

Texas State Affordable Housing Corporation Compliance Review Observation Report

White Rock				
3110 Thousand Oaks Drive, San Antonio, TX 78247				
Owner: Commonwealth Multifamily		Date Built: 2003		
Management Company: Orion Real Estate, Inc		Property Manager:		
Inspection Date & Time: April 21, 2015 at 8:00 a.m.		Inspector's Name: James Matias & Celina Mizcles		
Number of Units:	336	Number of required LI units:	252	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)	Is there any discriminatory language on the Application for Tenancy or Occupancy Qualifications?	X (see below)		
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:				
Observation:				
<ul style="list-style-type: none"> • The Rental Criteria provided prior to the site visit reflected the following statement regarding co-signers or guarantors: "If prospective Leaseholder(s) is/are also fulltime students, only the guarantor will be required." While it is understood that this section is for co-signers or guarantors, there is nothing else stated in the rental criteria regarding student status, specific to full-time students. TSAHC suggests management revise the current language to state that there are additional stipulations for applicants/households that would be comprised of full-time students in an affordable set-aside unit. 				
Finding:				
<ul style="list-style-type: none"> • The Rental Criteria provided prior to the site visit reflected the following statement regarding section 8 recipients: "In an effort to increase participation in the program, the property has set aside a limited number of vouchers that are allowed to rent below market rents. The below market vouchers shall not exceed four units and pay no more than \$200 under the market rent per voucher. " During the site review management stated that although the above mentioned verbiage states "market" that they mean the maximum allowable rent for the low income or very low income designations. It is recommended that the verbiage be edited so that market rent is not referenced if this is not what is intended. In addition, it is not standard practice for affordable housing properties to put a cap on the amount of Housing Choice Voucher applicants that can be accepted. In this case the criteria states that management is capping its Housing Choice Voucher applicants at 4 units. If this is being implemented, management needs to send TSAHC an explanation as to why Housing Choice Voucher applicants beyond four units are being denied and supporting documentation to support this process. The explanation and supporting documentation is due to TSHAC no later than <u>6/19/2015</u>. 				

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)	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
3)	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	

Texas State Affordable Housing Corporation Compliance Review Observation Report

e) Not available for rental on a continuous basis to members of the general public?		X	
COMMENTS:			

UNITS WALKED

Unit #	USR Designation	New Designation	Comments
131	80	NA	
335	80	NA	
417	50	NA	
827	80	NA	
1228	80	NA	
1523	50	NA	

COMMENTS:

RESIDENT SERVICES	YES	NO	N/A
1) Do the resident services appear to cater to the resident profile of the property?	X		
2) Do the resident services appear to be effective? Discuss your observations in the comments section below.	X		
3) Is the property meeting the Resident Service requirements as required by the Regulatory Agreement and Asset Oversight and Compliance Agreement?	X		
4) 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) Did TSAHC provide any Technical Assistance regarding Resident Services?		X	

COMMENTS:

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?	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		

Texas State Affordable Housing Corporation Compliance Review Observation Report

4) For mixed (low-income and market units) developments, are there any Next Available Unit Rule Violations?	X		
5) Does the file audit indicate that staff needs additional training?		X	

COMMENTS: The most common errors found during the file review were discrepancies between the Unit Status Report and Tenant Income Certification. The importance of maintaining an accurate Unit Status Report was discussed with Management. Management turned in correction action for units 122, 218, 227, 236, 312, 811, 836, 918, 1136, 1524, 1527, and 1611 regarding the items mentioned above, prior to the completion of this report. In addition to the items mentioned above, the reviewer found many of the leases and addendums were not dated or not dated properly. The importance of having all leases and addendums dated correctly in all files by all lease holders was discussed with management.

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
NA		
COMMENTS:		

SUMMARY OF FINDINGS AND OBSERVATIONS

Observation:

- The Rental Criteria provided prior to the site visit reflected the following statement regarding co-signers or guarantors: "If prospective Leaseholder(s) is/are also fulltime students, only the guarantor will be required."
While it is understood that this section is for co-signers or guarantors, there is nothing else stated in the Rental Criteria regarding student status, specific to full-time students. TSAHC suggests management revise the current language to state that there are additional stipulations for applicants/households that would be comprised of full-time students in an affordable set-aside unit.

Finding:

- The Rental Criteria provided prior to the site visit reflected the following statement regarding section 8 recipients: "In an effort to increase participation in the program, the property has set aside a limited number of vouchers that are allowed to rent below market rents. The below market vouchers shall not exceed four units and pay no more than \$200 under the market rent per voucher."
During the site review management stated that although the above mentioned verbiage states "market" that they mean the maximum allowable rent for the low income or very low income designations. It is recommended that the verbiage be edited so that market rent is not referenced if this is not what is intended. In addition, it is not standard practice for affordable housing properties to put a cap on the amount of Housing Choice Voucher applicants that can be accepted. In this case the criteria states that management is capping its Housing Choice Voucher applicants at 4 units. If this is being implemented, management needs to send TSAHC an explanation as to why Housing Choice Voucher applicants beyond four units are being denied and supporting documentation to support this process. The explanation and supporting documentation is due to TSHAC no later than 6/19/2015.