

Texas State Affordable Housing Corporation Compliance Review Observation Report

Palladium Midland
2300 South Lamesa, Midland, Texas 79701

Owner: THF Palladium Midland. Ltd **Date Built: 2016**
Management Company: Omnium Property Management Co. **Property Manager: Courtney Vines**
Inspection Date & Time: July 30, 2024, at 9:00 a.m. **Inspector's Name: Blaire Bigelow**

Number of Units: 264 **Number of required LI units:** 207 **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
718	60%	
813	60%	
927	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:			

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:	X		
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: Management is properly maintaining tenant files. Management has implemented the revised Income Certification form including HOTMA changes. However, management did not have third-party asset verifications at the time of initial certification for units 113, 213, 234, 315, 635, 733, 821, 835, 1031, and 1038, as required by HOTMA for the tax-exempt bond program. The reviewer found errors on the Tenant Income Certification (TIC) for units 526, 722, 932, and 1122. These errors included entering information in the incorrect fields, missing income totals, and missing zeros. Management corrected these errors before the conclusion of the audit.

Observation:

- **Per HOTMA final rule, at the time of initial certification and every third 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. 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. 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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Findings:

- The Fair Housing Sponsor Report has not been submitted to TSAHC. Per Section 5 of the AOC agreement, the Borrower must submit the Fair Housing Sponsor Report on or before March 30, 2015, and each year thereafter. Management must submit this report to TSAHC no later than 09/30/2024.
- The Resident Service Program Plan for 2023 and 2024 have not been submitted to TSAHC. Per Section 5 of the AOC agreement, the Borrower must submit annual Resident Service Program Plan explaining the services to be provided on an annual basis by December 1st of each year. Management must submit the report for the remaining months of 2024 (October, November and December) to TSAHC no later than 09/30/2024.

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

COMMENTS:

SUMMARY OF FINDINGS AND OBSERVATIONS

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