

Texas State Affordable Housing Corporation Compliance Review Observation Report

Salem Village Apartment			
5201 John Stockbauer, Victoria, TX 77904			
Owner: RHAC-Salem Village, LLC		Date Built: 1981	
Management Company: J. Allen Management Co.		Property Manager: Shannon Codeway	
Inspection Date & Time: March 20, 2024, at 9:00 am		Inspector's Name: Mercedes Dunmore	

Number of Units: 105	Number of required LI units: 105	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
12A	60%	
15B	60%	
20D	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:			
a) Resident attendance	X		

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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: During this year's virtual file review, there were no eligibility infractions. However, several issues were identified as noted in the chart below. Prior to the issuance of this report, all corrective action have been submitted by management and no further action is required. Furthermore, management was reminded to use the original move-in date on the Unit Status Report (USR) for all unit transfers. Lastly, on the date of review, the annual waiver request and its supporting documents have not been received. See Observations below.

Observations:

- The Under \$50,000 asset certification form had not been implemented for the January 2024 move-ins. Management advised the eligibility program requirements, per HOTMA, were implemented on February 2024 and stated all files will reflect HOTMA changes moving forward. Management is advised that findings will be issued if HOTMA changes are not fully implemented by January 1, 2025.
- The annual waiver is imperative for the property to be able to complete Annual Eligibility Certifications (AEC) instead of full annual recertification verifying income and assets. Management assured that they will submit signed IRS Form 8703 from the owner along with the waiver request once completed. Management is reminded the annual waiver request is due to TSAHC no later than March 31st of each year.

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.

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Unit	Finding	Corrective Action Requirement
2A	The Unit Status Report reflects inaccurate information.	Management must update the tenant rent and subsidy on the USR to reflect the rent roll. No further action required.
5A	The AEC form is not entirely completed. The USR reflects incorrect information.	<p>Management must complete the AEC form in its entirety. The unit number and number of bedrooms are missing from the top of the form. No further action required.</p> <p>Management must update the move-in date on the USR to reflect the original move-in date. No further action required.</p> <p>Management must update the AEC and the USR to reflect the accurate number of household members. There are 2 household members. No further action required.</p> <p>Note: <i>If the household member is unable to fill out and complete the AEC paperwork on their own, the tenant must sign a paperwork assistance form or complete a self-affidavit stating they need assistance completing their annual recertification.</i></p>
11C	Assets are not correctly identified.	The assets listed on the TIC do not match the Under \$5,000 Asset Certification form. Management must clarify what totals were used on the TIC and update accordingly. No further action required.
19A	The net family assets are incorrect. The move-in date is incorrect on the USR.	Net family assets must be updated to \$0.04 on the Under \$5,000 Asset Certification form. No further action required.
24D	The TIC reflects inaccurate information. The USR reflects incorrect information.	For household member number 2, the income was calculated using 4 pay statements however there are only 3 pay statements in the file. Management must complete a clarification stating why only three paystubs were used or provide the missing pay statement for review. Management must update the income on the TIC to reflect \$13,000. No further action required.

COMMENTS: Prior to the issuance of this report, all corrective action was submitted by management and no further action is required for the Findings in the chart above.

SUMMARY OF FINDINGS AND OBSERVATIONS

Observations:

- The Under \$50,000 asset certification form had not been implemented for the January 2024 move-ins. Management advised the eligibility program requirements, per HOTMA, were implemented on February 2024 and stated all files will reflect HOTMA changes moving forward. Management is advised that findings will be issued if HOTMA changes are not fully implemented by January 1, 2025.
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Findings: Prior to the issuance of this report, all corrective action was submitted by management and no further action is required for the Findings in the chart above.