

Texas State Affordable Housing Corporation Compliance Review Observation Report

Peoples El Shaddai and St James Manor 2836 E. Overton Road and 3119 Easter Ave, Dallas, TX 75216

Owner: Steele St James Peoples LLC

Date Built: 1969 (St James) 1970 (Peoples El Shaddai)

Management Company: Monroe Group Ltd.

Property Manager: Vanessa Brown

Inspection Date & Time: December 13, 2022 at 8:30 a.m.

Inspector's Name: James Matias

Number of Units: 100 (Peoples)

Number of required LI Units: 40 (Peoples)

Number of required VLI Units: 5 (Peoples)

Number of Units: 100 (St James)

Number of required LI Units: 40 (St James)

Number of required VLI Units: 5 (St James)

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) 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
123A6	60%	Peoples El Shaddai
139A9	60%	Peoples El Shaddai
111A3	30%	Peoples El Shaddai
105A2	60%	Peoples El Shaddai
126B12	30%	Saint James Manor
105B3	30%	Saint James Manor
255B19	60%	Saint James Manor

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		X (see Observation)	

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and Asset Oversight and Compliance Agreement?			
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 (see Observation)	
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		

COMMENTS:

Finding:

- In the last year both properties (Saint James and Peoples) have received 2 letters of non-compliance for Resident Services. The properties are not meeting the required number of services set forth in the Regulatory Agreement (four services per month). The first letter, issued in August of 2022 pertained to the first 6 months of the year (January through June), and stated that the properties were out of compliance each month during the period. The 2nd letter issued in November of 2022, reflects that the properties did not have enough services for all months in quarter 3 (July, August, and September). The first letter required the properties to submit a plan for Q3 outlining what they will do to meet the resident services requirements. The properties did not submit the plan or any corrective action regarding the first letter. The 2nd letter issued by TSAHC, which outlined continued non-compliance, announced that the properties may be fined if the appropriate number of services are not provided in December 2022. After a review of the December 2022 reports, Saint James met the required number of services for December (4), but Peoples did not.
- During the site visit the reviewer discussed in detail the noncompliance issues regarding Resident Services. The reviewer explained how many services are needed and explained what needed to be done to meet the requirements.
- Both properties must submit an adequate number of services each month for quarter one in 2023 (January, February, and March). Failure to do so will lead to the \$500 fine outlined in the November non-compliance letter.

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: There were a few issues noted during the tenant file review, none of them resulted in ineligible households. In addition, the compliance department made all the necessary corrections prior to the submission of the report.

Saint James:

- Units 132B13, 242B16, and 247B17 needed to have the rent updated on the Unit Status report (USR).

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- Unit 242B16 needed the effective date corrected on the USR.
- Unit 247B17 needed the income adjusted on the USR to match the original Tenant Income Certification (TIC).

Peoples:

- Units 171A17 and 183A20 needed to have the rent updated on the USR.
- Units 186A21, 192A22, and 276A18 needed the income adjusted on the USR to match the original TIC.
- Unit 192A22 needed the household size changed to 4 members on the USR.

Observation:

- The manager and compliance department for both properties should try to update the USR with all unit/household changes when they occur. This includes rent changes, recertification effective dates, move outs, move ins, and household size. When the TSAHC compliance system is not updated with accurate information TSAHC cannot confirm that compliance is being for the community.

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

COMMENTS:

SUMMARY OF FINDINGS AND OBSERVATIONS

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