

# Texas State Affordable Housing Corporation

## Brush Country Cottages 500 Cross Creek, Dilley, Texas 78017

**Owner:** HVM BP Dilley Ret., LLC

**Date Built:** 1992

**Management Company:** Hamilton Valley Management, Inc

**Property Manager:** Cheryl Morris-Montoya

**Inspection Date & Time:** July 6, 2021, at 2:30 p.m.

**Inspector's Name:** Estefania Linares

<b>Occupancy at Time of Report:</b>	92%	<b>Average Occupancy Over Last 12 Months:</b>	92.23%
<b>Number of Units:</b> 28			
<b>Number of One Bedrooms:</b>	24	<b>Number of Two Bedrooms:</b>	4
<b>Number of Three Bedrooms:</b>	N/A	<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- 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 – see comment		
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:** This is the first virtual Asset Oversight review for Brush Country Cottages Apartments. This property is currently undergoing a full rehabilitation and the pictures submitted by management shows the actual progress. Since it is still in progress, the property has some dirt patches, cement cracks (will be fixed) and some construction material that will be replaced once the rehab is completed. Otherwise, the property appears to be in acceptable condition. The property site sign is in great condition and easily visible for the public, the grounds are clean and free of debris and building exteriors, roofs, fascia boards, and windows are also in acceptable visual 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:		
<b>Incident Type</b>	<b># of Occurrences</b>	<b>Comments:</b>
Burglary	N/A	
Theft	N/A	
Criminal Mischief	N/A	
Personal Assault	N/A	
Drug Related Activity	N/A	
Gun Related Activity	N/A	

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Domestic Violence	N/A			
Disturbance	N/A			
Other	N/A			
		<b>YES</b>	<b>NO</b>	<b>N/A</b>
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> Based on the police report submitted by management, there were 4 calls logged but none of them were crime related. The property utilizes the Rural Rental Housing Association (RRHA lease) to address criminal activity and the Property manager conducts light checks weekly.				

<b>SECURITY PROGRAM Part II</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		
<b>COMMENTS:</b> The Regional Manager conducts risk assessment on a quarterly basis.				

<b>OFFICE</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>
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	
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 (3 Picnic Areas)		X		
➤ Laundry Facility		X		
➤ Business Center				X
➤ Pool				X
➤ Other - Library		X		
<b>COMMENTS:</b>				

<b>KEY CONTROL</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>
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 -see comment	
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> The property does not have the keys coded, however, management commented they are planning on coding them very soon.				

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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		
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 every 90 days on units and if necessary, the exterior of the buildings.			
6)	What is the policy for following up on completed service requests? ➤ Manager will follow up within 24 hours after a completed service request.			
7)	What is the property's after-hours emergency policy? ➤ When a resident calls the emergency line, the Property Manager receives the call and transfers the emergency request to the Lead Maintenance.			
8)	What capital improvements have been scheduled or completed for this budget year? ➤ N/A – The property is going through a full rehabilitation.			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>				
9)	Unit Interior and Appliance upgrades ➤ N/A – The property is going through a full rehabilitation.			
10)	Building Exterior and Curb Appeal repairs ➤ N/A – The property is going through a full rehabilitation.			
11)	Amenity upgrades ➤ N/A – The property is going through a full rehabilitation.			
12)	Other repairs or replacements ➤ N/A – The property is going through a full rehabilitation.			
Number of service requests received:		0		
Number of requests open from prior periods:		0		
Number of service requests completed:		0		
Number of service requests completed within 24 hours:		0		
Number of outstanding service requests:		0		
13)	On average, how many days does it take to complete a work order? ➤ Based on the property manager, it takes 24-48 hours to complete a work order.			
<b>COMMENTS:</b> According to the Work Order Detail report, for the past 30 days there were no service request called in which is due to the full rehab that Brush Country Cottages is undergoing. The whole property was vacant for the month of June since management relocated their residents from 05/22/2021 – 5/29/2021 and moved them back in between 06/13/2021 – 06/18/2021.				

