

Texas State Affordable Housing Corporation

Brooks Manor

444 E. Jefferson Street West Columbia, TX, 77486

Owner: Monroe Group LTD

Date Built: 1983

Management Company: Monroe Group

Property Manager: Danielle Bennet

Inspection Date & Time: July 20, 2018 at 8:00 AM

Inspector's Name: James Matias

Occupancy at Time of Report:	92%	Average Occupancy Over Last 12 Months:	96.2%
Number of Units: 50			
Number of One Bedrooms:	50	Number of Two Bedrooms:	0
Number of Three Bedrooms:	0	Number of Four Bedrooms:	0

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 (see comment)	
5) Are trees and shrubs properly trimmed?	X		
6) Are the grounds free of erosion, foot paths and tree root elevation?	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 (see comment)	
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) Is Management addressing all health, fire or safety concerns on the property?	X		
22) Have repairs or corrections recommended or required from the last physical inspection been satisfactorily completed?			X (first review)

COMMENTS: On the day of the site visit the property appeared to be well kept with an inviting curb appeal. The buildings, roofs, foundations, sidewalks, doors, and /windows were all found to be in good condition and working properly. The landscaping was mowed, however it appears that edging is needed at this time and moving forward. Management stated in house maintenance takes care of the landscaping and they will be edging as soon as possible. One of the trash receptacles had large bulk items, such as a couch, near it. Management stated they are working with the city on getting bulk items picked up. The property was recently acquired and rehabilitated; a lot of the rehab work was recently completed. The vast majority of that rehab was for the interior of the units and it included the replacement of flooring, doors, windows, fans, electrical and plumbing fixtures, cabinets, counters, and appliances.

SECURITY PROGRAM Part I

1) After review of the prior 3 months of police reports, the following incidents were noted and includes the number of times incidents occurred:		
Incident Type	# of Occurrences	Comments:
Burglary		
Theft		
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		

Texas State Affordable Housing Corporation

Domestic Violence				
Disturbance	3	2 (Loud Noise), 1 (Verbal Disturbance)		
Other				
		YES	NO	N/A
2) Does the property utilize a crime prevention agreement?			X	
3) Does the property take pro-active measures to address crime on property? If so, add comment		X		
4) Are light checks conducted by management staff on a weekly basis? If not, add comment.		X		
COMMENTS: As part of the property's rehab, additional exterior lighting was added to the property. Light checks are conducted weekly by maintenance. Incident reports, obtained by management, from the West Columbia Police Department for the last 3 months indicate very little criminal activity at the community.				

SECURITY PROGRAM Part II		YES	NO	N/A
1) Is the Staff trained to address crime on the property?		X		
2) Is the property free of graffiti and/or vandalism?		X		
3) Are criminal background checks being conducted on all residents over 18 years of age?		X		
➤ Are criminal background checks being conducted on residents as they age to be 18 while living in the unit?				X
4) Has a risk assessment been conducted to determine risk liabilities at the property? If yes, when?		X		
COMMENTS: Management stated that upon the recent acquisition, a risk assessment was completed.				

OFFICE		YES	NO	N/A
1) Is the office neat, the desk uncluttered?		X		
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 in the leasing office?				
➤ Fair Housing Poster		X		
➤ Occupancy Qualifications		X		
6) Is there a compliance department that ensures the set aside and eligibility requirements are being maintained?		X		
7) Does the property require licenses or permits? ➤ (Describe)			X	
8) Are property licenses and permits renewed as required?				X
9) Are vendor insurance records/binders properly maintained?		X		
10) Are vendors properly screened to ensure proper insurance documents are being maintained?		X		
11) Which of the following community amenities are provided for resident use?				
➤ Playground			X	
➤ Community Room		X		
➤ BBQ/Picnic Area		X		
➤ Laundry Facility		X		
➤ Business Center		X		
➤ Pool			X	
➤ Other (describe)			X	
COMMENTS:				

KEY CONTROL		YES	NO	N/A
1) Does the property use an electronic key tracking system? If no, answer questions 2-5.		X		
2) Are all property keys properly coded?				X
3) Is key box locked and secured?				X
4) Is the key code list kept separate from the key box?				X
5) Are locks being changed during unit turnovers?		X		
COMMENTS:				

MAINTENANCE PROGRAM		YES	NO	N/A
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Texas State Affordable Housing Corporation

