

Texas State Affordable Housing Corporation

Compliance Review Observation Report

Pine Terrace Apartments 1601 Amy Drive, Mount Pleasant, Texas 75455					
Owner: LMP Pine Terrace LP		Date Built: 1982			
Management Company: LMP Pine Terrace LP		Property Manager: Estelle Smith			
Inspection Date & Time: July 11, 2024 at 9:00 a.m.		Inspector's Name: Celina Mizcles Stubbs			
Number of Units:	76	Number of required LI units:	31	Number of required VLI units:	4
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: There are procedures in place to ensure compliance with the affordable set-aside and rent requirements.					

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:				

UNITS WALKED		
Unit #	USR Designation	Comments
2	50%	
4	50%	
1613B	50%	
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 – 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 – see comment		

COMMENTS: In the last 12 months, TSAHC has provided management with assistance regarding the online compliance system. On the day of the onsite visit, management was provided with TSAHC's Resident Service Guidelines. The guideline provides a non-exhaustive list of resident services owners can choose from as they prepare their Resident Service Program Plan. Management is reminded that social parties including, but are not limited to, patio decorating contests, gambling trips, bingo resident parties, etc. will not be counted as a service. Management is reminded that the owner elected to provide 4 resident services per month (12 services per calendar quarter). Therefore, management must submit monthly resident services through TSAHC's online compliance system to ensure program compliance. Additionally, the property is meeting the occupancy and rent restrictions; however, the household composition information is not being updated properly in the monthly Unit Status Report (USR). Prior to the issuance of this report, management updated the Move-In date for units 2 and 7 and updated the Recertification Effective date for unit 15.

Observations:

- **Per the Asset Oversight and Compliance (AOC) Agreement, the owner is required to submit accurate monthly USR reports via 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 TSAHC reviews them to ensure program compliance. TSAHC recommends system users watch the Online Compliance Training video: <https://www.youtube.com/watch?v=Z1QTXiToQa8>**
- **Per Section 4 of the AOC agreement, the owner is required to submit annual reports:**
 - **Fair Housing Sponsor Report (FHSR) on or before March 31st of each year. The FHSR can be found on our website (<https://www.tsahc.org/property-managers/property-manager-downloads>).**
 - **Resident Service Program Plan on or before December 1 of each year. There is no form for this report. The plan should include a list of the resident services to be provided the following 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 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 – see comment		

COMMENTS: Based on review of 7 tenant files, the reviewer determined management is properly screening and approving eligible households ensuring

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overall program compliance. However, the tenant files are not neatly maintained and/or organized. Examples include, several duplicate documents in tenant files and/or files documents being scattered across two certification periods. Management stated these issues are attributed to a change in third-party property management from the prior year. Management further stated they hired a second site staff member to help with tenant file review and file organization. These efforts will be monitored in next year's review. The following observations were made.

Observations: TSAHC strongly recommends the following:

- Management should set aside necessary time to review and organize each tenant file.
- Management is utilizing new HOTMA forms as required, however the forms are not being completed properly. Management should seek HOTMA form training.
- Manamngt should stop using white out on any tenant and/or owner/agent related forms at Pine Terrace.

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
N/A		

COMMENTS:

SUMMARY OF FINDINGS AND OBSERVATIONS

Observations:

- Per the Asset Oversight and Compliance (AOC) Agreement, the owner is required to submit accurate monthly USR reports via 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 TSAHC reviews them to ensure program compliance. TSAHC recommends system users watch the Online Compliance Training video: <https://www.youtube.com/watch?v=Z1QTXiToQa8>
- Per Section 4 of the AOC agreement, the owner is required to submit annual reports:
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 - Resident Service Program Plan on or before December 1 of each year. *There is no form for this report. The plan should include a list of the resident services to be provided the following year.*
- TSAHC strongly recommends the following:
 - Management should set aside necessary time to review and organize each tenant file.
 - Management is utilizing new HOTMA forms as required, however the forms are not being completed properly. Management should seek HOTMA form training.
 - Manamngt should stop using white out on any tenant and/or owner/agent related forms at Pine Terrace.

No Findings.