Office Hours: Corrective Action et al

July 10, 2026

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Contact Information

Mailing Address:
TDHCA
PO Box 13941
Austin, TX 78711-3941

Physical Address:
TDHCA
221 East 11th Street
Austin, TX 78701

Website: https://www.tdhca.texas.gov

Email: multifamilycompliance@tdhca.texas.gov

Division Phone Number: (512) 305-8869
or (800) 525-0657 (toll free in Texas only)

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Announcements

Schedule:

- The webinar and open forum will run from 9:00 am until approximately 11:30 am
- We will take a break mid-morning to shift from the webinar to the open forum
- Staff will be present to answer any questions

Housekeeping:

- Certificates **<u>will not</u>** be emailed but you will receive an email confirming your attendance, usually within 24-hours in an email from the GoTo Platform, please check your “junk” folders as we cannot reissue these emails
  - If you did not use your emailed link for the training from your registration you will not receive a follow-up email or show as having attended the webinar
- We suggest you silence your phones and put an “out of office” email response to help avoid distractions during the training
- Please pose questions and comments to the “Questions Box”

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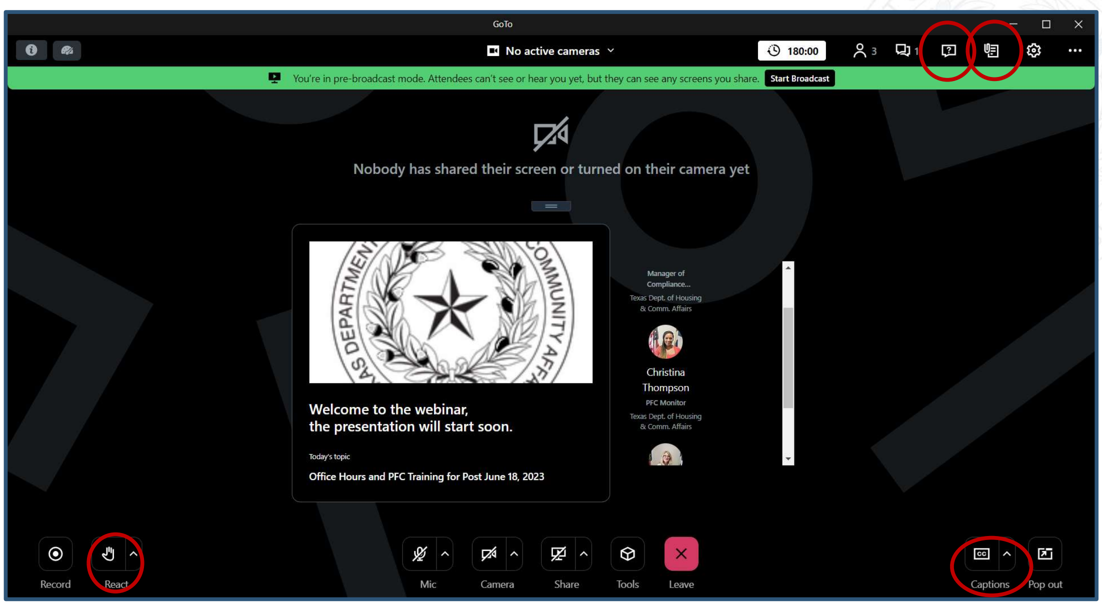
GoTo Meeting Platform



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If You or Your Tenants Need Housing Assistance:

If you need housing assistance, such as rental assistance, utility assistance or finding affordable apartments, please contact:

Phone: (800) 525-0657

Email: info@tdhca.texas.gov

Or visit Help For Texans:

https://www.tdhca.texas.gov/help-for-texans

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Resources

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Resources

- **Housing and Urban Development (HUD)**
  - https://www.hud.gov/
  - https://www.hud.gov/hudclips/handbooks/housing-4350-3
  - https://www.hud.gov/program_offices/public_indian_housing/hotmaresources
  - https://www.hudexchange.info/programs/home-arp/
  - https://www.ecfr.gov/current/title-24/subtitle-A/part-92
- **Texas Department of Housing and Community Affairs (TDHCA)**
  - https://www.tdhca.texas.gov/
  - https://www.tdhca.texas.gov/compliance
  - https://www.tdhca.texas.gov/compliance-manuals-and-rules
  - https://www.tdhca.texas.gov/compliance-division-staff
  - https://www.tdhca.texas.gov/programs/multifamily-housing-programs
  - https://www.tdhca.texas.gov/programs/home-american-rescue-plan
  - https://texas-sos.appianportalsgov.com/rules-and-meetings?chapter=10&interface=VIEW_TAC&part=1&subchapter=F&title=10

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TDHCA Expectations

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TDHCA Expectations: Why should Owners care about Compliance?

TDHCA is committed to providing decent, safe, affordable housing to low-income Texans.

Why should Owners care about Compliance?

- Events of noncompliance are the responsibility of the Owner, even if the Owner is using a property management company.
- Examples:
  - Form 8823 filed with the IRS (if HTC and within the Compliance Period);
  - Possible administrative penalties of up to $1,000 per day per violation against the owning entity; and
  - Possible debarment of Control parties, including both entities AND individuals. Includes individual natural persons who Control an entity.

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TDHCA Expectations: Why is the Owner responsible?

Why is the Owner responsible?

- LURAs are program agreements between TDHCA and the Owner.
- Owners with Control Authority are responsible for compliance with TDHCA requirements. This includes natural persons in Control of an entity. Control is defined at 10 TAC §11.1(29):

(29) Control (including the terms "Controlling," "Controlled by," and "under common Control with")--The power, ability, or authority, acting alone or in concert with others, directly or indirectly, to manage, direct, superintend, restrict, regulate, govern, administer, or oversee. As used herein "acting in concert" involves more than merely serving as a single member of a multi-member body. A member of a multi-member body is not acting in concert and therefore does not exercise control in that role, but may have other roles, such as executive officer positions, which involve actual or apparent authority to exercise control. Controlling entities of a partnership include the general partners, may include special limited partners when applicable, but not investor limited partners or special limited partners who do not possess other factors or attributes that give them Control. Persons with Control of a Development must be identified in the Application. Controlling individuals and entities are set forth in subparagraphs (A) - (E) of this paragraph. Multiple Persons may be deemed to have Control simultaneously.

(A) For for-profit corporations, any officer authorized by the board of directors, regardless of title, to act on behalf of the corporation, including, but not limited to, the president, vice president, secretary, treasurer, and all other executive officers, and each stock holder having a 50% or more interest in the corporation, and any individual who has Control with respect to such stockholder.

(B) For nonprofit corporations or governmental instrumentalities (such as housing authorities), any officer authorized by the board, regardless of title, to act on behalf of the corporation, including, but not limited to, the president, vice president, secretary, treasurer, and all other executive officers, the Audit committee chair, the Board chair, and anyone identified as the executive director or equivalent.

(C) For trusts, all beneficiaries that have the legal ability to Control the trust who are not just financial beneficiaries.

(D) For limited liability companies, all managers, managing members, members having a 50% or more interest in the limited liability company, any individual Controlling such members, or any officer authorized to act on behalf of the limited liability company.

(E) For partnerships, Principals include all General Partners, and Principals with ownership interest and special limited partners with ownership interest who also possess factors or attributes that give them Control.

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TDHCA Expectations: Property Management Company Selection

- Properties are privately owned and TDHCA does not regulate or approve property management companies.
- Owners should ensure that selected property management has:
  - Program experience and competency.
  - Regular training for onsite management staff and supervisors.
  - Supervision for onsite management.
- Owners should not solely rely upon property management.
- Owner should independently:
  - Exercise appropriate and regular oversight of management company activities.
  - Review correspondence from TDHCA.
  - Oversee resolution of issues of noncompliance by property management.
  - Track TDHCA deadlines.
  - Ensure complete and timely submission of corrections.

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Notification of Noncompliance

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Notification of Noncompliance

Report Issued

Issues of noncompliance…

Will explain type, reason and specific corrective action required

Corrective Action Period identified
- 90 days (less in some cases)
- Can be extended up to 6 months
  - For good cause
  - Approval is needed

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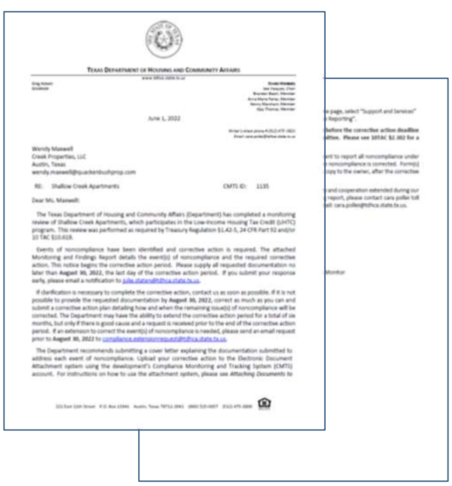
The Monitoring Report: Issues of Noncompliance, Pages 1 & 2



If the monitor issues a report that indicates there are issues of noncompliance after the monitoring review, then there will be more steps to complete. Pages 1 & 2 of this letter are informational in content and should be reviewed.

