

ENFORCEMENT ACTION AGAINST
ANDREW P. SHEEHY WITH
RESPECT TO VILLA VICTORIA
(HTC FILE # 93156 / CMTS # 1186)

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BEFORE THE
TEXAS DEPARTMENT OF
HOUSING AND
COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 19th day of February, 2015, the Governing Board (“Board”) of the Texas Department of Housing and Community Affairs (“TDHCA”) considered the matter of whether enforcement action should be taken against **ANDREW P. SHEEHY**, a (“Sheehy” or “Respondent”).

This Agreed Order is executed pursuant to the authority of the Administrative Procedure Act (“APA”), Tex. Gov’t Code §2001.056, which authorizes the informal disposition of contested cases. In a desire to conclude this matter without further delay and expense, the Board and Respondent agree to resolve this matter by this Agreed Final Order. The Respondent agrees to this Order for the purpose of resolving this proceeding only and without admitting or denying the findings of fact and conclusions of law set out in this Order.

Upon recommendation of the Administrative Penalties Committee, the Board makes the following findings of fact and conclusions of law and enters this Order:

WAIVER

Respondent acknowledges the existence of their right to request a hearing as provided by TEX. GOV’T CODE § 2306.044, and to seek judicial review, in the District Court of Travis County, Texas, of any order as provided by TEX. GOV’T CODE § 2306.047. Pursuant to this compromise and settlement, the Respondent waives those rights and acknowledges the jurisdiction of the Board over Respondent.

FINDINGS OF FACT

Jurisdiction:

1. The Department has jurisdiction over this matter pursuant to Tex. Gov’t Code §§2306.041-.0503, and 10 TEX. ADMIN. CODE §1.14 and 10 TEX. ADMIN. CODE Chapter 60¹.

¹ Within this Agreed Final Order, all references to administrative penalty authority under 10 TEX. ADMIN. CODE, CHAPTERS 1 AND 60 refer to the versions of the code in effect at the time of the 11/18/2014 administrative penalty informal conference when an administrative penalty was recommended.

2. In 1993, Beverly Partners Ltd. ("Prior Owner") was awarded an allocation of Low Income Housing Tax Credits by the Board, in an amount of \$53,693.00 to rehabilitate Villa Victoria ("Property") (HTC file No. 93156 / CMTS No. 1186 / LDLD No. 358).
3. Prior Owner signed a land use restriction agreement ("LURA") regarding the Property. The LURA was effective November 14, 1994, and filed of record at Volume 1833, Page 741 of the Official Public Records of Real Property of McClennan County, Texas ("Records"). In accordance with Section 2 of the LURA, the LURA is a restrictive covenant/deed restriction encumbering the property and binding on all successors and assigns for the full term of the LURA.
4. Respondent took ownership of the Property and signed an agreement with TDHCA to assume the duties imposed by the LURA and to comply fully with the terms thereof (Agreement to Assume and Comply), effective May 19, 2008, and filed the same in the Records at Document Number 2008016285, thereby binding Respondent to the terms of the LURA.
5. Respondent is approved by TDHCA as qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing development that is subject to the regulatory authority of TDHCA.

Compliance Violations²:

6. A Uniform Physical Condition Standards ("UPCS") inspection was conducted on February 23, 2012. Inspection reports showed numerous serious property condition violations, a violation of 10 TEX. ADMIN. CODE § 60.118 (Property Condition Standards). Notifications of noncompliance were sent and a July 31, 2012, corrective action deadline was set. The violations at *Attachment 1* were not corrected before the deadline.

Multiple submissions were received after intervention by the Administrative Penalty Committee, and final acceptable evidence of correction was submitted on 10/25/2013, 451 days after the deadline.
7. An on-site monitoring review was conducted on January 18, 2012, to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. Notifications of noncompliance were sent and an April 25, 2012, corrective action deadline was set, however, the following violations were not corrected before the deadline:
 - a. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for units 135 or 238, a violation of 10 TEX. ADMIN. CODE §60.108 (Determination, Documentation and Certification of

² Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TEX. ADMIN. CODE, CHAPTERS 10 AND 60 refer to the versions of the code in effect at the time of the compliance monitoring reviews and/or inspections that resulted in recording each violation. All past violations remain violations under the current code and all interim amendments.

