

# Texas State Affordable Housing Corporation

## The Willows

1332 Lamar Square Dr., Austin TX 78704

**Owner: Mary Lee Foundation**

**Date Built: 2010**

**Management Company: Mary Lee Foundation**

**Property Manager: Tonya Nash-Wharton**

**Inspection Date & Time: November 29, 2018 @ 9:00 am**

**Inspector's Name: Celina Stubbs**

<b>Occupancy at Time of Report:</b>	96.9%	<b>Average Occupancy Over Last 12 Months:</b>	96.4%
<b>Number of Units: 64</b>			
<b>Number of Efficiency Units:</b>	51	<b>Number of One Bedrooms:</b>	9
<b>Number of Two Bedrooms:</b>	4	<b>Number of Three Bedrooms:</b>	N/A

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 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 – see comment		
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

**COMMENTS:** Based on a visual observation the property grounds were in acceptable condition. The reviewer saw bulk items near the trash receptacle and noticed that the hallways appear to have not been power washed. According to management, the bulk items are scheduled to be picked up and the hallways have not been power washed due to previously elevator issues. The Property Manager stated they will not power wash until they have found a solution to ensure water does not get into the elevator.

**Observation:**

- **TSAHC acknowledges the previous issue with power washing near the elevator; however, there are plenty of hallways that are not near the elevator that can benefit from the wash. Manamgnet is encouraged to continue the power washing the hallways that would not affect the elevator until a final plan of action is executed for the areas near the elector. Further delay may result in dingy hallways.**

### 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:		
<b>Incident Type</b>	<b># of Occurrences</b>	<b>Comments:</b>
Burglary		
Theft	2	

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Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
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:** All exterior lights were replaced during this budget year. The property has a total of 24 security cameras that are reviewed if instances occur and/or are reported. . According to management, the cameras are reviewed if incidents are reported. According to the Security Camera Log for the June 2018 – November 2019 timeframe; there were two tenants that reported theft. In addition, residents are required to review and execute a lease contract and house rules which also address crime prevention.

<b>SECURITY PROGRAM Part II</b>	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 – see comment		

**COMMENTS:** Management stated they walked the property grounds (interior and exterior) in August of 2018. In doing so, management assessed the property for risk liabilities. In addition, maintenance staff will complete monthly light checks moving forward.

<b>OFFICE</b>	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?	X		
➤ Property requires elevator and fire alarm panel licenses/permits.			
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): Library and Pantry	X		

**COMMENTS:**

<b>KEY CONTROL</b>	YES	NO	N/A
1) Does the property use an electronic key tracking system? If not, answer questions 2-5.		X	
2) Are all property keys properly coded?	X		

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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		
<b>COMMENTS:</b> Manamgnet confirmed that keys are behind lock and key.			
<b>Observation:</b>			
<ul style="list-style-type: none"> <li>• <b>While the keys are maintained behind lock and key, TSAHC strongly recommends the keys be coded. In an effort to protect residents and minimize the liability of management and the property, the keys should be coded and the code sheet should be kept separately. In addition, TSAHC recommends that keys get tracked or a check out log is kept for key control.</b></li> </ul>			

MAINTENANCE PROGRAM	YES	NO	N/A
1) Does the property have a preventative maintenance program?	X – see comment		
2) Is the preventative maintenance schedule being implemented?	X – see comment		
3) Is the maintenance shop clean and organized?	X		
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
5) How often are Pest Control services provided? ➢ Pest control services are provided monthly for each unit.			
6) What is the policy for following up on completed service requests? ➢ Residents are required to sign a work order completion form.			
7) What is the property's after-hours emergency policy? ➢ For after-hours emergency calls, residents are provided with a number that will call the staff..			
8) What capital improvements have been scheduled or completed for this budget year? ➢ Exterior lights have been replaced throughout the property. In addition, all interior lights are scheduled to be replaced with LED lights during the current year's budget. In addition, management hopes to replace all common area washers and dryers during this budget year.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➢ There were no unit interior and/or appliance upgrades completed in the last budget year.			
10) Building Exterior and Curb Appeal repairs ➢ There were no exterior building and/or curb appeal repairs completed during the last budget year.			
11) Amenity upgrades ➢ There has not been any amenity upgrades.			
12) Other repairs or replacements ➢ N/A			
Number of service requests received:	15		
Number of requests open from prior periods:	0		
Number of service requests completed:	14		
Number of service requests completed within 24 hours:	N/A		
Number of outstanding service requests:	1		
13) On average, how many days does it take to complete a work order? ➢ Management stated it takes about 2-3 days to complete a work order.			
<b>COMMENTS:</b> According to the Property Manager, the maintenance program has become better in the recent months. Management has implemented daily morning meetings with the maintenance staff in order to prioritize work orders and to discuss any pending work orders. Management is currently working on creating and implementing a preventive maintenance plan.			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth			
Flyers			
Resident Referral			
Locator Service			
Printed/Internet Advertising			
Other Source			