- Please supply all requested documentation no later than the specified Corrective Action Due Date, which is the last day of the 90-day corrective action period.
- If an extension to correct the event(s) of noncompliance is needed, please send an email request prior to the end of the Corrective Action period outlining the extension and reason to compliance.extensionrequest@tdhca.texas.gov.
- The Department recommends submitting a dated cover letter explaining the documentation submitted to address each event of noncompliance. Upload the corrective action to the Electronic Document Attachment system using the development's Compliance Monitoring and Tracking System (CMTS) account.
- Any Outstanding Noncompliance issues from past reviews will be outlined and the findings report from that review will also be attached to this letter.

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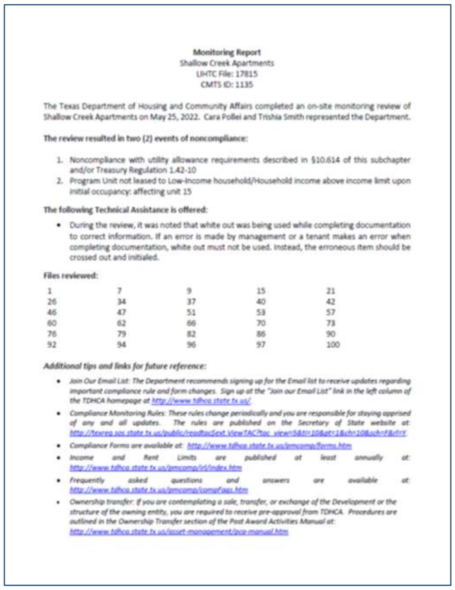
The Monitoring Report: Issues of Noncompliance, Pages 3+



Monitoring Report
Shallow Creek Apartments
LIHTC File: 17815
CMTS ID: 1135

The Texas Department of Housing and Community Affairs completed an on-site monitoring review of Shallow Creek Apartments on May 25, 2022. Cara Pollei and Trishia Smith represented the Department.

The review resulted in two (2) events of noncompliance:

1. Noncompliance with utility allowance requirements described in §10.614 of this subchapter and/or Treasury Regulation 1.42-10
2. Program Unit not leased to Low-Income household/Household income above income limit upon initial occupancy: affecting unit 15

The following Technical Assistance is offered:

- During the review, it was noted that white out was being used while completing documentation to correct information. If an error is made by management or a tenant makes an error when completing documentation, white out must not be used. Instead, the erroneous item should be crossed out and initialed.

Files reviewed:

1	7	9	15	21
26	34	37	40	42
46	47	51	53	57
60	62	66	70	73
76	79	82	86	90
92	94	96	97	100

Additional tips and links for future reference:

- *Join Our Email List: The Department recommends signing up for the Email list to receive updates regarding important compliance rule and form changes. Sign up at the "Join our Email List" link in the left column of the TDHCA homepage at* http://www.tdhca.state.tx.us/
- *Compliance Monitoring Rules: These rules change periodically and you are responsible for staying apprised of any and all updates. The rules are published on the Secretary of State website at:* http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y
- *Compliance Forms are available at:* http://www.tdhca.state.tx.us/pmcomp/forms.htm
- *Income and Rent Limits are published at least annually at:* http://www.tdhca.state.tx.us/pmcomp/irl/index.htm
- *Frequently asked questions and answers are available at:* http://www.tdhca.state.tx.us/pmcomp/compFaqs.htm
- *Ownership transfer: If you are contemplating a sale, transfer, or exchange of the Development or the structure of the owning entity, you are required to receive pre-approval from TDHCA. Procedures are outlined in the Ownership Transfer section of the Post Award Activities Manual at:* http://www.tdhca.state.tx.us/asset-management/pca-manual.htm

If the monitor issues a report that indicates there are issues of noncompliance after the monitoring review, pages 3+ (length of letter will depend on the number of findings and any Technical Assistance offered):

- This will tell the owner when the review was conducted, and the names of the monitors that were present for the review.
- In this section, events of noncompliance cited will be listed and, if any, what units were affected by the issues.
- This section will outline and detail technical assistance, if any, that the monitor identified during the review. This is also some of the information that might be provided during an on-site Exit Interview.
- The files reviewed will be listed.
- The last section offers some additional resources and links that are useful to all parties in connection with the Affordable Housing Programs that are monitored by the Department.
- The pages following this will detail the noncompliance listed in the Report.

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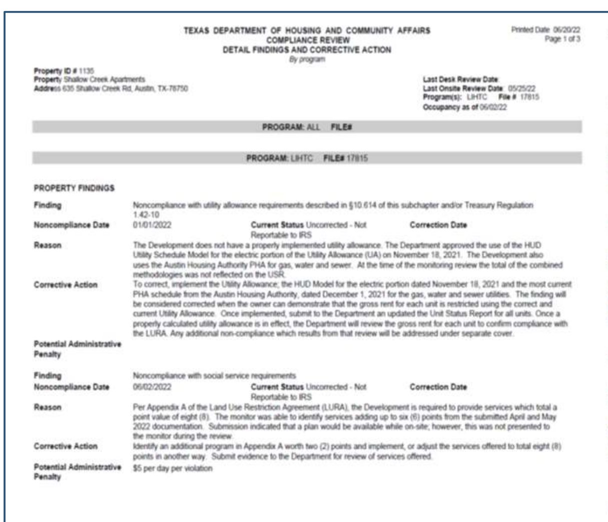
The Monitoring Report: Detailed Noncompliance Report



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
COMPLIANCE REVIEW
DETAIL FINDINGS AND CORRECTIVE ACTION
By program

Printed Date 06/20/22
Page 1 of 3

Property ID # 1135
Property Shallow Creek Apartments
Address 635 Shallow Creek Rd, Austin, TX-78750

Last Desk Review Date
Last Onsite Review Date 05/25/22
Program(s): LIHTC **File #** 17815
Occupancy as of 06/02/22

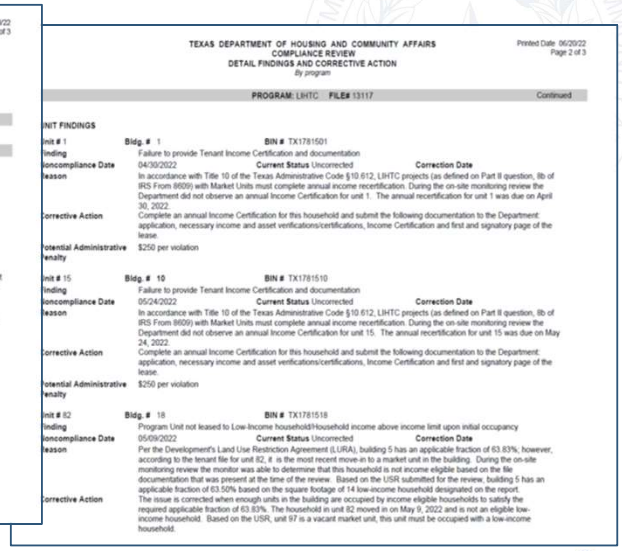
PROGRAM: ALL **FILE#**

PROGRAM: LIHTC **FILE#** 17815

PROPERTY FINDINGS

Finding Noncompliance with utility allowance requirements described in §10.614 of this subchapter and/or Treasury Regulation 1.42-10
Noncompliance Date 01/01/2022 **Current Status** Uncorrected - Not Reportable to IRS **Correction Date**
Reason The Development does not have a properly implemented utility allowance. The Department approved the use of the HUD Utility Schedule Model for the electric portion of the Utility Allowance (UA) on November 18, 2021. The Development also uses the Austin Housing Authority PHA for gas, water and sewer. At the time of the monitoring review the total of the combined methodologies was not reflected on the USR.
Corrective Action To correct, implement the Utility Allowance; the HUD Model for the electric portion dated November 18, 2021 and the most current PHA schedule from the Austin Housing Authority, dated December 1, 2021 for the gas, water and sewer utilities. The finding will be considered corrected when the owner can demonstrate that the gross rent for each unit is restricted using the correct and current Utility Allowance. Once implemented, submit to the Department an updated the Unit Status Report for all units. Once a properly calculated utility allowance is in effect, the Department will review the gross rent for each unit to confirm compliance with the LURA. Any additional non-compliance which results from that review will be addressed under separate cover.
Potential Administrative Penalty

Finding Noncompliance with social service requirements
Noncompliance Date 06/02/2022 **Current Status** Uncorrected - Not Reportable to IRS **Correction Date**
Reason Per Appendix A of the Land Use Restriction Agreement (LURA), the Development is required to provide services which total a point value of eight (8). The monitor was able to identify services adding up to six (6) points from the submitted April and May 2022 documentation. Submission indicated that a plan would be available while on-site; however, this was not presented to the monitor during the review.
Corrective Action Identify an additional program in Appendix A worth two (2) points and implement, or adjust the services offered to total eight (8) points in another way. Submit evidence to the Department for review of services offered.
Potential Administrative Penalty $5 per day per violation



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
COMPLIANCE REVIEW
DETAIL FINDINGS AND CORRECTIVE ACTION
By program

