

Texas State Affordable Housing Corporation Compliance Review Observation Report

El Nido Apartments
204 Alicia Dr., El Paso, Texas 79905

Owner: RHAC – El Nido, LLC **Date Built: 1951**
Management Company: J Allen Management **Property Manager: Juana Pineda**
Inspection Date & Time: May 30, 2024, at 8:30 a.m **Inspector's Name: Celina Mizcles Stubbs**

Number of Units:	104	Number of required LI units:	104	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	
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:						

UNITS WALKED		
Unit #	USR Designation	Comments
208AA	60%	
210DC	60%	
5201C	60%	
COMMENTS:		

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		

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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:			

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 good order, however there were several Annual Eligibility Certifications (AEC) that were not completed or were completed late. See Finding chart below. Additionally, the rent split between tenant portion amount and the housing assistance amounts were not updated on the Unit Status Report (USR) for several units. See Observation.

Observations:

- **USR report: Rent discrepancies in the tenant rent and housing assistance payment amounts were noted on the USR for units 200AC, 206DA, 208AA, 210DC, 218DA, 218DD, 219AD, 225AB, 5100D, 5107B, 5200A, 5201C, 5300C.** In addition, the USR reflects annual certifications were completed when they were not. TSAHC utilizes the USR as a tool to ensure the property maintains program compliance. Moving forward, management must review the USR for accuracy prior to submission.
- **HOTMA changes were required to be implemented by 1/1/2024. TSAHC strongly recommends the owner/management team attend HOTMA training specific to LIHTC and Tax-Exempt Bonds to ensure program compliance as eligibility requirements for tax-exempt bonds have changed (i.e., verification of asset requirements). Please note, Findings will be assessed if changes are not implemented in full by 1/1/2025. See free training opportunities below:**
 - **TSAHC's Compliance Manual effective 1/1/2024 found here:** https://www.tsahc.org/public/upload/files/general/2024_TSAHC_Compliance_Manual.pdf
 - **TDHCA's Income Determination Change w/HOTMA:** <https://www.youtube.com/watch?v=XbB8i2Hj4IA>
 - **TDHCA's Forms Training (Income Certificate training at minute 59:56):** <https://www.youtube.com/watch?v=Ahnq07hQAy0>

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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 1st page of the lease for the new household occupying the unit.

Unit	Finding	Corrective Action Requirement
Property-wide	The USR is not being updated accurately prior to submission.	Submit signed, written certification that management will thoroughly review the monthly USR prior to submission to ensure accuracy moving forward.
Property-wide	AEC are not being completed as required.	Submit signed, written certification that management will conduct all AEC withing 120-days prior to the anniversary date of the move-in.
200AC	The annual AEC was not completed.	Management must complete the annual AEC for 2/17/2024 and submit it to TSAHC for review.
218DA	The annual AEC was not completed.	Management must complete the annual AEC for 4/14/2024 and submit it to TSAHC for review.
5100D	The annual AEC was not completed.	Management must complete the annual AEC for 4/6/2024 and submit it to TSAHC for review.
218DC	The annual AEC was not completed.	Management must complete the annual AEC for 4/8/2024 and submit it to TSAHC for review.
5300C	The annual AEC was not completed.	Management must complete the annual AEC for 10/7/2023 and submit it to TSAHC for review.

COMMENTS: Corrective Action to the Findings listed in the chart above are due to TSAHC no later than 7/28/2024.

SUMMARY OF FINDINGS AND OBSERVATIONS

Observations:

- **Unit Status Report (USR):** Rent discrepancies in the tenant rent and housing assistance payment amounts were noted on the USR for units 11, 38, 59, 69, and 75. TSAHC utilizes the USR as a tool to ensure all household income and rents meet program requirements. Moving forward, management must review the USR for accuracy prior to submission.
- **HOTMA changes** were required to be implemented by 1/1/2024. TSAHC strongly recommends the owner/management team attend

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HOTMA training specific to LIHTC and Tax-Exempt Bonds to ensure program compliance as eligibility requirements for tax-exempt bonds have changed (i.e., verification of asset requirements). Please note, Findings will be assessed if changes are not implemented in full by 1/1/2025. See free training opportunities below:

- TSAHC's Compliance Manual effective 1/1/2024 found here:
https://www.tsahc.org/public/upload/files/general/2024_TSAHC_Compliance_Manual.pdf
- TDHCA's Income Determination Change w/HOTMA: <https://www.youtube.com/watch?v=XbB8i2Hj4IA>
- TDHCA's Forms Training (Income Certificate training at minute 59:56):
<https://www.youtube.com/watch?v=Ahng07hQAv0>

Finding:

- Corrective Action to the Findings listed in the Finding's chart above are due to TSAHC no later than 7/28/2024.