Annual Income) and Section 4 of the LURA, which require screening of tenants to ensure qualification for the program.

Partial corrective documentation for the above findings was received after intervention by the Administrative Penalty Committee, resolving the violation for unit 238 as of June 11, 2013, 412 days past the deadline. The finding for unit 135 remains unresolved, but the noncompliant household moved out on 2/15/2013 and the unit is currently vacant.

- b. Respondent failed to provide an Annual Eligibility Certifications for units 111, 117, 132, 204, 208, 209, 223, 245, or 246, a violation of 10 TEX. ADMIN. CODE §60.111 (Annual Recertifications), which requires developments to annually collect an Annual Eligibility Certification form from each household.

Partial corrective documentation for the above findings was received after intervention by the Administrative Penalty Committee, resolving the violation for units 111, 117, and 132 as of June 11, 2013, 412 days past the deadline. The violation for unit 208 was corrected on January 23, 2014, 736 days past the deadline, during a subsequent file monitoring review conducted by TDHCA. The violations for units 209, 223, and 246 remain unresolved, but the noncompliant households moved out on 12/1/2013, 8/2/2013, and 10/1/2013, respectively. New households have moved into all three units and Respondent must submit full tenant files to prove their eligibility in order to resolve the findings.

8. An on-site monitoring review was conducted on January 23, 2014, to perform regular TDHCA monitoring and to determine whether Respondent had resolved prior violations of LURA requirements to lease units to low income households and maintain records demonstrating eligibility. Notifications of noncompliance were sent and a September 10, 2014, corrective action deadline was set, however, the following violations were not corrected before the deadline and remain uncorrected as of the date of this Agreed Final Order:

- a. Respondent failed to provide an affirmative marketing plan, a violation of 10 TEX. ADMIN. CODE §10.617 (Affirmative Marketing Requirements), which requires developments to approve and distribute an affirmative marketing plan and to distribute marketing materials to selected organizations that reach groups identified as least likely to apply and to the disabled. An affirmative marketing letter to an organization that assists the disabled was provided, but an Affirmative Marketing Plan was not.
- b. Respondent failed to provide the Fair Housing Disclosure Notice for units 104, 105, 106, 107, 112, 113, 114, 115, 117, 123, 124, 125, 126, 129, 134, 136, 138, 142, 143, 144, 149, 150, 202, 207, 208, 209, 212, 213, 215, 216, 217, 222, 223, 225, 226, 227, 229, 230, 232, 233, 234, 235, 236, 238, 240, 241, 242, 243, 248, 249 and 250, a violation of 10 TEX. ADMIN. CODE § 10.612 (Tenant File Requirements), which requires all developments to provide prospective households with a fair housing disclosure notice within a certain time period.

