

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: Glenda Jones

Inspection Date & Time: May 17, 2019 at 8:30 AM

Inspector's Name: James Matias

Occupancy at Time of Report:	94%	Average Occupancy Over Last 12 Months:	99%
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		
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		
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		

COMMENTS: On the day of the site visit, the landscaping was well maintained and the grounds appeared to be in good condition. The monument and office signs were in good condition and visible. The common areas and amenities appeared clean and well kept. The laundry room needed to be swept and cleaned. The buildings, roofs and foundations appear to be in acceptable condition. Most of the parking lots examined were in sound condition and the handicap spaces are clearly marked. A large amount of the parking lot had a lot of leaves and in many cases the curb stops were not uniform. The property had a significant amount of trees that appear to need to be trimmed.

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		
Domestic Violence		
Disturbance	1	

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Other			
		YES	NO
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 initial 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?		X	
➤ (Describe)			
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
1) Does the property have a preventative maintenance program?	X		
2) Is the preventative maintenance schedule being implemented?	X		

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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 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 in 2018 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 ➤ Interior or appliance upgrades are completed as needed. Currently two ovens for vacant units are awaiting parts.			
10) Building Exterior and Curb Appeal repairs ➤ No building exterior or curb appeal upgrades were completed in the last year.			
11) Amenity upgrades ➤ No amenity upgrades were completed in the last year.			
12) Other repairs or replacements ➤ None			

Number of service requests received:	38		
Number of requests open from prior periods:	0		
Number of service requests completed:	38		
Number of service requests completed within 24 hours:	14		
Number of outstanding service requests:	0		

13) On average, how many days does it take to complete a work order? ➤ On average it takes 3-5 days to complete a work order.			
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COMMENTS:

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	2	1
TOTALS	\$0	2	1

The rental activity reflected in the above table was for the month of: May 2019

	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: After a review of the Primary Advertising Source Evaluation, management was encouraged to ensure they enter all traffic in the system and identify where that traffic was derived. The property currently has a few units with vacancy longer than normal.

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: 94%	6 months: 92%	12 months: 90%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	14.2% (1 total)		

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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., Yardi, 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 in 2018.			
10) How many households are currently on month-to-month leases? ➤ New move-ins sign 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:			N/A		
5) Number of completed three bedroom units at time of activity report:			N/A		
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:			N/A		
9) Number of uncompleted three bedroom units at time of activity report:			N/A		
Units Walked					
Unit #	Brief Description				
11	1x1, Vacant, Almost Ready. Awaiting an oven part				
39	1x1, Vacant, Almost Ready, Awaiting an oven part				
41	1x1, Occupied, Unit is in good condition				
44	1x1, Vacant, Ready				
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 (see comment)		
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					
7) How often are vacant units inspected? ➤ Vacant units are inspected: Weekly					
8) How many vacant units are in progress of being made ready? ➤ Two 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: On the day of the site visit, management was happy to inform me that unit 44 has been leased. Unit 44 has been vacant for 366 days and the new move in is set to take place on Friday, May 31, 2019.					

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BUDGET MANAGEMENT					
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.					
<u>Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending</u>					
(Please note that a positive variance is under budget and a negative variance is over budget.)					
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION
Administrative Expenses	\$27,875	\$31,697	\$3,821	12.1%	Manager of Superintendent Expenses, Office Expenses/Supplies, Travel Expenses
Operating and Maintenance Expenses	\$21,178	\$19,122	\$6,474	33.9%	Landscaping Contracts, Exterminating
COMMENTS:					

REVENUE					
FOR THE MONTH ENDING: MARCH 2019			YEAR TO DATE AS OF: MARCH 2019		
Gross Potential		\$46,600	Gross Potential		\$139,800
Budgeted Rental Income		\$46,600	Budgeted Rental Income		\$139,800
Actual Rental Income Collected		\$46,650	Actual Rental Income Collected		\$138,701
Variance + (-)		\$50	Variance + (-)		(1,099)
Other Revenue		(\$4,339)	Other Revenue		(\$1,659)
Total Collected		\$42,311	Total Collected		\$130,772
Budgeted		\$44,525	Budgeted		\$133,530
Variance + (-)		(\$2,214)	Variance + (-)		(\$2,758)
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:		\$1,746.15
	30-60 Days:		\$0.00
	60 Days and Over:		\$0.00
	TOTAL		\$1,746.15

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.			
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: Management appears to be doing a good job collecting rent. The few units that do have a balance, management was aware of their situation and working towards collecting the rent. The negative balance you see to the right indicates a credit on the Delinquent and Prepaid Report. The credit is due to housing interims that were adjusted prior to the charges being set up.	0-30 Days:		\$1,267.98
	30-60 Days:		(\$534)
	60 Days and Over:		\$209
	TOTAL		\$942.98

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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 (see comments)		
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 Regional Manager informed the reviewer that the new Property Manager will receive internal operations and compliance training in the next few weeks.			
COMMENTS: The current property manager started a few weeks prior to the review. In addition, the property is looking for a new Lead Maintenance person. The reviewer was informed that the Lead Maintenance, which is the only maintenance staff person, quit about a week prior to the review.				

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?			
	➤ Budgeting, variance, occupancy, delinquency, and profit and loss 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 Observations or Findings.	

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