

Texas State Affordable Housing Corporation Compliance Review Observation Report

Pine Terrace Apartments			
1601 Amy Drive, MT. Pleasant, Texas 75455			
Owner: LMP Pine Terrace LP		Date Built: 1982	
Management Company: LMP Pine Terrace LP		Property Manager: Estelle Smith	
Inspection Date & Time: September 14, 2023 at 9:00 am		Inspector's Name: Mercedes Dunmore	

Number of Units: 76	Number of required LI units: (40% @ 60%) 31	Number of required VLI units: (5% @ 30%) 4	
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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 – see comment		
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: The property is meeting the occupancy restriction; however, the household information is not properly reflected on the property's Unit Status Report (USR).

Finding:

- **USR Reporting:** The information on the monthly USR is inaccurate. Per the Asset Oversight and Compliance (AOC) Agreement, the owner is required to submit an accurate USR through TSAHC's Online Compliance system by the 10th of each month. It is imperative that monthly USR submissions contain accurate household compositions and unit designations as they are reviewed monthly to ensure the property is meeting their affordable set-aside. **The owner/manager must thoroughly review the USR and submit it through the online compliance system no later than 12/10/2023 (this USR will reflect all changes that took place in November 2023).**

UNITS WALKED		
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Unit #	USR Designation	Comments
2	60%	
23	60%	
1611B	60%	

COMMENTS:

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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 – 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: The resident service requirement is not being met. In addition, the monthly resident service reports are not being submitted through the online compliance system.

Finding:

- **The owner/manager is not providing a sufficient number of resident services and has not submitted monthly reports as required. Per Section 4 of the AOC Agreement, the owner must provide 4 resident services each month. The services shall be free of charge and available to residents. Based on a review of TSAHC’s online compliance system per calendar quarter in 2023, there were no services offered in Q1, only three services in Q2, and only four services in Q3. During the review, management disclosed they are providing services however evidence of such services was not provided for review. The owner/manager must provide a minimum of 4 resident services per month (12 per calendar quarter) moving forward to avoid non-compliance fees. The owner/manager must submit a list of services that will be provided in Q4 (October, November and December 2023) no later than 12/10/2023. In addition, resident service reports are required to be submitted by the 10th day of each month moving forward. Failure to submit monthly reports timely will result in a compliance penalty fee of \$250.**

Note: A non-exhaustive list of services can be found on the Resident Services Guidelines located here:

<https://www.tsahc.org/property-managers/property-manager-downloads> Note: This issue was noted as an Observation in last year’s report.

Observations:

- Per Section 4 of the AOC Agreement, the owner/manager is reminded to submit annual Fair Housing Sponsor Reports on or before March 31st. The form can be found here: <https://www.tsahc.org/property-managers/property-manager-downloads>.
- Per Section 4 of the AOC agreement, the owner/manager is reminded to submit the annual Resident Service Program Plan to TSAHC on or before December 1st. The Program Plan is an owner created document that lists the 4 resident services proposed to be provide monthly for the 2024 calendar year.

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		

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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 – see comment
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 reviewer identified the following observations and findings during the tenant file review.

Observation:

- Management is reminded to complete forms in their entirety, especially forms with the management contact header sections (i.e., Tenant Release and Consent, Self-Certification, and Lease Addendums forms).
- The Housing Opportunities through Modernization Act (HOTMA) passed in 2016 and must be implemented on 1/1/2024. The owner/manager is encouraged to attend industry HOTMA training and is reminded to implement eligibility changes (household member and income/asset changes, etc.) by 1/1/2024. TDHCA posted a free training that can be located here: <https://www.youtube.com/watch?v=X4Gx4iks4Xs>

Findings:

- **Tenant Income Certification (TIC) form:** The TIC form is required to be completed in its entirety. Management must complete all sections on all 3 pages to ensure the form is complete. As a reminder, tenants can complete page 3 of the form or initial the document if they decline to provide the information requested on page 3. Management must provide TSAHC with the completed TICs for all households reviewed no later than 12/10/2023. The unit numbers are listed in the Findings chart below.