- c. Respondent failed to execute required lease provisions or exclude prohibited lease language for units 142 and 235, a violation of 10 TEX. ADMIN. CODE §10.613 (Lease Requirements), which requires all developments to provide to each household, at the time of execution of an initial lease and whenever there is a subsequent change in common amenities, unit amenities, or required services, a notice describing those amenities and services.
 - d. Respondent failed to maintain written tenant selection requirements, a violation of 10 TEX. ADMIN. CODE §10.610 (Tenant Selection Criteria), which requires Respondent to maintain written tenant selection criteria.
 - e. Respondent failed to make two units available for rent, using unit 116 as an office, and failing to timely restore unit 140 after it was damaged by water, a violation of the representations on page 1 of the LURA that require 100% of the units to be leased to individuals or families whose income is 60% or less of the area median gross income, and Section 4(c) and Appendix A of the LURA that require 100% of units to be available to members of the public who qualify for the program.
 - f. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for units 135, 209, 223, and 246, a violation of 10 TEX. ADMIN. CODE §10.612 (Tenant File Requirements) and Section 4 of the LURA, which require screening of tenants to ensure qualification for the program.
 - g. Respondent failed to resolve the prior Annual Eligibility Certification findings for units 209, 223, or 246, violating 10 TEX. ADMIN. CODE §10.612 (Tenant File Requirements), which requires developments to annually collect an Annual Eligibility Certification form from each household.
9. The following violations remain outstanding at the time of this order:
- a. Household income above limit upon initial occupancy violations described in FOF #'s 7a and 8.g, and 8f.
 - b. Annual Eligibility Certification violation described in FOF #'s 7b and 8g.
 - c. Affirmative marketing plan violation described in FOF # 8.a.
 - d. Fair Housing Disclosure Notice violation described in FOF # 8.b.
 - e. Lease language violation described in FOF # 8.c.
 - f. Tenant selection requirement violation described in FOF 8.d.
 - g. Unit unavailable for rent violations described in FOF # 8.e.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503, 10 TAC §1.14 and 10 TAC, Chapter 60.
2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).
3. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance.
4. Respondent violated 10 TEX. ADMIN. CODE §10.617 in 2014, by failing to provide an affirmative marketing plan;
5. Respondent violated 10 TEX. ADMIN. CODE §10.612 in 2014, by failing to execute the Fair Housing Disclosure Notice during the appropriate time frame for units 104, 105, 106, 107, 112, 113, 114, 115, 117, 123, 124, 125, 126, 129, 134, 136, 138, 142, 143, 144, 149, 150, 202, 207, 208, 209, 212, 213, 215, 216, 217, 222, 223, 225, 226, 227, 229, 230, 232, 233, 234, 235, 236, 238, 240, 241, 242, 243, 248, 249 and 250.
6. Respondent violated 10 TEX. ADMIN. CODE §10.613 in 2014, by failing to execute required lease provisions regarding amenities and services for units 142 and 235.
7. Respondent violated 10 TEX. ADMIN. CODE §10.610 in 2014, by failing to develop and maintain written tenant selection requirements.
8. Respondent violated representations made on page 1 of the LURA, Section 4(c) of the LURA, and Appendix A of the LURA, in 2014, by failing to make 100% of units available for rent.
9. Respondent violated Section 4 of the LURA in 2012 and 2014, 10 TEX. ADMIN. CODE §60.108 in 2012, and 10 TEX. ADMIN. CODE §10.612 in 2014, by failing to provide documentation that household incomes were within prescribed limits upon initial occupancy for units 135, 209, 223, and 246.
10. Respondent violated 10 TEX. ADMIN. CODE §60.111 in 2012 and 10 TEX. ADMIN. CODE §10.612 in 2014, by failing to provide Annual Eligibility Certifications for units 209, 223, and 246.
11. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules and agreements, the Board has personal and subject matter jurisdiction over Respondent pursuant to TEX. GOV'T CODE §2306.041 and §2306.267.

12. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.
13. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code Chapter 2306 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to TEX. GOV'T CODE §2306.041.
14. An administrative penalty of \$3,000.00 is an appropriate penalty in accordance with 10 TEX. ADMIN. CODE §§60.307 and 60.308.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of the factors set forth in Tex. Gov't Code §2306.042 to be considered in assessing such penalties as applied specifically to the facts and circumstances present in this case, the Board of the Texas Department of Housing and Community Affairs orders the following:

IT IS HEREBY ORDERED that Respondent is assessed an administrative penalty in the amount of \$3,000.00, subject to deferral as further ordered below.

IT IS FURTHER ORDERED that the property manager and her supervisor must attend First Thursday Income Eligibility Training and Housing Tax Credit Compliance Training, then submit completion certificates to the Agency on or before April 1, 2015.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in Attachments 2, 3, and 4, and submit full documentation of the corrections to TDHCA on or before April 1, 2015.

IT IS FURTHER ORDERED that if Respondent timely and fully complies with the terms and conditions of this Agreed Final Order, correcting all violations as required at Attachments 2, 3, and 4, satisfactory performance under this order will be accepted in lieu of the full assessed administrative penalty and the full amount of the administrative penalty will be deferred and forgiven.

IT IS FURTHER ORDERED that if Respondent addresses the unit availability violation for unit 116 as indicated in Attachment 2, satisfactory performance of that corrective action under this order will be accepted in lieu of a \$2,500.00 portion of the assessed administrative penalty, and that \$2,500.00 portion will be deferred and forgiven regardless of performance under the remainder of this Agreed Final Order.

IT IS FURTHER ORDERED that if Respondent fails to address the unit availability violation for unit 116 as indicated at Attachment 2, then a \$2,500.00 portion of the administrative penalty shall be immediately due and payable to the Department. Such payment shall be made by cashier's check payable to the "Texas Department of Housing and Community Affairs" within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this order pertaining to unit 116.