1) Does the property have a preventative maintenance program?	X		
2) Is the preventative maintenance schedule being implemented?	X		
3) Is the maintenance shop clean and organized?	X		
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?		X (see observation)	
5) How often are Pest Control services provided? ➤ Pest control services are provided quarterly on all buildings.			
6) What is the policy for following up on completed service requests? ➤ Managers follow up on a few completed work orders daily.			
7) What is the property's after-hours emergency policy? ➤ After-hours emergency calls go directly to the property manager and she distributes them to maintenance when necessary.			
8) What capital improvements have been scheduled or completed for this budget year? ➤ The property recently completed a rehab and no capital improvements have been competed or are on the schedule.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➤ Management did not have this information provided to them after the recent acquisition.			
10) Building Exterior and Curb Appeal repairs ➤ Management did not have this information provided to them after the recent acquisition.			
11) Amenity upgrades ➤ Management did not have this information provided to them after the recent acquisition.			
12) Other repairs or replacements ➤ Management did not have this information provided to them after the recent acquisition.			
Number of service requests received:	18		
Number of requests open from prior periods:	7		
Number of service requests completed:	23		
Number of service requests completed within 24 hours:	15		
Number of outstanding service requests:	2		
13) On average, how many days does it take to complete a work order? ➤ Now that the property has a dedicated maintenance person, it takes less than 5 days to complete a work order. The seven work orders from a prior period are items the maintenance technician is catching up on.			
COMMENTS:			
Observation:			
<ul style="list-style-type: none"> On the day of the site visit the property did not provide a MSDS binder for review. Until recently the property was outsourcing all maintenance and the maintenance area had very little materials. Now that the property has a maintenance person a few materials have accumulated. It is imperative for the safety of the staff to keep an MSDS binder in the maintenance area that will explain what to do with each product in the event of an accident. 			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0		
Flyers	\$0		
Resident Referral	\$0		
Locator Service	\$0		
Printed/Internet Advertising	\$0		
Other Source	\$0		
TOTAL	\$0	See comments	
The rental activity reflected in the above table was for the month of: N/A			
	YES	NO	N/A
2) Is the property doing bilingual advertising?		X	
3) Does the property have any competitors nearby?		X	
4) Does the property "shop" their competitors?		X	
5) Does the property complete a market survey at least monthly?		X	
COMMENTS: The community website is paid for by corporate and part of corporate expenses. Management did not provide a traffic report because management is not currently keeping a traffic log. The property's average occupancy rate for the last 12 months was high (96.2%) and there is rarely any vacancy. In addition, a waiting list is maintained and according to management currently all traffic comes from the Brazoria County Housing Authority. In the event that the market changes or the Housing Authority stops getting a high volume of applications, it would benefit the property to			

Texas State Affordable Housing Corporation

know where and how prospects are learning about the community. It is suggested that the notes section on the wait list be utilized or a traffic report be maintained as new prospects inquirer or apply.

LEASE RENEWAL		YES	NO	N/A
1)	Does it appear that an effective lease renewal program is in place? If no, please comment below.	X		
2)	What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: N/A	6 months: 78.6%	12 months: 84.3%
3)	What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	0%		
4)	Are lease renewal/rent increase notices sent to residents at the 120-day, 90-day, 60-day and 30-day timeframes prior the end of the lese contract? If not, comment below.	X		
5)	Are rent increase notices sent to residents at least 30-days prior to the rent increase implementation?	X		
6)	Are individual files being reviewed to determine renewal/non-renewal status?	X		
7)	Are renewals and re-certifications tracked and monitored with property management software? I.e., Yadri, Onesite, or Owner/Agent created software?	X		
8)	Are rent increases being implemented?	X		
9)	When was the last rent increase implemented? What was the average rent increase? ➤ The last rent increase started in April after HUD released the new income limits.			
10)	How many households are currently on month-to-month leases? ➤ New move-ins have a one year HUD lease. All renewals are in a month-to-month HUD lease.			
11)	What is the charge for month-to-month leases? ➤ No additional charges are incurred for month-to-month leases.			
COMMENTS:				