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
1606C	The tenant file contains incomplete forms.	<ul style="list-style-type: none"> - Tenant Release and Consent not completed. Management/Tenant must fill in the blank on the top of the form. - The Applicant Authorization form is not dated by the tenant. Management must have the tenant date the form. - Student Self Certification not completed. The tenant must check or circle; A,B,C according to which one qualifies. - Self-Certification Form is missing the Property Name and Unit number. - Under 5,000 Asset Certification: the savings and checking cash value lines are left blank. Have the tenant answer each accordingly. - The Asset Verification Form is not completed but was located in the file. Management must clarify why the form is in the file but not completed. - Management must sign the Drug Free form. - The apartment number missing on the Tax Credit Addendum, management must complete it in its entirety.
634-13	The TIC reflects inaccurate information. The tenant file is missing TSAHC Health and Safety form.	<ul style="list-style-type: none"> - The TIC doesn't reflect the correct checking account average 6-month balance. Management must update the TIC to reflect the balance listed on the Asset Verification of \$426.45. - Part 7 of the TIC is not completed by Management. Management must complete the Student Status. - Management must have the tenant sign and date a TSAHC Health and

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		Safety form.
1613A	The TIC and forms are incomplete.	<ul style="list-style-type: none"> - Management must have the tenant complete page 3 of the TIC. - The unit number is missing on the Under \$5,000 Asset Certification form. - - The Student Self Certification form must be completed in its entirety by management. The unit number, move in date, and effective date are missing.
1604C	The TIC and forms are incomplete.	<ul style="list-style-type: none"> - Part 6 of the TIC is not completed by Management. Management must answer the section regarding federal rental assistance and check the source of the assistance is applicable. - The Student Self Certification Form must be completed in its entirety by management. The unit number, move in date, and effective date are missing.
1604B	The TIC and forms are incomplete.	<ul style="list-style-type: none"> - Part 6 of the TIC is not completed by Management. Management must answer the section regarding federal rental assistance and check the source of the assistance is applicable. - - The Student Self Certification form must be completed in its entirety by management. The unit number, move in date, and effective date are missing.
1620D	The USR and TIC reflects inaccurate information. The TIC is incomplete.	<ul style="list-style-type: none"> - The USR has this unit as a market rate unit. The TIC identifies this unit as a 60% unit. Management must update the USR to reflect correctly. - Part 6 of the TIC is not completed by Management. Management must answer the section regarding federal rental assistance and check the source of the assistance is applicable. - The unit number is missing on the Under \$5,000 Asset Certification form.
1602A	The tenant file missing the 2023 recertification. The tenant file is missing TSAHC Health and Safety form. The USR and TIC reflect inaccurate information. The TIC is incomplete.	<ul style="list-style-type: none"> - Management must submit the 2023 recertification for review. - Management must have the tenant sign and date a TSAHC Health and Safety form. - The USR has this unit as a market rate unit. The TIC identifies this unit as a 60% unit. Management must update the USR to reflect correctly. - Part 6 of the TIC is not completed by Management. Management must answer the section regarding federal rental assistance and check the source of the assistance is applicable. - Part 7 of the TIC is not completed by Management. Management must complete the Student Status.

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634-5	File not submitted for review.	<ul style="list-style-type: none"> - Management must submit tenant file for review. The file for unit 1602A was submitted instead. If this is a unit transfer file management must submit the move in and recertification paperwork.
COMMENTS: The Corrective Action identified in the chart above must be submitted to TSAHC no later than 12/10/2023.		

SUMMARY OF FINDINGS AND OBSERVATIONS

Observations:

- Per Section 4 of the AOC Agreement, the owner/manager is reminded to submit annual Fair Housing Sponsor Reports on or before March 31st. The form can be found here: <https://www.tsahc.org/property-managers/property-manager-downloads>.
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- **Resident File Review Findings Chart:** Corrective Action listed in the Resident File Review Findings Chart above must be submitted to TSAHC no later than 12/10/2023.