

Texas State Affordable Housing Corporation Compliance Review Observation Report

Woodside Village Apartments

2029 MLK Jr., Blvd., Palestine, Texas, 75803

Owner: DHI Woodside Apartments LLC

Date Built: 1975

Management Company: FPI Management

Property Manager: Kari Howell

Inspection Date & Time: April 25, 2023 @ 9:00 am

Inspector's Name: Mercedes Dunmore

Number of Units: 92 **Number of required LI units:** 37 **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		
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
2A	60%	Ready – 41 days vacant
7D	60%	Make ready – 18 days vacant
10A	60%	Down unit - 96 days vacant
10B	60%	Down unit – 59 days vacant

COMMENTS: The down units have been vacant for an average of 76 days. The length of the vacancy is due to the property insurance inspections and waiting to have the building permits approved. The renovation of these units are scheduled to start within the next few weeks.

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:			

Texas State Affordable Housing Corporation

Compliance Review Observation Report

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	

COMMENTS:

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: This year's review was conducted virtually. The reviewer was able to determine management is following policy to ensure program eligibility requirements for initial certification as there were no eligibility infractions. The reviewer also recognizes management's attempts to recertify all households timely. This results in all households meeting the property's set-aside requirements. Although program eligibility was determined a non-issue, the reviewer would like to note the following tenant file discrepancies that resulted in the following observations and findings.

Findings:

- **Annual Recertification:** On the day of review, a Waiver Request has not been submitted to TSAHC for review. In order to complete AECs, the owner must obtain approval from TSAHC. For tax-exempt bond purposes, the property is required to complete annual recertification of income and assets within 120 days of the anniversary date of the move-in. Based on a review of the tenant files, the property is only completing annual eligibility certification (AEC) which is not compliant. Because this property is 100% affordable with tax credits, the owner can request a waiver from the requirement to complete annual recertification of income and assets and instead complete annual eligibility certification (AEC). However, the waiver must be requested on an annual basis by March 31st of each year. Prior to the issuing of this report a Waiver Request was submitted and approved. No further actions required.
- **Rental Payments:** The Unit Status Report (USR) for March 2023 and the current rent roll show several inconsistencies with tenant rent and housing assistance payment amounts. Management must update the USR for the following units (units 2E, 6C, and 9B) to reflect the accurate rent payment amounts. The correction actions have been provided prior to the issuing of this report. No further actions required.
- **Annual Reporting:** As of the date of the onsite visit, Woodside Village had not submitted the required Fair Housing Sponsor Report (FHSP). Prior to issuance of this report, management submitted the annual FHSR as required. No further action is required. Management is reminded to submit annual reporting timely moving forward. Failure to submit subsequent annual reporting (FHSP) may result in a compliance penalty fee as stated in Appendix D of the AOC Agreement.

Texas State Affordable Housing Corporation

Compliance Review Observation Report

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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
2E	Tenant Income Certification (TIC) missing from the tenant file submission.	<ul style="list-style-type: none"> - Initial TIC missing from file. Management must submit the initial TIC for review. TSAHC received corrective action prior to the issuing of this report. No further action required.
11B	Tenant file missing income and asset verifications.	<ul style="list-style-type: none"> - Page 1 missing from First Nation Bank Texas for statement 3/7/18-4/6/18. Management must provide the first page of the statement dated 3/7/18 – 4/6/18. If unable to obtain the first page of the statement dated 3/7/18-4/6/18 a clarification must be presented stating why the page is missing and how the ending balance was verified using the beginning balance of \$172.56 for the May statement dated 4/7/18-5/6/18. - Verification missing for HH Member #2. Management must provide the recurring gift verification for HH Member #2 of \$300 monthly. - TSAHC received corrective action prior to the issuing of this report. No further action required.

COMMENTS:

SUMMARY OF FINDINGS AND OBSERVATIONS

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No further action is required.