

# Texas State Affordable Housing Corporation Compliance Review Observation Report

**Pythian Manor Apartments**  
**2719 Illinois Ave., Dallas, Texas 75216**

**Owner: Steele Pythian LP** **Date Built: 1968**  
**Management Company: Monroe Group Ltd.** **Property Manager: Karla Davis**  
**Inspection Date & Time: September 26, 2024, at 8:00 a.m.** **Inspector's Name: Blaire Bigelow**

**Number of Units:** 76      **Number of required LI units:** 31      **Number of required VLI units:** 4

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
104	60%	
116	60%	
118	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:			

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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>			

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	

**COMMENTS:**

**Observation:**

- The use of White-Out was noted on the Under \$5,000 forms for Unit 6 and Unit 106. It is important to emphasize that fluid correction methods, including White-Out, should not be used in any files to ensure transparency and maintain the accuracy of financial documentation.

**Findings:**

- The Fair Housing Sponsor Report has not been submitted to TSAHC. Per the AOC Agreement between Steele Pythian LP and TSAHC, Section 4, the Borrower shall comply with all applicable requirements of the Act, including submitting the Fair Housing Sponsor Report on or before March 30, 2020, and each year thereafter. Management submitted the Fair Housing Sponsor Report after the review closeout. **Management must submit a signed certification stating that the Fair Housing Sponsor Report will be submitted in a timely manner moving forward to TSAHC no later than 11/23/2024.**
- The Annual Recertification of Income Waiver request was not submitted by March 31, 2024. Without an annual Waiver approval, the owner is required to complete full annual recertifications income and assets. Based on a review of tenant files, the owner has currently completed Annual Eligibility Certification (AEC) which is not allowed per the AOC agreement. **Management must either submit the Annual Recertification of Income Waiver to TSAHC or complete full annual recertifications income and assets. To correct this Finding, management must submit a signed certification stating what the owner intends to do (i.e., submit annual Waiver request timely or full annual recertifications income and assets moving forward). Should the owner elect to submit annual Waiver request, the owner must submit the formal request per the attached Waiver Policy and Procedure and a written statement**

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stating the Waiver will be submitted timely moving forward. Corrective Action must be submitted to TSAHC no later than 11/23/2024.

*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
123	The Tenant Income Certification (TIC) is not calculated properly on the Social Security section. The Unit Status Report (USR) annual income needs to be updated	<ul style="list-style-type: none"> <li>Management must update the TIC to equal \$11,328</li> <li>Management must update the annual income on the USR</li> </ul> <p style="text-align: center;"><b>Management corrected. No further action required.</b></p>
214	The AEC is missing The Unit Status Report (USR) move in date needs to be updated	<ul style="list-style-type: none"> <li>Management must submit the AEC.</li> <li>The USR move in date of 08/07/2023 needs to be updated</li> </ul> <p style="text-align: center;"><b>Management corrected. No further action required.</b></p>

COMMENTS:

## SUMMARY OF FINDINGS AND OBSERVATIONS

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Note: Failure to submit reports timely and/or failure to execute and record program documents may result in a Compliance penalty of \$250 for every 30 days of non-response.