Printed Date 06/20/22
Page 2 of 3

PROGRAM: LIHTC **FILE#** 13117 Continued

NIT FINDINGS

nit # 1 **Bldg. #** 1 **BIN #** TX1781501
inding Failure to provide Tenant Income Certification and documentation
oncompliance Date 04/30/2022 **Current Status** Uncorrected **Correction Date**
eason In accordance with Title 10 of the Texas Administrative Code §10.612, LIHTC projects (as defined on Part II question, IIb of IRS From 8609) with Market Units must complete annual income recertification. During the on-site monitoring review the Department did not observe an annual Income Certification for unit 1. The annual recertification for unit 1 was due on April 30, 2022.
orrective Action Complete an annual Income Certification for this household and submit the following documentation to the Department: application, necessary income and asset verifications/certifications, Income Certification and first and signatory page of the lease.
otential Administrative enalty $250 per violation

nit # 15 **Bldg. #** 10 **BIN #** TX1781510
inding Failure to provide Tenant Income Certification and documentation
oncompliance Date 05/24/2022 **Current Status** Uncorrected **Correction Date**
eason In accordance with Title 10 of the Texas Administrative Code §10.612, LIHTC projects (as defined on Part II question, IIb of IRS From 8609) with Market Units must complete annual income recertification. During the on-site monitoring review the Department did not observe an annual Income Certification for unit 15. The annual recertification for unit 15 was due on May 24, 2022.
orrective Action Complete an annual Income Certification for this household and submit the following documentation to the Department: application, necessary income and asset verifications/certifications, Income Certification and first and signatory page of the lease.
otential Administrative enalty $250 per violation

nit # 82 **Bldg. #** 18 **BIN #** TX1781518
inding Program Unit not leased to Low-Income household/Household income above income limit upon initial occupancy
oncompliance Date 05/09/2022 **Current Status** Uncorrected **Correction Date**
eason Per the Development's Land Use Restriction Agreement (LURA), building 5 has an applicable fraction of 63.83%; however, according to the tenant file for unit 82, it is the most recent move-in to a market unit in the building. During the on-site monitoring review the monitor was able to determine that this household is not income eligible based on the file documentation that was present at the time of the review. Based on the USR submitted for the review, building 5 has an applicable fraction of 63.50% based on the square footage of 14 low-income household designated on the report.
orrective Action The issue is corrected when enough units in the building are occupied by income eligible households to satisfy the required applicable fraction of 63.83%. The household in unit 82 moved in on May 9, 2022 and is not an eligible low-income household. Based on the USR, unit 97 is a vacant market unit, this unit must be occupied with a low-income household.

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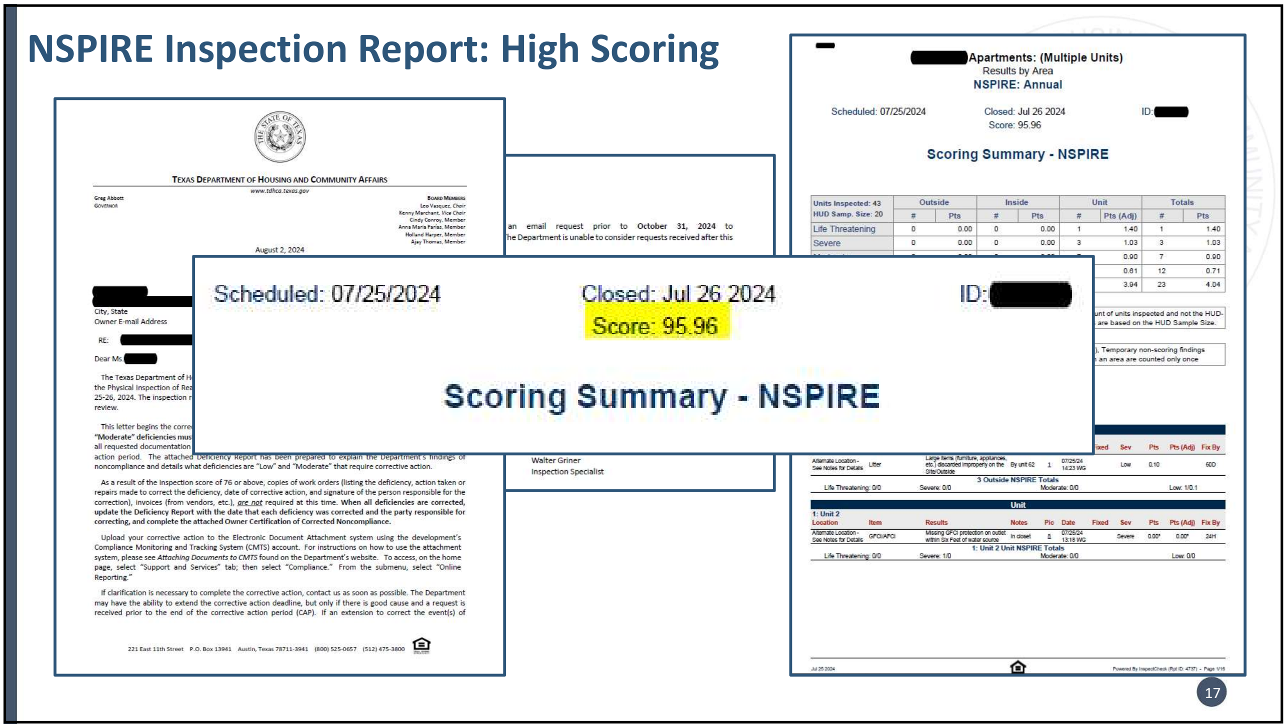
NSPIRE Inspection Report: High Scoring
Scheduled: 07/25/2024
Closed: Jul 26 2024
Score: 95.96
ID: [redacted]
Scoring Summary - NSPIRE
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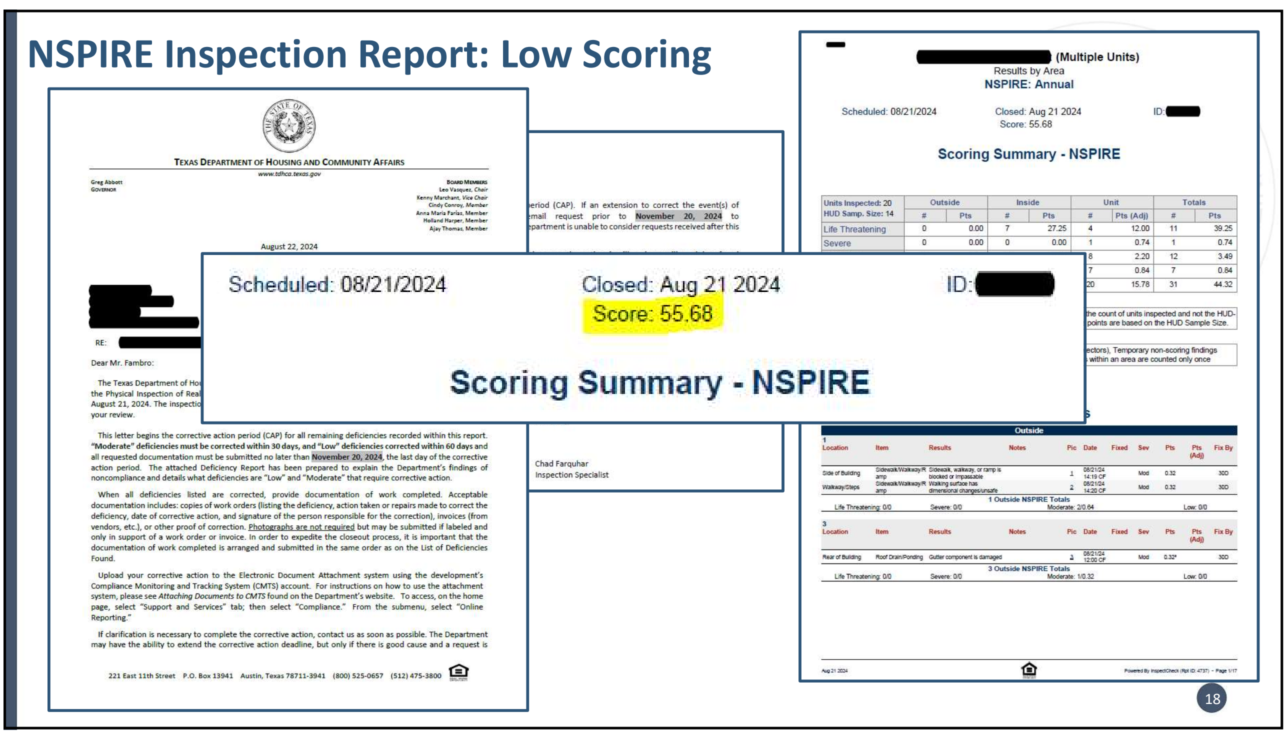
NSPIRE Inspection Report: Low Scoring
Scheduled: 08/21/2024
Closed: Aug 21 2024
Score: 55.68
ID: [redacted]
Scoring Summary - NSPIRE
18

