

Texas State Affordable Housing Corporation Compliance Review Observation Report

Brooks Manor Apartments	
444 E. Jefferson Street, West Columbia, Texas 77486	
Owner: Steele Brooks Manor LLC	Date Built: 1983
Management Company: Monroe Group	Property Manager: Glenda Jones
Inspection Date & Time: March 5, 2024, at 8:00 AM	Inspector's Name: Mercedes Dunmore

Number of Units: 50	Number of required LI units: 20	Number of required VLI units: 3
----------------------------	--	--

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
5B	60%	
31G	60%	
46J	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		
3) Is management monitoring the following:			

Texas State Affordable Housing Corporation

Compliance Review Observation Report

Resident attendance	X		
a) Frequency of service provided	X		
b) Notification to residents of services	X		
c) Number or type of services	X		
d) 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: The tenant file review did not reflect any eligibility infractions, however, there were several findings outlined in the chart below.

Observations:

- During the review, the Property Manager mentioned they have not received HOTMA training. The HOTMA changes became effective 1/1/2024. TSAHC highly recommends the owner/manager attend HOTMA training specific to LIHTC and Tax-Exempt Bonds to ensure program compliance as it has changed eligibility program requirements for tax-exempt bonds (for example, verification of assets). TDHCA has posted free trainings that can be located here:
 - Income Determination Change w/HOTMA: <https://www.youtube.com/watch?v=XbB8i2Hj4IA>
 - Forms Training (Income Certificate training at minute 59:56): <https://www.youtube.com/watch?v=Ahnq07hQAvo>
- Management failed to submit the Unit Status Report (USR) for September 2023. Per the Asset Oversight, Compliance, and Security Agreement, management is required to submit monthly USR no later than the 10th of each month, for the month prior. Management is reminded to ensure USRs are submitted timely moving forward.

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.

Texas State Affordable Housing Corporation

Compliance Review Observation Report

Unit	Finding	Corrective Action Requirement
1A	The USR information for this unit is not accurate. The Tenant Income Certification (TIC) reflects incorrect information.	<p>Management must update the USR to match the income on the TIC. No further correction needed.</p> <p>Management must update the USR to match the correct tenant rent and subsidy amounts to match the rent roll. No further correction needed.</p> <p>Management must recalculate the savings account's current balance times the interest rate and update the income from the asset section on the TIC to reflect \$0.00 for the savings account. <u>Corrective action due 5/9/2024.</u></p>
20E	The USR information for this unit is not accurate.	<p>The total household income does not include the income from the assets. Management must update the USR to reflect the Total Household Income of \$23,070 which is properly identified on the TIC. No further correction needed.</p> <p>Management must update the USR to match the tenant rent and subsidy on the rent roll. No further correction needed.</p>
23F	The income on the TIC is incorrect. The total net income listed on the Under \$5,000 Asset Certification form is incorrect.	<p>Management must update the TIC total income to \$9367.20. <u>Corrective action due 5/9/2024.</u></p> <p>Management must have the tenant update the Under \$5,000 Asset Certification net income from assets to reflect \$0.70, located under question number 4. <u>Corrective action due 5/9/2024.</u></p>
38H	The USR information for this unit is not accurate.	Management must update the USR to match the tenant rent and subsidy on the rent roll. No further correction needed.

COMMENTS: Corrective action as listed in the chart above for Units 1A and 23F are due to TSAHC no later than 5/9/2024.

SUMMARY OF FINDINGS AND OBSERVATIONS

Observations:

- During the review, the Property Manager mentioned they have not received HOTMA training. The HOTMA changes became effective 1/1/2024. SAHC highly recommends the owner/manager attend HOTMA training specific to LIHTC and Tax-Exempt Bonds to ensure program compliance moving forward. TDHCA has posted free trainings that can be located here:
 - Income Determination Change w/HOTMA: <https://www.youtube.com/watch?v=XbB8i2Hj4IA>
 - Forms Training (Income Certificate training at minute 59:56): <https://www.youtube.com/watch?v=Ahnng07hQAv0>
- Management failed to submit the Unit Status Report (USR) for September 2023. Per the Asset Oversight, Compliance, and Security Agreement, management is required to submit monthly USR no later than the 10th of each month, for the month prior. Management is reminded to ensure USRs are submitted timely moving forward.

Findings: Corrective action as listed in the chart above for Units 1A and 23F are due to TSAHC no later than 5/9/2024.