

Texas State Affordable Housing Corporation

Compliance Review Observation Report

The Willows			
1332 Lamar Square Dr., Austin, TX 78704			
Owner: Mary Lee Foundation		Date Built: 2010	
Management Company: Mary Lee Foundation		Property Manager: Tonya Nash-Wharton	
Inspection Date & Time: November 29, 2018 @ 9:00 am		Inspector's Name: Celina Stubbs/James Matias	

Number of Units: 64	Number of required LI units: 51	Number of required VLI units: 13
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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) Does the Application for Tenancy or Occupancy Qualifications exclude language that may appear to be discriminatory?	X		
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:

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	Comments
118	50	
218	50	
309	50	
318	50	
404	50	

COMMENTS:

RESIDENT SERVICES	YES	NO	N/A
1) Do the resident services appear to cater to the resident profile of the property?	X		
2) Is the property meeting the Resident Service requirements as required by the Regulatory Agreement and Asset Oversight and Compliance Agreement?	X		

Texas State Affordable Housing Corporation Compliance Review Observation Report

3) 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	
4) Did TSAHC provide any assistance regarding Resident Services based on the review conducted during the onsite visit?		X	
5) Is management properly submitting monthly Resident Service reports through the Compliance System?		X - see observation	
6) In the last 12 months, has TSAHC provided any assistance regarding the monthly Resident Service reports submitted through the Compliance System? If so, comment below.	X - see observation		

COMMENTS: There has been several occasions since the last onsite visit that the monthly Resident Service report has not been submitted timely.

Observation:

- The reviewer acknowledges that there has been several site-management changes, however it is the Owner's responsibility to ensure monthly reports are submitted timely. Timely submission will ensure that resident services required, per the executed Asset Oversight and Compliance Agreement, are being met.

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	

COMMENTS: The following items were noted during the tenant file review:

File Documentation:

- The tenant paid rent and housing assistance amounts were transposed (i.e., units 119 and 214). Amount were listed in the wrong columns.
- Recertification status was not updated on the monthly USR Report (i.e., unit 208). The column was missing the "yes" for this unit.
- Income Certification (IC) forms were not completed to its entirety (i.e., units 119 and 211). Items were completed incorrectly and page 2 was not completed, respectively.

Income Calculations:

- Income inclusions:** In the sample of files were reviewed, there were a handful of households that are receiving public assistance. The verification of public assistance clearly states they are paying for the applicant's application fee, deposit, and assisting in paying a certain amount of monthly rent. It was evident that all three amounts were added together and annualized. This is an incorrect practice. To annualize the public assistance amount management would only annualize the monthly amount received to pay rent. For example, public assistance will pay \$395 for 12 months ($\$395 \times 12 = \$4,740$). \$4,470 would be the total household income. You would not include the amount of assistance received to pay the application fee and apartment deposit. This error did

Texas State Affordable Housing Corporation

Compliance Review Observation Report

not affect the household's program eligibility. NOTE: This does not include housing payment assistance from Section 8. Section 8 housing assistance payments should not be counted as income.

Finding:

- TSAHC acknowledges that there has been several management changes however it is still the Owner's responsibility to ensure that all initial resident income certifications are completed to its entirety, income is accurately determined with copies of supporting documentation, and accurate reporting is submitted as required by the Asset Oversight and Compliance agreement. In order to correct and satisfy this Finding, the Owner/Manamgnet must provide TSAHC with written certification stating the Owner/Management will implement a process/procedure to ensure that tenant file data is gathered and maintained properly and that monthly reporting will be submitted timely moving forward. The written certification is due to TSAHC no later than 1/19/2019.

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
N/A	TSAHC acknowledges that there has been several management changes however it is still the Owner's responsibility to ensure that all initial resident income certifications are completed to its entirety, income is accurately determined with copies of supporting documentation, and accurate reporting is submitted as required by the Asset Oversight and Compliance agreement.	<ul style="list-style-type: none"> • In order to correct and satisfy this Finding, the Owner/Manamgnet must provide TSAHC with written certification stating the Owner/Management will implement a process/procedure to ensure that tenant file data is gathered and maintained properly and that monthly reporting will be submitted timely moving forward. The written certification is due to TSAHC no later than <u>1/19/2019</u>.

COMMENTS:

SUMMARY OF FINDINGS AND OBSERVATIONS

Observation:

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