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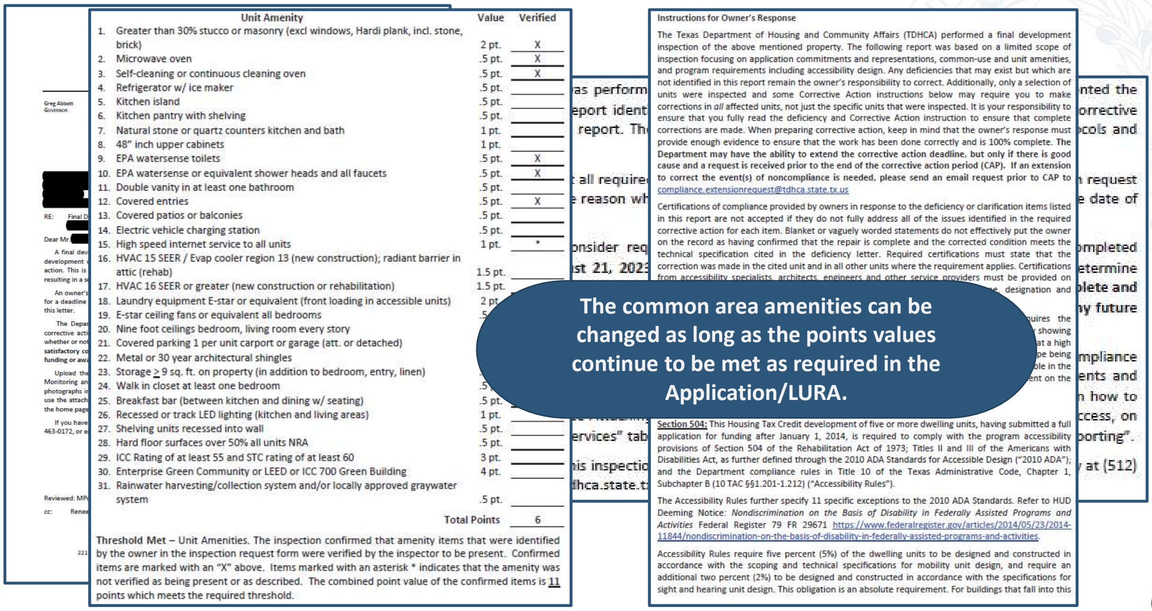
Final Construction Report: What does it look like?



	Unit Amenity	Value	Verified
1.	Greater than 30% stucco or masonry (excl windows, Hardi plank, incl. stone, brick)	2 pt.	X
2.	Microwave oven	.5 pt.	X
3.	Self-cleaning or continuous cleaning oven	.5 pt.	X
4.	Refrigerator w/ ice maker	.5 pt.	
5.	Kitchen island	.5 pt.	
6.	Kitchen pantry with shelving	.5 pt.	
7.	Natural stone or quartz counters kitchen and bath	1 pt.	
8.	48" inch upper cabinets	1 pt.	
9.	EPA watersense toilets	.5 pt.	X
10.	EPA watersense or equivalent shower heads and all faucets	.5 pt.	X
11.	Double vanity in at least one bathroom	.5 pt.	
12.	Covered entries	.5 pt.	X
13.	Covered patios or balconies	.5 pt.	
14.	Electric vehicle charging station	.5 pt.	
15.	High speed internet service to all units	1 pt.	*
16.	HVAC 15 SEER / Evap cooler region 13 (new construction); radiant barrier in attic (rehab)	1.5 pt.	
17.	HVAC 16 SEER or greater (new construction or rehabilitation)	1.5 pt.	
18.	Laundry equipment E-star or equivalent (front loading in accessible units)	2 pt.	
19.	E-star ceiling fans or equivalent all bedrooms		
20.	Nine foot ceilings bedroom, living room every story		
21.	Covered parking 1 per unit carport or garage (att. or detached)		
22.	Metal or 30 year architectural shingles		
23.	Storage ≥ 9 sq. ft. on property (in addition to bedroom, entry, linen)		
24.	Walk in closet at least one bedroom		
25.	Breakfast bar (between kitchen and dining w/ seating)	.5 pt.	
26.	Recessed or track LED lighting (kitchen and living areas)	1 pt.	
27.	Shelving units recessed into wall	.5 pt.	
28.	Hard floor surfaces over 50% all units NRA	.5 pt.	
29.	ICC Rating of at least 55 and STC rating of at least 60	3 pt.	
30.	Enterprise Green Community or LEED or ICC 700 Green Building	4 pt.	
31.	Rainwater harvesting/collection system and/or locally approved graywater system	.5 pt.	
	Total Points		6

Threshold Met – Unit Amenities. The inspection confirmed that amenity items that were identified by the owner in the inspection request form were verified by the inspector to be present. Confirmed items are marked with an "X" above. Items marked with an asterisk * indicates that the amenity was not verified as being present or as described. The combined point value of the confirmed items is 11 points which meets the required threshold.

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811 Monitoring Report

- 811 Reviews are conducted:
  - Monitoring reviews are done in conjunction with other program reviews every 3 years – remotely or on-site
  - Rent Reviews are conducted annually – remotely
- Rent reviews versus monitoring reviews:
  - The Department will be conducting an 811 rent review **annually**
  - There is a period of scope, which are the start and end dates of focus for the review (rent reviews)
  - Monitoring reviews will be conducted in conjunction with any layered program reviews for forms and tenant files
- Submission for 811 reviews:
  - Documentation must be submitted through the SERV-U (not CMTS)
    - For the 811 reports and files only, all other pre-review documents submitted through CMTS
  - All documentation requested is needed, focusing on the period of scope
  - Submit what is requested, this will be outlined in the notification or request

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Complaints

- Per 10 Texas Administrative Code §1.2, the Texas Department of Housing and Community Affairs has a process to address complaints about its properties and programs.
- Within 15 business days, the complainant will receive a response from the Department either that the complaint has been resolved or that it will be resolved by a certain date. After that, the complainant will be notified about the complaint at least quarterly until final resolution.
  - Please note that once a complaint is entered into the Department's Complaint Submission System, all information entered could be subject to a Public Information Request.
- The Department will request documentation from the Owner, and the complainant if necessary. Upon receipt the response will be reviewed, and a response will be issued.
  - No issue, complaint closed
  - Issue identified, corrective action required
    - This would be an instance where the response due date may be less than the standard 90 days.
  - Not in Department jurisdiction
- Complaint Requests should be regarded with the same timeliness and attention as any other request from the Department.

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Housing Resource Division

- 10 TAC Subchapter G outlines the requirements for the Housing Resource Division with regards to the Affirmative Marketing Requirements and Written Policies and Procedures.
- Questions and concerns about the Affirmative Marketing requirements and Written Policies and Procedures should be sent to fair.housing@tdhca.texas.gov.
- The Housing Resource Division may request documentation from the Owner. Upon receipt the response will be reviewed, and a response will be issued.
  - No issues, a letter will be uploaded into CMTS to close the review
  - Issues that need to be corrected, a letter will be uploaded into CMTS that details the corrective action requirements and due dates for the submission
    - Not all corrective action periods are 90 days, please pay close attention to this deadline
  - If the Owner fails to respond the noncompliance will be referred to the Enforcement Committee
- Fair Housing Requests should be regarded with the same timeliness and attention as any other request from the Department.

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What happens if you do not agree?

Contact the TDHCA Staff Member and/or the Manager/Director	
National Center for Housing Management (NCHM)	• Income/Asset • Inclusion/Exclusions
Internal Revenue Service (IRS)	• HTC Specific Program concerns
HUD Field Office	• MFDL Specific Program concerns

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Corrective Action Submissions

Corrective Action Submissions

The appropriate TDHCA Division will provide notice via CMTS that includes a corrective action deadline:

- Imminent hazard or threat to health and safety: 24 hours
- Annual Owner's Compliance Report (AOCR) noncompliance: 30 days
- National Standards for the Physical Inspection of Real Estate (NSPIRE) noncompliance: 90 days; ("Life Threatening / Severe" deficiencies must be corrected within 24 hours)
- Compliance Monitoring (including Rent Reviews): 90 days
- Complaints and Fair Housing Requests: Specific to the matter

You must track deadlines. No Reminders are sent.

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Corrective Action

- Please supply all requested documentation no later than the deadline set by Compliance, which is the last day of the corrective action period.
- If clarification is necessary to complete the corrective action, contact the issuing monitor as soon as possible.
- The Department recommends submitting a dated cover letter explaining the documentation submitted to address each event of noncompliance.

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Corrective Action: How to Submit

How to submit Corrective Action:

- Upload the corrective action to the Attachment system using the development's Compliance Monitoring & Tracking System (CMTS) account.
  - This must be completed before the end of the Corrective Action Period, or by the deadline of the extension, if one is granted.
  - For instructions on how to use the attachment system, please see Attaching Documents to CMTS found on the Department's website. To access, on the home page, select "Support and Services" tab; then select "Compliance". From the submenu, select "Online Reporting".
- Failure to submit complete and satisfactory corrections on or before the corrective action deadline will result in:
  - Referral to the Department's Enforcement Committee;
  - Issuance of form 8823 to the IRS (if HTC and within the Compliance Period); and
  - Considered in future funding decisions.

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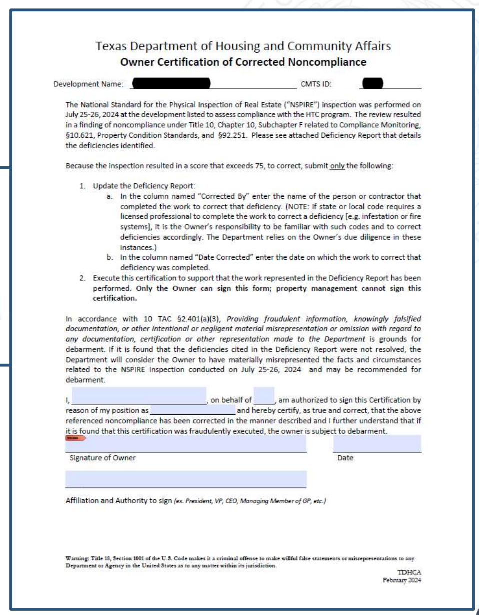
NSPIRE Corrective Action: High Scoring Owner Certification



Texas Department of Housing and Community Affairs

Owner Certification of Corrected Noncompliance

Development Name: [redacted] CMTS ID: [redacted]

The National Standard for the Physical Inspection of Real Estate ("NSPIRE") inspection was performed on July 25-26, 2024 at the development listed to assess compliance with the HTC program. The review resulted in a finding of noncompliance under Title 10, Chapter 10, Subchapter F related to Compliance Monitoring, §10.621, Property Condition Standards, and §92.251. Please see attached Deficiency Report that details the deficiencies identified.

