

# Texas State Affordable Housing Corporation

## Walnut Creek Apartments

6409 Springdale Rd., Austin, Texas 78723

**Owner:** LIH Walnut Creek LP

**Date Built:** 1971

**Management Company:** ALPHA-Barnes Real Estate Services

**Property Manager:** Noelia Esquivel

**Inspection Date & Time:** December 11, 2020 at 1:30 p.m.

**Inspector's Name:** Celina M. Stubbs

<b>Occupancy at Time of Report:</b>	98.9%	<b>Average Occupancy Over Last 12 Months:</b>	97%
<b>Number of Units: 98</b>			
<b>Number of One Bedrooms:</b>	36	<b>Number of Two Bedrooms:</b>	44
<b>Number of Three Bedrooms:</b>	18	<b>Number of Four 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		
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:** Based on a review of the photos that were submitted for review, the property is in overall good condition.

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	1	Drug reported (1)		
Gun Related Activity	1	Gun activity reported (1)		
Domestic Violence				
Disturbance	3	Disturbance (3)		
Other	10	Car/Loud Music (9) and Criminal Trespasses (1)		
		<b>YES</b>	<b>NO</b>	<b>N/A</b>

# Texas State Affordable Housing Corporation

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		
<b>COMMENTS:</b> Management continues to work with the Austin Police Department (APD). APD officers patrol the property 3 days a week during the evening hours. The Property Manager is provided patrol reports after each visit. Copies of the patrol reports dated from August to October 2020 were provided for review. Of the 26 incidents reported, 15 are noted above. Management also installed an addition 7 surveillance cameras on the property for a total of 13 cameras. Management continues to use them to monitor the property and issues lease violation when needed.			

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 the property grounds daily and the Regional Manager walks the property grounds twice per month to assess the property for risk liabilities.

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		
➤ The Gas Meter and Boilers required 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	
➤ Other (describe)			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		

# Texas State Affordable Housing Corporation

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		
5) How often are Pest Control services provided? ➢ Pest control services are provided for unit interiors upon request. A maximum of 15 units are treated per service appointment.			
6) What is the policy for following up on completed service requests? ➢ To ensure the quality of the work, management provides tenants with work order surveys that request tenant signatures.			
7) What is the property's after-hours emergency policy? ➢ The after-hours answering service forwards emergency calls to the on-call maintenance member and the Property Manager.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ Management repaired plumbing leaks in building 2, 4, 5, and 9 due to valve ruptures.			

### Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

9) Unit Interior and Appliance upgrades ➢ There were no unit interior and appliance upgrades.			
10) Building Exterior and Curb Appeal repairs ➢ There were no building exterior or curb appeal upgrades.			
11) Amenity upgrades ➢ Management installed a new barbeque pit, a picnic table, and a bench.			
12) Other repairs or replacements ➢ N/A			
Number of service requests received:	71		
Number of requests open from prior periods:	0		
Number of service requests completed:	71		
Number of service requests completed within 24 hours:	23		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➢ It takes maintenance staff an average of 3.5 days to complete work orders.			

**COMMENTS:**

### 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 (\$0)			
Locator Service			
Printed/Internet Advertising			
Other Source: Housing, Wait List, Site Sign/Billboard, Other, and Online Program \$20	\$20	14	1
<b>TOTAL</b>	<b>\$20</b>	<b>14</b>	<b>1</b>
<b>The rental activity reflected in the above table was for the month of: Dated 11/1/2020 – 12/9/2020</b>			
	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 Source chart above was completed with the information from the Traffic report. According to management, they work off a long wait list which results in little to no marketing expense. Management was reminded that the OneSite's report titled Primary Advertising Source Evaluation is a great tool to track traffic.

