

Texas State Affordable Housing Corporation

The Willows Apartments

1332 Lamar Square Dr., Austin, Texas 78704

Owner: Mary Lee Foundation

Date Built: 2010

Management Company: Mary Lee Foundation

Property Manager: William Whitley

Inspection Date & Time: December 12, 2019 at 9:00 a.m.

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	98%	Average Occupancy Over Last 12 Months:	95.6
Number of Units: 64			
Number of One Bedrooms:	51	Number of Two Bedrooms:	9
Number of Three Bedrooms:	4	Number of Four Bedrooms:	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 – see comment	
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 – see comment	
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 – 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 – see comment		
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 – see comment		
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: The property is in overall good condition (i.e., grounds, parking lot, building exteriors, common areas, etc.) however there were a few observations that need to be addressed. The hallways have not been cleaned or power-washed in the last 12 months and the gutters are filled with standing water and debris (i.e., the reviewer saw an empty plastic drink in the gutter). The laundry facility has several inoperable washer and dryer machines. Two window screens are missing on the back side of the building. The trees are touching and/or resting on the south east corner of the building. Based on visual observation, these issues appear to be due to deferred maintenance. According to the Property Manager, all items are scheduled to be reviewed and/or completed this budget year.

Finding 1:

- **The Owner or Management Agent must provide written certification that the items listed below will be corrected by March 31, 2020. The written certification must be submitted to TSAHC no later than February 10, 2020.**
 - **Power-wash all hallways. This was noted as an Observation in last year's report.**
 - **The trees on the south east corner of the building will be trimmed and tree trimming will be monitored by using a preventive maintenance schedule.**
 - **Repair or replace the inoperable machines (two washers and two dryers).**
 - **Clean all gutters.**
 - **Install the window screens on the two that are missing on the back side of the building or, provide a copy of the request**

Texas State Affordable Housing Corporation

that is submitted to the city requesting window screen installation.

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		
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: Management did not request 3 months of police reports however confirmed they keep track of reported incidents when and if reported to management. Management reviews their security surveillance system, conducts tenant interviews when necessary, provides tenant counseling and/or issues lease violations, if necessary. The Property Manager confirmed that all surveillance cameras are operable and light checks are completed weekly.

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: The Property Manager walks and assess the property grounds weekly. The annual risk assessment was completed in August 2019.

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		
➤ Annual elevator and fire alarm licenses/permits.	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

Texas State Affordable Housing Corporation

➤ Other: Library and Food Pantry	X		
COMMENTS:			

KEY CONTROL	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		
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 – 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 treats each unit monthly.			
6) What is the policy for following up on completed service requests? ➤ Tenants are required to sign a work order completion forms and the Property Manager visits and/or calls back at least 95% of completed work orders to ensure tenant satisfaction.			
7) What is the property's after-hours emergency policy? ➤ Tenants are provided the after-hours number which will call the on-call staff member directly.			
8) What capital improvements have been scheduled or completed for this budget year? ➤ The Property Manager is currently accepting bids in hopes of replacing the washer and dryers in the laundry room 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 upgrades completed however appliances were replaced, as needed.			
10) Building Exterior and Curb Appeal repairs ➤ There were no building exterior or curb appeal repairs completed during the last budget year.			
11) Amenity upgrades ➤ No amenity upgrades were completed last budget year.			
12) Other repairs or replacements ➤ Property trees and shrubs were removed during the last budget year.			
Number of service requests received:	39		
Number of requests open from prior periods:	17 – see comment		
Number of service requests completed:	23		
Number of service requests completed within 24 hours:	10		
Number of outstanding service requests:	16		
13) On average, how many days does it take to complete a work order? ➤ Based on the 23 completed work orders, it takes maintenance staff about 7 days to complete work orders. See comment.			

COMMENTS: Based on a review of the maintenance log, the pending work orders have been open for an average of 14 days. In addition, the maintenance log listed an additional 17 outstanding working orders from prior periods (10/31/2019 through 11/10/2019).