Because the inspection resulted in a score that exceeds 75, to correct, submit only the following:

1. Update the Deficiency Report:
   a. In the column named "Corrected By" enter the name of the person or contractor that completed the work to correct that deficiency. (NOTE: If state or local code requires a licensed professional to complete the work to correct a deficiency [e.g. infestation or fire systems], it is the Owner's responsibility to be familiar with such codes and to correct deficiencies accordingly. The Department relies on the Owner's due diligence in these instances.)
   b. In the column named "Date Corrected" enter the date on which the work to correct that deficiency was completed.
2. Execute this certification to support that the work represented in the Deficiency Report has been performed. **Only the Owner can sign this form; property management cannot sign this certification.**

In accordance with 10 TAC §2.401(a)(3), *Providing fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department* is grounds for debarment. If it is found that the deficiencies cited in the Deficiency Report were not resolved, the Department will consider the Owner to have materially misrepresented the facts and circumstances related to the NSPIRE Inspection conducted on July 25-26, 2024 and may be recommended for debarment.

I, __________, on behalf of ____, am authorized to sign this Certification by reason of my position as __________ and hereby certify, as true and correct, that the above referenced noncompliance has been corrected in the manner described and I further understand that if it is found that this certification was fraudulently executed, the owner is subject to debarment.

Signature of Owner | Date

Affiliation and Authority to sign *(ex. President, VP, CEO, Managing Member of GP, etc.)*

Warning: Title 18, Section 1001 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency in the United States as to any matter within its jurisdiction.

TDHCA
February 2024

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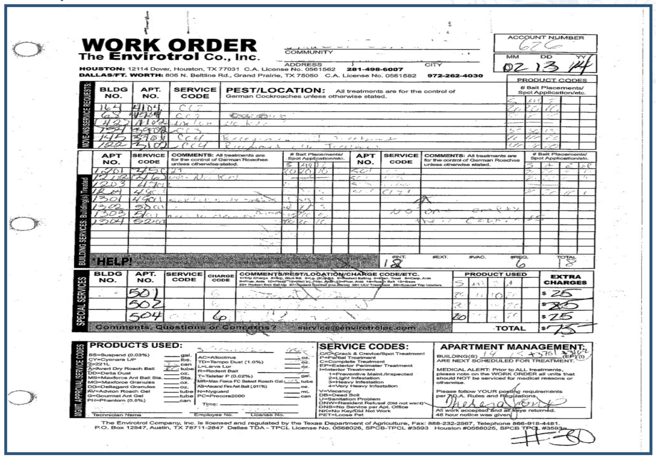
NSPIRE Corrective Action: Low Scoring Owner Certification

Score 75 or below :

- Upload (into CMTS) written documentation for the correction of each deficiency cited in the report.
  - Including the work orders for the Exigent Health and Safety deficiencies that were corrected immediately
- Invoices (not bids) for all deficiencies corrected by a vendor
- Pest control-service tickets, if applicable
- Detailed, complete maintenance requests



WORK ORDER
The Envirotrol Co., Inc.
HOUSTON: 12114 Dover, Houston, TX 77031 C.A. License No. 0561562 281-498-6007
DALLAS/FT. WORTH: 806 N. Beltline Rd., Grand Prairie, TX 75050 C.A. License No. 0561582 972-262-4030
COMMUNITY
ADDRESS CITY
ACCOUNT NUMBER 626
MM DD YY 02 13 14

MOVE-INS/SERVICE REQUESTS: BLDG NO. | APT. NO. | SERVICE CODE | PEST/LOCATION: All treatments are for the control of German Cockroaches unless otherwise stated. | PRODUCT CODES # Bait Placements/ Spot Application/etc.

BUILDING SERVICES: Building(s) Treated: APT NO. | SERVICE CODE | COMMENTS: All treatments are for the control of German Roaches unless otherwise stated. | # Bait Placements/ Spot Application/etc.

*HELP! #INT. 18 #EXT. #VAC. #REQ. 6 TOTAL 18

SPECIAL SERVICES: BLDG NO. | APT. NO. | SERVICE CODE | CHARGE CODE | COMMENTS/PEST/LOCATION/CHARGE CODE/ETC. | PRODUCT USED | EXTRA CHARGES
501 $ 25
502 $ 25
504 6 $ 25
Comments, Questions or Concerns? service@envirotrolpc.com TOTAL $ 75

PRODUCTS USED: SS=Suspend (0.03%), CY=Cyonara L/P, 2=221L, A=Avert Dry Roach Bait, DD=Delta Dust, MS=Maxforce Ant Bait Sta., MG=Maxforce Granules, DG=Deltagard Granules, AV=Advion Roach Gel, G=Gourmet Ant Gel, PH=Phantom (0.5%), AC=Altocirrus, TD=Tempo Dust (1.0%), L=Larva Lur, R=Rodent Bait, T=Talstar P (0.02%), MR=Max Force FC Select Roach Gel, AS=Ascend Fire Ant Bait (.011%), N=Nyguard, PC=Precore2000
Time:
Technician Name Employee No. License No.

SERVICE CODES: C/C=Crack & Crevice/Spot Treatment, P=Partial Treatment, C=Complete Treatment, EP=Exterior Perimeter Treatment, I=Interior Treatment, 1=Preventive Maint./Inspected, 2=Light Infestation, 3=Heavy Infestation, 4=Very Heavy Infestation, V=Vacancy, DB=Dead Bolt, U=Sanitation Problem, DNW=Resident Refusal (Did not want), DNS=No Service per Apt. Office, NK=No Key/Did Not Work, PET=Loose Pet

APARTMENT MANAGEMENT: BUILDING(S) ARE NEXT SCHEDULED FOR TREATMENT. MEDICAL ALERT: Prior to ALL treatments, please note on the WORK ORDER all units that should NOT be serviced for medical reasons or otherwise. Please follow YOUR posting requirements per T.D.A. Rules and Regulations. All work accepted and all keys returned. 48 hour notice was given.

The Envirotrol Company, Inc. is licensed and regulated by the Texas Department of Agriculture, Fax: 888-232-2567, Telephone 866-918-4481. P.O. Box 12847, Austin, TX 78711-2847 Dallas TDA - TPCL License No. 0568026, SPCB-TPCL #3593 Houston #0568025, SPCB TPCL #3593a
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What is considered acceptable for NSPIRE Corrective Action?

Acceptable evidence of correction of deficiencies is a certification from an appropriate licensed professional that the item now complies with the inspection standard or other documentation that will allow the Department to reasonably determine when the repair was made and whether the repair sufficiently corrected the violation(s) of NSPIRE standards. Acceptable documentation includes copies of work orders (listing the deficiency, action taken or repairs made to correct the deficiency, date of corrective action, and signature of the person responsible for the correction), invoices (from vendors, etc.), or other proof of correction. Photographs are not required but may be submitted if labeled and only in support of a work order or invoice. The Department will determine if submitted materials satisfactorily document correction of noncompliance.

Someone from the Ownership is required to sign the certification if part of the corrective action response. An Owner should contact the report issuer is there are questions on the required Corrective Action. It is the Owner’s responsibility to remedy all issues.

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NSPIRE: Corrective Action Response Requirements

<u>Work Orders must include</u>:

1. The identified deficiency for repairs
2. The location of the deficiency
3. A **<u>DETAILED</u>** description of the action taken, or repair made to correct the deficiency (single words like complete, done, repaired are not acceptable).
4. Date the repair was complete
5. The signature of the person responsible for the repairs or the person who is accountable for the quality of the repair.

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NSPIRE: Corrective Action Response Example

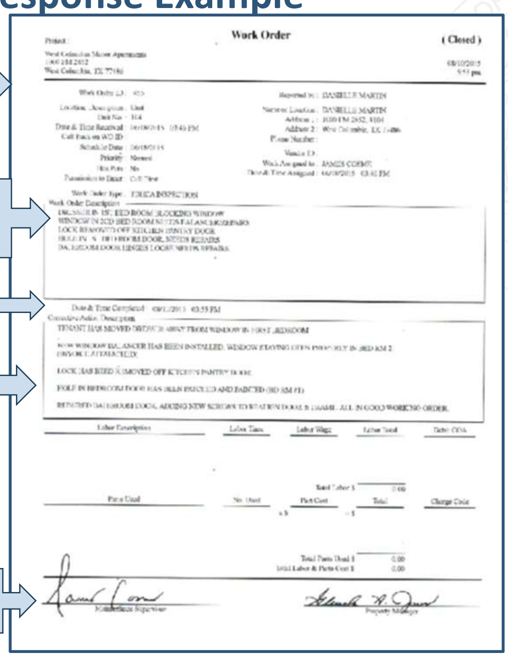
Project and unit location

Deficiencies that require correction

Date and time of completion

Detailed description of the actions taken to correct each deficiency

Signature of person who completed the corrective action



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Final Construction: What is considered acceptable for Corrective Action?

