

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: November 17, 2021, at 2:00 p.m. Inspector's Name: Estefania Linares			

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		
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Unit #	USR Designation	Comments
N/A		

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		
3)	Is management monitoring the following:					
	a)	Resident attendance		X		

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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	

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 – see comment		

COMMENTS: Several tenant file issues were identified by the reviewer which resulted in Findings as noted in the Findings chart below. However, all issues noted below in this section were corrected prior to finalizing this report. No further action is necessary.

- Unit 109 – Management did not scan pages 2,3, and 6 from the move in application, resident needed to complete page 3 of the Income Certification (IC) form and the Student Eligibility along with the Assets Under \$5,000 Certification form were missing from the file.
- Unit 114 - The Initial IC form needed to be dated by the resident and the Student Eligibility and the Assets Under \$5,000 Certification forms were missing from the file.
- Unit 115 - The Student Eligibility and the Assets Under \$5,000 Certification forms were missing from the file.
- Unit 205 - Application pages 2, 4 and 6 were not submitted, the IC form was missing the checking account that is listed on the pay stubs and page 3 of the IC form needed to be completed, page 2 of the Social Security award letter was not submitted, the Student Eligibility along with the Assets Under \$5,000 Certification forms were missing from the file, the resident needed to submit 3 additional consecutive bank statements.
- Unit 220 - The Application and the Tenant Release and Consent forms were dated over 120 days from the move in date of 6/9/2021, and management's signature was missing from page 2 of the IC form.
- Unit 308 - The Application form was dated over 120 days from the move in date of 05/21/2020.
- Unit 315 - Resident needed to complete page 3 of the IC form and submit to TSAHC for review.

Observation:

- **It is imperative for management to thoroughly review applications. It is during this review that management screens the household's information to determine what needs to be properly verified (i.e., determine household size, document sources of income and assets, student status, etc.) to ensure program eligibility. Based on a review of 13 tenant files, it appears that some eligibility requirements were not completed. Some of these requirements are listed below for your review and convenience:**

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- All documentation determining program eligibility must be dated within 120 days of the Income Certification (IC) effective date. This applies to documents obtained for the initial income certification and annual recertifications.
- Student Status must be obtained at the time of initial income certification and annual recertifications.
- The Assets Under \$5,000 Certification form must be completed at the time of initial income certification and annual recertifications. Please note, verification of assets under \$5,000 are not required for our program. However, if disclosed asset total over \$5,000 they must be verified.
 - Checking account statements: Six (6) consecutive bank statement average. The files must contain all pages to each bank statement.
 - Savings account statements: The most current saving bank account statements balance must be used.
- TSAHC recommends the new assistant manager attend an eligibility training course.

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
# 109	The reviewer was unable to determine eligibility due to the tenant file missing documents and/or the income not being properly verified and/or calculated.	<ul style="list-style-type: none"> • The resident needs to submit 3 more consecutive bank statements and submit to TSAHC for review. • The Assets Under \$5,000 Certification form is missing the signature date. Resident needs to date the form and submit to TSAHC for review.
# 114	The reviewer was unable to determine eligibility due to the tenant file missing documents and/or the income not being properly verified and/or calculated.	<ul style="list-style-type: none"> • The Application forms is dated over 120 days from the move in date of 12/28/2020. Resident needs to complete the form and submit to TSAHC for review. • The resident needs to submit 3 more consecutive bank statements and submit to TSAHC for review. • Management needs to add the 1.3% COLA increase on the annual amount for the Social Security award. As a reminder, management needs to update the calculation sheet, and the IC form and the Unit Status Report and submit to TSAHC for review • A notarized document is needed for the file to properly verify the monthly recurring gift that the resident listed on the application and submit to TSAHC for review. • The resident needs to check either A, B or C as applicable on the Student Eligibility form and submit to TSAHC for review.
# 115	The reviewer was unable to determine eligibility due to the tenant file missing documents and/or the income not being properly verified and/or calculated.	<ul style="list-style-type: none"> • The application pages 2, 4 and 6 were not submitted. Management needs to submit the pages requested to TSAHC for review. • The resident listed a place of employment on the application but pay stubs were not obtained and used to verify income. Resident needs to submit pay stubs and/or <u>management needs to submit a termination of employment</u> to TSAHC for review. As a reminder, management needs to update the calculation sheet, the IC form, and the Unit Status Report if there are changes and submit them to TSAHC for review. • The resident needs to check either A, B or C as applicable on the Student Eligibility form.
# 119	The reviewer was unable to determine eligibility due to the tenant file missing documents and/or the income not being properly verified and/or calculated.	<ul style="list-style-type: none"> • The page 2 of the IC needs to be submitted to TSAHC for review. • Resident needs to complete page 3 of the IC form and submit to TSAHC for review. • The pay stub dated 4/14/2021 needs to be submitted to TSAHC for review. As a reminder, management needs to update the calculation sheet, the IC form, and the Unit Status Report if there are changes and submit them to TSAHC for review. • The following deposits on the bank statements need to be clarified and submitted to TSAHC for review. - 3/16/21: \$300

