

Texas State Affordable Housing Corporation Compliance Review Observation Report

Salem Village
5201 John Stockbauer, Victoria, TX 77904

Owner: RHAC-Salem Village, LLC **Date Built:** 1981
Management Company: Capstone Real Estate Services **Property Manager:** Rachel Medrano
Inspection Date & Time: February 3, 2017 at 8:30AM **Inspector's Name:** James Matias

Number of Units:	105	Number of required LI units:	105	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?					
	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

Unit #	USR Designation	New Designation	Comments
3A	60	60	N/A
9B	60	60	N/A
18B	60	60	N/A
18D	60	60	N/A
19C	60	60	N/A
21A	60	60	N/A
22A	60	60	N/A
25C	60	60	N/A

COMMENTS: Three of the 8 units walked were occupied. The 8 units walked included 3 occupied units (9B, 18B, and 21A) and 5 vacant units (3A, 18D, 19C, 22A and 25C). 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 associated with the units walked were corrected within 5 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: Management did a great job correcting all compliance inconsistencies prior to the issuance of the Compliance Report. During the tenant file review, the reviewer noticed a few discrepancies between the move-in and effective dates, incomes, tenant paid rent, and assistance payment amounts listed on the Tenant Income Certification versus the monthly Unit Status Report (USR). The discrepancies were noted for units 4B, 12C, 13B, 14A, 15D, 24D, 27A, and 27B. It was apparent that this was an oversight as management is aware of updating these amounts as they change. Management was instructed to update the USR each time a rent change is determined and to make sure all items match.

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.

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Unit	Finding	Corrective Action Requirement
24D	The file had an Employment Verification showing employment and income dated after a Not Employed Certification for the same household member.	Prior to the completion of this report, management provided a clarification to the file showing that the household member went back to work briefly, but then got sick and never returned. The clarification has been added to the file.

COMMENTS: All observations and findings were corrected prior to the submission of the report.

SUMMARY OF FINDINGS AND OBSERVATIONS

No Findings or observations.