

# Texas State Affordable Housing Corporation

## Briarcrest Apartments

252650 I-45 North  
Spring, TX 77386

**Owner: The American Opportunity Foundation, Inc. Date Built: 1981**  
**Management Company: Asset Plus Companies Property Manager: Dianne Sparks**

**INSPECTION DATE/ TIME: October 4<sup>th</sup>, 2011 at 8:00 am**

**Inspector's Name: Mindy Green**

Occupancy at Time of Report:	78%	Average Occupancy Over Last 12 Months:	76%
<b>Number of Units: 376</b>			
Number of One Bedrooms:	232	Number of Two Bedrooms:	144
Number of Three Bedrooms:	NA	Number of Four Bedrooms:	NA

PHYSICAL INSPECTION	YES	NO	N/A
1) Are the access gates in operable condition?			X
2) Is the community monument sign in acceptable condition?	X		
3) Is the perimeter fence surrounding the property in acceptable condition?	X		
4) Are the grounds and landscaping in acceptable condition?		X	
5) Are trees and shrubs properly trimmed?	X		
6) Are there signs of erosion, foot paths or tree root elevations?	X		
7) Are sidewalks clean and in good repair?		X	
8) Is parking lot clean and in good repair with handicap parking clearly marked?		X	
9) Are recreational/common areas clean, maintained and accessible?	X		
10) Are laundry facilities clean, maintained and accessible?	X		
11) Is facility equipment operable and in acceptable condition?	X		
12) Is the area around the waste receptacles clean and are the enclosures in good repair?	X		
13) Is the exterior of the buildings in acceptable condition?	X		
14) Are hallways clean and maintained?			X
15) Are storage/maintenance areas clean, maintained and organized?	X		
16) Are building foundations in good repair?	X		
17) Are the gutters, downspouts and fascia boards on the buildings in good repair?	X		
18) Do the building roofs appear to be in good condition?	X		
19) Do balconies and upper level walkways appear to be in good condition?	X		
20) Do windows, blinds, doors, and trim appear to be in good condition?		X	
21) Are there any major repairs on the property currently?	X		
22) Have repairs or corrections recommended or required from the last physical inspection been satisfactorily completed?			X
23) Are there any other health, fire or safety concerns that need to be addressed?	X		

**COMMENTS:** On the day of the site visit, new hardy plank siding was being installed on the office. All buildings on the property are currently getting wood repairs or replacements so that the property can be painted. (See pictures below.) On the day of the site visit, the pool didn't have any furniture. Management noted that permanently fixed furniture would hopefully be budgeted in 2012. Sidewalks throughout the property have major cracks which are trip hazards. Management stated that cracks are scheduled to be repaired to reduce the risk of trips. There are several mail areas on the property. While some were in good condition, others were not. It is suggested that management ensure all mailboxes are in good working condition to protect the privacy of residents. The property has good curb appeal due to all of the mature trees on the property; however the trees block the sunlight which makes it impossible for grass to grow in several areas. In addition, there are several areas of erosion on the property which could be remedied with edging combined with grass or other vegetation. Management commented that some trees throughout the property are scheduled to be removed and trimmed. On the day of the site visit, there was a water leak, which appeared to be from the irrigation system, near unit 1703.

**Finding:**

- **On the day of the site visit there were several drains and pipes missing covers. These drains and pipes create a trip hazard for anyone walking around the property. Management must take an inventory of the exterior of all the buildings to determine how many covers are needed, once the inventory has been completed covers should be ordered and put on exposed pipes and drains. Management must submit a copy of the inventory, invoices, and work orders as proof that the covers were installed, to TSAHC by December 1, 2011.**

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- Cable boxes and wires throughout the property are left open with exposed wiring. This not only affects the properties curb appeal, but is also a major safety hazard to residents of the property. This problem should be addressed immediately and the owner must submit to TSAHC by November 3, 2011 evidence that the necessary repairs have been made.

**Observation:**

- The sewer shut off vaults on the property are housed in unsightly wooden boxes that were not weather treated. These boxes are an eye sore for current and prospective residents. It is suggested that Management re-evaluate the housing of the sewer shut of vaults.
- The property has a few laundry rooms spread throughout the property, the laundry rooms appear to have working equipment, however the rooms are uninviting and could benefit from new paint and flooring. It is suggested that Management research possible laundry room updates.
- The entry doors for most of the units on the property have peeling paint and are dented. It is suggested that management research the option of purchasing new doors for the property or painting all of the doors to increase curb appeal.
- Several residents are using the area outside of their units as storage. This provides for poor curb appeal for current and prospective residents and potential safety hazards. It is suggested that Management implement stricter policies for keeping items stored outside, that are not meant to be outside.

