
<b>COMMENTS:</b>			

RESIDENT FILE REVIEW	YES	NO	N/A
1) Does the owner maintain all records relating to initial resident income certifications, together with supporting documentation?	Not in all cases (see comments)		
2) Does the Owner/Agent make an effort to determine that the income certification provided by the resident is accurate	Not in all cases (see comments)		
3) Does the file audit establish that residents are being recertified on an annual basis?	Not in all cases (see comments)		
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 (see comments)		

**COMMENTS:** On the day of the site visit the majority of the files reviewed did not have the required initial Tenant Income Certification (TIC) or Annual Eligibility Certification (AEC) forms or the supporting documentation. In addition, the files that did have certification documents were often missing proper information on them or they were not signed. All observations listed below were corrected prior to the submission of the report. Based on the discrepancies noted, management was advised of the requirements to have all certifications and supporting documents, sign all necessary documents and ensure the data on the TSAHC Unit Status Report (USR) is accurate.

**Observation:**

The following item was missing from the tenant file:

- **Unit 1A: The (AEC) was incomplete. The majority of the top part was not filled in and the form was not signed.**

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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 1<sup>st</sup> page of the lease for the new household occupying the unit.*

Unit	Finding	Corrective Action Requirement
2B	On the day of the site visit the file did not have the original TIC from the 2009 move in or supporting documentation for the income. In addition the file did not have an AEC or the TSAHC Health and Safety form.	After the review, management sent TSAHC the Health and Safety form, the original TIC, supporting income documentation, and the most recent AEC. However, the AEC is not dated properly. Please correct these dates and provide TSHAC with a corrected copy of the AEC no later than March 31, 2017.
4B	On the day of the site visit the file did not have the original TIC from the 2009 move in or supporting documentation for the income.	After the review, management sent TSAHC the original TIC and a new AEC. However the TIC is not signed by an owner representative and the AEC is not completed properly as the form does not include an effective date or a move in date. Please correct these items and provide TSHAC with a corrected copy no later than March 31, 2017.
12A	The income on the TIC does not match the income on the USR.	Please update the USR no later than March 31, 2017.
18A	The income that is listed on the TIC cannot be proven based on the items found in the file. The TIC provided is not signed by an owner representative.	Management sent in some child support documents and a Non-Employed Certification. However, neither of these items verifies the income that is listed on the TIC. Please provide proof of income and have an owner representative sign the original TIC and send proof to TSHAC no later than March 31, 2017.
20A	The income on the TIC does not match the income on the USR.	Please update the USR no later than March 31, 2017.
37A	The TIC provided is not signed by an owner representative.	Please provide TSAHC with a signed TIC no later than March 31, 2017.
<b>COMMENTS:</b>		

### SUMMARY OF FINDINGS AND OBSERVATIONS

The above items are findings.

Observation:

- See above.