Observation 1:

- **An effective preventive maintenance schedule and program is a very important factor into the longevity of the property. Resident retention/satisfaction is often strongly related to the maintenance program. Diligent use of the software system and accuracy of the information entered is strongly recommended. TSAHC also recommends management review the current policy and practices to ensure it is running as efficient as possible. This will be reviewed in detail during the next onsite visit.**

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth			

Texas State Affordable Housing Corporation

Flyers			
Resident Referral			
Locator Service			
Printed/Internet Advertising			
Other Source			
TOTAL			

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: During the exit interview, management stated they do not market the property as they work off the wait list.

Finding 2:

- The reviewer was informed the property does not market the property because they work off a waiting list. However, there is an extended vacancy length for unit 205 (See Finding #3) that was due to not having a qualified applicant. This information does not coincide. In addition, the tenant selection plan states management will make preliminary determination per applicant prior to placing them on the wait list. Management must provide written explanation of why unit 205 has been vacant for an extended amount of time. In addition, management must provide written certification that the tenant selection plan is being followed no later than February 10, 2020.

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: N/A	12 months: 76%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	2%		
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? > The last rent increase was implemented in August 2018, there was an average increase of about \$15.			
10) How many households are currently on month-to-month leases? > There are no month-to-month leases.			
11) What is the charge for month-to-month leases? > N/A			

COMMENTS:

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	1
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:	1
7) Number of uncompleted one bedroom units at time of activity report:	0
8) Number of uncompleted two bedroom units at time of activity report:	1
9) Number of uncompleted three bedroom units at time of activity report:	0
Units Walked	

Texas State Affordable Housing Corporation

Unit #	Brief Description
119	(1x1) Occupied: The unit appeared to be in good condition however the tenant disclosed a bed-bug issues. See Finding 3.
121	(0x1) Occupied: The unit is in good condition.
205	(2x1): Vacant: The unit is not made-ready. The unit is missing a stove, the front door needs to be cleaned and repainted, and pest control needs to treat the unit. According to management and maintenance, the unit was vacant since March 2019 and made-ready in August 2019. This information was not reported on the Unit Status Report (USR). See Finding 3 and 4.
304	(0x1) Occupied: This unit is in good condition. This unit was occupied in October 2019 however the tenant has barely moved any items into the unit. Management is advised to contact the tenant to ensure occupancy.

Down Units Walked (units vacant and unready for extended period of time and all down units)

Unit #	Brief Description	YES	NO	N/A
N/A				
1)	Does the Unit Availability Report match the make ready board?	X		
2)	Are units being turned in a timely manner?	X – see comment		
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 – see comment		
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? ➤ One unit (unit 205) was vacant during the onsite visit and is close to being made-ready.			
9)	What is the company policy on the number of days to turn vacant units? ➤ The company policy is to turn units in 5-7 business days.			

COMMENTS: During the unit inspection, there were a couple issues of non-compliance identified, as noted above. In addition, the occupancy dates for units 205 and 304 were not properly reported to TSAHC which presents other operational issues as noted below.

Finding 3:

- **Management must provide written certification that the items listed below will be corrected by March 31, 2020. The written certification must be submitted to TSAHC no later than February 10, 2020.**
 - **Management must request bed bug treatment for unit 119. A copy of the completion invoice must be submitted.**
 - **Management must provide the move-in and move-out dates for the prior tenant in 205, request pest control treatment and install stove.**
 - **Management must provide move-in date for current tenant in unit 304.**

Finding 4:

- **During the onsite visit, it was determined that the move-in and move-out dates for two units were not properly reported on TSAHC's Online Compliance System. Management must provide written certification no later than February 10, 2020 stating the following:**
 - **Moving forward, management will properly report all household activity as required on the monthly Unit Status Report submitted through the TSAHC Online Compliance System no later than the 10th of each month.**

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

Texas State Affordable Housing Corporation

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

COMMENTS:

REVENUE

FOR THE MONTH ENDING: N/A		YEAR TO DATE AS OF: July 2018 - June 2019	
Gross Potential		Gross Potential	\$351,563
Budgeted Rental Income		Budgeted Rental Income	\$351,563
Actual Rental Income Collected		Actual Rental Income Collected	\$353,917
Variance + (-)		Variance + (-)	\$2,354
Other Revenue		Other Revenue	\$24,649
Total Collected		Total Collected	\$378,566
Budgeted		Budgeted	\$366,902
Variance + (-)		Variance + (-)	\$11,663

COMMENTS: The property's Actual versus Projected Budget for the Fiscal Year 2019 was utilized to complete the section above. Based on the previous years' report, there appears to be a 2% gain in actual income collected.