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		<p>- 5/01/21: \$200</p> <ul style="list-style-type: none"> The resident needs to submit 3 more consecutive bank statements and submit to TSAHC for review. The Student Eligibility and the Assets Under \$5,000 Certification forms are missing from the file. Resident needs to complete these forms and submit to TSAHC for review.
# 205	The reviewer was unable to determine eligibility due to the tenant file missing documents and/or the income not being properly verified and/or calculated.	<ul style="list-style-type: none"> The application pages 2, 4 and 6 were not submitted. Management needs to submit the pages requested to TSAHC for review. Management uses 3 consecutive pay stubs to verify income; therefore, management must remove 2 of the pay stubs that are in this file to confirm to the management practice. Removing the 2 paystubs (dated 03/01/2021 and 03/16/2021), the annual income should be \$44,473.20 instead of \$45,348. As a reminder, management needs to update the calculation sheet, the IC form, and the Unit Status Report if there are changes and submit them to TSAHC for review. The Student Eligibility and the Assets Under \$5,000 Certification forms are missing the signature date, management needs to submit the forms to TSAHC for review.
# 220	The reviewer was unable to determine eligibility due to the tenant file missing documents and/or the income not being properly verified and/or calculated.	<ul style="list-style-type: none"> The resident listed they are employed on the application but pay stubs were not obtained or verified for income. Management recently added a clarification on the file that employment has been terminated. A termination of employment is required to be added on the file and submit to TSAHC for review. The Assets Under \$5,000 Certification form is missing the signature date. Resident needs to complete this and submit to TSAHC for review. Resident needs to check either A, B or C as applicable on the Student Eligibility form and submit to TSAHC for review.
# 303	The reviewer was unable to determine eligibility due to the tenant file missing documents and/or the income not being properly verified and/or calculated.	<ul style="list-style-type: none"> The Application and the Tenant Release and Consent forms are dated over 120 days from the move in date of 3/22/2021. Resident needs to complete both forms and submit to TSAHC for review. Pay stubs dated 11/2/2020 and 11/16/2020 are over 120 days from the move-in date 3/22/2021. Please make sure there are 3 consecutive pay stubs within 120 days from move in date and submit to TSAHC for review. As a reminder, management needs to update the calculation sheet, the IC form, and the Unit Status Report if there are changes and submit them to TSAHC for review. The resident needs to submit 3 additional consecutive bank statements and submit to TSAHC for review. The TSAHC Health and Safety form, the Student Eligibility and the Assets Under \$5,000 Certification forms are missing from the file. Resident needs to complete these forms and submit to TSAHC for review.
# 304	The tenant file is missing documents and/or the household asset is not being properly verified and/or calculated.	<ul style="list-style-type: none"> The resident needs to submit 3 additional consecutive bank statements and submit to TSAHC for review. The TSAHC Health and Safety form and the Student Eligibility forms are missing from the file. Resident needs to complete these forms and submit to TSAHC for review.
# 308	The reviewer was unable to determine eligibility due to the tenant file missing documents and/or the income not being properly verified and/or calculated.	<ul style="list-style-type: none"> The resident needs to submit 3 additional consecutive bank statements (May, June, and July of 2021) and submit to TSAHC for review. The Student Eligibility and the Assets Under \$5,000 Certification forms are missing the signature date. Resident needs to date the forms and submit to TSAHC for review. The resident needs to check either A, B or C as applicable on the Student Eligibility form and submit to TSAHC for review.
# 311	The tenant file is missing documents and/or the household asset is not being properly verified and/or calculated.	<ul style="list-style-type: none"> The resident needs to submit 3 additional consecutive bank statements and submit to TSAHC for review. The Assets Under \$5,000 Certification form is missing the signature date. The resident needs to date the form and submit the TSAHC for review. The resident needs to check either A, B or C as applicable on the

