Texas State Affordable Housing Corporation Compliance Review Observation Report

Seagraves Gardens Apartments

1100 12th Street, Seagraves, Texas 79359

Owner: HVM BP Seagraves, LLC Date Built:1974

Management Company: Hamilton Valley Management, Inc. Property Manager: Pam South

inspection bute & Time. March 19, 2021 at 9.30 am			Inspect	inspector sixume. Coma wilectes states				
Number of Units: 32		32	Number of required LI units: 13		Number o	umber of required VLI units:		
			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 a	ccepting Sed	tion 8 households?			х		
3)	3) Is the income to rent ratio for Section 8 households less than 2.5?					x		
4)	4) Are the rent increases smaller than 5%?					X - see comment		
5) b	Does the Applic e discriminatory?	ation for Ter	ancy or Occupancy Qualifications exclud	e language that	may appear to	х		
6)	Does the lease of Recertification re		ement inform the resident of Very Low In	come/Low Incom	пе	х		
7)	Is additional mor	nitoring by T	SAHC recommended?				х	

COMMENTS: This is the first Compliance Repot for Seagraves Gardens Apartments. According to management, a substantial rent increase of around 20% was approved for the property by Rural Development. The rent increase will be implemented once the full rehabilitation of the property is complete.

SET-ASIDES	YES	NO	N/A
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?			X
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	
COMMENTS:	•		

Unit # USR Designation Comments 24 60% COMMENTS:

RESIDENT SERVICES	YES	NO	N/A
1) 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 Agr and Asset Oversight and Compliance Agreement?	eement X		
3) Is management monitoring the following:			

Texas State Affordable Housing Corporation

Compliance Review Observation Report

a) Resident attendance	х	
b) Frequency of service provided	х	
c) Notification to residents of services	х	
d) Number or type of services	х	
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.		X

COMMENTS: The property is properly providing 4 resident services per month as required. Some of the services were postponed or cancelled due to covid. We encourage management to continue to adhere to federal, state and local guidance regarding common areas and amenities. Resident services involving crowds of more than 10 people are suspended until further notice. Management is advised to take good health and safety precautions for resident services such as book club meetings and crime watch meetings. We encourage each property to increase the cleaning of all common areas, restrooms, doorknobs, and handrails. Please continue to submit the Resident Services you provide. TSAHC will take these limitations into consideration as we review the monthly requirements.

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?			

COMMENTS: This annual review was conducted virtually. While the Inspector did not physically see the Occupancy Qualification and Fair Housing Poster, the Property Manager confirmed that it was posted in the management office.

	RESIDENT FILE REVIEW	YES	NO	N/A
Does the owner maintain supporting documentation?	ith X			
Does the Owner/Agent ma resident is accurate?	ake an effort to determine that the income certification provided by th	x X		
3) Does the file audit establis	sh that residents are being recertified on an annual basis?	X - see comment		
For mixed (low-income an Violations?	nd market units) developments, are there any Next Available Unit Rul	е		х
5) Does the file audit indicate	e that staff needs additional training?	X - see comment		

COMMENTS: A thorough review was completed on 5 tenant files that were submitted for review. The reviewer identified incomplete forms, missing forms, and/or missing verification in all 5 files. Based on the review and the property manager being new to the property, management is encouraged to conduct peer-reviews of tenant files moving forward. TSAHC believes this will help eliminate the issues that were identified and help ensure program eligibility. A peer review will also ensure tenant files and documents are thoroughly completed, reviewed, and verified. Below is a list of general observations. Finding can be found at the bottom of this report.

Observation: Management is encouraged to thoroughly review tenant file documents to ensure they are completed it its entirety and verifiy information properly. The following issues were noted throughout the file review.

- Applications: Not completed or verified properly and/or missing manager initials/signatures.
- Employment Verification forms: Unable to determine third-party method (i.e., faxed, emailed, etc.)
- Health and Safety Form was backdated. TSAHC does not encourage this practice.
- Asset Certification form: Questions 2-4 were consistently not answered and \$0 was listed in each asset type line item on the form. TSAHC recommends the manager put a strike, N/A, or leave the spaces blank moving forward.

Findings are listed in the chart below.

Texas State Affordable Housing Corporation Compliance Review Observation Report

If a new household moves into 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
Unit 5	addition, the bank statement showed deposits (\$5,965) that need to be clarified. The Tax-Exempt Bond	Management must recalculate the total household income and correct the Income Certification and submit completed and/or missing documents. The corrected and signed Income Certification, along with the other corrected documents must be submit to TSAHC for review. Corrective action must be submitted to TSACH no later than 05/12/2021.
Unit 11	The Income Certification (IC) is incomplete. Page 1 of the IC is missing the disclosed asset, Page 2, Part V of the IC is incomplete. In addition, the Tenant Selection Plan is missing the tenant's printed name on the signature page, and the Asset Certification form is incomplete (questions 2-4 not answered). The Tax-Exempt Bond Addendum is missing owner representative signature, and the Tenant screening was not submitted for review.	Management must correct all the missing or incomplete documents and submit them to TSAHC for review. Corrective action must be submitted to TSACH no later than 05/12/2021.
	did not contain clarification/verification on the two items. The Tenant Selection Plan is missing tenant signature, the Income Certification form, Page 2, Part V, is not	Management must complete an annual recertification of income and assets. The executed Income Certification and all supporting documents must be submitted for review. In addition, management must correct all the missing or incomplete documents and submit them to TSAHC for review. Corrective action must be submitted to TSACH no later than 05/12/2021.
Unit 28		Management must correct all the missing or incomplete documents and submit them to TSAHC for review. Corrective action must be submitted to TSACH no later than 05/12/2021.
Unit 32	Management did not conduct an annual recertification for this household (due on 2/1/2021). In addition, there were several incomplete documents in the files for the initial Income Certification. The file is missing the consent and release form, and the tenant screening was not submitted for review. In addition, it appears this units rent payment needs to be updated on the Unit Status Report.	Management must complete an annual recertification of income and assets. The executed Income Certification and all supporting documents must be submitted for review. In addition, the missing form/documents specific to the initial Income Certification must be completed and submitted To TSAHC for review no later than 05/12/2021.

Revised January 2018

Texas State Affordable Housing Corporation Compliance Review Observation Report

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SUMMARY OF FINDINGS AND OBSERVATIONS

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Findings are noted in the chart above. All requested documentation must be submitted to TSHAC no later than May 12, 2021.