

Texas State Affordable Housing Corporation Compliance Review Observation Report

Palladium Glenn Heights	
2400 S. Hampton Rd., Glenn Heights, Texas 75154	
Owner: Palladium Glenn Heights, LTD	Date Built: 2019
Management Company: Palladium Management	Property Manager: Tisha Johnson
Inspection Date & Time: July 30, 2024, at 8:30 AM	Inspector's Name: Mercedes Dunmore

Number of Units: 270	Number of required LI units: 108	Number of required VLI units: N/A
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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 – see comment	
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: Management advised some households are currently paying well below the max rent limit, which results in those households experiencing larger rent increases to align more closely with current max rent limits.

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
3307	60%	
4101	60%	
5306	60%	
9109	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		
3) Is management monitoring the following:			

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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:

Finding:

- **The annual Resident Services Program Plan was not submitted to TSAHC as required. Per Section 4 of the Asset Oversight, Compliance, and Security (AOC) Agreement, management is required to submit the Resident Services Program Plan (a document explaining the resident services to be provided the following calendar year) no later than December 1st of each year. To correct this Finding, management must submit a resident service program plan for the remaining months in the 2024 calendar year (October 2024 – December 2024) no later than 9/30/2024.**

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 well organized; however, the issues below were noted during the onsite review.

Observations:

- **Unit Status Report (USR):** Management is reminded to update all household changes to include income, tenant rent, housing assistance payments, household composition, and recertification effective dates. Management must also make sure to submit the USR on or before the 10th of each month. It is imperative the report is accurate and submitted timely because the system is used as a tool to monitor properties compliance requirements as outlined in the AOC agreement.
- Management is reminded of the HOTMA changes effective 1/1/2024, during the tenant file review the assets were not verified for all 2024 new move-in files. Per Section 2.6d page 35, of the TSAHC compliance manual, at initial certification and every 3rd year, all assets must be documented. Owners are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts. Management is advised that findings will be issued if HOTMA changes are not fully implemented by January 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/property-manager-downloads>

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- TDHCA has posted free trainings that can be located here:
- Income Determination Change w/HOTMA: <https://www.youtube.com/watch?v=XbB8i2Hj4IA>
- Forms Training (Income Certificate training at minute 59:56): <https://www.youtube.com/watch?v=Ahnq07hQAv0>

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 properly being updated. The following 14 units appear to present late recertifications, 1202, 1307, 2110, 2204, 2207, 2208, 2209, 5102, 5108, 5308, 6104, 7103, 7301, and 9301.	Management must complete a thorough review of the USR before submitting the August report due to TSAHC by 9/10/2024. More specifically, effective dates and the recertification box should be reviewed. Management must update all effective dates, recertification boxes, and submit signed, written certification that the August 2024 USR report will be submitted with accurate information.
4302	The reviewer is unable to determine the Head of Household's (HOH) student status.	According to the file, it appears the resident was now or at some point a student as the email address listed on the application seems to be from an educational institution (i.e., an ".Edu") account. Management must have the resident confirm their current student status and once properly identified, management must update the file accordingly by including the student status on the application, Student eligibility certification form, and Tenant Income Certification (TIC). However, should the resident confirm they are not currently enrolled in school, management must have the resident complete a self-clarification explaining the email address and the date school was last attended.

COMMENTS: The findings identified in the chart above are due to TSAHC no later than 9/30/2024.

SUMMARY OF FINDINGS AND OBSERVATIONS

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Finding:

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Note: Per Appendix C of the AOC agreement, failure to correct Findings under the Asset Oversight and/or Compliance Reports may result in a penalty fee of \$500 per 30-day period of non-compliance.