\*Occupancy information only reflects the previous 11 months.

### SECURITY PROGRAM Part I

1) In reviewing the police report the following incidents were noted and includes the number of times incidents occurred:

Incident Type	# of Occurrences	Comments:
Burglary	4	4- Robbery
Theft	11	
Criminal Mischief	1	
Personal Assault	0	
Drug Activity	0	
Gunfire	0	
Domestic Violence	0	
Disturbance	5	
Other	1	1- Stabbing

2) Does the property have a written plan to address criminal activity on the property?

- Ø The property does not have a written crime prevention plan; however they do have written policies regarding how to handle criminal activity.

3) What pro-active measures is the property taking to address crime on the property?

- Ø The property has a police officer that walks the property every other night and the property has very active relationship with the patrol officer in the neighborhood. In addition, trees were recently trimmed to increase visibility on the property.

4) How often is a light check conducted on the property?

- Ø A light check is performed weekly and monthly.

**COMMENTS:** On the Asset Oversight report dated March 17, 2010, the property was required to submit monthly crime reports to TSAHC. The property continues to have activity that is unsafe, so TSAHC requests that monthly crime reporting be continued.

### SECURITY PROGRAM Part II

	YES	NO	N/A
1) Is the Staff trained in addressing crime on the property?	X		
2) Does the Management Policy or the Resident Services Program address any of the following activities responding to the needs of the community?			
Ø Violent Crime	X		
Ø Drug Activity	X		
Ø Family Violence	X		
Ø Other	X		
3) Are there signs of vandalism on the property?		X	
4) Are criminal background checks being conducted on all residents over 18 years of age?	X		
5) Has a risk assessment been conducted to determine risk liabilities at the property?	X		

**COMMENTS:** The patrol officer notes any vandalism, and the property remediate's them as quickly as possible. Typical vandalism is broken lights and windows.

### OFFICE

	YES	NO	N/A
1) Is the office neat, the desk uncluttered?	X		

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2) Are accurate office hours posted?	X		
3) Are emergency phone numbers posted?	X		
4) Are the EHO logos clearly posted?	X		
5) Are the following displayed in full view?			
Ø Fair Housing Poster	X		
Ø Occupancy Qualifications	X		
6) Are property licenses and permits on file and renewed on a timely basis?	X		
7) Are insurance binders maintained on vendors on-site and/or at the corporate office?	X		
8) Is there a compliance department that ensures the set aside and requirements are being maintained?	X		
9) Which of the following community amenities are provided for resident use?			
Ø Playground	X		
Ø Community Room/Resident Service Center	X		
Ø BBQ/Picnic Area	X		
Ø Laundry Facility	X		
Ø Business Center		X	
Ø Pool	X		
Ø Other		X	
<b>COMMENTS:</b>			

KEY CONTROL	YES	NO	N/A
1) Are all property keys properly coded?	X		
2) Is key box locked and secured?	X		
3) Is the key code list kept separate from the key box?	X		
4) Are locks being changed during turnover of vacant units and turnover of staff?	X		
<b>COMMENTS:</b>			

MAINTENANCE PROGRAM	YES	NO	N/A
1) Is the preventative maintenance schedule being implemented?	X		
2) Is the maintenance shop clean and organized?			
3) How often does the exterminator provide services? Ø Pest control services are provided weekly.			
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly? Ø A MSDS binder was found in the maintenance shop.			
5) What is the policy on follow ups for completed service requests? Ø Work orders that require major repairs are called back once per week.			
6) What is the property's after hours emergency policy? Ø After hours calls are forwarded to an answering service that calls on call maintenance if an emergency exists.			
7) What capital improvements have been scheduled for this budget year? Ø The following capital improvements have been completed or have been budgeted for this year: wood replacement, siding repair/replacement, trim repair/replacement, balcony repairs, stair stringers repairs, drainage repairs, full property paint, tree trimming and removal, patio gate removal for all units, parking lot repairs, appliance replacements, carpet and vinyl replacement, 60 new AC units			
<b>The following information was reported for the month of September 1, 2011-October 4, 2011:</b>			
Number of service requests received:	250		
Number of service requests completed:	336		
Number of service requests completed within 24 hours:	11		
Number of outstanding service requests:	33		
<b>COMMENTS:</b>			

