

Texas State Affordable Housing Corporation Compliance Review Observation Report

Woodside Village
2029 MLK Jr. Blvd., Palestine, TX 75803

Owner: DHI Woodside Apartments LLC **Date Built:** 1975

Management Company: Capstone Real Estate Services, Inc. **Property Manager:** Jasline Johnson

Inspection Date & Time: November 5, 2020 at 10:00 a.m. **Inspector's Name:** James Matias

| Number of Units: | 92 | Number of required LI units: | 37 | Number of required VLI units: | 0 |
|-------------------------|--|-------------------------------------|-----------|--------------------------------------|----------|
| 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 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 |
| 9-9E | 60% | |
| 11-11C | 60% | |
| 13-13E | 60% | |
| 14-14A | 60% | |

COMMENTS:

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| RESIDENT SERVICES | YES | NO | N/A |
|--|-----|----|-----|
| 1) Do the resident services appear to cater to the resident profile of the property? | X | | |
| 2) Do the resident services appear to be effective? | X | | |
| 3) Is the property meeting the Resident Service requirements as required by the Regulatory Agreement and Asset Oversight and Compliance Agreement? | | X | |
| 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:

| 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 tenant files, including the required tenant documentation, were kept and maintained in an organized manner. The reviewer identified a few discrepancies between the Unit Status Report (USR) and the Tenant Income certification (TIC). The rent on the USR needed to be updated for units 1A, 2H, 3G, 5D, 13B, 14B, 14C, and 14F. In addition, the number of residents needed to be updated on the USR for units 2H and 5D. The reviewer reminded the staff of the importance in updating the USR monthly regarding rent and household size changes. The Annual Eligibility Certification (AEC) and initial calculation form was not found in the file for unit 5D. In addition, the Not Employed Certification was not in the file for units 14C and 14F. Management did a great job updating the necessary information on the USR and sending in the missing documentation prior to the completion of this report.

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.

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| Unit | Finding | Corrective Action Requirement |
|------------------|---------|-------------------------------|
| N/A | | |
| COMMENTS: | | |

| SUMMARY OF FINDINGS AND OBSERVATIONS |
|---|
| No Findings or Observations. |