

# Texas State Affordable Housing Corporation Compliance Review Observation Report

**Walnut Creek Apartments**  
6409 Springdale Rd., Austin, Texas 78723

**Owner:** LIH Walnut Creek LP **Date Built:** 1971

**Management Company:** ALPHA-Barnes real Estate Services **Property Manager:** Noelia Esquivel

**Inspection Date & Time:** October 10, 2019 at 9:00 a.m. **Inspector's Name:** Celina M. Stubbs / James Matias

**Number of Units:** 98 **Number of required LI units:** 40 **Number of required ELI units:** 5

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
131	60%	
132	60%	
143	60%	
201	60%	
207	60%	

**COMMENTS:**

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

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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 – see below		
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		

**COMMENTS:** The resident service requirement is not being met. According to management, Portfolio (resident service provider) will be providing 2 services a week moving forward.

**Finding:**

- **Per the Asset Oversight and Compliance Agreement (AOC), Section 4, the owner is required to maintain a sustained resident service program that provides at last four (4) services on a monthly basis. The four (4) services must be listed in the Corporation’s Resident Service Program (attached to report). As of the current calendar quarter, management provided 3 services in July, 3 services in August and 3 services in September. Please submit a resident service plan or a copy of the contract with Portfolio showing the amount of resident services that will be provided monthly to TSAHC no later than 12/09/2019.**
- **\*Note: Annual Resident Service Program Plan “Program Plan” are due annually on December 20<sup>th</sup> of each year.**

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:** Per TSAHC approval, annual eligibility certifications are completed at this property. This process is being completed properly and timely. Management is reminded that the household’s initial income will always remain on the USR and all other columns on the USR will need to be updated (specifically, tenant rent and housing assistance amounts). The tenant files were in overall good order. There were a few issues noted, see below.

- Unit Status Report (USR) discrepancies (units 101, 109, 110, 224, and 242):
  - Move-in dates/Effective Date: For recent move-ins, the move-in date and the Effective date are the same
  - Recertification dates/Effective Date: For recertification, the Effective dates should be the anniversary date of the move-in date. For example, the household moves in on November 1, 2017, the effective date for this year’s AEC is November 1, 2019, and the

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tenant's signature and recertification must be completed within 120 days from November 1<sup>st</sup>.

- Assets:
  - Unit 236: The Income Certification listed \$0 assets, but the file contained documents for two checking accounts. Please average the two checking accounts and update the Income Certification form.
- TSAHC Health & Safety Form: The required form was not being utilized. Prior to the issuance of this report, TSAHC was provided with executed copies for the files reviewed on the day of the onsite visit. The units include 101, 109, 110, 130, 220, 236, 242. Management is advised to have this form signed and filed by all tenants upon move-in.

***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 1<sup>st</sup> page of the lease for the new household occupying the unit.***

Unit	Finding	Corrective Action Requirement
N/A		
<b>COMMENTS:</b>		

### SUMMARY OF FINDINGS AND OBSERVATIONS

**Finding:**

**Per the Asset Oversight and Compliance Agreement (AOC), Section 4, the owner is required to maintain a sustained resident service program that provides at last four (4) services on a monthly basis. The four (4) services must be listed in the Corporation's Resident Service Program (attached to report). As of the current calendar quarter, management provided 3 services in July, 3 services in August and 3 services in September. Please submit a resident service plan or a copy of the contract with Portfolio showing the amount of resident services that will be provided monthly to TSAHC no later than 12/09/2019.**

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## TSAHC's Approved Resident Services

It is the Texas State Affordable Housing Corporation's goal to support developers in the creation of high quality Resident Service Programs. TSAHC has created basic guidelines and a reporting system to help with this process.

In order to fulfill the Resident Service requirement, at least six resident service activities per quarter must be provided from the following list. Developers must ensure services are provided onsite or provide free transportation to services if offered off-site. If the applicant received additional points under the Resident Service scoring criteria, an average of at least four resident service activities per month must be provided from the following list. If you are interested in starting an activity or course that is not on the list, please propose the new activity to the Multifamily Oversight Department for approval. Activities that are provided daily, such as after school programs and educational/scholastic tutoring can be counted as two services for the quarter. Please make sure that services offered will encourage economic self-sufficiency and/or promote homeownership opportunities.

- **Career Services**
  1. Computer Literacy Class
  2. GED Classes
  3. Job Skills/Training
  4. Resume/ Job Search Workshop
  5. Job Fair
  6. College Preparation Class
  7. Military Recruiting
  
- **Children's Services**
  1. After School Care (2 Services When Provided Daily)
  2. Swimming Lessons
  3. Free On-site Daycare (2 Services When Provided Daily)
  4. Free On-site Tutoring Sessions (2 Services When Provided Daily)
  5. Performing Arts Classes
  6. Holiday Safety Classes
  7. On-Site library
  8. Free Lunch Program (2 Services When Provided Daily)
  
- **Community Awareness**
  1. Crime Watch Meeting
  2. Self Defense Course
  3. Child Id/Fingerprinting Program
  4. Fire Safety Class
  5. Hurricane Safety Class
  6. Domestic Violence Awareness Workshop
  7. Drug Awareness Workshop
  8. Host Support Groups Such as AA, Anger Management, etc.
  9. Community Gardens
  10. Community Service Activities (i.e. Habitat for Humanity)
  11. Green Living/Environmental Workshop
  
- **Financial Skills**
  1. Household Budgeting Workshop
  2. Financial Planning/Credit Counseling Workshop

3. Asset Building Workshop
4. Tax Preparation Courses
5. Student Financial Aid Workshop
6. Personal Insurance Workshop (Medical, Renters, Life, Disability, Car)

- **Medical and Health Services**

1. Basic First Aid and CPR Class
2. Caring for the Disabled Class
3. Health and Screening Services
4. HIV/AIDS Classes
5. Vaccinations/ Flu Shots Services
6. Fitness and Exercise Classes
7. Diabetes/ Heart Disease Courses
8. Babysitting Safety Courses
9. Health and Nutritional Courses
10. Low Cost Healthy Cooking Courses
11. Cancer Awareness Workshop/Cancer Screening Services
12. Free Dental Services

- **Personal Development**

1. Counseling Services
2. English as a Second Language Courses
3. Home Ownership Counseling
5. Parenting Classes
6. Anger Management Courses
7. Family Counseling
8. Cleaning Supply Safety Class/Housekeeping Education
9. Book Club

- **Free Transportation Services**

1. Grocery Store
2. Library
3. Medical Visits
4. Cultural Community Events
5. Free/Discounted Public Transportation Tickets

Activities that will not be counted towards the six resident services per quarter requirement include, but are not limited to, children's movie time, patio decorating contests, gambling trips, resident parties, Easter Egg Hunts or other such activities. Properties are welcome to offer these activities, but they will not count towards fulfilling the Resident Services obligation.