

Texas State Affordable Housing Corporation Compliance Review Observation Report

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|--|---|
| Tealwood Place Apartments | |
| 5300 Professional Drive, Wichita Falls, Texas 76302 | |
| Owner: Elizabeth Property Group “EPG” LLC | Date Built: 2004 |
| Management Company: Allied Orion Group | Property Manager: Shermeana Atkins |
| Inspection Date & Time: June 16, 2023, at 9:00 am | Inspector’s Name: Mercedes Dunmore |

| | | |
|-----------------------------|---|--|
| Number of Units: 180 | Number of required LI units: 180 | 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 – see comments | | |
| 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: Per management the rent increases are determined by the current maximum rent limits. The rental increase is determined by the annual gross rent change. Management advised, when the utility allowance increases the rent amounts will decrease and if the utility allowance decreases rent amounts will increase. Based on this year’s gross rent change the rent increased an average of \$60 for the property.

| 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 |
|--------|-----------------|----------------|
| 108 | 60% | 16 days vacant |
| 112 | 60% | 76 days vacant |
| 321 | 60% | 16 days vacant |

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 | | |
| 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 – see comment | | |

COMMENTS: Resident Services haven't been submitted since February 2023. Management disclosed they hired a compliance position to aid with TSAHC reporting requirements.

Observation:

- **Per the Asset Oversight and Compliance (AOC) agreement, resident services must be submitted via the TSAHC online compliance system no later than the 10th of each month. For example, services offered in the month of July 2023 must be reported on the online system no later than August 10, 2023. A minimum of 6 resident services must be offered per quarter. The property is reminded to provide an adequate number of services each to ensure the quarterly requirement is met for the for the third calendar quarter in 2023 (July, August, and September). Failure to do so will lead to the \$500 fine outlined in Appendix D of the AOC agreement.**

| 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: The file review consisted of 15 tenant files being reviewed. The tenant files were well organized, and no eligibility infractions occurred. The reviewer identified the following findings mentioned and listed in the 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.

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| Unit | Finding | Corrective Action Requirement |
|------|--|--|
| 107 | The tenant's rent is incorrect on the Unit Status Report (USR). | - Management must update the tenant rent on the USR to match the current rent roll. TSAHC received corrective action prior to the issuing of this report. No further action required. |
| 208 | The Tenant Income Certification (TIC) reflects incorrect income. | - Management must update column D of the TIC to reflect \$6,600. The calculation page shows management entered an incorrect amount for the support payments. The support payments should reflect \$550 x 12 = \$6,600. Management must update the total Household income to \$23,148. TSAHC received corrective action prior to the issuing of this report. No further action required. |
| 220 | The tenant file is missing the Annual Eligibility Certification (AEC) form for 2023. | - Management must provide a signed copy of the 2023 AEC form. TSAHC received corrective action prior to the issuing of this report. No further action required. |
| 618 | The tenant's rent reflects inconsistent amounts on the Lease, Rent Roll, and USR. | - Management must verify the correct rent amounts and update the USR, Rent Roll, and Lease to match the correct rent amounts. TSAHC received corrective action prior to the issuing of this report. No further action required. |
| 706 | The USR reflects an inaccurate household composition. The TIC is incomplete due to missing assets. | - Management must update the USR to reflect two household members. The unborn child must be included in the household composition. - The cash on hand is missing from the TIC. Management must add the \$50 cash on hand. - TSAHC received corrective action prior to the issuing of this report. No further action required. |

COMMENTS:

Observation:

- **USR Discrepancies:** Units 410, 522, and 618 have completed AECs, however, management failed to update the USR to reflect completed. Management must update the USR with AEC information (i.e., enter the correct effective dates, update rent changes, and check "Yes" on the Recertification tab. TSAHC received corrective action prior to the issuing of this report. No further action required.

SUMMARY OF FINDINGS AND OBSERVATIONS

Observations:

- Per the Asset Oversight and Compliance (AOC) agreement, resident services must be submitted via the TSAHC online compliance system no later than the 10th of each month. For example, services offered in the month of July 2023 must be reported on the online system no later than August 10, 2023. A minimum of 6 resident services must be offered per quarter. The property is reminded to provide an adequate number of services each to ensure the quarterly requirement is met for the for the third calendar quarter in 2023 (July, August, and September). Failure to do so will lead to the \$500 fine outlined in Appendix D of the AOC agreement.
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No findings.