Texas State Affordable Housing Corporation Compliance Review Observation Report

Las Palmas Apartments

27745 S. Kansas City Rd., La Feria, Texas 78559

Owner: HVM BP La Feria III, LLC Date Built: 1999

Management Company: Hamilton Valley Management, Inc. Property Manager: Rebecca Chappa

Inspection Date & Time: April 6, 2022 at 8:30 a.m. Inspector's Name: Celina Mizcles Stubbs

| mspc | ction Date & | , 1 mic. 11 | prin 0, 2022 at 0.50 a.m. | mspect | or sivame. | CCIIIIa IVIII | zeres stubb | 10 |
|----------|-----------------------------------|----------------|---|------------------|---------------|---------------|-------------|-----|
| Num | ber of Units: | 36 | Number of required LI units: | 15 | Number o | f required VL | I units: | N/A |
| | | | COMPLIANCE AUDIT | | | YES | NO | N/A |
| 1) | Are procedures effective? | that ensure | compliance with the set aside requiremen | ts and rent requ | uirements | X | | |
| 2) | Is the property a | ccepting Se | ction 8 households? | | | х | | |
| 3) | Is the income to | rent ratio for | Section 8 households less than 2.5? | | | x | | |
| 4) | Are the rent incr | eases smalle | er than 5%? | | | х | | |
| 5) be | Does the Applic discriminatory? | | nancy or Occupancy Qualifications exclude | e language that | may appear to | х | | |
| 6) | Does the lease Recertification re | | eement inform the resident of Very Low Ind? | come/Low Incon | ne | 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? | | х | |
| | 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 | |

| | | UNITS WALKED |
|---------|-----------------|--------------|
| | | |
| Unit # | USR Designation | Comments |
| | | |
| 18 | 60% | |
| 22 | 60% | |
| | | |
| COMMENT | ٥. | |

COMMENTS:

| RESIDENT SERVICES | YES | NO | N/A |
|--|-----|----|-----|
| Do the resident services appear to cater to the resident profile of the property? | Х | | |
| 2) Is the property meeting the Resident Service requirements as required by the Regulatory Agreement and Asset Oversight and Compliance Agreement? | х | | |
| 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 | X | | | |
| 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? | | | | |
| 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. | | | | |
| COMMENTS: | | | | |

| 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 | | |
| 2) 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 | | |
| 4) 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: The tenant files are well maintained and in good order. Based on a review of the files, there was one file (unit 16) where the signature date was pre-filled by management and two files (units 8 and 23) where it appears management is pre-filling the asset amounts on the Under \$5,000 Asset Certification form. See Observation below. In addition, the reviewer noticed the following two issues.

- Unit 9: The tenant signature was missing on the Tenant Release and Consent form. Management submitted the correction. No further action is
- Unit 16: The Under \$5,000 Asset Certification form was not dated. Management submitted the correction. No further action is required.

Observations:

- The reviewer noticed several signature pages are being dated by management. TSAHC strongly discourages this practice. Applicants/tenants must date their signatures on required documents to support declarations made on the forms. Management is advised to refrain from pre-filling dates on signature pages moving forward.
- The Under \$5,000 Asset Certification form is a form used by a household to self-certify their asset account balances. Therefore, management is advised to stop pre-filling account balance amounts moving forward.

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.

Texas State Affordable Housing Corporation Compliance Review Observation Report

| Unit | Finding | Corrective Action Requirement | | | | |
|-----------|---------|-------------------------------|--|--|--|--|
| N/A | | | | | | |
| COMMENTS: | | | | | | |

SUMMARY OF FINDINGS AND OBSERVATIONS

Observations:

- The reviewer noticed several signature pages are being dated by management. TSAHC strongly discourages this practice.
 Applicants/tenants must date their signatures on required documents to support declarations made on the forms. Management is advised to refrain from pre-filling dates on signature pages moving forward.
- The Under \$5,000 Asset Certification form is a form used by a household to self-certify their asset account balances. Therefore, management is advised to stop pre-filling account balance amounts moving forward.

| No Fin | dings |
|--------|-------|
|--------|-------|

Revised January 2018