

Texas State Affordable Housing Corporation Compliance Review Observation Report

Ventura at Tradewinds Apartments 1181 Tradewinds Blvd, Midland, Texas 79706

Owner: Midland Leased Housing Development, LLC

Date Built: 2021

Management Company: Dominion Management

Property Manager: Juanita Hernandez Arrieta

Inspection Date & Time: October 23, 2024, at 8:30 am

Inspector's Name: Mercedes Moody

Number of Units:	204	Number of required LI units:	82	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: The property's compliance department is reminded of the following required reporting requirements per the Asset Oversight and Compliance (AOC) agreement. Compliance reports can be submitted here: compliance_reporting@tsahc.org

Per Section 2 of the AOC, the owner must submit the following financial reports:

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

Per Section 4 of the AOC, the owner must submit the following compliance reports:

- Fair Housing Sponsor Report due on or before March 31st of each year
- Resident Service Program Plan due on or before December 20th 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:

UNITS WALKED

Unit #	USR Designation	Comments
1107	60%	
7307	60%	

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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:			
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: During the close-out meeting, the reviewer advised management to include service details in their Resident Service Report to describe the services that are being provided. Currently, the report does not provide context about the nature of these services. Management advised they will communicate this guidance to the Resident Service Coordinator who prepares the monthly report.

Finding:

- **The annual Resident Services Program Plan was not submitted to TSAHC as required. Per Section 4 of the 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 20th of each year. To correct this Finding, management must submit a written statement acknowledging this requirement along with the resident service program plan for the 2025 calendar year to TSAHC no later than 12/22/2024.**

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 – see comment		

COMMENTS: Based on review of resident files, the reviewer determined management is properly screening and approving eligible households ensuring overall program compliance. However, the following observations and findings were made.

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Observation:

- Although management has submitted the Unit Status Report (USR) timely, the report has reflected incorrect information. Management is reminded to update the report to reflect move outs during the month of occurrence.
- During the close-out meeting management confirmed they have not attended HOTMA training. Based on a review of the resident files, assets were not third-party verified for the following 2024 new move-in files: 1105, 1110, 1303,1311, 4301, 5301, and 6208. 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/property-manager-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
1104	The rent and housing assistance payment on the USR does not match the rent roll.	- Management must verify and confirm the rent roll reflects the correct rent and assistance amounts. Once confirmed management must update the USR and/or rent roll to reflect the accurate amounts.
1110	The resident income is not properly verified.	- Management must obtain the resident's tax returns to verify self-employment income.
2104	The resident income is not properly verified.	- Management must obtain the resident's tax returns to verify self-employment income.
5110	The resident file is missing the 2024 Annual Eligibility Certification (AEC) and the rent and housing assistance payment on the USR does not match the rent roll.	- Management must have the resident complete a 2024 AEC and submit it to TSAHC for review. - Management must verify and confirm the rent roll reflects the correct rent and assistance amounts. Once confirmed management must update the USR and/or rent roll to reflect the accurate amounts.
5304	The resident file is missing the 2024 AEC.	- Management must have the resident complete a 2024 AEC and submit it to TSAHC for review.
6302	The resident file is missing an asset certification form.	- Management must have the resident complete an under \$50,000 asset certification form.
7303	The resident file is missing the 2024 AEC.	- Management must have the resident complete a 2024 AEC and submit it to TSAHC for review.
7306	The resident file is missing the 2024 AEC.	- Management must have the resident complete a 2024 AEC and submit it to TSAHC for review.

COMMENTS: Corrective action for the findings listed above are due to TSAHC no later than 12/22/2024.

SUMMARY OF FINDINGS AND OBSERVATIONS

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