REHABILITATION DETAIL	YES	NO	N/A
1) Has rehab been completed according to the schedule?	X		
2) Were materials and repairs completed according to the detail provided during the application process?	X		
	<b>DATE</b>	<b>AMOUNT</b>	<b>LOCATION</b>
3) Were unit interior upgrades performed? Ø Funds have been dispersed for carpet replacements.	Through 10.31.11	\$25,355	

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4) Were appliances purchased/replaced? <input type="checkbox"/> Dishwashers, refrigerators, and ranges were purchased.	Through 10.31.11	\$51,653	
5) Were building exteriors repaired? <input type="checkbox"/> Funds have been dispersed for balcony and stair repairs.	Through 10.31.11	\$127,336	
5) Were amenities upgraded/repaired? <input type="checkbox"/> NA		\$	
6) Were HVAC systems installed or repaired? <input type="checkbox"/> New HVAC systems have been purchased.	Through 10.31.11	\$82,812	
7) Were plumbing or electrical repairs made? <input type="checkbox"/> Plumbing repairs have been made.	Through 10.31.11	\$7,008	
8) Were any repairs made to the parking area, including carports? <input type="checkbox"/> NA		\$	
8) Were any additional repairs made? <input type="checkbox"/> NA		\$	

## MARKETING

1) Complete the table below with the most recent information available.

SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$200	35	12
Flyers	\$25		
Resident Referral (\$50 per Resident)	\$100	10	5
Locator Service	\$1200	3	1
Printed Advertising (Apartment Finder, Green Sheet-Free)	\$690	1	0
Internet Advertising (Apartmentfinder.com, Buenous Suerte, Facebook, Apartment Home Living, Craigslist, GoSection8, Property Website, Asset Plus)	\$0	16	7
Preferred Employer			
Other Source (Pizza Box Ads 3 month for \$150), Yellowpages		7	2
<b>TOTAL</b>	<b>\$2,215</b>	<b>72</b>	<b>27</b>

The rental activity reflected in the above table was for the month of : September 1, 2011-October 4, 2011

	YES	NO	N/A
2) Is the property doing bilingual advertising?	X		
3) Does the property have any competitors?	X		
4) How often are competitors shopped? <input type="checkbox"/> The property physically shops competitors every quarter.			
5) How often is a market survey completed? <input type="checkbox"/> A market survey is completed monthly.			

**COMMENTS:**

LEASE RENEWAL	YES	NO	N/A
1) Is an effective lease renewal program in place?	X		
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Last Month 70%	6 Months 69%	12+ Months 67%
3) When are the lease renewal/rent increase notices sent to residents? <input type="checkbox"/> Recertification notices are sent 90 in advance and then every 30 days after that.			
4) Are individual files being reviewed to determine renewal/non-renewal status?	X		
5) How are renewals tracked and monitored? <input type="checkbox"/> Renewals and Recertification's are being tracked in One-site.			
6) Are rent increases being implemented?		X	
7) What is the number of month-to-month leases?	26		
8) What is the month-to-month charge?	Market		

**COMMENTS:**

**Observation:**

- The property currently has 26 residents with month to month leases. This allows for a great level of vulnerability for the property if those residents choose to move out at the same time. It is suggested that Management increase efforts to renew month to month leases to decrease the potential for abrupt lost income.