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? ➤ Invoices are processed when received.	X		
COMMENTS: According to the Controller, payables are processed and paid weekly.	0-30 Days:		\$379.80
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$379.80

DELINQUENCIES

	YES	NO	N/A
1) Is the delinquency report up to date?			
2) What is the rent collection policy? ➤ Rent is due on the 1 st day of each month and considered late on the 6 th day. If rent is not paid, management issues a 10-Day Notice followed by a 30-Day Notice followed by a final 3-Day Notice if rent is not paid.			
3) When is legal action taken against delinquent accounts? ➤ Action is taken against those who have not paid rent and those who have not signed a repayment agreement. Management takes legal action at the end 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 utilizes rent rolls to capture each month's delinquency. The chart to the right reflects the ending balance for the respective month's rent roll. The Property Manager is working diligently to reduce the monthly delinquent amounts by issuing late rent notices when needed as well as helping tenants locate resources to help pay their balances.	September 2019		\$13,572.81
	October 2019		\$11,580.81
	November 2019		\$13,076.81

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		

Texas State Affordable Housing Corporation

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 – see comment	
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 – see comment		
11) List training staff has received in the past year. <ul style="list-style-type: none"> ➢ The Property Manager and Compliance Specialist are both new to the property and recently attended income determination training. The Property Manager attended Fair Housing training and the Compliance Specialist is scheduled to attend in the first calendar quarter in 2020. 			

COMMENTS: The Property Manager and the Compliance Specialist are new employees. The Property Manager disclosed his experience with affordable housing while the compliance specialties disclosed this is her first experience with affordable housing and program compliance.

Observation 2:

- **Based on visual observation, it appears two site staff members will be sufficient for the property. However, it is imperative that both new staff members work together and peer-review tenant files and attend annual housing tax credit or tax-exempt bond training to ensure program compliance. In addition, the property manager should conduct bi-weekly staff meetings to prioritize the deferred maintenance schedule and to ensure tenant files are being reviewed properly and timely.**

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? <ul style="list-style-type: none"> ➢ Reports are submitted to the Owner daily. 			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? <ul style="list-style-type: none"> ➢ All dollar amounts require 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

Observation 1:

- **An effective preventive maintenance schedule and program is a very important factor into the longevity of the property. Resident retention/satisfaction is often strongly related to the maintenance program. Diligent use of the software system and accuracy of the information entered is strongly recommended. TSAHC also recommends management review the current policy and practices to ensure it is running as efficient as possible. This will be reviewed in detail during the next onsite visit.**

Observation 2:

- **Based on visual observation, it appears two site staff members will be sufficient for the property. However, it is imperative that both new staff members work together and peer-review tenant files and attend annual housing tax credit or tax-exempt bond training to ensure program compliance. In addition, the property manager should conduct bi-weekly staff meetings to prioritize the deferred maintenance schedule and to ensure tenant files are being reviewed properly and timely.**

Finding 1:

- **Management must provide written certification that the items listed below will be corrected by March 31, 2020. The written certification must be submitted to TSAHC no later than February 10, 2020.**
 - Power-wash all hallways. This was noted as an Observation in last year's report.
 - The trees on the south east corner of the building will be trimmed and tree trimming will be monitored by using a preventive maintenance schedule.
 - Repair or replace the inoperable machines (two washers and two dryers).
 - Clean all gutters.
 - Install the window screens on the two that are missing on the back side of the building or, provide a copy of the request that is submitted to the city requesting window screen installation.

Texas State Affordable Housing Corporation

Finding 2:

- The reviewer was informed the property does not market the property because they work off a waiting list. However, there is an extended vacancy length for unit 205 (See Finding #3) that was due to not having a qualified applicant. This information does not coincide. In addition, the tenant selection plan states management will make preliminary determination per applicant prior to placing them on the wait list. Management must provide written explanation of why unit 205 has been vacant for an extended amount of time. In addition, management must provide written certification that the tenant selection plan is being followed no later than February 10, 2020.

