

# Texas State Affordable Housing Corporation Compliance Review Observation Report

## Ventura at Tradewinds Apartments

1181 Tradewinds Blvd., Midland, Texas 79706

**Owner: Midland Leased Housing Development, LLC**

**Date Built: 2021**

**Management Company: Dominionium**

**Property Manager: Brenda Guidry**

**Inspection Date & Time: October 19, 2022 at 8:00 a.m.**

**Inspector's Name: Celina Mizcles Stubbs**

<b>Number of Units:</b> 204	<b>Number of required LI units:</b> 82	<b>Number of required VLI units:</b>	N/A	
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	
<b>COMMENTS:</b>				

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	
<b>COMMENTS:</b>				

UNITS WALKED		
Unit #	USR Designation	Comments
1-205	60%	
1-211	60%	
1-310	60%	
2-205	60%	
4-204	60%	
<b>COMMENTS:</b>		

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?		X		
3) Is management monitoring the following:				
a) Resident attendance		X		

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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 close out meeting, the reviewer questioned a couple of resident services to get a better understanding (i.e., Door to Door/Heart to Heart and About Me). TSAHC recommends the resident coordinator add a better description on services that are not easily identifiable.

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 comment		

**COMMENTS:** This is the first compliance review for Ventura at Tradewinds. 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.
- **Income Calculations/Verifications:** It did not appear that employment income and child support income is being calculated consistently with management policies. Files contained different number of paystubs and in a couple instances, inconsistencies for child support income and the reviewer was not able to determine the verification method for obtaining child support income (i.e., email, fax, etc.). Discrepancies are noted below. *Note: The reviewers used the 4 most recent pay stubs in the tenant files to calculate household income for the tenant files that were reviewed on the date of the site visit. All households are program eligible. See Finding below regarding inconsistent practices.*

**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**

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*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
1103	The Annual Eligibility Certification (AEC) was signed outside of 120 days. There were excess paystubs in the folder and the rent split is not noted in the USR properly.	<ul style="list-style-type: none"> <li>Have all adult tenants resign the AEC form.</li> <li>Remove all unnecessary pay stubs that were not used to calculate household income. See note below</li> <li>Update the USR to reflect accurate rent amounts</li> </ul>
1210	The required TSAHC Health and Safety Form was not in the tenant file. In addition, the reviewer was unable to determine how the employment verification form was received.	<ul style="list-style-type: none"> <li>The TSAHC Health and Safety form needs to be signed and put in the file.</li> <li>Clarify how employment verification form was received and put it in the file.</li> </ul>
1212	The USR needs to be updated	<ul style="list-style-type: none"> <li>Update the USR to reflect an annual certification was completed (i.e., check the "yes" box).</li> </ul>
2107	An excess number of pay stubs were in the tenant file (8 in file, 6 used to calculate income). Assets were verified even though assets were under \$5,000. The USR needs to be updated with rent amounts. The AEC form's effective date was corrected with incorrect date.	<ul style="list-style-type: none"> <li>Remove all unnecessary pay stubs that were not used to calculate. See note below.</li> <li>Clarify why assets were verified when under \$5,000 was disclosed. If assets are below \$5,000 remove unnecessary asset verification documents and solely use the Assets Under \$5,000 Certification form.</li> <li>Update the USR to reflect accurate rent amounts</li> <li>The AEC effective date is the anniversary date of the move-in date.</li> </ul>
2303	The USR rent amounts are not correct. In addition, there are two benefit verification letters.	<ul style="list-style-type: none"> <li>Remove excess benefit letter</li> <li>Update the USR to reflect accurate rent amounts</li> </ul>
3104	The USR rent amounts are not correct. In addition, the reviewer was unable to determine how the monetary contribution verification form was received. It appears someone helped fill out the paperwork.	<ul style="list-style-type: none"> <li>Clarify how the monetary contribution form was received</li> <li>Update the USR to reflect accurate rent amounts</li> <li>Clarify whether someone helped the tenant complete paperwork</li> </ul>
4107	The USR rent amounts are not correct.	<ul style="list-style-type: none"> <li>Update the USR to reflect accurate rent amounts</li> </ul>
4202	Income was calculated with 3 paystubs, the tenant release and consent form was incomplete, and the rent split amounts on the USR is not updated..	<ul style="list-style-type: none"> <li>Add tenant names to the release and consent form</li> <li>Clarify why 3 paystubs were used to calculate income</li> <li>Update the USR to reflect accurate rent amounts</li> </ul>
4307	Child support has conflicting information that must be clarified.	<ul style="list-style-type: none"> <li>Clarify why the non-child support form states no child support is given yet a different form verified a monthly child support amount.</li> </ul>
5210	The USR rent amounts are not correct.	<ul style="list-style-type: none"> <li>Update the USR to reflect accurate rent amounts</li> </ul>
5302	The P&L Statement shows an incorrect number, and the Existing Business form was completed incorrectly.	<ul style="list-style-type: none"> <li>Correct the P&amp;L Statement</li> <li>Correct the Existing Business form</li> </ul>
6208	Full -time student status was not determined (page 4).	<ul style="list-style-type: none"> <li>Completed student status questions (page 4)</li> </ul>
7102		

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	The file did not contain the "Exact Day Calculations" form. In addition, the file has an inconsistent number of paystubs, and the child support was not calculated per owner/agent policy.	<ul style="list-style-type: none"> <li>• Add an Exact Day Calculations form to the file</li> <li>• Clarify the number of paystubs in the tenant file</li> <li>• Recalculate child support income using owner/agent methods and take the higher of the two. Revised Income Certifications, if needed, must be submitted for review.</li> </ul>
7107	The USR is incorrect, and the Child support was not calculated per owner/agent policy.	<ul style="list-style-type: none"> <li>• Update the typo in the USR</li> <li>• Recalculate child supports income using owner/agent methods and take the higher of the two methods. Revise the Income Certifications, if needed ad submit for review.</li> </ul>

**COMMENTS:**

**Finding:**

- According to management, calculating employment income is completed by taking the higher of annualizing 4 paystubs or the year-to-date total. Child support is annualized by using the higher of the awarded amount or 3 months of payment history. These practices did not appear to be applied consistently. It is imperative that management follow standard practice of calculating income (i.e., requiring a series of recent consecutive pay stub and the number of consecutive pay stubs required). The owner/manager must submit a signed, written certification outlining their employment and child support income calculation practices and certify that their practices will be followed consistently moving forward.
- Corrective actions for the 14 units noted above must be completed by 12/8/2022. Copies of corrected documents must be submitted to TSAHC, along with the written certification that all corrective action has been completed, no later than 12/8/2022.

### SUMMARY OF FINDINGS AND OBSERVATIONS

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**Findings:**

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