

Texas State Affordable Housing Corporation Compliance Review Observation Report

The Willows Apartments			
1332 Lamar Square Dr., Austin, Texas 78704			
Owner: Mary Lee Foundation		Date Built: 2010	
Management Company: Mary Lee Foundation		Property Manager: William Whitley	
Inspection Date & Time: December 12, 2019 at 9:00 a.m.		Inspector's Name: Celina Mizcles Stubbs/James Matias	

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) 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
119	50%	
121	50%	
205	50%	
304	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		
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 comment		
COMMENTS: There were several late online submissions in the last 12 months.			
Observation:			
<ul style="list-style-type: none"> Management is reminded that monthly resident service reports and units status reports (USR) are due via TSAHC's Online Compliance System by the 10th day of each month. 			

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 – See Finding	
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 – See Finding	
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 – see comment		

COMMENTS: The reviewers selected 14 tenant files to review on the day of the onsite visit. Of the 14 files, 13 resulted in a Finding and require corrective action. Management must take the necessary time needed to establish initial program eligibility when creating new tenant files and when working with an annual recertification. The reviewer acknowledges the recent staff change however it is the Owner's responsibility to ensure program compliance at all times. Below is a summary of the tenant files that require corrective action.

Finding:

- In order to close this Finding, the corrective action must be submitted to TSAHC no later than **February 10, 2020**. That means, all supporting documentation for the completion, revisions, re-calculation and copies of requested documents must be provided for each of the units listed below.

Unit 112:

- The Initial Certification form is blank yet signed by the tenant. Use the supporting documents and verification in the tenant file to complete the form.
- The household appears to be over-income. Management must verify the household's annual income and determine if it meets a one of the affordable unit designations.

Texas State Affordable Housing Corporation

Compliance Review Observation Report

Unit 113:

- Reverify and re-calculate the tenant's assets and update the Income Certification accordingly.
- If needed, review and revise the Under \$5,000 Asset form (tenant must complete this step)
- Update the USR with the correct move-in date.

Unit 115:

- The Income Certification is missing from the tenant file.
- The file contained 7 bank statements and 6 were only used, as required. The reviewer recommends removing the 7th unused bank statement from the file.

Unit 117:

- Update USR with the correct "Effective Date".

Unit 118:

- Verify the household's total income and asset and update the Income Certification and the USR accordingly.
- Update the USR to reflect the completion of the 2019 annual recertification that was found in the tenant file.

Unit 213:

- The 2019 annual recertification has not been completed.
- Provide supporting documentation of efforts made to notify the tenant about the recertification and all notices of non-payment of rent or a copy of the notice to vacate.

Unit 214:

- Verify the move-in date and update Income Certification, Lease Contract and USR accordingly.

Unit 215:

- The 2019 annual recertification has not been completed. As of the date of the onsite visit, the tenant had provided management with two different move-out notices however the tenant is still in the unit and is now out of compliance for not completing the 2019 annual recertification.

Unit 302:

- Verify move-in date and update the anniversary "Effective date" on the USR.

Unit 308:

- The income listed on the executed Income Certification does not match the income calculation of \$6,138. Please verify and update the Income Certification form and USR accordingly.
- The asset account in the amount of \$5 must be added to the executed Income Certification form.
- Verify move-in date and update anniversary "Effective date" on the USR.

Unit 319:

- The 2019 annual recertification has not been completed. The supporting documentation was in the tenant file, but the form has not been completed.
- Update the USR to show the correct rent portions: \$287 for housing assistance and \$398 for tenant rent.

Unit 406:

- The 2019 annual recertification has not been completed.
- The Initial Certification form is blank yet signed by the tenant
- The checking account total did not reflect the 6 bank statement average. Please re-calculate and update the Income Certification form.

Unit 409:

- The Initial Certification form was missing.

Finding 2:

- **The Owner must submit written certification stating that they will provide site staff with additional training to ensure program compliance. The written certification must be provided to TSAC no later than February 10, 2020.**

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.***

Texas State Affordable Housing Corporation Compliance Review Observation Report

Unit	Finding	Corrective Action Requirement
	See Findings above	
COMMENTS:		

SUMMARY OF FINDINGS AND OBSERVATIONS
<p>Finding: See Finding above.</p> <p>Observation:</p> <ul style="list-style-type: none">• Management is reminded that monthly resident service reports and units status reports (USR) are due via TSAHC's Online Compliance System by the 10th day of each month.