Finding 3:

- Management must provide written certification that the items listed below will be corrected by March 31, 2020. The written certification must be submitted to TSAHC no later than February 10, 2020.
 - Management must request bed bug treatment for unit 119. A copy of the completion invoice must be submitted.
 - Management must provide the move-in and move-out dates for the prior tenant in 205, request pest control treatment and install stove.
 - Management must provide move-in date for current tenant in unit 304.

Finding 4:

- During the onsite visit, it was determined that the move-in and move-out dates for two units were not properly reported on TSAHC's Online Compliance System. Management must provide written certification no later than February 10, 2020 stating the following:
 - Moving forward, management will properly report all household activity as required on the monthly Unit Status Report submitted through the TSAHC Online Compliance System no later than the 10th of each month.

Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



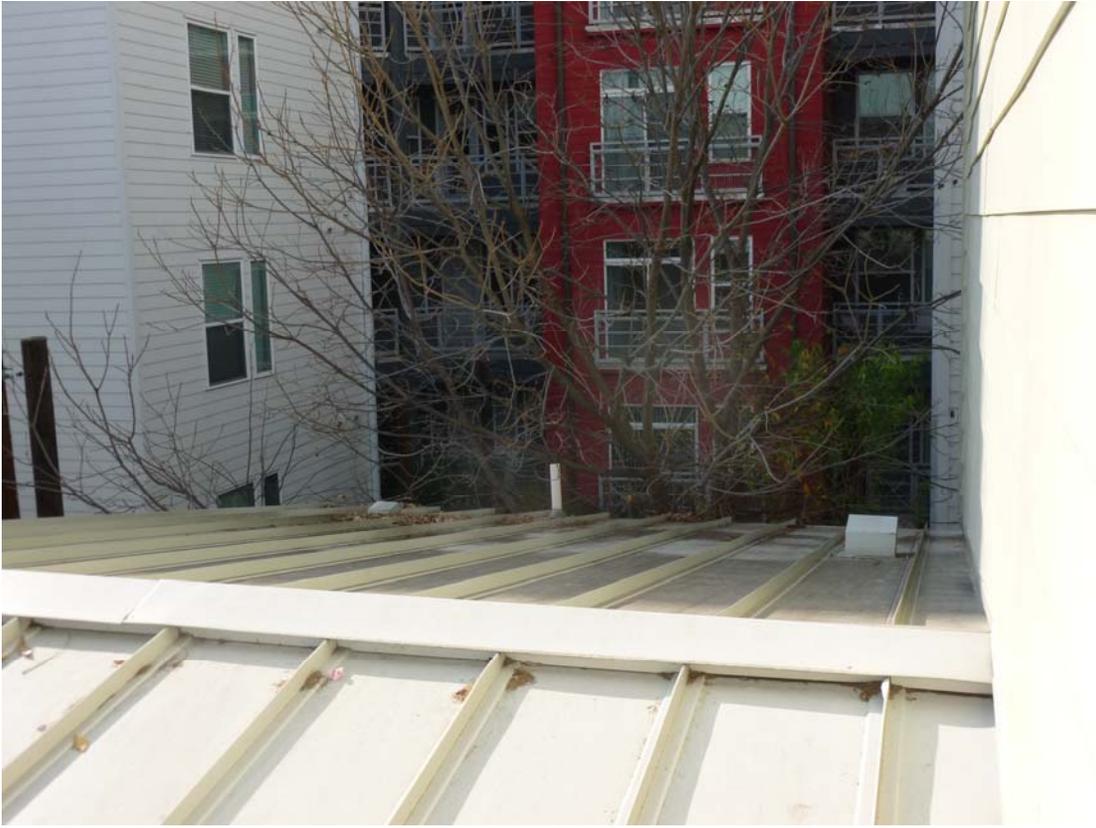
Gutters



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Unit Interiors:





Unit 205 Door



Texas State Affordable Housing Corporation

Unit 304

