

Texas State Affordable Housing Corporation Compliance Review Observation Report

The Willows
1332 Lamar Square Drive Austin, Texas 78704
OWNER: Mary Lee Community
INSPECTION DATE: August 13, 2014
INSPECTOR'S NAME: James Matias & Celina Mizcles

Number of Units: 64 **Number of required LI units:** 51 **Number of required VLI units:** 13

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)	Is there any discriminatory language on the Application for Tenancy or Occupancy Qualifications?	X		
6)	Does the lease or rental agreement inform the resident of Very Low Income/Low Income and Recertification requirements?	X		
7)	Is additional monitoring by TSAHC recommended?		X	

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?			X
2)	Do the files reviewed establish that the property is meeting the Very Low Income residency requirement?	X		
3)	Are the set-aside units evenly distributed?			
	a) No more than 60% of the set-aside requirements consist of one unit type?			X
	b) No less than 20% of the set aside requirements consist of any particular unit type?			X
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?		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
(units vacant and unready for extended period of time and all down units)

Unit #	USR Designation	New Designation	Comments
NA			

COMMENTS:

RESIDENT SERVICES		YES	NO	N/A
1)	Do the programs appear to cater to the resident profile of the property?	X		
2)	Do the programs appear to be effective? Discuss your observations in the comments section below. Provide examples of the program effectiveness or ineffectiveness.	X		

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3) Is there a resident services binder/notebook available to review?	X		
4) Does the resident services binder/notebook document the following :			
a) Resident attendance	X		
b) Frequency of service provided	X		
c) Transportation provided for off site services	X		
d) Notification to residents of services	X		
e) Number or type of services	X		
f) Survey of residents		X	
g) On-line reporting	X		
5) Does the property comply with the resident services requirement?	X		

COMMENTS: The property continues to provide several resident services as required by the Regulatory Agreement. Services include a property food bank, movie and book library, assistance acquiring services, support groups, vocational development, and various types of counseling.

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) Are there any Next Available Unit Rule Violations?			X
2) Does the file audit establish that residents are being recertified on an annual basis?	X		
3) Does the owner maintain all records relating to resident income certifications, together with supporting documentation?	X		
4) Does the Owner/Agent make an effort to determine that the income certification provided by the resident is accurate?	X		
5) Does the file audit indicate that staff needs additional training?	X		

COMMENTS: Prior to the issuance of this report, management provided TSAHC with an updated USR, copies of tenant executed forms and updated TICs with supporting documentation for the issues noted above. Therefore, findings were not issued. TSAHC suggest management strengthen their current practices to avoid future potential issues.

Observations:

The following issues were noted during the tenant file review:

- Unit Status Report (USR) is not properly updated (affecting units 104, 308, 314, 404, and 406). The USR is a tool that that must be used to reflect actual household information in order to ensure that all development restrictions are being met. Therefore, management must ensure that the USR contains accurate household information moving forward.
- Tenant files missing forms (affecting unit 104 and 314). Management must ensure all adult household members execute required tenant forms moving forward.
- Miscalculation of tenant income (affecting units 103, 305, 308, 312, and 404). It is management's responsibility to accurately calculate annual household income. Moving forward, TSAHC suggest management peer-review tenant files to ensure accuracy.

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

Unit	Finding	Corrective Action Requirement
105	The household disclosed no assets yet the paycheck stub for household member #4 revealed that payments were being direct deposited.	Obtain asset certification and/or clarification regarding the asset disclosed on the paycheck stub for household member #4. Submit documentation to TSAHC for review.

COMMENTS:

Finding:

- Management must submit corrective action for the Findings mentioned above no later than 10/3/2014.

SUMMARY OF FINDINGS AND OBSERVATIONS

Observations:

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- Unit Status Report (USR) is not properly updated (affecting units 104, 308, 314, 404, and 406). The USR is a tool that that must be used to reflect actual household information in order to ensure that all development restrictions are being met. Therefore, management must ensure that the USR contains accurate household information moving forward.
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Finding:

- Management must submit corrective action for the Findings mentioned above no late than 10/3/2014.