

Texas State Affordable Housing Corporation

Compliance Review Observation Report

Ridgewood West Apartment

2830 Lake Road Huntsville, Texas 77340

Owner: Elizabeth Property Group “EPG” LLC

Date Built: 1996

Management Company: Allied Orion Group

Property Manager: Carla Martinez

Inspection Date & Time: May 15, 2024, at 9:00 AM

Inspector’s Name: Mercedes Dunmore

Number of Units: 232 **Number of required LI units:** 232 **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
406	60%	
624	60%	
820	60%	Down unit - Vacant 350 days
918	60%	Down unit – Vacant 807 days
1018	60%	
1303	60%	Occupied

COMMENTS: Units 820 and 918 are considered Down Units because they have not been available for rental on a continuous basis to members of the general public. The Unit Status Report has been updated to reflect “Down Unit” for these two units. Please refer to the Finding in the Vacant/Make Ready Units Section of the Asset Oversight report.

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		

Texas State Affordable Housing Corporation Compliance Review Observation Report

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 – see observation		
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 meeting the resident service requirements.

Observation:

- **Resident Service Report:** The reviewer noted several points have been given for social activities in past resident service reports. Management is advised that this was done in error. Moving forward, points will not be given for events of social nature (i.e., monthly parties, games, etc.). Please note, the property has consistently met the resident service requirements of 6 services per quarter without social activities.

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: This year's review was conducted virtually. No eligibility infractions were found during the review. However, there were a few income verifications and Unit Status Report (USR) discrepancies which are identified below.

Observation:

- During the review, management advised the policy for verifying income is to require to obtain 4 to 6 paystubs and an employment verification for each household. However, effective 5/15/2024, management confirms, that 4 weeks of consecutive paystubs will be the only source of income verification used to move forward.

Finding:

- **Unit Status Report (USR):** There were 11 households where the "Recertification" column was incorrectly marked as "yes" for new move-in units on the USR. Prior to the issuing of this report, management made the correction for all 11 households. No further action required.

Texas State Affordable Housing Corporation

Compliance Review Observation Report

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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
105, 205, 220, 813	The tenant rent and subsidy on the Unit Status Report (USR) and the Rent Roll do not match.	- Management must update the USR to the correct tenant rent and subsidy amount. <u>No further action required.</u>
405	The USR reflected inaccurate information	- The income on the USR is incorrect. Management must update the USR to reflect \$47,338 to match the Tenant Income Certification (TIC). <u>No further action required</u>

COMMENTS:

SUMMARY OF FINDINGS AND OBSERVATIONS

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