

# Texas State Affordable Housing Corporation

## Compliance Review Observation Report

<b>Pine Club Apartments</b>				
5015 Pine Street, Beaumont, Texas 77703				
Owner: Elizabeth Property Group "EPG"		Date Built: 1996		
Management Company: Orion Real Estate Services Texas LLC		Property Manager: Ashley Amerson		
Inspection Date & Time: August 16, 2023 @ 8:00 am		Inspector's Name: Mercedes Dunmore		
Number of Units:	232	Number of required LI units:	232	Number of required VLI units: 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
802	60%	
902	60%	
516	60%	Down Unit
1508	60%	Down Unit
<b>COMMENTS:</b>		
<b>Finding:</b>		
<ul style="list-style-type: none"> <li>Units 516 and 1508 are considered Down Units because they are not available for rental on a continuous basis to members of the general public. In response to this review, the owner must submit proof that the units are made-ready and back on-line and available for rental to the general public in the form of invoices, work orders, pictures, and/or Tenant Income Certifications to TSAHC to regain its low-income designation.</li> </ul>		

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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		
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.			
<b>COMMENTS:</b>			

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		
<b>COMMENTS:</b>			

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	
<b>COMMENTS:</b> Overall the tenant files were in good file order. See the chart below for the findings identified. The reviewer made note of white-out being used on the older tenant files. Management is reminded the use of white-out is prohibited from tenant files.			

***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
114	The tenant file is missing the 2023 Annual Eligibility Certification (AEC)	- The tenant has failed to respond to the recertification notices delivered on 6/29/2023. Management must provide the new attempts to recertify.
601	The tenant file is missing information.	- The estrangement form states no support received however the gift affidavit states the support received is due to supposal support. Management must have the tenant clarify which form

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		is correct and update the file accordingly.
806	The tenant file reflects inaccurate information.	- The tenant's marital status states single on the application however reflects married on the paycheck stubs. Management must have the tenant clarify the correct marital status.
1103	The Tenant Income Certification (TIC) is incomplete.	- Page three of the TIC is incomplete. Management must have the tenant complete the page or initial for not wanting to supply the information.
1105	The tenant file is missing information.	- Household member #2 assets are not listed on the Under \$5,000 Asset Certification form. Management must have the tenant include all household members' assets on the Under \$5,000 Asset Certification form.
1408	The tenant file reflects inaccurate information.	- The calculation page shows an extra \$100 per month however the tenant file is missing the supporting documents. Management must clarify where this income source is from.
1708	The household does not meet the student requirement.	- The entire household consists of full-time students; therefore, management must provide supporting documents to confirm the household meetings one or more of the student exemptions to qualify for the unit.
1902	The TIC reflects inaccurate information.	- The prepaid bank card is listed as a checking account on the TIC. Management must update the TIC to reflect the account accurately.

**COMMENTS:**

**Management must provide TSAHC with corrective actions for the findings identified in the chart above no later than 10/20/2023.**

### SUMMARY OF FINDINGS AND OBSERVATIONS

**Finding:**

- Units 516 and 1508 are considered Down Units because they are not available for rental on a continuous basis to members of the general public. In response to this review, the owner must submit proof that the units are made-ready and back on-line and available for rental to the general public in the form of invoices, work orders, pictures, and/or Tenant Income Certifications to TSAHC to regain its low-income designation.

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