Detailed corrective action response instructions are found in the Final Construction Inspection Report. An Owner should contact the report issuer is there are questions on the required Corrective Action. It is the Owner's responsibility to remedy all issues.

Failure to submit detailed architectural certifications can cause deficiencies to remain open/uncorrected. Photographs that do not reflect measurements as required can also result in delays.

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Corrective Action for 811 PRA

- All corrective action must be submitted as requested
- Do not assume correcting an 811 PRA program finding can be corrected the same way as for other multifamily programs
- Do not submit corrective action through CMTS
- Submit documentation as requested in the letter through Serv-U
- Monitors conducting reviews will set-up a specific corrective action folder in Serv-U for that review
- If you need help resetting your log-in information for Serv-U, check out 811 Admin's SOP found on the Department's website here: https://www.tdhca.texas.gov/participating-owneragents.

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Corrective Action for Complaints

- Submit what is requested in the notification letter
- Provide a detailed, dated cover letter outlining the what is included in the submission and any other factors the Department should know about.
- If there are questions about the request reach out to the requester upon receipt
- Complaints have, in a lot of cases, much shorter corrective action periods and sometimes those are 3-5 days
  - Review the request and respond timely

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Corrective Action for Housing Resource Division

- Submit what is requested in the review letter for AFHMP and/or Written Policies
- If there are questions about the request reach out to the requester upon receipt
- Corrective action dates may vary
- Failure to upload can result in referral to the Enforcement Committee

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Corrective Action: Previous Participation Review (PPR)

- If anyone affiliated with the development submits an application for a new award/funds/or transfer a PPR will be conducted in accordance with §1.301 (for MF & Proposed Transfers requests) or §1.302 (for SF and CA funds).
- If there is a monitoring review open at the time a PPR is conducted that has reached the end of the designated corrective action period, the Department will review any CA submission uploaded to CMTS. A response will be issued to the development and the outcome taken into consideration by the PPR contact in their assessment.
  - There is typically a seven (7) day period for this review, so timely submissions and communication are essential.
- Noncompliance that was corrected after the applicable corrective action period and noncompliance that has not been corrected will be taken into consideration when conducting a PPR for a three (3) year period (starting on the date of correction).
- Monitoring reviews with Noncompliance corrected after the CAP will result in Events of Noncompliance during a PPR assessment; however, failure to submit any type of corrective action/response during the designated corrective action period (unresponsiveness) also plays a significant role in the PPR assessment.

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Corrective Action Responses

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Corrective Action: Review of Submission

How the Department will review Corrective Action:

- The Department will review the submission of CA and issue a response accordingly.
  - If all issues of noncompliance are corrected by the submission, a close-out letter will be issued, and no further action is required.
  - If all issues of noncompliance are addressed, but not corrected, by the submission, the Department will issue a 10-day letter, allowing the development an additional window of time to completely correct the issues of noncompliance.
    - If the submission does not address an item of noncompliance, a 10-day allowance cannot be given.
  - If no response is received, the Department will issue a letter referring the development to the Enforcement Committee.
  - If the CA submission, either initially or within the 10-day window, does not fully correct the issues of noncompliance cited under the monitoring review, the Development will be referred to the Enforcement Committee.

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Corrective Action Responses: Compliance

Multifamily Compliance

- All corrected, review is closed
- Almost all correct, but all were addressed, owner gets 10 more days
  - After 10 days, no submission or incomplete results in referral action
  - After 10 days, submission corrects all noncompliance, review is closed
- Nothing submitted, or submitted late and not all corrected, referral initiated
- Submitted late but all corrected, review is closed but late submission is scored

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Corrective Action Responses: Physical Inspections

Physical Inspections

- All corrected, review is closed
- High Scoring
  - Owner Certification is required, once received a response will be issued
- Score 75 or below
  - Detailed response required and will be responded to accordingly
- Nothing submitted, or submitted late and not all corrected, referral initiated
- Submitted late but all corrected, review is closed but late submission is scored

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Corrective Action Responses: Complaints

Complaints

- If the submission answers all questions about the complaint, the complaint will be closed with a response to the owner and the complainant.
- If the submission leaves questions unanswered, the monitor will reach out to the owner for additional information needed.
- If noncompliance is cited from the complaint, it will be scored and noted in the response.

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Corrective Action Responses: Housing Resource Division

Affirmative Fair Housing Marketing Plan (AFHMP) and Written Policies and Procedures (WPP)

- If the submission corrects all noncompliance, the review will be closed with a response to the owner through CMTS.
- If the submission does not correct the noncompliance, the owner will be required to make further corrections and additional submissions.
- Failure to correct or respond to requests will result in referral to the Enforcement Committee.

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Corrective Action Plans and Extensions

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Corrective Action: What if the deadline is not enough time?

What if the deadline plus any approved extension does not give enough time to correct?

- Upload a detailed corrective action plan to the Attachment system using the development's Compliance Monitoring & Tracking System (CMTS) account.
  - This must be completed before the end of the Corrective Action Period, or by the deadline in the extension, if one is granted.
- The detailed corrective action plan should include what will be done to correct the issue of noncompliance, how long will it take and when the owner anticipates completion of the corrective action and submission of the documentation to evidence completion.
  - The plan must include dates for the above-mentioned items.
  - The Owner must indicate a date on which the response will be uploaded into the Attachment System and then upload on, or by, that date. Failure to upload as noted will result in a referral to the Enforcement Committee.
  - If something changes with the upload timeline, please contact the applicable monitor.
- While a corrective action plan will prevent the referral, it will not prevent the issuance of the 8823s for Tax Credit Communities.

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Corrective Action Plans and Extensions

- If clarification is necessary to complete the corrective action, contact us as soon as possible. If it is not possible to provide the requested documentation by **Corrective Action Period (CAP) due date**, correct as much as you can and submit a corrective action plan detailing how and when the remaining issue(s) of noncompliance will be corrected, please include dates for completion.
- The Department may have the ability to extend the corrective action period for a total of six months, but only if there is good cause and a request is received prior to the end of the corrective action period. If an extension to correct the event(s) of noncompliance is needed, please send an email request prior to **CAP due date** to compliance.extensionrequest@tdhca.texas.gov.
- Email should include the CMTS #, Development Name, Reason for request (not simply a statement that an extension is needed, we must know WHY), and how long of an extension is being requested.
- Indicate in the subject line if this is an extension for a File Review or a Physical Inspection.

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Enforcement Action

Enforcement: Consequences of "Failure to Comply"

Failure to submit timely and complete corrective documentation within the corrective action period will result in:

- Referral to the TDHCA Enforcement Committee for potential administrative penalties and/or debarment, per 10 TAC Chapter 2.
- Issuance of Form 8823 to the IRS (if HTC and within the Compliance Period).
- Consideration during future funding decisions, per 10 TAC §1.301.

Enforcement: What are administrative penalties?

- Administrative penalties are authorized by statute at TX Gov't Code §2306.041.
- Potential penalty amounts for each violation type are outlined at 10 TAC §2.302(k), and are considered in conjunction with statutory factors at Tex. Gov't Code §2306.042. The maximum amount is $1,000 per violation per day.
- To assess a penalty, TDHCA must first offer an informal conference.
- The process is defined by rule at 10 TAC Chapter 2, Subchapter C.
- If assessed, the penalty would be against the owning entity.

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Enforcement: What is debarment?

- Debarment is authorized by statute at TX Gov't Code §2306.0504
- Who can be debarred?
  - In most cases, potential consequences for noncompliance are against the Owner, even if the Owner is using a property management company. See the "TDHCA Expectations" section above.
  - Unlike with an administrative penalty that is assessed against the owning entity, the Department can consider different levels of responsibility for each individual Responsible Party in Control of the owning entity when considering a debarment.
  - This can include both entities AND any individual natural persons in Control of those entities.
- What is "debarment"?
  - Prevents future participation in TDHCA programs for a specified term. Debarred parties may not purchase any TDHCA properties or receive further TDHCA funding during that term.
  - Does not prohibit participating in any existing engagements, nor does it affect any responsibilities or duties thereunder. May sometimes permit Board consideration on a case-by-case basis for supplemental funding applications that would ordinarily be considered by the Department during ongoing construction for existing engagements, but this must be specifically stated in the Order.

