

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: LaQuita Printers & Quaosha High	
Inspection Date & Time: October 23, 2018 @ 8:00 a.m.		Inspector's Name: James Matias	
Number of Units: 100 (Peoples) 100 (St James)	Number of required LI units: 40 (Peoples) 40 (St James)	Number of required VLI/ELI units: 5 (Peoples) 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:			

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			
A4-116	60%	N/A	
A7-131	60%	N/A	
A17-270	60%	N/A	
St James Manor			
B4-108	60%	N/A	
B10-221	60%	N/A	
B19-157	60%	N/A	
COMMENTS:			

Texas State Affordable Housing Corporation Compliance Review Observation Report

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?		X (see observation)	
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 (see observation)	

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.

Observations:

- **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.**
- **As of 10/31/2018 the property is not meeting the Resident Service requirements as required by the Regulatory Agreement and Asset Oversight and Compliance Agreement. Both Peoples El Shaddai and St James Manor are required to provide 12 Resident Services per calendar year quarter. For quarter 3 Peoples El Shaddai had 10 approved services and St James Manor had 6. On 11/7/2018, TSAHC issued a Failure to Meet Resident Service Requirement letter to the Owner to address the issue. TSAHC recommends that the owner, agent and property management review the letter to ensure that the facilities meet the required amount of services moving forward to avoid future issues of non-compliance and/or penalties as set form in the agreement.**

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		
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	

St James Manor:

Comments: The reviewer found that the Unit Status Report (USR) is not getting updated when rent changes occur. Management corrected the rents on the USR for units 105B3, 106B3, 112B6, 126B12, 144B16, 201B1, 215B7, and 260B20. In addition, unit 201B1 had the incorrect amount of household

Texas State Affordable Housing Corporation

Compliance Review Observation Report

members and unit 144B16 had the incorrect income recorded on the USR. Prior to the completion of this report all USR corrections were made.

Observations:

- Regarding income calculations, Units 112B6 had missing information regarding the amount of hours worked on the Employment Verification (EV). Unit 144B16 had unclear calculations regarding the information derived from the Work Number calculation. Unit 201B1 had employment listed on the application but no earnings listed on the Tenant income certification (TIC). Prior to the completion of this report, management provided clarifications for each of the above mentioned files.
- Unit 126B12 holds a 30% set aside designation on the USR, but has a 60% designation selected on the TIC. This income and rent qualifies this resident for the 30% designation. Management updated the TIC to reflect that this unit is a 30% set aside unit.

Peoples El Shaddai:

Comments: The reviewer found that the Unit Status Report (USR) is not getting updated when rent changes occur. Management corrected the rents on the USR for units 101A1, 118A5, 113A8, 136A8, 153A12, 160A14, and 184A20. In addition, unit 101A1 had the incorrect amount of household members and units 101A1 and 136A8 had the incorrect income recorded on the USR. Prior to the completion of this report all USR corrections were made.

Observations:

- The TSAHC Health and Safety form was missing from the file for unit 101A1. Management completed the forms and added them to the files within 7 days of the site visit.
- The recertification for unit 160A14 was signed 2 months after the rectification was due.

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
COMMENTS:		

SUMMARY OF FINDINGS AND OBSERVATIONS

No Findings for Peoples El Shaddai or St James Manor.

Observations:

St James Manor:

- Regarding income calculations, Units 112B6 had missing information regarding the amount of hours worked on the Employment Verification (EV). Unit 144B16 had unclear calculations regarding the information derived from the Work Number calculation. Unit 201B1 had employment listed on the application but no earnings listed on the Tenant income certification (TIC). Prior to the completion of this report, management provided clarifications for each of the above mentioned files.
- Unit 126B12 holds a 30% set aside designation on the USR, but has a 60% designation selected on the TIC. This income and rent qualifies this resident for the 30% designation. Management updated the TIC to reflect that this unit is a 30% set aside unit.

Peoples El Shaddai:

- The TSAHC Health and Safety form was missing from the file for unit 101A1. Management completed the forms and added them to the files within 7 days of the site visit.
- The recertification for unit 160A14 was signed 2 months after the rectification was due.