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VACANT/MAKE READY UNITS				
1)	Number of vacant units at time of activity report:		71	
2)	Number of completed made ready units at time of activity report:		5	
3)	Number of completed one bedroom units at time of activity report:		5	
4)	Number of completed two bedroom units at time of activity report:		0	
5)	Number of completed three bedroom units at time of activity report:		NA	
6)	Number of completed four bedroom units at time of activity report:		NA	
7)	Number of uncompleted made ready units at time of activity report:		61	
8)	Number of uncompleted one bedroom units at time of activity report:		45	
9)	Number of uncompleted two bedroom units at time of activity report:		16	
10)	Number of uncompleted three bedroom units at time of activity report:		NA	
11)	Number of uncompleted four bedroom units at the time of activity report:		NA	
<b>Units Walked (model and minimum of 3 make ready units)</b>				
<b>Unit #</b>	Brief Description (See Unit Inspection Sheet for details)			
1111	1x1 Made Ready			
1206	1x1 Made ready			
1708	1x1 Nearly made ready, need touch up clean			
<b>Units Walked (units vacant and unready for extended period of time and all down units)</b>				
<b>Unit #</b>	Brief Description (See Unit Inspection Sheet for details)			
514	2x2 (Vacant 181 days) Needs appliances, needs full turn, no electricity or water, potential sub floor issue in bathroom			
606	2x2 (Vacant 398 days) Needs appliances, needs full turn, no electricity or water			
1119	1x1 (Vacant more than 365 days) Needs full turn			
1122	1x1 (Vacant 294 days) Needs full turn			
1323	1x1 (Vacant more than 365 days) Needs appliances			
1603	1x1 (Vacant 356 days) Has new HVAC unit, need bathroom fixtures and kitchen appliances			
1814	1x1 (Vacant 139 days) Using unit as storage for appliances,			
1824	1x1 (Vacant more than 365 days) Unit has not been trashed out, needs full turn and all appliances			
2107	1x1 (Vacant more than 365 days) Needs trash out, sink is leaking, old HVAC units are being stored in unit			
2108	1x1 (Vacant 251 days) needs carpet clean/replacement			
		<b>YES</b>	<b>NO</b>	<b>N/A</b>
1)	Were inspected units in acceptable condition?		X	
2)	Does the Unit Availability Report match the make ready board?	X		
3)	Are units being turned in a timely manner?		X	
4)	Are there any down units?	X		
5)	Are there vacant units that have been vacant for an extended period of time?	X		
6)	Does management have a system to monitor timely preparation of vacant units?	X		
7)	Are units inspected after being made ready?	X		
8)	How often are occupied units inspected? Ø Occupied units are inspected twice annually.			
9)	How often are vacant units inspected? Ø Vacant units are inspected quarterly, unless they're about to be turned. If units are about to be turned they're inspected more often.			
10)	What is the company policy on turning vacant units? Ø The company policy is to turn vacant units is 5 business days.			
11)	How many vacant unready units are near completion? Ø Five units are nearly made ready.			
<b>COMMENTS:</b> Several vacant units have not been trashed out yet.				
<b>Finding:</b>				
<ul style="list-style-type: none"> <li>• Units 606, 1119, 1122, 1323, 1603, 1824, 2107, and 2108 are considered down because they are not available for rental on a continuous basis to members of the general public. The units must be deleted from the November 2011 Unit Status Report due December 10, 2011. The unit designation must be market until a qualified household occupies the unit. In response to this review,</li> </ul>				

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**the owner must submit proof that the units are back on-line and available for rental to the general public in the form of invoices, work orders, pictures, and/or Tenant Income Certifications to TSAHC.**

<b>BUDGET MANAGEMENT</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
1) Is management using the current budget to monitor and control operating expenses?	X		
2) How many bids are solicited in order to obtain materials, supplies, and services? Ø Three bids are collected in order to obtain materials and services.		X	
3) Have there been any large unexpected repairs or purchases that have negatively affected the budget? Ø No.		X	
4) Explain variance of 10% or greater YTD.			

### Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending

(Please note that a positive variance is under budget and a negative variance is over budget.)

EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION
General & Administrative	23,556.59	27,218.00	3,661.41	13%	Computer Exp. Rent- Equipment, Training
Contract Services	93,158.82	81,034.00	-12,124.82	-15%	Security Officer, Cleaning, HVAC
Make Ready	59,393.71	68,774.00	-9,380.29	14%	Interior Repairs, Carpeting Cleaning and Repair
Repairs & Maintenance	62,320	54,102	-8,218	-15%	HVAC, Pools, Common Areas
Advertising	2,481	4,314	1,833	42%	Locator Fees, Referral Fees, Promotions & Events

**COMMENTS:**

<b>REVENUE</b>					
<b>FOR THE MONTH OF July 2011</b>			<b>YEAR TO DATE</b>		
Gross Potential		\$237,940	Gross Potential		\$1,650,550
Budgeted		232,657	Budgeted		1,640,286
Variance + (-)		5,283	Variance + (-)		10,263.51
Collected to Date		152,832	Collected to Date		1,042,421
Other Revenue		11,317	Other Revenue		84,015
Total Collected		164,148	Total Collected		1,126,436
Budgeted		172,761	Budgeted		1,145,505
Variance + (-)		-8,613	Variance + (-)		-19,069

**COMMENTS:**

<b>ACCOUNTS PAYABLE</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
1) Is the payable report up to date?	X		
2) Do the invoices reflect late charges due to late payments?		X	
3) Have any property accounts been closed in the past 30 days?		X	
4) Is debt being controlled?			
5) How often are invoices processed? Ø Invoices are processed weekly.			
6) If payments are a problem, what is management doing to correct the problem? Ø			

**COMMENTS:** In reviewing the aged accounts payable report it appears that most of the \$48,743, that is outstanding 30 days, is attributed to turning vacant units.