VACANT/MAKE READY UNITS					
1) Number of vacant units at time of activity report:			3		
2) Number of completed made ready units at time of activity report:			1		
3) Number of completed one bedroom units at time of activity report:			1		
4) Number of completed two bedroom units at time of activity report:			NA		
5) Number of completed three bedroom units at time of activity report:			NA		
6) Number of uncompleted made ready units at time of activity report:			2		
7) Number of uncompleted one bedroom units at time of activity report:			2		
8) Number of uncompleted two bedroom units at time of activity report:			NA		
9) Number of uncompleted three bedroom units at time of activity report:			NA		
Units Walked					
Unit #	Brief Description				
F-24	1x1, Vacant, Ready				
I-40	1x1, Vacant, Almost Ready				
I-43	1x1, Vacant, Almost Ready				
G-32	1x1, Almost vacant, this resident is transferring, full turn is needed				
Down Units Walked (units vacant and unready for extended period of time and all down units)					
Unit #	Brief Description				
NA					
			YES	NO	N/A
1) Does the Unit Availability Report match the make ready board?			X		
2) Are units being turned in a timely manner?			X		
3) Are there any down units?			X		
4) Are there vacant units that have been vacant for an extended period of time? If so, please comment below.				X	
5) Is management utilizing property software (i.e., Yardi, Onesite, or an owner/agent created) to monitor the timely preparation of units? If not, comment.			X		
6) How often are occupied units inspected?					
➤ Occupied units are inspected: Quarterly					

Texas State Affordable Housing Corporation

7) How often are vacant units inspected? ➤ Vacant units are inspected: Weekly
8) How many vacant units are in progress of being made ready? ➤ Three units are in the process of being made ready
9) What is the company policy on the number of days to turn vacant units? ➤ Management stated it takes 5 to 7 business days to turn a vacant unit.
COMMENTS:

BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Three bids are solicited in order to obtain materials, supplies, and services.			
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ There have not been any large unexpected repairs or purchases that have negatively affected the current budget.			
3) Explain YTD variances of 10% or greater.			

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
Administrative Expenses	\$48,958	\$55,048	\$6,090	12.4%	Office Expenses, State Agency Fees, Travel Expenses
Utility Expenses	\$11,396	\$13,700	\$2,304	16.8%	Water And Sewer Expenses
Operating and Maintenance Expenses	\$14,323	\$19,063	\$4,740	24.8%	Maintenance Salary, Replacement Materials, Repair Contracts HVAC and Electrical, and Carpet/Flooring

COMMENTS: Upon acquisition, the property did not have a maintenance person. The budget reflects a surplus for this item because no salary was being paid for a maintenance person until recently.

REVENUE			
FOR THE MONTH ENDING: MAY 2018		YEAR TO DATE AS OF: MAY 2018	
Gross Potential	\$46,000	Gross Potential	\$230,000
Budgeted Rental Income	\$46,000	Budgeted Rental Income	\$230,000
Actual Rental Income Collected	\$45,932	Actual Rental Income Collected	\$229,931
Variance + (-)	\$68	Variance + (-)	\$69
Other Revenue	(\$1,178)	Other Revenue	(\$899)
Total Collected	\$44,154	Total Collected	\$229,032
Budgeted	\$45,633	Budgeted	\$228,165
Variance + (-)	(\$1,479)	Variance + (-)	\$867

COMMENTS:

ACCOUNTS PAYABLE	YES	NO	N/A
1) Is the payable report up to date?	X		
2) Is the property in good standing with all vendors?	X		
3) Are invoices processed weekly?	X		
COMMENTS: Management processes all invoices as soon as they come in.	0-30 Days:		\$0.00
	30-60 Days:		\$0.00
	60 Days and Over:		\$0.00
	TOTAL		\$0.00

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the rent collection policy? ➤ Rent is due on the 1 st day of the month and late on the 6 th . A 10-day letter regarding the balance is issued on the 6 th day of the month, followed by a 3-day Notice to Vacate (NTV). A \$5 charge is accrued on the 6 th , with one additional \$1 being added per day of delinquency. The late charges do not exceed \$30 per month.			