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<b>TOTAL</b>			
<b>The rental activity reflected in the above table was for the month of: N/A – See Comment.</b>			
	<b>YES</b>	<b>NO</b>	<b>N/A</b>
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	
<b>COMMENTS:</b> The Property Manager stated that they do not market the property as they work off of an extensive waiting list. According to Management, the waiting list opened in September 2019.			

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: 100%	6 months: 85%	12 months: 90%
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 lease 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? <ul style="list-style-type: none"> <li>&gt; The last rent increase was implemented September 2017. Once all units are on the same rental rate, they will issue a 30-day notice of rent increase.</li> </ul>			
10) How many households are currently on month-to-month leases? <ul style="list-style-type: none"> <li>&gt; There are no month-to-month leases at this property.</li> </ul>			
11) What is the charge for month-to-month leases? <ul style="list-style-type: none"> <li>&gt; N/A</li> </ul>			
<b>COMMENTS:</b>			

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	2
2) Number of completed made ready units at time of activity report:	0
3) Number of completed one bedroom units at time of activity report:	0
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:	0
6) Number of uncompleted made ready units at time of activity report:	2
7) Number of uncompleted efficiency units at time of activity report:	2
8) Number of uncompleted one bedroom units at time of activity report:	0
9) Number of uncompleted three bedroom units at time of activity report:	0

Units Walked	
Unit #	Brief Description
118	(0x1) Occupied (Fire Damage): Damaged areas have been repaired. Unit is in good condition.
218	(0x1) Occupied (Fire Damage): Damaged areas have been repaired. Unit is in good condition.
309	(0x1) Vacant (Fire Damages): Damaged areas have been repaired. Unit is in good condition.
318	(0x1) Occupied (Fire unit): Unit appears to be rehabbed and in good condition.
404	(0x1) Vacant: Unit is in make ready process

Down Units Walked (units vacant and unready for extended period of time and all down units)			
Unit #	Brief Description		
NA			
	<b>YES</b>	<b>NO</b>	<b>N/A</b>
1) Does the Unit Availability Report match the make ready board?		X	

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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 – see comment	
6) How often are occupied units inspected? ➢ Occupied units are inspected: Monthly			
7) How often are vacant units inspected? ➢ Vacant units are inspected: Weekly			
8) How many vacant units are in progress of being made ready? ➢ There are two vacant units in the make ready process.			
9) What is the company policy on the number of days to turn vacant units? ➢ Vacant units should be turned within 5-7 days.			
<b>COMMENTS:</b> The Property Manager meets with the maintenance staff each morning to discuss the day's plan of action including the timeline of make-ready units.			