IT IS FURTHER ORDERED that if Respondent fails to satisfy any other conditions or otherwise violates any other provision of this order, then the remaining \$500.00 portion of the administrative penalty shall be immediately due and payable to the Department. Such payment shall be made by cashier's check payable to the "Texas Department of Housing and Community Affairs" within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this order.

IT IS FURTHER ORDERED that corrective documentation must be uploaded to the Compliance Monitoring and Tracking System ("CMTS") by following the instructions at this link: <http://www.tdhca.state.tx.us/pmcdocs/CMTSUserGuide-AttachingDocs.pdf>. If it comes due and payable, the penalty payment must be submitted to the following address:

If via overnight mail (FedEx, UPS):	If via USPS:
TDHCA Attn: Ysella Kaseman 221 E 11 th St Austin, Texas 78701	TDHCA Attn: Ysella Kaseman P.O. Box 13941 Austin, Texas 78711

IT IS FURTHER ORDERED that the terms of this Agreed Final Order shall be published on the TDHCA website.

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Approved by the Governing Board of TDHCA on 2/19, 2015.

By: /s/ J. Paul OXer
Name: J. Paul OXer
Title: Chair of the Board of TDHCA

By: /s/ Barbara B. Deane
Name: Barbara B. Deane
Title: Secretary of the Board of TDHCA

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 19th day of February, 2015, personally appeared J. Paul OXer, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

/s/ Leah Sargent Rosas
Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 19th day of February, 2015, personally appeared Barbara B. Deane, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

(Seal)

/s/ Leah Sargent Rosas
Notary Public, State of Texas

Attachment 1

UPCS Violations

[excluded from web version]

Attachment 2

File Monitoring Correction Instructions

1. File Violations for Units 135, 140, 209, 223, and 246: Follow the instructions below and submit documentation on or before April 1, 2015:

Circumstance with respect to units listed above	Required Action
If units 135, 209, 223, and/or 246 were occupied by qualified households at the time of the 1/23/2014 monitoring review and the same households are currently occupying the unit(s)	Follow the instructions that are outlined for each unit at Attachment 3. If the circumstances outlined in the instruction letter at Attachment 3 no longer exist, follow the instructions below.
If units 135, 140, 209, 223, and/or 246 are occupied by a new qualified household with a move-in date after 1/23/2014	Submit the full tenant file, including the tenant application, verifications of all sources of income and assets, tenant income certification, lease, lease addendum, and tenant rights and resources guide acknowledgment.
If units 135, 140, 209, 223, and/or 246 are occupied by a nonqualified household on a month-to-month lease	A. Follow your normal procedures for terminating residency and provide a copy of documentation to TDHCA. B. As soon as the unit is occupied by a qualified household, you must submit the full tenant file, including the tenant application, verifications of all sources of income and assets, tenant income certification, lease, lease addendum, and tenant rights and resources guide acknowledgment. Receipt after 4/1/2015 is acceptable for this circumstance provided that Requirement A above is fulfilled.
If units 135, 140, 209, 223, and/or 246 are occupied by a nonqualified household with a non-expired lease	A. Issue a nonrenewal notice to tenant and provide a copy to TDHCA. B. As soon as the unit is occupied by a qualified household, you must to submit the full tenant file, including the tenant application, verifications of all sources of income and assets, tenant income certification, lease, lease addendum, and tenant rights and resources guide acknowledgment. Receipt after 4/1/2015 is acceptable for this circumstance provided that Requirement A above is fulfilled.
If units 135, 140, 209, 223, and/or 246 are vacant	A. Unit must be made ready for occupancy and a letter certifying to that effect must be submitted to TDHCA. B. As soon as the unit is occupied by a qualified household, you must submit the full tenant file, including the tenant application, verifications of all sources of income and assets, tenant income certification, lease, lease addendum, and tenant rights and resources guide acknowledgment. Receipt after 4/1/2015 is acceptable for this circumstance provided that Requirement A above is fulfilled.

2. Affirmative Marketing Plan: Follow instructions at the “Noncompliance with Affirmative Marketing requirements described in 10.61” bullet point at Attachment 3 and submit required documentation to the Department.

