

# Texas State Affordable Housing Corporation Compliance Review Observation Report

<b>The Willows Apartments</b>	
1332 Lamar Square Drive, Austin, Texas 78704	
<b>Owner:</b> Mary Lee Foundation	<b>Date Built:</b> 2010
<b>Management Company:</b> Mary Lee Foundation	<b>Property Manager:</b> Carla Bell
<b>Inspection Date &amp; Time:</b> December 29, 2023 at 8:30 a.m.	<b>Inspector's Name:</b> Mercedes Dunmore

<b>Number of Units:</b> 64	<b>Number of required LI units:</b> 51	<b>Number of required VLI units:</b> 13
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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
107	50%	The unit has not been made ready and has been vacant for days. Refer to the Finding in the Asset Oversight Report.
201	50%	
205	60%	
319	50%	

**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:			

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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		
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>			
<b>Observation:</b>			
<ul style="list-style-type: none"> <li>Management failed to submit the Resident Services in June and August 2023. Management is reminded to submit the Resident Service Report by the 10<sup>th</sup> of each month.</li> </ul>			

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 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	

<b>COMMENTS:</b> This year's Review was conducted virtually. Several tenant files issues were noted. The chart below details the Findings identified.			
<b>Observation:</b>			
<ul style="list-style-type: none"> <li>The Housing Opportunities through Modernization Act (HOTMA) passed in 2016 and must be implemented on 1/1/2024. The owner/manager is encouraged to attend industry HOTMA training and is reminded to implement eligibility changes (household members and income/asset changes, etc.). TDHCA posted a free training that can be located here: <a href="https://www.youtube.com/watch?v=X4Gx4iks4Xs">https://www.youtube.com/watch?v=X4Gx4iks4Xs</a></li> <li>The TSAHC Compliance Manual effective January 1, 2024, has been posted to the Property Manager Downloads page on our website for your review. You can locate the manual here: <a href="https://www.tsahc.org/property-managers/property-manager-downloads">https://www.tsahc.org/property-managers/property-manager-downloads</a></li> <li>Management failed to submit the Unit Status Report (USR) in August and September 2023. Management is reminded to submit the USR by the 10<sup>th</sup> of each month.</li> </ul>			

***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***

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*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
104	The initial TIC was not submitted for review. The tenant file has forms that are not completed in its entirety.	<ul style="list-style-type: none"> <li>- The initial TIC was not submitted for review.</li> <li>- Management must have the tenant complete page 3 of the TIC; the tenant may also decline to report by initialing in the respective place on the form.</li> <li>- The Student Eligibility Certification is not completed by the resident. Management must have the resident circle the correct student status as it applies.</li> </ul>
108	The initial TIC was not submitted for review. The tenant file has forms that are not completed in its entirety.	<ul style="list-style-type: none"> <li>- The initial TIC was not submitted for review.</li> <li>- Management must have the tenant complete page 3 of the TIC; the tenant may also decline to report by initialing in the respective place on the form.</li> <li>- The tenant signed the recertification TIC on page two. Management must have the tenant sign page one and management must sign page two.</li> <li>- The Student Eligibility Certification is not completed by the resident. Management must have the resident circle the correct student status as it applies.</li> </ul>
109	The USR reflects inaccurate information. The tenant file has forms that were not submitted for review and additional forms not completed in its entirety.	<ul style="list-style-type: none"> <li>- The rent on the rent roll and USR do not match. Management must update the USR to reflect the correct income amount.</li> <li>- Management must submit the Under \$5,000 and Student Eligibility Certification for review.</li> <li>- Management must have the tenant complete page 3 of the TIC; the tenant may also decline to report by initialing in the respective place on the form.</li> <li>- The initial TIC was not submitted for review.</li> </ul>
118	The tenant file has forms that are not completed in its entirety. The asset verifications are missing from the file. The assets are not listed on the TIC.	<ul style="list-style-type: none"> <li>- Management must have the tenant complete page 3 of the TIC; the tenant may also decline to report by initialing in the respective place on the form.</li> <li>- The Student Eligibility Certification is not completed by the resident. Management must have the resident circle the correct student status as it applies.</li> <li>- Management must remove the Under \$5,000 Asset Certification from the file and submit the asset verifications for all asset accounts due to the assets totaling over \$5,000.</li> <li>- Management must update the TIC to reflect the assets.</li> </ul>
213	The USR reflects inaccurate information. The tenant file has forms that are not completed in its entirety. The initial TIC was not submitted for review.	<ul style="list-style-type: none"> <li>- The move-in date on the TIC doesn't match the move-in date on the USR, management must update accordingly.</li> <li>- Management must have the tenant sign the Supplement to Application.</li> <li>- Management must have the tenant complete page 3 of the TIC; the tenant may also decline to report by initialing in the respective place on the form.</li> <li>- The income from assets from the Checking account was not included on the TIC. Management must include the income from the asset on page one of the TIC.</li> <li>- The initial TIC was not submitted for review.</li> </ul>