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		Student Eligibility form and submit to TSAHC for review.
# 313	The reviewer was unable to determine eligibility due to the tenant file missing documents and/or the income not being properly verified and/or calculated.	<ul style="list-style-type: none"> The resident needs to submit 3 additional consecutive bank statements (March, April, and May of 2021) and submit to TSAHC for review. Management needs to add the 1.6% COLA increase on the annual amount for the Social Security award. As a reminder, management needs to update the calculation sheet, the IC form, and the Unit Status Report if there are changes and submit them to TSAHC for review The resident needs to check either A, B or C as applicable on the Student Eligibility form and submit to TSAHC for review.
# 314	The reviewer was unable to determine eligibility due to the tenant file missing documents and/or the income not being properly verified and/or calculated.	<ul style="list-style-type: none"> The resident listed a place of employment on the application but pay stubs were not obtained and verified for income. In addition, there are Unemployment benefits identified on the bank statements. Resident needs to submit pay stubs and/or management needs to submit a termination of employment for TSAHC for review. As a reminder, management needs to update the calculation sheet, the IC form, and the Unit Status Report if there are changes and submit them to TSAHC for review The resident needs to submit 3 additional consecutive bank statements and submit to TSAHC for review. The Student Eligibility and the Assets Under \$5,000 Certification forms are missing from the file. Resident needs to complete these forms and submit to TSAHC for review.
# 315	The reviewer was unable to determine eligibility due to the tenant file missing documents and/or the income not being properly verified and/or calculated.	<ul style="list-style-type: none"> The IC form is missing the checking account that is listed on the tenant's paystub. Please add asset to the IC and submit to TSAHC for review. The resident listed two places of employment on the application but only one was properly verified. Management added a clarification on the file that employment has been terminated. A termination of employment is required to be added on the file and submit to TSAHC for review. The Student Eligibility and the Assets Under \$5,000 Certification forms are missing the signature date. Resident needs to date these forms and submit to TSAHC for review. The resident needs to check either A, B or C as applicable on the Student Eligibility form and submit to TSAHC for review.

COMMENTS:

SUMMARY OF FINDINGS AND OBSERVATIONS

Observation:

- It is imperative for management to thoroughly review applications. It is during this review that management screens the household's information to determine what needs to be properly verified (i.e., determine household size, document sources of income and assets, student status, etc.) to ensure program eligibility. Based on a review of 13 tenant files, it appears that some eligibility requirements were not completed. Some of these requirements are listed below for your review and convenience:
 - All documentation determining program eligibility must be dated within 120 days of the Income Certification (IC) effective date. This applies to documents obtained for the initial income certification and annual recertifications.
 - Student Status must be obtained at the time of initial income certification and annual recertifications.
 - The Assets Under \$5,000 Certification form must be completed at the time of initial income certification and annual recertifications. Please note, verification of assets under \$5,000 are not required for our program. However, if disclosed asset total over \$5,000 they must be verified.
 - Checking account statements: Six (6) consecutive bank statement average. The files must contain all pages to each bank statement.
 - Savings account statements: The most current saving bank account statements balance must be used.
- TSAHC recommends the new assistant manager attend an eligibility training course.

Findings are noted in the chart above. All requested documentation must be submitted to TSAHC no later February 4, 2022.