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Enforcement: Mandatory vs Discretionary Debarment

- Mandatory debarment:
  - Material and/or repeated violations are subject to **mandatory** debarment under TX Gov't Code §2306.0504(c) and 10 TAC § 2.401(c)
  - Violations that are considered "material" for debarment purposes are defined at 10 TAC § 2.401(d).
  - Violations that are considered "repeated" for debarment purposes are defined at 10 TAC § 2.401(e).
  - Debarment is mandatory, subject to some limited exceptions listed in the specific debarment criteria in the rule.
- Discretionary debarment:
  - Past failure to comply with any condition imposed by the Department in the administration of its programs is subject to **discretionary** debarment under TX Gov't Code §2306.0504(b) and 10 TAC § 2.401(a).
- The debarment list is extensive; see the rule for a complete list. Some important examples:

Mandatory Debarment Examples for Material and/or Repeated Violations	Discretionary Debarment Examples:
Repeated low physical inspection scores	Misrepresentations / fraud (includes negligent material misrepresentations)
Repeated penalty referrals, with 50% or more of the ownership portfolio's actively monitored developments referred for a penalty in the last 3 years	Foreclosure that terminates a TDHCA LURA
Refuse to reduce rents to compliant level	*NEW* No operable elevator in an elevator-serviced building
NEW Refusal to sign PRWORA Agreement and repeated PRWORA noncompliance	Refusing to comply with award conditions set by the Board or Executive Director
NEW Repeated reasonable accommodations noncompliance	Refusing to provide an amenity as required by the LURA

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Enforcement: Debarment Process and Term

- What is the debarment process?
  - The process is defined by rule at 10 TAC Chapter 2, Subchapter D.
  - In order to debar, TDHCA must first offer an informal conference where the Enforcement Committee will hear any mitigating circumstances or factors that the Owner believes should be considered when making its recommendation regarding whether to debar (if discretionary), the parties to be debarred, and the debarment term.
  - *NEW* For discretionary debarment categories, a Voluntary Non-Participation Agreement may be recommended in lieu of debarment, per 10 TAC §2.401(i)(5)(B) and 10 TAC §2.401(j).
- Remind me: Who can be debarred?
  - As noted above, the Department can consider different levels of responsibility for each individual Responsible Party in Control of the owning entity when considering a debarment, and it is typically the Owner that is debarred, not the property management company. See the "TDHCA Expectations" section above.
  - Can include both entities AND any individual natural persons in Control of those entities.
- What is the maximum debarment term?
  - The recommended debarment term is based upon material factors outlined at 10 TAC §2.401(j).
  - There is no upper or lower debarment term limit and TDHCA's Governing Board has the authority to impose shorter or longer terms than those recommended.
  - TDHCA publishes its debarment list online.

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Enforcement: Debarment List (active as of June 2026)

Debarment List: https://www.tdhca.texas.gov/tdhca-orders

Board Meeting Date	Document	Debarred Party	Property Involved	Term
1/26/2017	Final Order – Ebenezer Anene	Ebenezer Anene	HOME Reservation System Participant Agreement 2011-0062	10 years, beginning 1/26/2017 and terminating 1/26/2027
2/25/2016	Final Order – Charles Miller	Charles Miller, President and Director of CVM Interests, Inc.	Southmore Park Apartments (HTC 94004 / CMTS 1204)	20 years, beginning 2/25/2016 and terminating 2/25/2036
5/25/2017	Final Order	Avalon Apartments, L.L.C., Xheladin Jasari (aka Xheladin Jasaroski), President of Avalon Apartments, L.L.C. Flaza Jasaroski, Vice President of Avalon Apartments, L.L.C.	Avalon Apartments (HTC 91036 / CMTS 954)	10 years, beginning 5/25/2017 and terminating 5/25/2027
12/6/2018	Final Order	The David Yilmaz Living Trust David Yilmaz	Oak Park Apartments (HTC 91056/CMTS 965)	15 years, beginning 12/6/2018 and terminating 12/6/2033
7/27/2023	Final Order	Jared Remington	Hillcrest Apartments (HTC 060615 / Bond 060615B / CMTS 4342)	10 years, beginning 7/27/2023 and terminating 5/11/2033
12/7/2023	Final Order	Indio International, LP Double SB Ventures, Inc. Seth Bame	The Jones (HTC FILE # 93063 / CMTS # 1137)	5 years, beginning 12/7/2023 and terminating 12/7/2028.
12/7/2023	Final Order	WMV 2107 Lincoln Drive GP, LLC William Mitchell Voss	The Jones (HTC FILE # 93063 / CMTS # 1137)	5 years, beginning 12/7/2023 and terminating 12/7/2028. May petition the Board for reduction or termination of the remaining debarment term after 12/7/2025

Board Meeting Date	Document	Debarred Party	Property Involved	Term
10/10/2024	Final Order	Hale Center Housing Authority, a public housing authority, and Cindy Carthel	Plainview II Triplex (HOME 532315 / CMTS 2658)	10 years, beginning 10/10/2024 and terminating 10/10/2034
12/12/2024	Final Order	Olive Tree Multifamily Manager LLC (Olive Tree) and Ian Bel	The Life at Timber Ridge Apartments (HTC 01101 / CMTS 343) and The Life at Timber Ridge II Apartments (HTC 03456 / Bond 03456B / CMTS 3411)	3 years, beginning 12/12/2024 and terminating 12/12/2027
01/16/2025	Final Order	SRCJJC Lubbock Management LLC (SRCJJC), and its managing members, Chris Roberts, Peter Delfino, George Arau, and Jennifer Joyce	Estrada South I f/k/a Park Meadows I (HTC 03140 / CMTS 3354), Estrada North f/k/a Stone Hollow Village (HTC 04057 / CMTS 4112), and Estrada South II f/k/a Park Meadows II (HTC 060058 / CMTS 4371)	10 years, beginning 1/16/2025 and ending 1/16/2035
03/06/2025	Final Order	Olive Tree Multifamily Manager LLC, Olive Tree Multifamily Manager II LLC, and Ian Bel	The Life at Clearwood (HTC 01485 / CMTS 487) and The Life at Westland Estates (HTC 02485 / CMTS 3284)	Term ending 12/12/2028
10/09/2025	Final Order	Lionel Sims Archie L. Jones Calvert Arms, Ltd.	Calvert Arms Apartments (HTC 92096 / CMTS 1064)	30 years, beginning 10/9/2025 and ending 10/9/2055
05/07/2026	Final Order	The Chosen Ones Outreach Ministries of Galveston, Incorporated, Reverend Edward Lawson, and Teresa Finch	N/A	20 years, beginning 5/7/2026 and ending 5/7/2046
05/07/2026	Final Order	Jon P. Venetos, Lurin, Inc. Lurin Holdings, LLC, Lurin Advisors, LLC, Lurin Equity Partners LIX, LLC, Lurin Real Estate Holdings LIX, LLC, Lurin Equity Partners XXXVI, LLC, and Lurin Real Estate Holdings XXXVI, LLC	The Henley Apartments (HTC 93003 / CMTS 2299) , The Declan I (Bond MF007 / CMTS 2510), and The Declan II (Bond MF008 / CMTS 2509)	30 years, beginning 5/7/2026 and ending 5/7/2056

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Enforcement: What to do if referred for a penalty or debarment?

If a property is referred to the Enforcement Committee, Owners shouldn't ignore the referral or wait for legal to contact them. The best thing for the Owner to do after getting notice of penalty referral is to immediately talk to the management/compliance company, and then:

- Contact the referring monitor and Ysella Kaseman at ysella.kaseman@tdhca.texas.gov via email to explain what happened,
- Upload complete corrections into CMTS, ensuring that a supervisor at your organization has first double-checked to ensure completeness.
- Upload the "Acknowledgment of Administrative Penalty Referral."
- Adjust internal management policies to ensure that similar referrals do not occur again.

Taking these steps immediately could help the owner avoid penalty action in many cases.

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Enforcement Action: Owner’s Acknowledgement of Referral

The Owner’s Acknowledgement of Administrative Penalty Referral form is required as part of any penalty referral:

- Compliance will upload the form as a separate line item in CMTS when they issue a referral letter.
- This form must be completed by the Owner, not property management.
- This form ensures that the Owner is aware of the problem and is taking steps to resolve it. Exhibits 1 and 2 help TDHCA to analyze the stability of the ownership portfolio.
- CMTS must contain current and correct ownership contact information so that the Owner will be notified of any correspondence from the Department.

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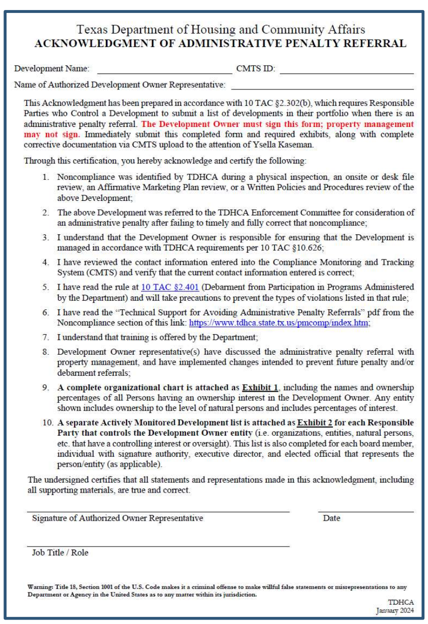
Corrective Action: Owner’s Acknowledgment of Referral



Texas Department of Housing and Community Affairs
ACKNOWLEDGMENT OF ADMINISTRATIVE PENALTY REFERRAL

Development Name: ______________________ CMTS ID: ______________________

Name of Authorized Development Owner Representative: ______________________

This Acknowledgment has been prepared in accordance with 10 TAC §2.302(b), which requires Responsible Parties who Control a Development to submit a list of developments in their portfolio when there is an administrative penalty referral. **The Development Owner must sign this form; property management may not sign.** Immediately submit this completed form and required exhibits, along with complete corrective documentation via CMTS upload to the attention of Ysella Kaseman.

