

Texas State Affordable Housing Corporation Compliance Review Observation Report

W. Leo Daniels Apartments	
8826 Harrell St, Houston, Texas 77903	
Owner: W. Leo Daniels, Towers I, LP	Date Built: 1979
Management Company: J. Allen Management Co.	Property Manager: Demita Hill
Inspection Date & Time: July 21, 2023 at 9:00 a.m.	Inspector's Name: Celina Mizcles Stubbs

Number of Units: 100	Number of required LI units: 40	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
125	60%	
128	60%	
702	60%	
705	60%	
709	60%	
807	60%	

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 – 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 finding	
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: Based on a review of submitted resident services on TSAHC’s Online Compliance system, the property is not provided the required amount or resident services. Per the Asset Oversight and Compliance (AOC) Agreement, Section 4, the property is required to provide at least 4 services per month. In addition, as of the date of this report, management has not submitted a resident service report for June or July 2023.

Findings:

- **Management must submit a signed, written certification stating they will provide 4 resident services per month. Management is advised to review the attached resident service guidelines to ensure services provided meet the 4-point threshold requirement.**
- **Management must submit a list of resident services provided for June 2023 and July 2023.**

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: The tenant files were not in the best of order. See observation and findings below.

Observations:

- **The Unit Status Report (USR) is not being updated accurately. The USR is a snapshot on each unit’s household composition that is required to be submitted monthly to ensure overall program eligibility. If the USR is inaccurate, TSAHC is unable to ensure program compliance. The owner/management agent/site management is required to submit accurate USR report moving forward.**
- **Tenant Income Certification (TIC): Page 3 of the TIC was missing in several tenant files reviewed. Management is reminded that all 3 pages of the Income Certification form are required to be completed.**

See tenant file findings below.

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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
306	The 2023 annual recertification was not in the tenant file.	Complete and submit the 2023 annual recertification must be completed and submitted for review. Corrective action submitted. No further action is required.
313	Page 3 of the Tenant Initial Income Certification (TIC) is missing. In addition, the 2023 annual recertification was not in the tenant file.	Complete page 3 of the initial income certification. In addition, completed and submit the 2023 recertification must be completed and submitted for review. Corrective action submitted. No further action is required.
403	The assets on the initial Tenant Income Certification (TIC) is calculated incorrectly. In addition, the 2023 annual recertification was not in the tenant file.	Recalculate the assets on the initial income certification. In addition, completed and submit the 2023 recertification must be completed and submitted for review. Corrective action submitted. No further action is required.
412	Page 3 of the Tenant Initial Income Certification (TIC) is missing and the assets on the initial Tenant Income Certification (TIC) is calculated incorrectly. In addition, the 2023 annual recertification was not in the tenant file.	Complete page 3 of the initial income certification and recalculate the assets on the initial income certification. In addition, completed and submit the 2023 recertification must be completed and submitted for review. Corrective action submitted. No further action is required.
610	Page 3 of the Tenant Initial Income Certification (TIC) is missing. In addition, the 2023 annual recertification was not in the tenant file.	Complete page 3 of the initial income certification. In addition, completed and submit the 2023 recertification must be completed and submitted for review. Corrective action submitted. No further action is required.
703	Page 3 of the Tenant Initial Income Certification (TIC) and the income doesn't match the calculation tape.	Complete page 3 of the initial income certification and update the income certification with the correct household income. Corrective action submitted. No further action is required.
811	The tenant does not have assets. The Under \$5,000 Asset Certification form is not complete.	The tenant must check quest #4 (no assets) on the Under \$5,000 Asset Certification form. Corrective action submitted. No further action is required.
815	Page 3 of the Tenant Initial Income Certification (TIC) is missing.	Complete page 3 of the initial income certification. Corrective action submitted. No further action is required.
COMMENTS: Corrective action for all units listed in the chart above must be submitted to TSAHC no later than 9/28/2023. All corrective action was submitted prior to the issuance of the report. No further action is required.		

SUMMARY OF FINDINGS AND OBSERVATIONS

Observations:

- The Unit Status Report (USR) is not being updated accurately. The USR is a snapshot on each unit's household composition that is required to be submitted monthly to ensure overall program eligibility. If the USR is inaccurate, TSAHC is unable to ensure program compliance. The owner/management agent/site management is required to submit accurate USR report moving forward.
- Tenant Income Certification (TIC): Page 3 of the TIC was missing in several tenant files reviewed. Management is reminded that all 3 pages of the Income Certification form are required to be completed.

Finding:

- There were tenant files findings noted as listed in the Findings chart above for units 306, 313, 403, 412, 610, 703, 811, and 815. Corrective action for all units listed in the chart above must be submitted to TSAHC no later than 9/28/2023. All corrective action was submitted prior to the issuance of the report. No further action is required.