Texas State Affordable Housing Corporation

3) When is legal action taken against delinquent accounts? ➤ Legal action is taken around the 21 st of each month.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
COMMENTS: Currently the property has a higher prepaid balance than a delinquent balance. This is mainly due to housing balances that have been paid in advance. Subsidy has a prepayment amount of \$340 and a delinquent amount of \$29. Two units make up the vast majority of the \$511 tenant rent balance. One has been issued a Notice to Vacate and the other has worked out a rent plan with management.	0-30 Days:		(\$457)
	30-60 Days:		(\$130)
	60 Days and Over:		(\$148)
	TOTAL		(\$735)

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:	0		
2) Has the manager collected and deposited all returned checks?			X
3) Is the manager following company policy on returned checks?	X		
COMMENTS:			

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) Are name tags/photo IDs being worn by the maintenance personnel?	X		
7) Was management staff prepared for the site visit?	X		
8) Has staff turnover occurred since the last site review?			X
9) Are weekly staff meetings held?	X		
10) Have personnel been trained in Fair Housing?		X	
11) List training staff has received in the past year. ➤ The property manager and regional manager are trained in fair housing. See comment.			
COMMENTS: Management stated that they were unsure if the newly acquired maintenance person has received fair housing training or not. Management is encouraged to find out if the maintenance person has been trained and if not, he should receive the training as soon as possible.			

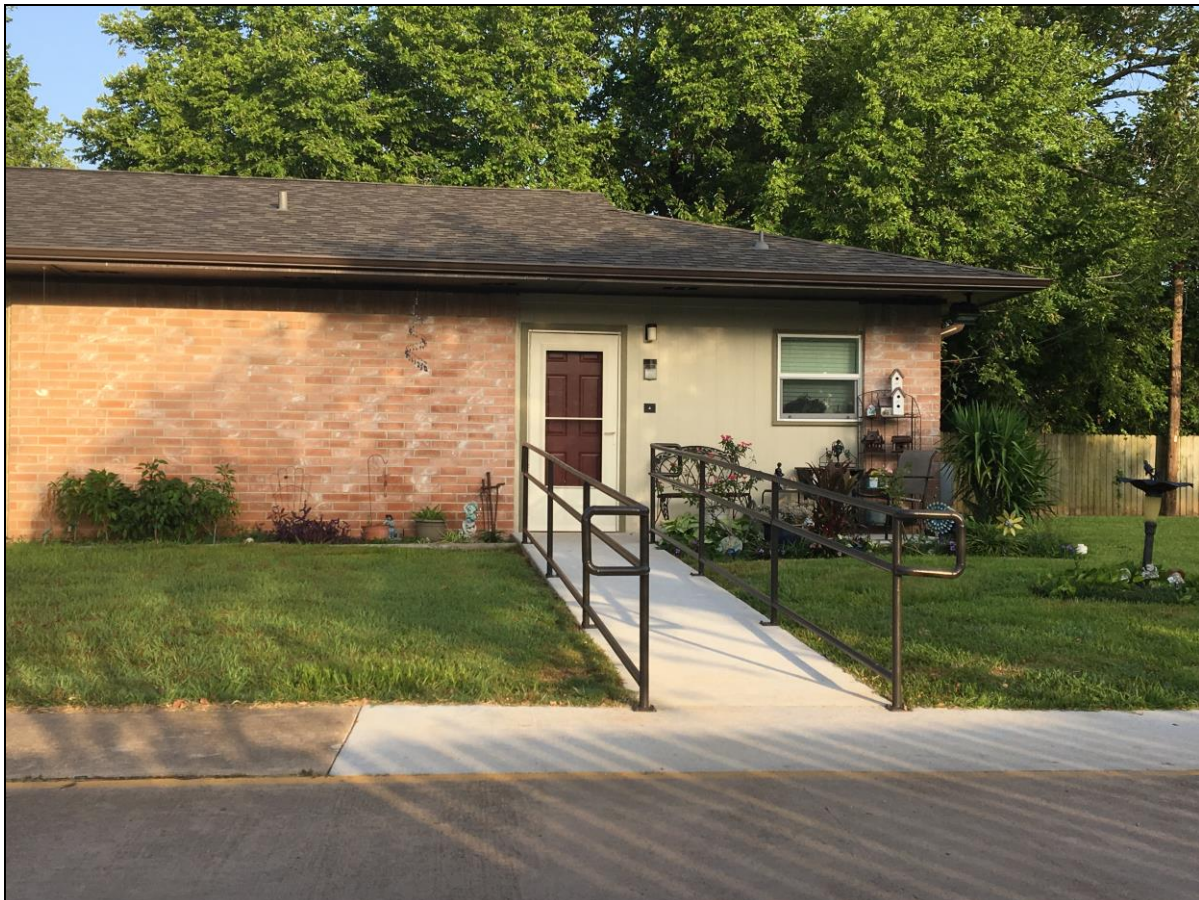
OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to the software system utilized to manage the property?	X		
2) How often are reports submitted to the owner? ➤ Reports are submitted to the owner monthly.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Regarding the approval to use unbudgeted or over budgeted funds, the property manager has a \$500 threshold and the regional manager has a \$2,000 threshold.			
4) Are the funds for needed capital improvement items, turning of units, and marketing campaigns released by the owner according to what has been budgeted?	X		
COMMENTS:			

