<b>Palladium Midland</b> 2300 South Lamesa, Midland, Texas 7	79701		
Owner: THF Palladium Midland, Ltd. Date Built:			
	Ianager: Amy Cu	•	
Inspection Date & Time: November 9, 2022 at 9:00 am Inspector's	s Name: Celina N	<b>lizcles</b> Stu	ıbbs
Number of Units:         264         Number of required LI units:         207         Number of Numer of Number of Nu	umber of required VL	I units:	N/A
COMPLIANCE AUDIT	YES	NO	N/A
1) Are procedures that ensure compliance with the set aside requirements and rent requirement effective?	ts 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) Does the Application for Tenancy or Occupancy Qualifications exclude language that may ap be discriminatory?	pear to 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:		<u>.</u>	<u>.</u>

	SET-ASIDES	YES	NO	N/A
	s the property meeting all occupancy restrictions required by the property's Regulatory Agreement and Asset Oversight and Compliance Agreement?	x		
2) l	f either of the set asides have not been met, are any units: South Lamesa, Midland, Texas			
	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	
COMME	NTS:		•	

### COMMENTS:

### UNITS WALKED

Unit #	USR Designation	Comments	
137	60%	N/A	
236	60%	A	
225	60%	283 days vacant. Down Unit	
917	60%	253 days vacant. Pictures were not submitted	
925	60%	257 days vacant. Down Unit	

COMMENTS: Please refer to Findings on the Asset Oversight Report.

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 Agreement and Asset Oversight and Compliance Agreement?			
3) Is management monitoring the following:			
a) Resident attendance	x		

b) Frequency of service provided	x		
c) Notification to residents of services	х		
d) Number or type of services	x		
e) Survey of residents	х		
5) Is management properly submitting monthly Resident Service reports through the Compliance System?	x		
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:			

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:	÷.		

<b>RESIDENT FILE REVIEW</b>	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	

• Unit 228: The paystubs in the tenant files appear to be cut off. TSAHC recommends copies be the entirety for the paystubs.

• Unit 732: This unit is over-income at the time of recertification . Management is required to track this unit.

# 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 1<sup>st</sup> page of the lease for the new household occupying the unit.

Unit	Finding	Corrective Action Requirement
122	The disclosed checking account is listed as a saving account on the Income Certification.	Update the Income Certification.
223	The income listed on the Income Certification does not match the USR. In addition, Section 2 of the Tenant Release and Consent from is missing the tenant's name.	Update the Tenant Release and Consent and the USR.
224	The household's move-in date is not listed correctly on the USR.	Update the USR.
327	Household income is miscalculated.	<ul> <li>Recalculate household income by averaging the 4 regular pay stubs then add the annual bonus. Update the TIC and USR accordingly.</li> </ul>

331	Page 3 of the Income Certification is missing information for household member #5. Child support was miscalculation (amount mistyped), and the Under \$5,000 Asset Certification is missing a signature.	<ul> <li>Complete page 3 of the Income Certification</li> <li>The Child Support /Alimony Certification Form needs clarification regarding dependent.</li> <li>Recalculate child support income and make changes to Income Certification.</li> <li>Execute the Under \$5,000 Asset Certification</li> </ul>
338	Household income is incorrect on the USR. A date of birth is incorrect on the Income Certification form and a tenant signature is missing on the TSAHC Health and Safety form.	<ul> <li>Update income on the USR.</li> <li>Correct the date of birth on the Income Certification form.</li> <li>Execute the TSAHC Health and Safety form.</li> </ul>
522	It appears there may be a third checking account.	<ul> <li>Clarify and/or verify assets and make changes to appropriate forms, if necessary.</li> </ul>
523	Based on the employment verification form, income appears to be calculated incorrectly.	<ul> <li>Recalculate income,         <ul> <li>Regular 13.00 x 40x 52=\$27,040</li> <li>Overtime \$19.50x10x52= \$10,140</li> <li>Mobile Tip (first paystub line item) \$386.38/35 weeks YTD annualized to total= \$574.05</li> <li>Get additional clarification from employer to support that the second and third line items (Tips and Tips Cr Wage) will not be received moving forward. If so, do not annualized these numbers.</li> </ul> </li> </ul>
533	Tenant file has 6 paystubs.	8 Clarify why 6 paystubs were in the tenant file. Recalculate income using the most current 4 paystubs.
732	The current Income Certification is missing the saving account. The USR does not list the correct income split (tenant rent and housing assistance payment).	Update the Income Certification and update the USR rent.
736	The number of households is incorrect on the USR.	Update the USR.
835	Clarify why 5 paystubs were used to calculate income. The USR does not reflect the correct income amount and bedroom size.	<ul> <li>Clarify why 5 pay stubs were used. Recalculate income using 4 paystubs, if management policy.</li> <li>Update the USR for income and bedroom size.</li> </ul>
935	Confirm termination date for employer, Rose Café. Remove "yes" from recertification column on USR.	
937	Five paystubs were used to calculate income. In addition, it does not appear period incentives were included in the calculation.	<ul> <li>Clarify why 5 pay stubs were used. Recalculate income using 4 paystubs, if management policy.</li> <li>Clarify and verify period incentive amounts. Include in calculation and update appropriate forms, if needed.</li> </ul>

938	The income amount and recertification column on the USR are incorrect.	<ul> <li>USR updates:         <ul> <li>Remove 'Yes" from recertification column</li> <li>Clarify why a Section 8 verification form was used yet the USR income lists \$14,440. It appeared management practice is to use \$22.</li> </ul> </li> </ul>
1127	Rent split amounts (tenant rent and housing payment assistance) are incorrect on the USR.	Update USR.

COMMENTS: All corrective action items noted above (i.e., clarifications, verification, revised calculations and Income Certification with supporting documents) for the units noted above must be completed. Copies of required corrective actions must be submitted to TSAHC no later than <u>2/3/2023</u>.

### SUMMARY OF FINDINGS AND OBSERVATIONS

The corrective action to the Finding written above is due to TSAHC no later than 2/3/2023.