3. Lease requirements for Units 142 and 235 - and - Fair Housing Disclosure Notice violations for units 104, 105, 106, 107, 112, 113, 114, 115, 117, 123, 124, 125, 126, 129, 134, 136, 138, 142, 143, 144, 149, 150, 202, 207, 208, 209, 212, 213, 215, 216, 217, 222, 223, 225, 226, 227, 229, 230, 232, 233, 234, 235, 236, 238, 240, 241, 242, 243, 248, 249 and 250. Perform the following:

1. Post a laminated copy of the Tenant Rights and Resources Guide in the common area of the leasing office. Link to Guide:
<http://www.tdhca.state.tx.us/pmcdocs/FairHousingDisclosureBooklet.doc>.
2. Submit a letter to TDHCA listing which of the above households that resided in the above units as of 1/23/2014, have since moved out. If they moved out without signing the acknowledgment, the associated Fair Housing Disclosure Notice and/or lease finding(s) will be uncorrectable.
3. If the households residing in the above units as of 1/23/2014 remain in those units, provide a copy of the Tenant Rights and Resources Guide to each household and have them sign the Tenant Rights and Resources Guide Acknowledgment. A copy of the Acknowledgment form is available at <http://www.tdhca.state.tx.us/pmcdocs/FairHousingDisclosureSignaturePage.pdf>.
4. Submit the above referenced letter and signed acknowledgments.

4. Written Tenant Selection Criteria: Follow instructions at the “Noncompliance with tenant selection requirements described in 10.610” bullet point on Attachment 3, and submit written criteria to the Department.

5. Unit 116: One of the following must be performed on or before 4/1/2015 in order to reduce the administrative penalty by \$2,500.00 as ordered above:

- a. Convert unit back to residential use and submit a letter to the Department on or before 4/1/2015 certifying that the unit is ready for occupancy. Then, once as the unit is occupied by a qualified household, submit the full tenant file, including the tenant application, verifications of all sources of income and assets, tenant income certification, lease, lease addendum, and tenant rights and resources guide acknowledgment. Receipt of a tenant file after 4/1/2015 is acceptable for this circumstance provided that the certification indicating that the unit is ready for occupancy is submitted on or before 4/1/2015; – OR –
- b. Submit all necessary parts of a material LURA amendment request, including the \$2,500.00 processing fee, in order to request a reduction in the number of restricted units and retain unit 116 as an office. Material LURA Amendment Request instructions are available at page 17 of: <http://www.tdhca.state.tx.us/asset-management/docs/PostCarryoverActivitiesManual.pdf>. Any questions regarding the amendment process can be directed to Lee Ann Chance at leeann.chance@tdhca.state.tx.us or 512.936.7835.

Attachment 3

**TDHCA file monitoring letter dated 9/25/2014, providing detailed instructions regarding
how to resolve file monitoring violations**

[excluded from web version]

Attachment 4

Tenant File Guidelines

The following technical support does not represent a complete list of all file requirements and is intended only as a guide. Forms discussed below are available at: <http://www.tdhca.state.tx.us/pmcomp/forms.htm>.

1. **Intake Application:** The Department does not have a required form to screen households, but we make this form available for that purpose. It is required that households be screened for household composition, income, and assets. Applicants must complete all blanks on the application and answer all questions. Any lines left intentionally blank should be marked with “none” or “n/a.” The application must be signed and dated by all adult household members, using the date that the form is actually completed.
2. **Verify Income:** Each source of income and asset must be documented for every adult household member based upon the information disclosed on the application. There are multiple methods:
 - a. **First hand verifications:** Paystubs or payroll print-outs that show gross income. If you choose this method, ensure that you consistently collect a specified number of consecutive check stubs as defined in your management plan;
 - b. **Employment Verification Form:** Part 1 must be completed by you and signed by the tenant. Part 2 must be completed by the employer. To prevent fraud, you must submit the form directly to the employer and must not allow the tenant to handle it. You should ensure that the person completing the employer portion has authority to do so and has access to all applicable information in order to verify the employment income. If you receive the verification via mail, retain the envelope. If you receive it via fax, ensure that the fax stamp is on it;
 - c. **Verification of non-employment income:** You must obtain verifications for all other income sources, such as child support, social security, and/or unemployment benefits;
 - d. **Telephone Verifications:** these are acceptable *only* for clarifying discrepancies and cannot be used as primary form of verification. Include your name, the date, the name of the person with whom you spoke, and your signature;
 - e. **Certification of Zero Income:** If an adult household member does not report any sources of income on the application, this form can be used to document thorough screening and to document the source of funds used to pay for rent, utilities, and/or other necessities.

