

# Texas State Affordable Housing Corporation Compliance Review Observation Report

**Gateway Northwest Apartments**  
1617 Northwest Blvd., Georgetown, Texas 78628

**Owner:** THF Georgetown Gateway Northwest. Ltd.      **Date Built:** 2015  
**Management Company:** THF Housing Management Corp.      **Property Manager:** Blaire Bigelow  
**Inspection Date & Time:** September 14, 2022, at 9:00 a.m.      **Inspector's Name:** James Matias

**Number of Units:** 180      **Number of required LI units:** 72      **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 - See Finding in "Set-Asides" section		
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 - See Finding		
2)	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:**

**Finding:**

- Gateway does not appear to be doing enough full recertifications to meet the 40% at 60% AMI set-aside for the bonds issued. According to TSAHC compliance, 40% of the units (72 units) must be set-aside at 60% AMI or below, and full recertifications must be completed on the 72 units that are designated to meet the TSAHC set-aside. Management stated they are doing full certifications on all first-year files, building 3 files, and building 9 files. Buildings 3 and 9 have 20 units each but have a total of 3 market units. Therefore, only 37 total units are guaranteed to get a full recertification each year, leaving the property 35 units short of their requirement. The first-year file reviews are likely closing the 35-unit gap, but there is no way to be certain. In addition, the number will not stay constant from year to year. Management must come up with a written plan to ensure at least 40% of the affordable units are receiving full recertifications. The plan must be given to TSAHC no later than the November 10th, 2022. In addition, Management will need to adjust the Unit Status report (USR) so the TSAHC compliance department can decipher between which affordable units are getting full recertifications and which units are not.

**UNITS WALKED**

Unit #	USR Designation	Comments
528	60%	
622	60%	
634	60%	
727	60%	

# Texas State Affordable Housing Corporation

## Compliance Review Observation Report

924	60%	
<b>COMMENTS:</b>		

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		
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) 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	
<b>COMMENTS:</b>			

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		
<b>COMMENTS:</b>			

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 files are being maintained in good order; however, there were a few tenant file discrepancies that required additional supporting documentation. Management did a great job correcting the discrepancies below prior to the issuance of this report. Management is encouraged to keep an accurate USR with up-to-date information on annual income recertifications, household size, and rent.

- The Unit Status Report (USR) required the following updates:
  - Unit 125: Management updated the income on USR with the 2021 Tenant Income Certification (TIC) amount.
  - Unit 216: Management updated the household size on USR with the TIC amount.
  - Unit 636: Management adjusted the move in and effective dates on the USR to match the TIC.
  - Unit 716: Management updated the household size on USR with the TIC amount.

***If a new household moves into 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***

# Texas State Affordable Housing Corporation

## Compliance Review Observation Report

*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		
COMMENTS:		

### SUMMARY OF FINDINGS AND OBSERVATIONS

**No Observations.**

**Finding:**

- Gateway does not appear to be doing enough full recertifications to meet the 40% at 60% AMI set-aside for the bonds issued. According to TSAHC compliance, 40% of the units (72 units) must be set-aside at 60% AMI or below, and full recertifications must be completed on the 72 units that are designated to meet the TSAHC set-aside. Management stated they are doing full certifications on all first-year files, building 3 files, and building 9 files. Buildings 3 and 9 have 20 units each but have a total of 3 market units. Therefore, only 37 total units are guaranteed to get a full recertification each year, leaving the property 35 units short of their requirement. The first-year file reviews are likely closing the 35-unit gap, but there is no way to be certain. In addition, the number will not stay constant from year to year. Management must come up with a written plan to ensure at least 40% of the affordable units are receiving full recertifications. The plan must be given to TSAHC no later than the November 10th, 2022. In addition, Management will need to adjust the Unit Status report (USR) so the TSAHC compliance department can decipher between which affordable units are getting full recertifications and which units are not.