

# Texas State Affordable Housing Corporation Compliance Review Observation Report

## Eden Court

1240 Jefferson Ave., Seguin, Texas 78155

**Owner: National Church Residences** **Date Built: 2003/1986**

**Management Company: National Church Residences** **Property Manager: Cynthia Gaudet**

**Inspection Date & Time: October 18, 2024 at 8:30 a.m.** **Inspector's Name: Celina Mizcles Stubbs**

<b>Number of Units:</b>	110	<b>Number of required LI units:</b>	44	<b>Number of required VLI units:</b>	NA
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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?	<b>X – see comment</b>		
2) Is the property accepting Section 8 households?	<b>X</b>		
3) Is the income to rent ratio for Section 8 households less than 2.5?	<b>X</b>		
4) Are the rent increases smaller than 5%?	<b>X</b>		
5) Does the Application for Tenancy or Occupancy Qualifications exclude language that may appear to be discriminatory?	<b>X</b>		
6) Does the lease or rental agreement inform the resident of Very Low Income/Low Income Recertification requirements?	<b>X</b>		
7) Is additional monitoring by TSAHC recommended?		<b>X</b>	

**COMMENTS:** This is the first compliance report for Eden Court. The property is managed accordingly to ensure compliance with set-aside and rent requirements per the Regulatory Agreement and the Asset Oversight and Compliance (AOC) Agreement (copies of agreements were provided to management). As discussed during the site visit, there are several reporting requirements per the AOC agreement. Below is a list of reports that are mentioned. Management is advised to review to the AOC for a complete list of compliance reporting.

Per Section 2 of the AOC, the owner must submit the following financial reports to TSAHC via [compliance\\_reporting@tsahc.org](mailto:compliance_reporting@tsahc.org)

- Annual budget must be submitted at least 30-days prior to the end of the fiscal year
- Audited financial reports must be submitted at least 120-days after the of each fiscal year
- Unaudited financial reports must be submitted at the end of each fiscal quarter

Per Section 4 of the AOC, the owner must submit the following compliance reports to TSAHC via [compliance\\_reporting@tsahc.org](mailto:compliance_reporting@tsahc.org)

- Fair Housing Sponsor Report due on or before March 31 of each year
- Resident Service Program Plan due on or before December of 1 of each year

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?	<b>X</b>		
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?		<b>X</b>	
b) Utilized as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home, or trailer court or park?		<b>X</b>	
c) Leased to a corporation, business or university?		<b>X</b>	
d) Owned by a cooperative housing corporation?		<b>X</b>	
e) Not available for rental on a continuous basis to members of the general public?		<b>X</b>	

**COMMENTS:**

UNITS WALKED		
Unit #	USR Designation	Comments
214E	60%	

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813E	60%	
901W	60%	
1010E	60%	
1301W	60%	

**COMMENTS:**

RESIDENT SERVICES	YES	NO	N/A
1) Do the resident services appear to cater to the resident profile of the property?	X – see comment		
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:			
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 comment	
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:** The property is undergoing full property rehabilitation. Rehab activities include the rehabilitation of two community office spaces that will be used as the management office, amenity center and the community resident services area. Management was advised to review Section 4 of the AOC agreement that states the owner must sustain a resident service program that provides at least four (4) resident services each month. Additionally, management must submit monthly Resident Services report via TSAHC’s online compliance system by the 10<sup>th</sup> of the following month for review. For example, services offered in December 2024 must be submitted to TSAHC’s online compliance system no later than January 10<sup>th</sup>. Management staff have been informed to commence resident services when the property reaches 50% occupancy or no later than the date the resident service community areas is completed and available for use.

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:** The temporary management office is current located in unit #310.

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 – see comment
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	

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**COMMENTS:** Based on the tenant file review, management is maintaining all records relating to initial resident income certifications, together with supporting documentation. During the site visit, the reviewer was able to establish the set aside was met based on a review of first year files. Therefore, no annual recertifications were available to review. Below is a list of topics that were discussed during the onsite visit.

- **TSAHC Health & Safety Form:** This required forms is not being utilized. Management was informed that the form needs to be executed by the head of household at the time of move-in. See Finding below.
- **Annual Recertification of Income and Asset Requirement:** According to management, 100% of the units are required to be occupied by households at or below 60% AMI per their tax credit LURA. Because of this, the owner may submit an Annual Recertification of Income Waiver to TSAHC, that if approved, would allow the use for Annual Eligibility Certification (AEC) for the tax-exempt bond purposes. The Annual Recertification of Income Waiver Policy and Procedure is attached for review.
- **HOTMA:** Per HOTMA final rule, at the time of initial certification and every third year, all assets must be verified for tax-exempt bonds purposes. Owners are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts. If a property is required to complete annual income recertifications, in the intervening years, if a household has combined assets of \$50,000 or less, the assets and income from assets can be documented with an Under \$50,000 Asset Certification form. If a Waiver is submitted and approved assets only need to be verified at the time of move in. Management is advised that findings will be issued if HOTMA is not implemented by July 1, 2025. Please refer to the following free training materials:
  - TSAHC's updated Compliance Manual effective 1/1/2024 located here: <https://www.tsahc.org/property-managers/propertymanager-downloads>

***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 1<sup>st</sup> page of the lease for the new household occupying the unit.***

Unit	Finding	Corrective Action Requirement
Property-wide	TSAHC's Health and Safety Form was not executed by existing households.	Management must provide written, signed certification stating they have obtained executed Health and Safety forms by all current households and state the form will be executed by the head of household at the time of move-in moving forward.
703W	The Tenant Income Certification (TIC) is not complete.	Management must add the verified asset to the TIC and submit it to TSAHC for review.

**COMMENTS:** Corrective action to the Findings above must be submitted to TSAHC no later than 12/20/2024.

### SUMMARY OF FINDINGS AND OBSERVATIONS

**No Observations.**

**Findings:** Corrective action to the Findings listed in the Findings chart above must be submitted to TSAHC no later than 12/20/2024.