

Texas State Affordable Housing Corporation Compliance Review Observation Report

Peoples El Shaddai and St. James Manor
2836 E. Overton Road and 3119 Easter Ave., Dallas, TX 75216

Owner: Steele Saint James Peoples LLC **Date Built:** 1969 (St James) 1970 (Peoples)
Management Company: Monroe Group Ltd. **Property Manager:** Felicia Graves
Inspection Date & Time: September 19, 2017@ 10:00 a.m. **Inspector's Name:** Celina Stubbs

Number of Units: 100 (Peoples) **Number of required LI units:** 40 (Peoples) **Number of required VLI/ELI units:** 5 (Peoples)
100 (St James) 40 (St James) 5 (St James)

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 Extremely Low, Very Low Income or Low Income Recertification requirements?	X		
7) Is additional monitoring by TSAHC recommended?		X	

COMMENTS: This is the first Compliance Review for Peoples El Shaddai (referred to as Peoples) and St James Manor (referred to as St James). The reviewer was unable to determine rent increase percentages as this is the first year in review. It will be reviewed in the following onsite reviews.

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	
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
Peoples El Shaddai			
5-110	60%	N/A	
9-119	60%	N/A	
20-161	60%	N/A	
20-260	60%	N/A	
St James Manor			
6-127	60%	N/A	
12-154	60%	N/A	
15-164	60%	N/A	

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COMMENTS:

RESIDENT SERVICES	YES	NO	N/A
1) Do the resident services appear to cater to the resident profile of the property?	X (see comment)		
2) Do the resident services appear to be effective? Discuss your observations in the comments section below.	X (see comment)		
3) Is the property meeting the Resident Service requirements as required by the Regulatory Agreement and Asset Oversight and Compliance Agreement?			
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: Both Peoples and St. James are required to provide at least four (4) resident services each month for a total of 12 resident services per calendar quarter. Management notified TSAHC of the roof repairs at Peoples that took place in June 2017 and the fire at the management office at St. James that took place in April 2017. For these reasons, TSAHC allowed management to delay resident services until July 2017. To date, a few services have been provided.

Observation:

- **Based on a review of the resident service reports, there is a low attendance rate for the services provided at the properties. TSAHC recommends that management conduct a tenant survey to determine which services might better cater to the tenant and property needs.**

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

COMMENTS: The office at Peoples was maintained in neat condition, office hours were posted and required forms were properly displayed. Due to the recent fire at St James, the management office is currently a portable building in front of the old office. The temporary portable building is maintained in neat condition however the office hours are not properly posted and the reviewer was unable to view the required forms. Management stated they provided each tenant with a notice regarding the temporary office, office hours, and emergency work order procedures. Management is encouraged to post the office hours to include the emergency phone number on the temporary office.

Finding:

- **The temporary management office at St James did not display the required forms (occupancy standards and the fair housing poster). Management must submit documentation to support that the temporary office properly displays the required forms no later than 11/03/2017.**

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		

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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 following issues were noted during the files review at each development.

Peoples El Shaddai:

- **TSAHC Notice of Health and Safety:** The required form has not been implemented and therefore is not in any of the tenant files.
- **Unit Status Report (USR) updates:**
 - **Unit 120A1:** Update the rent amount.
- **Income Calculation (unit 156A13):** The net income from one of four paystubs was used to calculate the annual household income. Management must recalculate the total household income and update the Tenant Income Certification (TIC) and the USR. Note: Prior to the completion of this report, management submitted the corrected TIC however the new income amount has not been updated on the USR.

St James Manor:

- **TSAHC Notice of Health and Safety:** The required form has not been implemented and therefore is not in any of the tenant files.
- **Unit Status Report updates:**
 - **Unit 119B9:** This is a move-out so the unit should keep the prior affordability designation.
 - **Unit 144B19:** Update the rent amount.
 - **Unit 209B5:** Update the rent amount and the no-employment form is missing a signature. Management submitted the executed form for review. However the USR has not been updated for rent.
 - **Unit 211B6:** Update the income, rent, and housing assistance payment as well as the unit designation on the USR.
 - **Unit 212B6:** This tenant has moved out, therefore remove the last name on the USR.
 - **Unit 221B10:** Update move-in date, rent, housing assistance rent and number of household members on the USR. In addition, please verify all child support and monetary contribution amounts, and documents what is and what is not received.

Observation:

- The USR is not being updated accurately. During the review, it was noted that for households receiving Rural Development assistance, the tenant paid rent and assistance amounts are not reflected correctly on the USR. The USR must reflect current household information to ensure that all applicable set aside requirements are being met. Please review all household information and update the USR accordingly.

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
221B10	The annual household income is not calculated correctly.	Management must recalculate the total household income, update the Tenant Income Certification and have the tenant execute the changes. In addition, the total household income must be updated on the USR. This must be submitted to TSAHC no later than 11/03/2017.
Property Finding	The required TSAHC Notice of Health and Safety form has not implemented at Peoples and St James.	The required form must be executed by all lease contract holders in each low-income unit. The form must be properly placed in each tenant file. The Owner/Management Agent must submit written certification stating that all household members have executed the form and that all forms have been properly placed in the tenant files to TSAHC no later than 11/03/2017.
Property Finding	The required TSAHC affordable housing forms are not posted in the office.	The temporary management office at St James did not display the required forms (occupancy standards and the fair housing poster). Management must submit documentation to support that the temporary office properly displays the required forms no later than 11/03/2017.

COMMENTS:

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SUMMARY OF FINDINGS AND OBSERVATIONS

Observation:

- Based on a review of the resident service reports, there is a low attendance rate for the services provided at the properties. TSAHC recommends that management conduct a tenant survey to determine which services might better cater to the tenant and property needs.

Findings:

- The temporary management office at St James did not display the required forms (occupancy standards and the fair housing poster). Management must submit documentation to support that the temporary office properly displays the required forms no later than 11/03/2017.
- The required form must be executed by all lease contract holders in each low-income unit. The form must be properly placed in each tenant file. The Owner/Management Agent must submit written certification stating that all household members have executed the form and that all forms have been properly placed in the tenant files to TSAHC no later than 11/03/2017.