BUDGET MANAGEMENT					YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➢ Manamgnet staff must obtain three bids.							
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➢ In September there was a small unit fire in unit 318 that activated the sprinkler system. Units 118, 218, and 318 were damaged. All units have been repaired and reoccupied; however, this expense negatively affected the current budget.							
3) Explain YTD variances of 10% or greater.							
<b><u>Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending</u></b>							
(Please note that a positive variance is under budget and a negative variance is over budget.)							
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION		
ALT– Expense	(\$763)	\$877	\$114	15%			
<b>COMMENTS:</b>							

REVENUE			
FOR THE MONTH ENDING: N/A		YEAR TO DATE AS OF: JULY 2018	
Gross Potential		Gross Potential	\$344,414
Budgeted Rental Income		Budgeted Rental Income	\$344,414
Actual Rental Income Collected		Actual Rental Income Collected	\$342,295
Variance + (-)		Variance + (-)	(\$2,119)
Other Revenue		Other Revenue	\$12,018
Total Collected		Total Collected	\$355,873
Budgeted		Budgeted	\$356,432
Variance + (-)		Variance + (-)	(\$560)

**COMMENTS:** Management did not provide the reviewer with a monthly versus year-to-date budget comparison which is used to complete the section above. Therefore, the reviewer reviewed and utilized the property's Actual verses Projected Budget for the Fiscal Year 2018 to complete it. Based on the previous years' report, there was a 3% gain in actual income collected.

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ACCOUNTS PAYABLE	YES	NO	N/A
1) Is the payable report up to date?	X – see comment		
2) Is the property in good standing with all vendors?	X		
3) Are invoices processed weekly? ➤ Invoices are processed daily.			
<b>COMMENTS:</b> Based on a review of 3 Weekly Budget Reports (dated 11/28 – 12/04, 12/05 – 12/11, and 12/12 – 12/18), invoices are processed and paid weekly. There were no balances on these reports.	0-30 Days:		0
	30-60 Days:		\$0
	60 Days and Over:		\$0
	<b>TOTAL</b>		<b>\$0</b>

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 <sup>st</sup> day of each month and considered late on the 6 <sup>th</sup> day. If rent is not paid, Three-day notices are issued around the middle of the month.			
3) When is legal action taken against delinquent accounts? ➤ If tenants have not made an agreement to pay their balance with management staff, legal action is taken at the end of the month.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?		X	
<b>COMMENTS:</b> Management utilizes an excel spreadsheet to capture each tenants monthly rent charges. On the day of the onsite visits, management stated that they are a few months behind on completing the excel spreadsheet due to lack of staff (currently down two full-time positions). Therefore, the reviewer was provided with the September 2018 Rent Roll. As off September 2018, the delinquency total was \$14,297.67. The Rent Roll does not reflect that there is a housing assistance balance.  <b>Observation:</b> • <b>It is imperative to complete the monthly rent roll in a timely manner. The rent roll provides a quick snapshot of expected rental incomes which also allows management to ensure that the property is financially stable. TSAHC recommends monthly rent rolls be completed no later than the last day of the respective month.</b>	0-30 Days:		See comment
	30-60 Days:		See comment
	60 Days and Over:		\$14,297.67
	<b>TOTAL</b>		<b>\$14,297.67</b>

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		1	
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 – see comment	
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. ➤ According to the Property Manager, all staff members will be receiving fair housing training within 90-days from the date of the onsite visit. Since the last onsite visit, the Assistant Manager took the Property Manager role and the position of the assistant manager and receptionist has become vacant. According to the Property Manager, the hiring of those two positions is in process.			
<b>COMMENTS:</b>			

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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? ➤ The Owner reviews reports every Wednesday.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Amounts over \$2,500 requires Owner approval.			
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
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**Observations:**

- TSAHC acknowledges the previous issue with power washing near the elevator; however, there are plenty of hallways that are not near the elevator that can benefit from the wash. Management is encouraged to continue the power washing the hallways that would not affect the elevator until a final plan of action is executed for the areas near the elevator. Further delay may result in dingy hallways.
- While the keys are maintained behind lock and key, TSAHC strongly recommends the keys be coded. In an effort to protect residents and minimize the liability of management and the property, the keys should be coded and the code sheet should be kept separately. In addition, TSAHC recommends that keys get tracked or a check out log is kept for key control.
- It is imperative to complete the monthly rent roll in a timely manner. The rent roll provides a quick snapshot of expected rental incomes which also allows management to ensure that the property is financially stable. TSAHC recommends monthly rent rolls be completed no later than the last day of the respective month.

**No Findings.**

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Fire Unit



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