Current:		\$12,523
30 Days:		\$48,743
60 Days and Over:		\$26
<b>TOTAL</b>		<b>\$61,292</b>

<b>DELINQUENCIES</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
1) Is the delinquency report up to date?	X		
2) What is the collection policy for outstanding rents? Ø Rent is late on the 4 <sup>th</sup> and 3 day notices go out on the 4 <sup>th</sup> .			
3) When is legal action taken against delinquent accounts? Ø Evictions are typically filed on the 10 <sup>th</sup> of the month.			

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4) Does the property currently have any resident(s) under eviction?	\$7,610		
5) Does Housing have any outstanding balances?		X	
<b>COMMENTS:</b>	Current:		\$113,622
	30 Days:		\$13,736
	60 Days and Over:		\$2,707
	TOTAL		\$130,065

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:	3		
2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		
<b>COMMENTS:</b>			

PERSONNEL	YES	NO	N/A
1) Does owner/agent have a system/procedure for providing field supervision of on-site personnel?	X		
2) Does the property appear to be adequately staffed?		X	
3) Is overtime being controlled?	X		
4) Were requested pre-audit reports submitted on time?	X		
5) Does it appear that personnel are team oriented?	X		
6) Do personnel appear to be dressed appropriately?	X		
7) Are name tags/photo IDs being worn by the maintenance personnel?	X		
8) Was management staff prepared for the site visit?	X		
9) How often are staff meetings held? Ø Staff meetings are held weekly.			
10) Have personnel been trained in Fair Housing?	X		
11) List all training staff has received in the past three years. Ø Staff have received the following training: One Site, Conservice (utility billing), Compliance, Leasing, Call Source Training classes (leasing 101, marketing, customer service, etc)			
<b>COMMENTS:</b> The property currently has an Assistant Maintenance position open. Staff was prepared for the site visit and was very helpful during the review process.			

OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to computer generated reports?	X		
2) If owner does not have computer access to the reports, what reports are submitted to the owner? Ø NA			
3) How often are the reports submitted to the owner? Ø Reports are submitted to the owner weekly and monthly.			
4) What is the amount that requires owner approval for the release of funds? Ø Expenses unbudgeted or over budget by \$500, require approval from the Regional Manager.			
5) Are the funds for needed capital improvement items, turning of units, marketing campaigns released by the owner according to what has been budgeted?	X		
<b>COMMENTS:</b>			

SUMMARY OF OBSERVATIONS AND FINDINGS
<p><b>Findings:</b></p> <ul style="list-style-type: none"> <li>On the day of the site visit there were several drains and pipes missing covers. These drains and pipes create a trip hazard for anyone walking around the property. Management must take an inventory of the exterior of all the buildings to determine how many covers are needed, once the inventory has been completed covers should be ordered and put on exposed pipes and drains. Management must submit a copy of the inventory, invoices, and work orders as proof that the covers were installed, to TSAHC by <b>December 1, 2011</b>.</li> <li>Cable boxes and wires throughout the property are left open with exposed wiring. This not only affects the properties curb appeal, but is also a major safety hazard to residents of the property. This problem should be addressed immediately and the owner must submit to TSAHC by <b>November 3, 2011</b> evidence that the necessary repairs have been made.</li> <li>Units 606, 1119, 1122, 1323, 1603, 1824, 2107, and 2108 are considered down because they are not available for rental on a continuous basis to members of the general public. The units must be deleted from the November 2011 Unit Status Report due <b>December 10, 2011</b>. The unit designation must be market until a qualified household occupies the unit. In response to this review, the owner must submit proof that the units are back on-line and available for rental to the general public in the form of invoices, work orders, pictures, and/or Tenant Income Certifications to TSAHC.</li> </ul>

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## Observations:

- The sewer shut off vaults on the property are housed in unsightly wooden boxes that were not weather treated. These boxes are an eye sore for current and prospective residents. It is suggested that Management re-evaluate the housing of the sewer shut of vaults.
- The property has a few laundry rooms spread throughout the property, the laundry rooms appear to have working equipment, however the rooms are uninviting and could benefit from new paint and flooring. It is suggested that Management research possible laundry room updates.
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- Several residents are using the area outside of their units as storage. This provides for poor curb appeal for current and prospective residents and potential safety hazards. It is suggested that Management implement stricter policies for keeping items stored outside, that are not meant to be outside.
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