

Texas State Affordable Housing Corporation Compliance Review Observation Report

Riverstation Apartments	
220 Stoneport Dr., Dallas, Texas 75217	
Owner: Dallas Leased Housing Assoc XI, LLP	Date Built: 2002
Management Company: Dominionium	Property Manager: Shenaque Hurd
Inspection Date & Time: October 26, 2022, at 8:30 a.m.	Inspector's Name: James Matias/Mercedes Dunmore

Number of Units: 236	Number of required LI units: 95	Number of required VLI units: N/A
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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) Does the Application for Tenancy or Occupancy Qualifications exclude language that may appear to be discriminatory?	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) 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:

Observation:

- The set-aside requirements for the bonds on this property is 40% at 60% AMI. The property must have 95 units rented to residents earning at or less than 60% of the Area Median Income (AMI). During the site visit the reviewers were not able to identify if the property had enough files to meet the set-aside requirement. The TSAHC compliance team had a meeting with the property management and compliance staff to outline necessary action to ensure they are meeting and maintaining the set-aside. Prior to the completion of this report, the Riverstation compliance and site management team provided TSAHC with enough tenant files to support the set aside is being met.

UNITS WALKED

Unit #	USR Designation	Comments
5207	60%	
8104	60%	
13104	60%	

COMMENTS:

RESIDENT SERVICES	YES	NO	N/A
1) Do the resident services appear to cater to the resident profile of the property?	X		

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2) Is the property meeting the Resident Service requirements as required by the Regulatory Agreement and Asset Oversight and Compliance Agreement?	X		
3) 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) 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 submitting resident services and meeting their resident service requirements. During the property rehabilitation process, management provided 1-6 services per month. Now that the rehab is almost completed, they are offering much more services (nine for September and twelve for October).			

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 – see observations		

COMMENTS: This is the first compliance review for Riverstation. The property's tax-exempt bond set-aside is 40% at 60% AMI. The owner requested to waive the annual recertification requirement which was approved by TSAHC. Note: Waiver request are required to be submitted annually. There were a few issues noted during the tenant files review, see Findings listed in the chart below.

Observations:

- **Unit Status Report (USR):** The USR is a monthly snapshot of the household's composition that is reviewed by TSAHC monthly to ensure program compliance. Moving forward, the USR must be updated with the accurate annual income amounts, rent split amounts (tenant rent and housing assistance amounts, if any) and recertification updates (household size, effective dates, etc.). Discrepancies are noted below.
- **Transfers:** For tax-exempt bond purpose, households may transfer to any units without certification of income and asset. Note, the original move-in date will remain with the household. Recertifications will be due on the anniversary date of the original move-in date.
- **TSAHC forms:** All files reviewed with a move in date prior to May 2022 did not have the TSAHC Health and Safety form. All households need to sign this form and they need to be added to the resident's file.

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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
1306	The Housing rent adjustment letter was not in the file.	<ul style="list-style-type: none"> Add the current Housing rent letter to the file. Update the rent on the USR to reflect the accurate rent amount.
2106	The lease start date and the TIC effective dates did not match. The Annual Eligibility Certification (AEC) date was changed.	<ul style="list-style-type: none"> Review the move in date on the TIC for accuracy and update accordingly. Resident needs to initial the effective date on the AEC form.
5307	The Housing rent adjustment letter was not in the file.	<ul style="list-style-type: none"> Add the current Housing rent letter to the file. Update the rent on the USR to reflect the accurate rent amount.
7101	The Tenant Income Certification (TIC) reflects numerous changes. In addition, the assets are inaccurate. Household states they do not have assets, yet the check stubs show a direct deposit. The retirement account is missing from the TIC.	<ul style="list-style-type: none"> The resident needs to initial any changes to the TIC. All assets need to be screened and verified and revised on the TIC. If the total household income changes, after assets are revised, update the USR with the correct income.
8306	The rent on the USR is not accurate.	<ul style="list-style-type: none"> Update the USR to reflect accurate rent.
9102	This is a transfer unit. The income on the USR is different than the TIC. It does not match the original certification. The income on the USR should match the original TIC. The rent on the USR is not accurate.	<ul style="list-style-type: none"> Update the USR to reflect accurate rent and income amounts.
10201	The rent on the USR is not accurate.	<ul style="list-style-type: none"> Update the USR to reflect accurate rent.
10204	The Income and Assets were not handled properly for the Real estate that was sold and held for this household. The home sold on Holly Hill had proceeds of \$52,000. This amount is not noted as an asset. In addition, the household owns a home that is used as rental. The rental proceeds exceed the mortgage.	<ul style="list-style-type: none"> Calculate the annual income for the rental property and add it to the TIC as income in column I for the Asset section. If the home does not have earnings, please add a clarification to the file showing that it is not profitable. Determine where the proceeds from the house sale have gone and add a clarification to the file. If the household has an asset that has these funds, please add the asset to the TIC. Update the USR to reflect the accurate income
11202	The Income on the TIC needs to be adjusted. The Cash Medical Child Support amount was not included.	<ul style="list-style-type: none"> Calculate and add the cash medical support to the TIC. Update the USR to reflect accurate the accurate income

COMMENTS:

- The 9 Findings in the chart above need to be corrected no later than January 16, 2023

SUMMARY OF FINDINGS AND OBSERVATIONS

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