Through this certification, you hereby acknowledge and certify the following:

1. Noncompliance was identified by TDHCA during a physical inspection, an onsite or desk file review, an Affirmative Marketing Plan review, or a Written Policies and Procedures review of the above Development;
2. The above Development was referred to the TDHCA Enforcement Committee for consideration of an administrative penalty after failing to timely and fully correct that noncompliance;
3. I understand that the Development Owner is responsible for ensuring that the Development is managed in accordance with TDHCA requirements per 10 TAC §10.626;
4. I have reviewed the contact information entered into the Compliance Monitoring and Tracking System (CMTS) and verify that the current contact information entered is correct;
5. I have read the rule at 10 TAC §2.401 (Debarment from Participation in Programs Administered by the Department) and will take precautions to prevent the types of violations listed in that rule;
6. I have read the “Technical Support for Avoiding Administrative Penalty Referrals” pdf from the Noncompliance section of this link: https://www.tdhca.state.tx.us/pmcomp/index.htm;
7. I understand that training is offered by the Department;
8. Development Owner representative(s) have discussed the administrative penalty referral with property management, and have implemented changes intended to prevent future penalty and/or debarment referrals;
9. **A complete organizational chart is attached as Exhibit 1**, including the names and ownership percentages of all Persons having an ownership interest in the Development Owner. Any entity shown includes ownership to the level of natural persons and includes percentages of interest.
10. **A separate Actively Monitored Development list is attached as Exhibit 2 for each Responsible Party that controls the Development Owner entity** (i.e. organizations, entities, natural persons, etc. that have a controlling interest or oversight). This list is also completed for each board member, individual with signature authority, executive director, and elected official that represents the person/entity (as applicable).

The undersigned certifies that all statements and representations made in this acknowledgment, including all supporting materials, are true and correct.

______________________ Signature of Authorized Owner Representative ______________________ Date

______________________ Job Title / Role

Warning: Title 18, Section 1001 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency in the United States as to any matter within its jurisdiction.

TDHCA
January 2024

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Corrective Action: Owner’s Acknowledgment of Referral; Exhibit 1

Exhibit 1:

Texas Department of Housing and Community Affairs
ACKNOWLEDGMENT OF ADMINISTRATIVE PENALTY REFERRAL

Exhibit 1:

Organizational Chart

Submit an organizational chart as Exhibit 1. A sample is below.

Control is defined at 10 TAC 11.1(30).

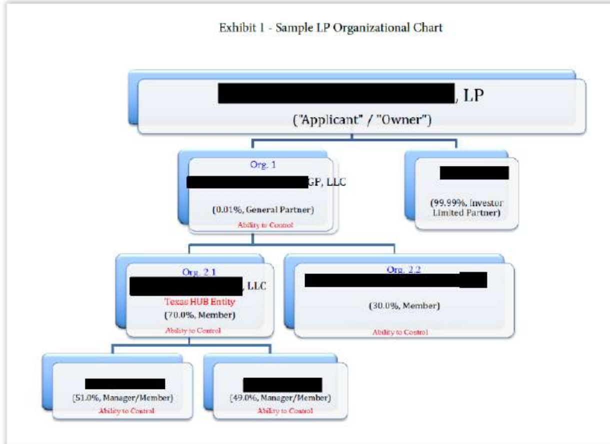
Ensure that you:

- Include all organizations and natural persons that Control the Development.
- Any organization in Control must show ownership to the level of natural persons.
- Include percentages of interest.
- Indicate which organizations and natural persons have the ability to Control the Development.

In the case of:

- Partnerships - Include all General Partners and Special Limited Partners down to the level of natural persons (any LP that is not the Syndicator is a "Special LP"). Investor Limited Partners without Control authority do not need to be expanded to the level of natural persons.
- Corporations - Include the executive director and all members of the board.
- Limited liability companies - Include all managing members and all other members down to the level of natural persons; and
- Nonprofits and public housing authorities - Include all board members and the executive director.

SAMPLE EXHIBIT 1 ORGANIZATIONAL CHART: These are redacted since they are actual organizational charts for TDHCA properties and are being posted online. Your organizational chart must include names, however.



Corrective Action: Owner’s Acknowledgment of Referral; Exhibit 2

Exhibit 2:

Exhibit 2:

Actively Monitored Development List

This form helps TDHCA to analyze the stability of the rest of the ownership portfolio under each organization and natural person identified at Exhibit 1. Submit a separate completed Exhibit 2 for each organization and natural person identified as being in Control at Exhibit 1. (As an example, all entities and persons shown in red in the sample organizational chart on the prior page would need to complete this Exhibit 2). Multiple organizations and natural persons may be listed in the "Legal Name" field below if they all Control the same group of Developments. This Exhibit 2 may be submitted in spreadsheet form.

Legal Name of Entity or Person to be analyzed: Senior American Nonprofit, Inc.; John Smith; Jane Smith

Contact Person (if an entity): John Smith

Email Address: johnsmith123456@gmail.com

List below all Actively Monitored Developments with TDHCA in which the Legal Name(s) entered above also have a Controlling interest. Only include active developments that have been monitored during the last three years, either through a Uniform Physical Condition Standards (UPCS) inspection, an onsite or desk file monitoring review, an Affirmative Marketing Plan review, or a Written Policies and Procedures Review. Add additional pages as needed, or a spreadsheet may be attached. Place an "X" in the table if there are no other properties.

	CMTS ID#	Property Name	Property City	Program	Role	Control began (mm/dd/yy)
1	1234	Autumn Leaf Park	Fort Worth	HTC	GP	1/19/2015
2	6566	Eagleston Parkville	Dallas	Bond	GP	3/30/2016
3	6578	Carolina Parkville	Livingston	HTC	GP	3/30/2016
4	1654	Live Oak Parkville	Arlington	HTC	GP	1/20/2021
5	3218	Red Oak Parkville	Dallas	HTC / HOME	GP	06/04/2022
6	4297	Pin Oak Parkville	Dallas	HTC	GP	11/12/2023
7						
8						
9						
10						

Legal Name: Enter the name of the Controlling organization or natural person for whom this Exhibit 2 is being completed.
CMTS ID: Enter the 4-digit property number assigned by CMTS
Property Name: Enter the Development Name as entered in CMTS

Enforcement: Tips for avoiding penalties or debarment

- Technical Support for Avoiding Administrative Penalty Referrals has been compiled to help owners avoid an administrative penalty or debarment referral. It includes useful tips and guidance to help maintain compliance. It is not all-inclusive, and it remains the owner's responsibility to be aware of all applicable TDHCA statutes, TDHCA rules, and LURA terms.
  - The Technical Support document can be found online at https://www.tdhca.texas.gov/sites/default/files/pmcdocs/23-TechSupport-AvoidAdminPenaltyRefs.pdf.
- It is vital that owners and management groups proactively edit their internal management policies and take all necessary actions to ensure complete and timely compliance since failure to do so could cause the owner to be debarred if too many (a referral ratio of 50% or more) properties in the portfolio are referred. The above link should help with this.

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Conclusion: Pay attention to managers! Deadlines are key!

- Hire experienced and competent property management.
- Calendar all reporting deadlines:
  - Quarterly Vacancy Report: Due the 10th of every January, April, July, October.
  - Annual Owners Compliance Report: Due every April 30th for the year prior.
- Exercise appropriate and regular oversight of property management activities.
- Review correspondence from TDHCA and track deadlines. You will not receive reminders.
- Oversee resolution of issues of noncompliance by property management.
- Ensure complete and timely submission of all corrections.
- Submit an extension request with a specific projected completion timeline before the deadline if there are problems preventing immediate resolution; in many cases, Compliance can approve a corrective plan if your request is sufficiently detailed.
- Check CMTS regularly to ensure that TDHCA correspondence is not accidentally missed.

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Additional Resources

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Notes for Success

- Communication is key!
  - **Make sure that CMTS has current and correct contact information for all parties!**
  - Ask questions when given the opportunity while staff is available onsite or through a desk review process
  - Contact the TDHCA staff member when the Report is received after a review has been conducted if there are any questions. This should be done as early in the Corrective Action Period as possible.
- Read the Report and all attached items carefully and completely. They may all look the same, but the information does change based on the development and the review, so reading the report fully is necessary.
- Respond to Reports as required in order to avoid being referred unnecessarily.
  - As soon as the Report is uploaded into CMTS, review internally and ask questions early-on so that you have the full corrective action period to work on the response.
- Owners and Compliance Staff should conduct a review of the Corrective Action response before submission. If the on-site staff puts together a response that is not reviewed by the owner and management/compliance group, it may result in undue delays in correcting the issues and an unnecessary referral.

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Additional Training Opportunities

- The Department has a section devoted to previously recorded webinars.
  - https://www.tdhca.texas.gov/compliance-program-training-presentations
- Every quarter the Department offers an in-person Income Determination Training, registration opens about 30 days before the class and can be found online
  - https://www.tdhca.texas.gov/compliance-training
- The Department offers regular virtual training in conjunction with the Texas Apartment Association
  - https://www.taa.org/event-category/affordable-housing/
- The Multifamily Compliance division offers a monthly Office Hours, which is an open forum to ask questions of staff and get real-time answers
  - All of these will be posted online: https://www.tdhca.texas.gov/calendar
- You can also sign up for emailed announcements
  - Click the "Subscribe" button at the bottom of https://www.tdhca.texas.gov/

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Contact Information for Presenters

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Thank you!

July Office Hours: Corrective Action and Everything that goes with it

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EQUAL HOUSING OPPORTUNITY

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