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		

# Texas State Affordable Housing Corporation

2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: N/A	6 months: N/A	12 months: 87%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	25%		
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 property did not have a rent increase but did have a utility allowance adjustment in November 2020.			
10) How many households are currently on month-to-month leases? > HUD leases are utilized which offer an initial 12-month period then roll into a month-to-month lease term.			
11) What is the charge for month-to-month leases? > N/A			
<b>COMMENTS:</b> The percentage of move-outs due to eviction/non-payment of rent or skips went from 5% to 25% since the last annual review. Management said many of the move-outs were due to tenants who failed to complete recertifications. The Property Manager worked with each tenant prior to these specific move-outs and is encouraged to continue her efforts in retaining tenants.			

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			
Unit #	Brief Description		
104	(2x1) Vacant – Almost made-ready: Unit cleaning scheduled on 12/11/2020.		
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		
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: Annually			
7) How often are vacant units inspected? > Vacant units are inspected: Management inspects vacant units at the time of move-out, make-ready, cleaning, and prior to scheduled move-ins.			
8) How many vacant units are in progress of being made ready? > There is 1 unit in the make-ready process.			

# Texas State Affordable Housing Corporation

9) What is the company policy on the number of days to turn vacant units? > The company policy is to turn vacant units within 3 business days.
<b>COMMENTS:</b>

BUDGET MANAGEMENT
1) Are three bids solicited in order to obtain materials, supplies, and services? > Management must obtain three bids in order to obtain material, supplies and/or services.
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 purchases during 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	\$237,954	\$133,712	(\$104,242)	(77%)	Office salaries, Manager & Superintendent Salary,, Audit expense, resident service.
Maintenance	\$174,414	\$144,008	(\$31,405)	(10.7%)	Repairs Payroll, Contract extermination payroll/contract, and Misc., Operating & Maintenance expense
<b>COMMENTS:</b> According to management, the Administrative expense included unbudgeted amounts for salaries during the rehab phase last year. Management confirmed salaries are properly budgeted for the 2021 budget year.					

REVENUE			
FOR THE MONTH ENDING: October 31, 2020		QUARTER ENDING AS OF: October 31, 2020	
Gross Potential	\$130,524	Gross Potential	\$1,305,240
Budgeted Rental Income	\$130,524	Budgeted Rental Income	\$1,305,240
Actual Rental Income Collected	\$130,535	Actual Rental Income Collected	\$1,205,189
Variance + (-)	\$11	Variance + (-)	(\$50)
Other Revenue	\$1,718	Other Revenue	\$15,324
Total Collected	\$129,398	Total Collected	\$1,305,566
Budgeted	\$129,076	Budgeted	\$1,289,437
Variance + (-)	\$321	Variance + (-)	\$16,129
<b>COMMENTS:</b>			

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? > The corporate office process invoices every two weeks.	X		
<b>COMMENTS:</b> The Vendor Aging Report dated 11/16/2020 was used to complete this section.			
	0-30 Days:		\$5,092
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$5,092

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 <sup>st</sup> day and late charge of \$5 of each month. Late fees are assessed on the 6 <sup>th</sup> day and an additional \$1 per day is assessed while the rent remains unpaid.			
3) When is legal action taken against delinquent accounts? > Legal action is typically taken after the proper 3-day and 10-day notices to vacant have been issued.			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b> The Delinquent and Prepaid report dated 12/9/2020 was used to complete this section.			
	0-30 Days:		\$4,934

# Texas State Affordable Housing Corporation

	30-60 Days:	\$843
	60 Days and Over:	(\$1,230)
	<b>TOTAL</b>	<b>\$4,547</b>

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:** Management will assess a \$25 fee for checks returned due to non-sufficient funds.

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.			
➤ Site staff continues to attend Grace Hill online trainings (i.e., EIV, Fair Housing, Occupancy, etc.)			

**COMMENTS:** The assistance manager position became vacant on 12/01/2020.

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 and upon request.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds?			
➤ Owner approval is required for unbudgeted or over budget expenses that are more than \$5,000.			
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.

Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation









# Texas State Affordable Housing Corporation



# Texas State Affordable Housing Corporation