3. **Verify Assets:** Regardless of their balances, applicants must report all assets owned, including assets such as checking or savings accounts. The accounts are typically disclosed on the application form, but you must review all documentation from the tenant to ensure proper documentation of the household's income and assets. For instance, review the credit report (if you pull one), application, pay stubs, and other documents to ensure that all information is consistent. Examples of ways to find assets that are frequently overlooked: Review pay stubs for assets such as checking and retirement accounts that the household may have forgotten to include in the application. These accounts must also be verified. Format of verifications:
 - a. **Under \$5000 Asset Certification Form:** If the total cash value of the assets owned by members of the household is less than \$5,000, as reported on the Intake Application, the TDHCA Under \$5,000 Asset Certification form may be used to verify assets. If applicable, follow the instructions to complete one form per household that includes everyone's assets, even minors, and have all adults sign and date using the date that the form is actually completed.
 - b. **First hand verifications** such as bank statements to verify a checking account. Ensure that you use a consistent number of consecutive statements, as identified in your management plan.
 - c. **3rd party verifications** using the TDHCA Asset Verification form. As with the "Employment Verification Form" discussed above, Part 1 must be completed by you and signed by the tenant. Part 2 must be completed by the employer. To prevent fraud, you must submit the form directly to the employer and must not allow the tenant to handle it. You should ensure that the person completing the employer portion has authority to do so and has access to all applicable information in order to verify the employment income. If you receive the verification via mail, retain the envelope. If you receive it via fax, ensure that the fax stamp is on it.
4. **Tenant Income Certification Form:** Upon verification of all income and asset sources disclosed on the application and any additional information found in the documentation submitted by the tenant, the next step is to annualize the sources on the Income Certification Form, add them together, and compare to the applicable income limit for household size which can be found at <http://www.tdhca.state.tx.us/pmcomp/irl/index.htm>. Be sure to include any income derived from assets. The form must include (and be signed by) each adult household member.
5. **Lease:** Must conform with your LURA and TDHCA requirements and indicate a rent below the maximum rent limits, which can be found at <http://www.tdhca.state.tx.us/pmcomp/irl/index.htm>. When determining the rent, ensure that the tenant's rent, plus the utility allowance, plus any housing subsidies, plus any mandatory fees, are below the maximum limits set by TDHCA. 10 Tex. Admin. Code §10.613(a) prohibits the eviction or termination of tenancy of low income households for reasons other than good cause throughout the affordability period in accordance with Revenue Ruling 2004-82. In addition, 10 Tex. Admin. Code §10.613(e) prohibits HTC developments from locking out or threatening to lock out any development resident, or seizing or threatening to seize personal property of a resident, except by judicial process, for purposes of performing necessary repairs or construction work, or in case of emergency. The prohibitions must be included in the lease or lease addendum. The Texas Apartment Association has an affordable lease addendum that has incorporated this required language. If you are not a TAA member, you can draft a lease addendum using the requirements outlined above.

6. **Tenant Rights and Resources Guide:** As of 1/8/2015, the Fair Housing Disclosure Notice and Tenant Amenities and Services Notice have been replaced by the Tenant Rights and Resources Guide, a copy of which is available online at: <http://www.tdhca.state.tx.us/pmcdocs/FairHousingDisclosureBooklet.doc>.

In accordance with 10 TAC §10.613(k), a laminated copy of this guide must be posted in a common area of the leasing office. Development must also provide a copy of the guide to each household during the application process and upon any subsequent changes to the items described at paragraph b) below. The Tenant Rights and Resources Guide includes:

- a) Information about Fair Housing and tenant choice; and
- b) Information regarding common amenities, unit amenities, and services.

A representative of the household must receive a copy of the Tenant Rights and Resources Guide and sign an acknowledgment of receipt of the brochure prior to, but no more than 120 days prior to, the initial lease execution date.

In the event that there is a prior finding for a Fair Housing Disclosure Notice or Tenant Amenities and Services Notice, correction will be achieved by providing the household with the Tenant Rights and Resources Guide and receiving a signed acknowledgment. A copy of the acknowledgment form is available at:

<http://www.tdhca.state.tx.us/pmcdocs/FairHousingDisclosureSignaturePage.pdf>.