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214	The Under \$5,000 Asset Certification form reflects incorrect information.	Management must have the resident update the net assets to zero on the Under \$5,000 Asset Certification form.
303	The tenant file has forms that are not completed in its entirety. The initial TIC was not submitted for review.	<p>Management must have the tenant complete page 3 of the TIC; the tenant may also decline to report by initialing in the respective place on the form.</p> <p>The Under \$5,000 Asset Certification is not completed in its entirety. Questions 2 through 4 were left unanswered, and the net income was left blank. Management must have the tenant complete the form in its entirety.</p> <p>The initial TIC was not submitted for review.</p>
305	The asset verifications are missing from the file.	Management must remove the Under \$5,000 Asset Certification from the file and submit the asset verifications for all asset accounts due to the assets totaling over \$5,000.
308	The social security award letter is missing from the file and the student eligibility certification is not completed in its entirety. Additionally, The USR reflects inaccurate information.	<p>The Student Eligibility Certification is not completed by the resident. Management must have the resident circle the correct student status as it applies.</p> <p>Management must submit the social security award letter for review.</p> <p>The rent on the rent roll and USR do not match. Management must update the USR to reflect the correct income amount.</p>
311	The 2023 annual recertification was not submitted.	Management must submit the 2023 annual recertification for review.
313	The USR reflects inaccurate information. The tenant file has forms that are not completed in its entirety and page 3 of the TIC not submitted for review.	<p>The rent on the rent roll and USR do not match. Management must update the USR to reflect the correct income amount.</p> <p>Tenant release and consent top portion was left blank. Management must complete the Tenant Release and Consent form in its entirety.</p> <p>Management must submit page 3 of the TIC for review.</p>

**COMMENTS:** Corrective action to the Findings noted above is due to TSAHC no later than 02/22/2024.

### SUMMARY OF FINDINGS AND OBSERVATIONS

**Observations:**

- Management failed to submit the Resident Services in June and August 2023. Management is reminded to submit the Resident Service Report by the 10<sup>th</sup> of each month.
- The Housing Opportunities through Modernization Act (HOTMA) passed in 2016 and must be implemented on 1/1/2024. The owner/manager is encouraged to attend industry HOTMA training and is reminded to implement eligibility changes (household members and income/asset changes, etc.). TDHCA posted a free training that can be located here: <https://www.youtube.com/watch?v=X4Gx4iks4Xs>
- The TSAHC Compliance Manual effective January 1, 2024, has been posted to the Property Manager Downloads page on our website for your review. You can locate the manual here: <https://www.tsahc.org/property-managers/property-manager-downloads>
- Management failed to submit the Unit Status Report (USR) in August and September 2023. Management is reminded to submit the USR by the 10<sup>th</sup> of each month.

**Findings:**

- Corrective action to the Findings identified in the chart above are due to TSAHC no later than 02/22/2024.