

# Texas State Affordable Housing Corporation Compliance Review Observation Report

## Parmore Arcadia Trails Apartments

1501 Mercury Rd., Balch Springs, Texas 75181

**Owner: Gardens at Balch Springs, LP**

**Date Built: 2022**

**Management Company: Alpha Barnes Real Estate Services, LLC**

**Property Manager: Yesica Gurrola**

**Inspection Date & Time: November 13, 2023 at 8:30 a.m.**

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

| <b>Number of Units:</b>   | 200   | <b>Number of required LI (50% AMI) units:</b> | 80 – see comment | <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> The property's federal set-aside is 20% of units at 50% AMI (40 units). The Borrower elected the additional two set-asides 1) an additional 20% of units at 50% AMI (for a total of 80 units) and 2) no more than 80% of units at 60% AMI or below (no more than 160 units). All set-asides were met on the day of the onsite visit. |   |   |                  |                                      |     |     |

| 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 |
| 109              | 60%             |          |
| 203              | 50%             |          |
| 338              | 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 – see comment |                 |     |
| 2)                | Is the property meeting the Resident Service requirements as required by the Regulatory Agreement and Asset Oversight and Compliance Agreement? |  |  |                 | X – see comment |     |
| 3)                | Is management monitoring the following:   |  |  |                 |                 |     |

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|   |             |                 |   |
|---|-------------|-----------------|---|
| a) Resident attendance  | See comment |                 |   |
| b) Frequency of service provided  |             |                 |   |
| c) Notification to residents of services  |             |                 |   |
| d) Number or type of services   |             |                 |   |
| e) Survey of residents  |             |                 |   |
| 5) Is management properly submitting monthly Resident Service reports through the Compliance System?  |             | X – see comment |   |
| 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:** Management provided the reviewer with a copy of the resident service contract that clearly states the service provider will provide services that total 8 points.

**Observation:**

- **Management is advised that per the Asset Oversight and Compliance (AOC) agreement, the property must provide at least 4 resident services per month. See attached Resident Service guidelines for examples (social gathering do not receive points). Monthly resident service reports are required to be submitted via TSAHC’s online compliance system by the 10<sup>th</sup> of each month. For example, November 2023 services must be reported by December 10<sup>th</sup>. Management is also advised that the first resident service report is due to TSAHC December 10, 2023.**

| 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 and TSAHC required forms? | 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  |     |

**COMMENTS:** The tenant files were in overall good condition and maintained in good order. Management was reminded that the Asset Oversight and Compliance (AOC) agreement states full annual recertification of income and assets are required. If the property is 100% affordable with tax credits, management can request a Waiver. The Waiver policy and procedures were provided to management staff.

***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 |
|------|---------|-------------------------------|
| N/A  |         |                               |

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|--|--|--|
|  |  |  |
|  |  |  |

**COMMENTS:**

**SUMMARY OF FINDINGS AND OBSERVATIONS**

**Observation:**

- Management is advised that per the Asset Oversight and Compliance (AOC) agreement, the property must provide at least 4 resident services per month. See attached Resident Service guidelines for examples (social gathering do not receive points). Monthly resident service reports are required to be submitted via TSAHC’s online compliance system by the 10<sup>th</sup> of each month. For example, November 2023 services must be reported by December 10<sup>th</sup>. Management is also advised that the first resident service report is due to TSAHC December 10, 2023.

**No Findings.**