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	N/A	0	0
Flyers	N/A	0	0
Resident Referral (\$100 towards the rent)	\$100	2	0
Locator Service (\$100)	N/A	0	0
Printed/Internet Advertising	N/A	0	0
Other Source (Newspaper \$80)	\$80	0	0
<b>TOTAL</b>	<b>\$180</b>	<b>2</b>	<b>0</b>
<b>The rental activity reflected in the above table was for the month of: May 2021</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		
<b>COMMENTS:</b>			

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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: 100%	12 months: 95.65%
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., 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? ➤ Rent increase is scheduled to be increased on 07/21/2021. The rent increase \$135 is for 1 and 2 bedrooms.			
10)	How many households are currently on month-to-month leases? ➤ N/A – the property does not allow month-to-month lease.			
11)	What is the charge for month-to-month leases? ➤ N/A – the property does not allow month-to-month lease.			
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:			3		
3) Number of completed one bedroom units at time of activity report:			3		
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:			0		
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:			0		
9) Number of uncompleted three bedroom units at time of activity report:			0		
Units Walked					
Unit #	Brief Description				
106	Vacant (1-bedroom) Unit is made-ready.				
112	Vacant (1-bedroom) Unit is made-ready.				
118	Vacant (1-bedroom) Unit is made-ready.				
Down Units Walked (units vacant and unready for extended period of time and all down units)					
Unit #	Brief Description				
N/A					
			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: Every 90 days					
7) How often are vacant units inspected? ➤ Vacant units are inspected: Once a week.					

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8) How many vacant units are in progress of being made ready? ➤ All vacant units are made-ready.
9) What is the company policy on the number of days to turn vacant units? ➤ Per company policy, units should be made-ready in 3-5 business days.
<b>COMMENTS:</b>

BUDGET MANAGEMENT					YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Three bids are required to obtain material, supplies, or services for anything over \$500.							
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ N/A – this property is going through a full rehab.							
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		
Administrative Expenses	\$21,129	\$16,840	\$-4,289	-25.47%	Manager's Salary and Accounting & Auditing		
Other Expenses	\$2,147	\$2,415	\$267	11.05%	Office Supplies and Telephone		
<b>COMMENTS:</b>							

REVENUE			
FOR THE MONTH ENDING: May 2021		YEAR TO DATE AS OF: May 2021	
Gross Potential	\$22,012	Gross Potential	\$110,060
Budgeted Rental Income	\$18,480	Budgeted Rental Income	\$92,400
Actual Rental Income Collected	\$14,664	Actual Rental Income Collected	\$73,320
Variance + (-)	\$3,816	Variance + (-)	\$19,080
Other Revenue	-\$340	Other Revenue	-\$1700
Total Collected	\$14,324	Total Collected	\$71,620
Budgeted	\$18,214	Budgeted	\$91,070
Variance + (-)	\$3,890	Variance + (-)	\$19,450
<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?			X		
<b>COMMENTS:</b>			0-30 Days:		\$3,734.63
			30-60 Days:		\$0
			60 Days and Over:		\$0
			TOTAL		\$3,734.63

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 or before the 1st of each month and is considered delinquent if not paid in full by the 3rd day of the month. Late fees are assessed on the 10th day of each month and are charged in the amount of the greater of 1) \$100 or 2) 5% of the resident gross tenant amount.					
3) When is legal action taken against delinquent accounts? ➤ Management issues a Notice of Termination on the 11th day of the month followed by a 30-Day Notice to Vacate.					
4) Does the property currently have any resident(s) under eviction?				X	
5) Does Housing have any outstanding balances?				X	
<b>COMMENTS:</b>			0-30 Days:		\$0

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	30-60 Days:		\$433
	60 Days and Over:		-\$93
	TOTAL		\$340

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. ➤ Staff has completed Grace Hill trainings and RRHA management trainings.			
COMMENTS:			

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 monthly, no later than the 5 <sup>th</sup> of every month which include but are not limited to financial, occupancy, delinquency, and rent roll reports.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ The Property Manager seek approval of anything over \$300 and the Regional Manager seek approval of anything over \$2,000.			
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 and No Findings.
Note: The requested Rehab Questionnaire has not been completed for this property. The Owner/Manager is aware that the completed Rehab Questionnaire must be provided to TSAHC within 60 days of the issuance of this report.



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