Texas State Affordable Housing Corporation
Compliance Review Observation Report

Pine Club Apartments
5015 Pine Street, Beaumont, TX 77703

Owner: Dalcor Affordable Housing I, LLC  Date Built: 1996
Management Company: Dalcor Management, LLC  Property Manager: Mandy Hinson
Inspection Date & Time: March 10, 2017 at 8:30 a.m.  Inspector’s Name: James Matias

<table>
<thead>
<tr>
<th>Number of Units:</th>
<th>232</th>
<th>Number of required affordable units:</th>
<th>232</th>
</tr>
</thead>
</table>

### COMPLIANCE AUDIT

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

### SET-ASIDES

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

### UNITS WALKED

<table>
<thead>
<tr>
<th>Unit #</th>
<th>USR Designation</th>
<th>New Designation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>510</td>
<td>60%</td>
<td>60%</td>
<td>N/A</td>
</tr>
<tr>
<td>708</td>
<td>60%</td>
<td>60%</td>
<td>N/A</td>
</tr>
<tr>
<td>914</td>
<td>60%</td>
<td>60%</td>
<td>N/A</td>
</tr>
<tr>
<td>1205</td>
<td>60%</td>
<td>60%</td>
<td>N/A</td>
</tr>
<tr>
<td>1302</td>
<td>60%</td>
<td>60%</td>
<td>N/A</td>
</tr>
<tr>
<td>1403</td>
<td>60%</td>
<td>60%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### RESIDENT SERVICES

1) Do the resident services appear to cater to the resident profile of the property?  
   - X
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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:

<table>
<thead>
<tr>
<th>OFFICE</th>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Is the office neat, the desk uncluttered?</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) Are accurate office hours posted?</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3) Are the following displayed in full view:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Occupancy Qualifications?</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Fair Housing Poster?</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

COMMENTS: The files were in great condition, easy to review and very organized. Management did a great job correcting all inconsistencies prior to the issuance of the Compliance Report. The discrepancies corrected included the following:  
- Unit 110: The income on the initial tenant Income Certification (TIC) was listed in the wrong column.  
- Unit 206: The tenant Income in the initial TIC was not calculated correctly. The incorrect calculation and the new calculation both reflect the tenant to be under the 60% income limit.  
- Unit 614: The Annual Eligibility Certification needed to have the dates adjusted. The Unit Status Report needed to be updated with the most recent rent split for the tenant and subsidy.

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.

Revised January 2015
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<table>
<thead>
<tr>
<th>Unit</th>
<th>Finding</th>
<th>Corrective Action Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

**COMMENTS:**

No Findings or Observations.