

Texas State Affordable Housing Corporation Compliance Review Observation Report

Sandpiper Cove Apartments	
3916 Winnie St, Galveston, TX 77550	
Owner: Galveston 3916 Winnie Street, LP	Date Built: 1971
Management Company: J Allen Management	Property Manager: Gail Johnson
Inspection Date & Time: October 19, 2023 at 8:00 a.m	Inspector's Name: Celina Mizcles Stubbs

Number of Units: 192	Number of required LI units: 77	Number of required VLI units:	N/A
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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
T177	60%	
J191	60%	
B147	60%	
B150	60%	

COMMENTS:

RESIDENT SERVICES	YES	NO	N/A
1) Do the resident services appear to cater to the resident profile of the property?		X – see comment	
2) Is the property meeting the Resident Service requirements as required by the Regulatory Agreement and Asset Oversight and Compliance Agreement?		X – see comment	
3) Is management monitoring the following:			

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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 – see comment	
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: Monthly resident service reports are not being submitted via TSAHC's Online Compliance system. Per the Asset Oversight and Compliance (AOC) agreement, the property is required to provide at least 4 resident services per month. As of the date of this report, the property is 98% occupied and therefore resident services must be offered. Note: A non-exhaustive list of services can be found on the Resident Services Guidelines located here: <https://www.tsahc.org/property-managers/property-manager-downloads>. The review is aware that the management office is currently under construction, however the property management disclosed some services are still being offered. These services must be reported via TSAHC's Online Compliance system moving forward.

Observations:

- **Management must submit monthly resident services reports moving forward, beginning with the December report. The December 2023 resident service report must be submitted no later than January 10, 2024.**
- **Per Section 4 of the AOC Agreement, the owner/manager is reminded to submit annual Fair Housing Sponsor Reports on or before March 31st of each year. The form can be found here: <https://www.tsahc.org/property-managers/property-manager-downloads>.**
- **Per Section 4 of the AOC agreement, the owner/manager is reminded to submit the annual Resident Service Program Plan to TSAHC on or before December 1st of each year. The Program Plan is an owner created document that lists at least 4 resident services that are proposed to be provide on a monthly basis in the 2024 calendar year.**

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 and TSAHC required forms?	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 several discrepancies noted during the tenant file review. A summary of issues is listed below. Findings are listed in the Findings chart below.

- **Unit Status Report (USR):** The USR is used as a tool to ensure households meet the income and rent requirements to ensure program compliance. Therefore, it is imperative that it is accurate at all times. A dedicated staff member should enter monthly activity, review the report for accuracy and submit the report by the 10th of each month reflecting the prior month's activity.
- **Incomplete Forms:** Management is reminded to complete forms in their entirety, specially forms with the management contact header sections (i.e., Applications, recertification questionnaires, tenant income certifications, etc.).

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See Findings chart below.

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
Property-wide	The USR is not being updated as required by the AOC agreement. USR discrepancies were noted in files 122C, 153B, 63F, 92M, 133A, 170R, 173S, 174S, 49G, 102K, and 25N.	Management must submit written certification stating management will review USR for accuracy prior to submitting the monthly USR report via TSAHC's online compliance system. This was corrected prior to the issuance of the report.
102K	Unable to determine program eligibility. Income was disclosed but not verified and several forms were incomplete and/or missing from the tenant file.	Management must submit a tenant file that is complete and thoroughly reviewed for program eligibility. This includes the following. <ul style="list-style-type: none"> • Application This was corrected. • Verification of disclosed income and assets • Copies of all required tenant file documents. This was corrected. • Copy of the Tenant Income Certification form Corrective action due no later than 1/19/2024.
122C	Incomplete application form.	Management must complete the application form. This was corrected prior to the issuance of the report.
153B	Forms not signed.	Management must submit a signed copy of the Income Certification and application. This was corrected prior to the issuance of the report.
167Q	Tenant forms were incomplete.	Management must submit copies of the completed Health & Safety form, Affordable Housing addendum form and the Under \$5,000 Asset Form. This was corrected prior to the issuance of the report.
170R	Incomplete forms.	Management must submit copies of the completed Health & Safety form and the Under \$5,000 Asset Form. This was corrected prior to the issuance of the report.
25N	The Annual Recertification questionnaire was not in the file, income was missing, and assets needed to be verified.	Management must submit a tenant file for the recent annual recertification that is complete and thoroughly reviewed for program eligibility. This includes the following. <ul style="list-style-type: none"> • Questionnaire • Verification of disclosed income and assets • Copies of all required tenant file documents • Copy of the Tenant Income Certification /form This was corrected prior to the issuance of the report.

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49G	Income Certification form effective dates is incorrect, and income was calculated incorrectly.	<p>Management must submit a tenant file that is complete and thoroughly reviewed for program eligibility. This includes the following.</p> <ul style="list-style-type: none"> • Questionnaire • Verification of disclosed income and assets • Copies of all required tenant file documents • Copy of the Tenant Income Certification form <p>Corrective action due no later than 1/22/2024.</p>
53G	The lease and income is missing from the initial certification. In addition, the annual recertification effective 9/8/2023 is not in the tenant file.	<p>Management must submit copies of the initial lease and complete Under \$5,000 Asset Certification form. In addition, management must submit the tenant file for the annual recertification effective 9/8/2023 for review.</p> <p>Corrective action due no later than 1/22/2024.</p>
82D	Teant forms are incomplete and/or forms are missing from the tenant file.	<p>Management must submit copies of page 3 of the Income Certification form, completed student certification and the Health & Safety form. This was corrected prior to the issuance of the report.</p>

COMMENTS: Corrective Action for units 102K, 49G and 53G is due no later than 1/22/2024.

SUMMARY OF FINDINGS AND OBSERVATIONS

Observations:

- Management must submit monthly resident services reports moving forward, beginning with the December report. The December 2023 resident service report must be submitted no later than January 10, 2024.
- Per Section 4 of the AOC Agreement, the owner/manager is reminded to submit annual Fair Housing Sponsor Reports on or before March 31st of each year. The form can be found here: <https://www.tsahc.org/property-managers/property-manager-downloads>.
- Per Section 4 of the AOC agreement, the owner/manager is reminded to submit the annual Resident Service Program Plan to TSAHC on or before December 1st of each year. The Program Plan is an owner created document that lists at least 4 resident services that are proposed to be provide on a monthly basis in the 2024 calendar year.

Findings:

- The Corrective Action to the Findings listed in the chart above (units 102K, 46G and 53G) are due to TSAHC no later than 1/22/2024.