

Texas State Affordable Housing Corporation Compliance Review Observation Report

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

Owner: DHI Woodside Apartments LLC **Date Built:** 1975
Management Company: FPI Management **Property Manager:** Kari Howell
Inspection Date & Time: October 18, 2021, at 2:00 p.m. **Inspector's Name:** Estefania Linares

Number of Units: 92 **Number of required LI units:** 37 **Number of required VLI units:** N/A

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
8E	60%	(Vacant – 3 bedrooms) Made ready unit and a move in is scheduled for 10/14/2021.
8F	60%	(Vacant – 3 bedrooms) Made ready unit and a move in is scheduled for 10/14/2021.
9G	60%	(Vacant – 4 bedrooms) Made ready unit and a move in is scheduled for 10/13/2021.

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:			

Texas State Affordable Housing Corporation

Compliance Review Observation Report

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	

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: There was one observation and a few findings identified during the tenant files review. The issues noted below were corrected prior to finalizing this report. No further action is necessary. Pending Findings are noted in the next section of the report.

- Unit 2F – A dependent was not listed on the Income Certification form.
- Unit 7F – The imputed income from assets was properly calculated but not added to the Income Certification form.
- Unit 8G – Student status was not completed on the Income Certification form. In addition, clarification was missing from the files for the following items: 1) why only 5 paystubs were used to calculate income, 2) why only one bank statement was requested, 3) clarification of a deposit listed in the tenant's bank statement. Further, the Unit Status Report did not reflect the annual income amount that is on the Income Certification.
- Unit 9F – The Annual Eligibility Certification (AEC) effective date does not match the move-in date. In addition, the AEC effective date needs to be updated on the Unit Status Report.
- Unit 11F – The file contained forms that were over 120 days from the certification effective date: The Child Support Affidavit, Assets Under \$5,000, and Special Needs forms need to be updated and added to the tenant file.
- Unit 13C – The Income Certification form was not completed by the resident. In addition, a non-employment form was missing for one occupant, a signature was missing from the Under \$5,000 Asset form for one occupant, the AEC effective date does not match the move-in date. Update the AEC with correct effective date and update the Unit Status Report.
- Unit 13E – The tenants did not complete the asset section on the application, the calculation sheet was missing from the file, and the AEC effective date did not match the move in date.
- Unit 14A – The AEC effective date needs to match the move in date. Update the AEC with the correct date and update the Unit Status Report.

Texas State Affordable Housing Corporation

Compliance Review Observation Report

Observation:

- The majority of the tenant files had an AEC with the incorrect effective date. Management is reminded that the AEC effective date is the anniversary date of the move in. For example, someone who moves in on November 1, 2021, will have an AEC effective date of November 1st of each year moving forward.

Finding:

- Eight tenant files were requested for review. All of them required additional clarification and/or corrections. While management corrected most of the findings timely and accurately prior to the issuance of this report, management is reminded that it is the owner's responsibility to ensure program eligibility. Management must submit a written certification stating they will thoroughly review applications, screen and verify the information consistently, and properly completed Income Certification moving forward.

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
7F	Student status was not completed on the Income Certification form dated 3/25/2021.	Student status needs to be completed and submitted for review on the Income Certification dated 3/25/2021.
9F	The Move-in application that would have been utilized for the Income Certification dated 8/14/2020 is missing from the file. The file did contain a clarification form stating the application was misplaced prior to the current management agency's oversight.	The file has a clarification stating that the resident's move in application was misplaced from prior management. Management needs to obtain the original move-in application from prior management company or completed a new move-in application with information from that timeframe (the date of the application cannot be backdated) or management can recertify the household under current circumstances to determine eligibility and submit corrected documentation for review.
11F	The Income Certification dated 7/23/2021 and the calculation sheet for this certification have incorrect income amounts.	Management needs to re-calculate the tips section in the Employment Verification form. The form shows that the amount of tips is for year-to-date instead of yearly. Management needs to update the calculation sheet and the Income Certification dated 7/23/2021 based on the new calculation.

COMMENTS:

SUMMARY OF FINDINGS AND OBSERVATIONS

Observation:

- The majority of the tenant files had an AEC with the incorrect effective date. Management is reminded that the AEC effective date is the anniversary date of the move in. For example, someone who moves in on November 1, 2021, will have an AEC effective date of November 1st of each year moving forward.

Findings are noted in the chart above. All requested documentation must be submitted to TSHAC no later December 19, 2021.