SUMMARY OF OBSERVATIONS AND FINDINGS
No Findings.
Observation:
<ul style="list-style-type: none"> On the day of the site visit the property did not provide a MSDS binder for review. Until recently the property was outsourcing all maintenance and the maintenance area had very little materials. Now that the property has a maintenance person a few materials have accumulated. It is imperative for the safety of the staff to keep an MSDS binder in the maintenance area that will explain what to do with each product in the event of an accident.

Texas State Affordable Housing Corporation



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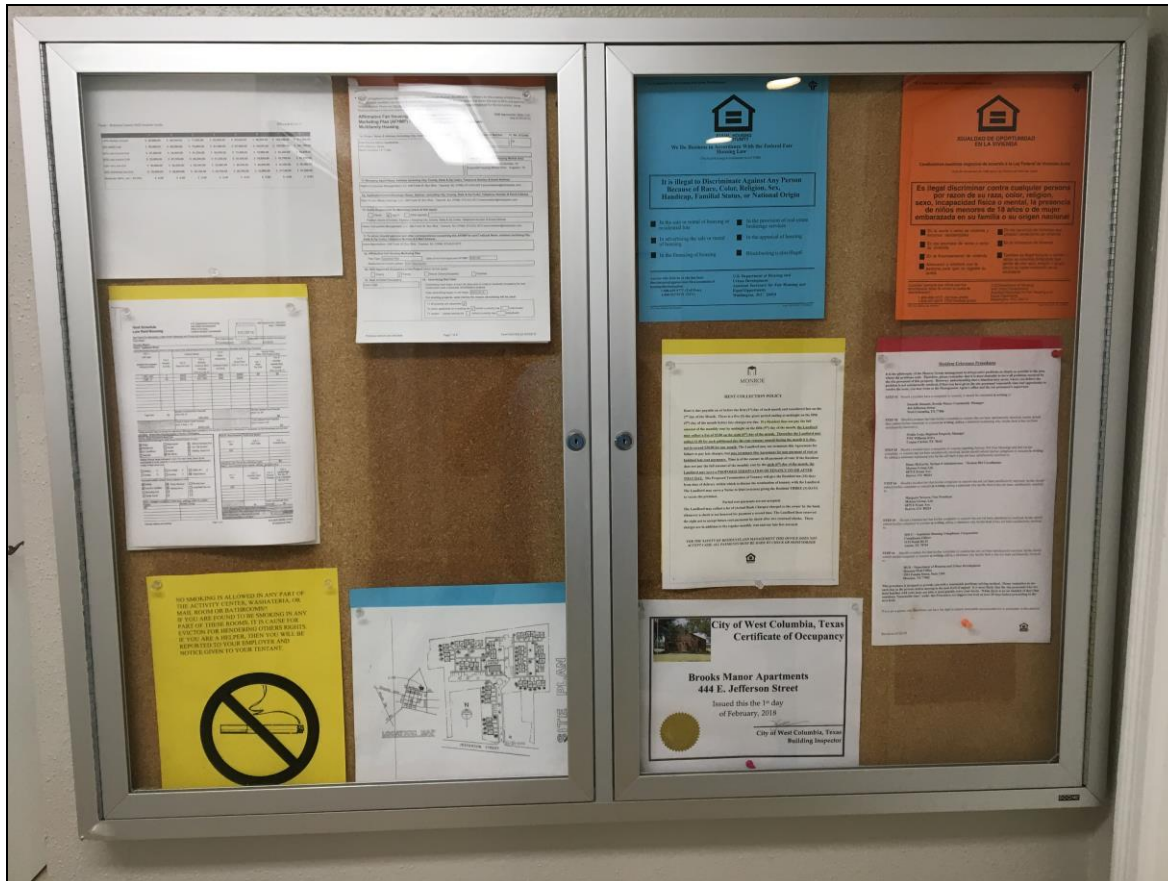


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