Texas State Affordable Housing Corporation Compliance Review Observation Report

T.H.F Palladium Midland

2300 South Lemesa Rd., Midland, Texas 79701

Owner: T.H.F Palladium Midland Date Built: 2016

Management Company: Omnium Management Property Manager: Amy Curry

Inspection Date & Times September 21, 2021, et 10:00 AM

Inspector's Names James Metics

| ınsp | ection Date & | z 11me: Se | eptember 21, 2021, at 10:00 AM | Inspect | or's Name: J | ames Matia | ıs | |
|---------|--|----------------|---|-----------------|-----------------|---------------|----------|-----|
| Nu | mber of Units: | 264 | Number of required LI units: | 207 | Number o | f required VL | I units: | N/A |
| | | | COMPLIANCE AUDIT | | | YES | NO | N/A |
| 1) | Are procedures effective? | s that ensure | compliance with the set aside requiremen | ts and rent req | uirements | 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%? | | | | | Х | | |
| 5) b | Does the Applie e discriminatory? | | nancy or Occupancy Qualifications exclude | language that | t may appear to | х | | |
| 6) | Does the lease Recertification r | | eement inform the resident of Very Low Inc ? | ome/Low Inco | me | х | | |
| 7) | Is additional mo | nitoring by T | SAHC recommended? | | | | х | |
| | | | | | | | | |

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? | х | | |
| 2) | Are the set-aside units evenly distributed? | | | |
| | a) No more than 60% of the set-aside requirements consist of one unit type? | Х | | |
| | b) No less than 20% of the set aside requirements consist of any particular unit type? | Х | | |
| 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? | | Х | |
| | 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? | | Х | |
| | d) Owned by a cooperative housing corporation? | | Х | |
| | e) Not available for rental on a continuous basis to members of the general public? | | Х | |
| COMN | MENTS: | | | |

UNITS WALKED

| Unit # | USR Designation | Comments |
|--------|-----------------|----------|
| 533 | 60% | |
| 623 | 60% | |
| 633 | 60% | |
| 723 | 60% | |
| 734 | 60% | |
| 735 | 60% | |
| 736 | 60% | |
| 823 | 60% | |
| 824 | 60% | |

Revised January 2018

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| RESIDENT SERVICES | YES | NO | N/A |
|--|-----|----|-----|
| Do the resident services appear to cater to the resident profile of the property? | X | | |
| 2) Is the property meeting the Resident Service requirements as required by the Regulatory Agreement and Asset Oversight and Compliance Agreement? | х | | |
| 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 | Х | | |
| 4) Did TSAHC provide any assistance regarding Resident Services based on the review conducted during the onsite visit? | | х | |
| 5) Is management properly submitting monthly Resident Service reports through the Compliance System? | х | | |
| 6) In the last 12 months, has TSAHC provided any assistance regarding the monthly Resident Service reports submitted through the Compliance System? If so, comment below. | | х | |

COMMENTS: Management appears to be finding resourceful way to provide resident services regardless of the social distancing requirements. Management periodically has breakfast-on-the run where residents can pick up an individually packaged breakfast at a safe distance. In addition, the community has a few virtual services, including arts and crafts. Last, the Food Pantry is stocked regularly, and tenants in need can obtain items weekly.

| OFFICE | YES | NO | N/A | |
|--|-----|----|-----|--|
| 1) Is the office neat, the desk uncluttered? | Х | | | |
| 2) Are accurate office hours posted? | Х | | | |
| 3) Are the following displayed in full view: | | | | |
| a) Occupancy Qualifications? | Х | | | |
| b) Fair Housing Poster? | Х | | | |
| COMMENTS: | | | | |

| RESIDENT FILE REVIEW | YES | NO | N/A |
|---|-----|----|-----|
| Does the owner maintain all records relating to initial resident income certifications, together with supporting documentation? | х | | |
| Does the Owner/Agent make an effort to determine that the income certification provided by the resident is accurate? | х | | |
| 3) Does the file audit establish that residents are being recertified on an annual basis? | х | | |
| For mixed (low-income and market units) developments, are there any Next Available Unit Rule Violations? | х | | |
| 5) Does the file audit indicate that staff needs additional training? | | Х | |

COMMENTS: Management did a great job correcting Unit Status Report (USR) inconsistencies prior to the issuance of the Compliance Report. During the tenant file review, the reviewer noticed a few rent discrepancies between the Tenant Income Certification (TIC) and the USR. The discrepancies were noted for units 123, 138, 216, 534, 615, 616, 716, 1037, and 1122. Management was made aware that the current rent paid by the household and housing authority is what should always be reflected on the USR. Management also corrected the household size for unit 334 on the USR and TIC, and the student status on the TIC for unit 1035.

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/Observation | Corrective Action Requirement | | |
|------|---------------------|-------------------------------|--|--|
| | | | | |

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| COMMENTS: | | | | |
|---|--------------|-----------------|-----------------------|--|
| | | | | |
| | | SUMMARY OF FIND | INGS AND OBSERVATIONS | |
| No Observations | or Findings. | | | |
| | | | | |
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