

Texas State Affordable Housing Corporation Compliance Review Observation Report

Marketplace at Liberty Crossing Apartment

6000 S. IH-45 Wilmer, Texas 75172

Owner: Marketplace TC II, LP

Date Built: 2024

Management Company: Asset Living

Property Manager: Vanessa Jasso

Inspection Date & Time: October 23, 2024 at 8:30 a.m.

Inspector's Name: Celina Mizcles Stubbs

Number of Units:	318	Number of required LI units:	128	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: This is the first compliance report for Marketplace at Liberty Crossing Apartments. The property is managed accordingly to ensure compliance with set-aside and rent requirements per the Regulatory Agreement and the Asset Oversight and Compliance (AOC) Agreement (copies of the agreements were provided to management). As discussed during the site visit, there are several reporting requirements per the AOC agreement. Below is a list of reports that were discussed. Management is advised to review the AOC agreement for a complete list of compliance requirements.

Per Section 2 of the AOC, the owner must submit the following financial reports to TSAHC via compliance_reporting@tsahc.org

- Annual budget must be submitted at least 30-days prior to the end of the fiscal year
- Audited financial report must be submitted at least 120 days after the of each fiscal year
- Unaudited financial reports must be submitted 30-days after the end of each fiscal quarter

Per Section 3 of the AOC, the owner must submit a monthly Unit Status Report (USR) no later than the 10th day of the following month via TSAHC's Online Compliance system. For example, December 2024 USR submission is due no later than January 10th.

Per Section 4 of the AOC, the owner must submit the following compliance reports to TSAHC via compliance_reporting@tsahc.org

- Fair Housing Sponsor Report due on or before March 31 of each year
- Resident Service Program Plan due on or before December 1 of each year

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:				

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UNITS WALKED

Unit #	USR Designation	Comments
2106	Vacant	
7205	Vacant	
7307	Vacant	
6207	Vacant	

COMMENTS: This is a new construction development. The units noted above will receive their income designation once qualified households occupy the units.

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
3) Is management monitoring the following:			
a) Resident attendance			
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 under construction therefore the resident service community area is not complete. During the review, management was advised to review Section 4 of the AOC agreement that states the owner must sustain a resident service program that provides at least four (4) resident services each month. Additionally, management must submit monthly Resident Services reports via TSAHC's online compliance system by the 10th of the following month for review. For example, services offered in December 2024 must be submitted to TSAHC's online compliance system no later than January 10th. Lastly, management was informed resident service should commence when the property reaches 50% occupancy or when the resident service community area is complete and available for use.

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: The management office is still under construction; therefore, the temporary office is located at the sister property located next door.

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		

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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: Based on the tenant file review, management is maintaining all records relating to initial resident income certifications, together with supporting documentation. During this site visit, the reviewer was able to establish the set aside requirement was met based on a review of first year files. No annual recertifications were available to review. Below is a list of topics that were discussed during the onsite visit.

- Annual Recertification of Income and Assets Requirement: According to management, 100% of the units are required to be occupied by households at or below 60% AMI per the tax credit LURA. Because of this, the owner may submit an Annual Recertification of Income Waiver to TSAHC, that if approved, would allow the use for Annual Eligibility Certification (AEC) for the tax-exempt bond purposes. The Annual Recertification of Income Waiver Policy and Procedure is attached for review.
- HOTMA: Per HOTMA final rule, at the time of initial certification and every third year, all assets must be verified for tax-exempt bond purposes. Owners are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts. If a property is required to complete annual income recertifications, in the intervening years, if a household has combined assets of \$50,000 or less, the assets and income from assets can be documented with an Under \$50,000 Asset Certification form. If a Waiver is submitted and approved assets only need to be verified at the time of move in. Management is advised that findings will be issued if HOTMA is not implemented by July 1, 2025. Please refer to the following free training materials:
 - TSAHC's updated Compliance Manual effective 1/1/2024 located here: <https://www.tsahc.org/property-managers/propertymanager-downloads>

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

COMMENTS:

SUMMARY OF FINDINGS AND OBSERVATIONS

No Observations and no Findings.