



Travis County Commissioners Court Agenda Request Travis County Housing Finance Corporation

Meeting Date: March 6, 2012

Prepared By/Phone Number: Andrea Shields, Manager/854-9116

Elected/Appointed Official/Dept. Head: Leroy Nellis, Interim County Executive/854-9066

Commissioners Court Sponsor: Samuel T. Biscoe, President

AGENDA LANGUAGE: Consider and take appropriate action to:

A) Approve submission of letters to Mountain Ranch Apartments, Rosemont at Heatherbend Apartments, Town Vista Apartments and Rosemont at Hidden Creek Apartments, regarding the Corporation's annual compliance audits; and

B) Approve submission of four invoices totaling of \$2,000.00 to the property owners for staff's time.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS: See attached backup.

STAFF RECOMMENDATIONS: Staff recommends approval.

ISSUES AND OPPORTUNITIES: None.

FISCAL IMPACT AND SOURCE OF FUNDING: None.

REQUIRED AUTHORIZATIONS: Andrea Shields, Manager/854-9116; Leroy Nellis, Budget Director/854-9066; Rodney Rhoades, County Executive/854-4718

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, Cheryl.Aker@co.travis.tx.us by **Tuesdays at 5:00 p.m.** for the next week's meeting.

**TRAVIS COUNTY HOUSING FINANCE CORPORATION
MOUNTAIN RANCH APARTMENTS
2012 COMPLIANCE EXAMINATION REPORT**

DATE: February 23, 2012

TO: Board of Directors, Travis County Housing Finance Corporation

FROM: Andrea Shields, Manager

SUBJECT: Compliance Examination – Mountain Ranch Apartments

SUMMARY AND BACKGROUND INFORMATION

On December 1, 1998, the Travis County Housing Finance Corporation (“Corporation”) issued \$9,128,000 in Revenue Bonds for the construction of a 212-unit multifamily residential development. The development is named Mountain Ranch Apartments located on 2425 E. Riverside Drive, Austin, Texas 78741. The owner is Collier Ranch Limited Partnership.

SCOPE

A minimum of 79 units (40% of 196) must be occupied by “Low Income Tenants” with a total family income at or below 60% of Area Median Family Income (“AMI”). Additionally, a minimum 177 units (90% of 196) must be occupied by “Eligible Tenants” whose income does not exceed 120% of AMI. Tenant incomes must be recertified annually per the Regulatory Agreement.

Mountain Ranch received 4% tax credits through the Texas Department of Housing and Community Affairs requiring the development to lease 100% of the units to “Low Income Tenants”.

On February 13, 2012, staff initiated a compliance examination. The audit focused on performance requirements set forth by the Regulatory Agreement dated December 1, 1998.

AUDIT FINDINGS

Overall the tenant files appear to be maintained in satisfactory condition. No significant exceptions were noted during the examination. However, management was following TDHCA’s compliance regulations and were not certifying tenant incomes annually. Instead they were recertifying every three years. Therefore, we were unable to confirm that current tenants are or are not currently income qualified to reside at the property, and we are unable to conclusively confirm whether the property is in compliance with 40% of the units at 60% AMI and 90% at 120% AMI.

CONCLUSION AND RECOMENDATIONS

As discussed with the property manager, Megan May, we recommend that staff immediately begin recertifying incomes for current tenants, and going forward that new policies and procedures be implemented to ensure annual income certification for all tenants. Representatives of the Corporation will return to the property to review the files and confirm all tenants have been re-income certified, and the property is in compliance with the Regulatory Agreement, no later than August 3, 2012.

Staff request approval to invoice Mountain Ranch a \$500.00 examination fee.

cc: Leroy Nellis, Budget Manager
Cliff Blount, Esq.
Harvey Davis, Manager
Mary Mayes, Assistant Manager

**TRAVIS COUNTY HOUSING FINANCE CORPORATION
ROSEMONT AT HEATHER BEND (FORMERLY
HEATHERWILDE APARTMENTS)
2012 COMPLIANCE EXAMINATION REPORT**

DATE: February 28, 2012

TO: Board of Directors, Travis County Housing Finance Corporation

FROM: Andrea Shields, Manager

SUBJECT: Compliance Examination – Rosemont at Heather Bend

SUMMARY AND BACKGROUND INFORMATION

On October 1, 2002, the Travis County Housing Finance Corporation (“Corporation”) issued a total of \$15,000,000 in two Revenue Bond issues for the construction of a 260-unit multifamily residential development. The development was named Heatherwilde Apartments but has since changed names to Rosemont at Heather Bend located on 16701 Heatherwilde Boulevard, Pflugerville, Texas 78660. The owner is Heatherwilde Villas Housing Limited Partnership.

SCOPE

A minimum of 104 units (40% of 260) must be occupied by “Low Income Tenants” with a total family income at or below 60% of Area Median Family Income (“AMI”) and rents must be set at 50% of AMI. Additionally, a minimum 234 units (90% of 260) must be occupied by “Eligible Tenants” whose income does not exceed 120% of AMI. Tenant incomes must be recertified annually per the Regulatory Agreement.

Rosemont at Heather Bend received 4% tax credits through the Texas Department of Housing and Community Affairs requiring the development to lease 100% of the units to “Low Income Tenants”.

On February 17, 2012, staff initiated a compliance examination. The audit focused on performance requirements set forth by the Regulatory Agreement dated October 1, 2002.

AUDIT FINDINGS

Overall the tenant files appear to be maintained in satisfactory condition. No significant exceptions were noted during the examination. However, management was following TDHCA’s compliance regulations and was not certifying tenant incomes annually. Instead they were recertifying every three years. Therefore, we were unable to confirm that current tenants are or are not currently income qualified to reside at the property, and

CONCLUSION AND RECOMENDATIONS

As discussed with the property manager, Megan May, we recommend that staff immediately begin recertifying incomes for current tenants, and going forward that new policies and procedures be implemented to ensure annual income certification for all tenants. Representatives of the Corporation will return to the property to review the files and confirm all tenants have been re-income certified, and the property is in compliance with the Regulatory Agreement, no later than August 3, 2012.

Staff request approval to invoice Mountain Ranch a \$500.00 examination fee.

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