

Texas State Affordable Housing Corporation
Compliance Review Observation Report
 “Bringing Affordable Housing Closer to Home”

Property Name Address City, State, Zip Owner: Bond ID: INSPECTION DATE:				
Number of Units:	Number of required LI units:	Number of required VLI units:		
COMPLIANCE AUDIT		YES	NO	N/A
1) Are procedures that ensure compliance with the set aside requirements and rent requirements effective?				
2) Is the property accepting Section 8 households?				
3) Is the income to rent ratio for Section 8 households less than 2.5?				
4) Are the rent increases smaller than 5%?				
5) Is there any discriminatory language on the Application for Tenancy or Occupancy Qualifications?				
6) Does the lease or rental agreement inform the resident of Very Low Income/Low Income and Recertification requirements?				
7) Is additional monitoring by TSAHC recommended?				
COMMENTS:				

SET-ASIDES		YES	NO	N/A
1) Do the files reviewed establish that the property is meeting the Low Income residency requirement whereby 75 percent of the units are rented to tenants whose adjusted income is 80 percent or less of the median gross income for the Metropolitan Statistical Area where the property is located?				
2) Do the files reviewed establish that the property is meeting the Very Low Income residency requirement?				
3) Are the set-aside units evenly distributed?				
a) No more than 60% of the set-aside requirements consist of one unit type?				
b) No less than 20% of the set aside requirements consist of any particular unit type?				
4) 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?				
b) Utilized as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home, or trailer court or park?				
c) Leased to a corporation, business or university?				
d) Owned by a cooperative housing corporation?				
e) Not available for rental on a continuous basis to members of the general public?				
COMMENTS:				

RESIDENT SERVICES		YES	NO	N/A
1) Does the programming appear to cater to the resident profile of the property?				
2) Does the programming appear to be effective? Discuss your observations in the comments section below. Provide examples of the program effectiveness or ineffectiveness.				
3) Is there a resident services notebook available to review?				
4) TSAHC provided Technical assistance regarding:				

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a) Resident attendance			
b) Frequency of service provided			
c) Transportation provided for off site services			
d) Notification to residents of services			
e) Number or type of services			
f) Survey of residents			
g) On-line reporting			
5) Does the property comply with the resident services requirement?			
COMMENTS:			

OFFICE	YES	NO	N/A
1) Is the office neat, the desk uncluttered?			
2) Are accurate office hours posted?			
3) Are the following displayed in full view:			
a) Occupancy Qualifications?			
b) Fair Housing Poster?			
COMMENTS:			

RESIDENT FILE REVIEW	YES	NO	N/A
1) Are there any Next Available Unit Rule Violations?			
2) Does the file audit establish that residents are being recertified on an annual basis?			
3) Does the owner maintain all records relating to resident income certifications, together with supporting documentation?			
4) Does the Owner/Agent make an effort to determine that the income certification provided by the resident is accurate?			
5) Does the file audit indicate that staff needs additional training?			

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, the verifications, the Income Certification, and the 1st page of the lease for the new household occupying the unit.

Unit	Finding	Issue	Corrective Action Requirement

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SUMMARY OF FINDINGS AND OBSERVATIONS

Findings address serious issues that need to be cured immediately. **Findings** will always be followed by **Corrective Action Requirements**. Management must complete the **Corrective Action Requirements** and send certification to TSAHC that they have been resolved as stipulated within each **Corrective Action Requirement**. This certification must be on company letterhead and address each item individually.

The **Findings** identified during the review affected XX units. These findings include:

- **Household income above the limit at move-in**, which affected units XXX, XXX, and XXX;
- **Ineligible student household**, which affected units XXX, XXX, and XXX;
- **Owner failed to Maintain Income Certification and Documentation**, which affected units XXX, XXX, and XXX;
- **Property has failed to meet the required set-aside requirement**, which affected all units.
- **Property is not complying with Resident Services requirement**, which affected all units.
- **Question if household eligible at move-in**, which affected units XXX, XXX, and XXX.
- **Rent over the limit**, which affected XXX, XXX, and XXX;
- **Unit Status Report reflects incorrect information**, which affected units XXX, XXX, and XXX

Observations will address issues that can be improved upon, but do not require immediate action. An **Observation** will always be followed by a **Recommendation**. Management should consider **Recommendations** but there is no written response required.

The **Observations** identified during the review include:

- Supplemental application is mostly blank for units XXX, XXX, and XXX. Ensure that all forms are completed in their entirety.
- Assets have not been handled correctly for units XXX, XXX, and XXX;
 - Assets are listed on the TAA Supplemental Application for unit XXX. Some of the assets listed on the Under \$5000 Asset Certification form are not listed on the Income Certification. Ensure that all disclosed assets are listed on the Income Certification.
 - The resident in unit XXX was recently hired. She has a retirement plan with her employer. Resident provided verification of the balance in her retirement account. Retirement plan was included as income instead of an asset. Ensure that staff is aware that a retirement plan can be either income or assets, depending on the situation.
 - Assets were not calculated correctly on the Income Certification for unit XXX. Assets were imputed that were not over \$5000 and included as income. Assets must be imputed if the total assets exceed \$5000.
 - Under \$5000 Asset Certification was not completed in its entirety for unit XXX. Ensure that all forms are completed in their entirety.
 - Assets over \$5000 were not imputed correctly and not verified for unit XXX. Assets over \$5000 must be imputed and verified.
- Tenant Release and Consent form is missing for units XXX, and XXX. It is strongly recommended that all adult household members sign a Tenant Release and Consent form;
- The lease agreement informing the resident of the Very Low Income/ Low Income and Recertification requirements was missing for units XXX, and XXX. It is strongly recommended that all adult household members sign a lease agreement.
- Employment verification form indicates that resident will receive a raise in pay in 90 days for unit XXX. This was not included in the calculation of household income. In the future, ensure that all anticipated changes are included in the calculation of household income.
- Employment verification has been altered for unit XXX. Telephone documentation needs to be on a separate document and include an explanation. In the future, ensure that no verifications are altered after they are received. If there is a

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discrepancy, contact the person who completed the form, document explanation on a separate sheet of paper. Include the date of the conversation, the name and title of the person providing the explanation, the telephone number, the explanation, and the Property staff who obtained the clarification.

- Household income calculation errors include:
 - Unit XXX: Contributions from son were calculated monthly instead of weekly. Statement from son, verifies that contributions are weekly. Ensure that all income is calculated correctly.
 - Unit XXX: Unemployment income was not annualized. Ensure that unemployment income is annualized.
 - Unit XXX: Overtime and raises were not included in calculation of household income. Ensure that all income is included in the calculation of household income.
 - Unit XXX: Net wages were used to calculate income instead of gross wages. Gross wages must always be used to calculate household income.
 - Unit XXX: Clarification of employment was written on employment verification. It is recommends that all clarification be documented on a separate form.
 - Unit XXX: Employment verification form indicates an overtime rate of pay but does not include the number of overtime hours worked and property did not follow up with employer. Property must always follow up with employer when verifications are insufficient to document eligibility.
 - Unit XXX: The overtime for wife listed on the employment verification form has not been included in calculation of household income. Ensure that all sources of income are included in the calculation of household income.

Comments: