

Texas State Affordable Housing Corporation

Gateway Northwest Apartments

1617 Northwest Blvd., Georgetown, Texas 78628

Owner: THF Georgetown Gateway Northwest. Ltd.

Date Built: 2015

Management Company: THF Housing Management Corp.

Property Manager: Blaire Bigelow

Inspection Date & Time: October 19, 2021, at 9:30 a.m.

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	92.2%	Average Occupancy Over Last 12 Months:	89.3%
Number of Units: 180			
Number of One Bedrooms:	40	Number of Two Bedrooms:	84
Number of Three Bedrooms:	56	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		
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 – see comment	
10) Are laundry facilities clean, maintained and accessible?	X		
11) Is facility equipment operable and in acceptable condition?		X – see comment	
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 submitted for review, the property is in great condition. A new property site sign was installed, and the property grounds are clean and well kept. The building exteriors appear to be well maintained and in good condition. The management office is temporarily closed due to flooding caused by waterline break during a strong winter storm in February 2021. The rehab is scheduled to be completed in January 2022. Management is using unit 618 as a temporary office. Proper notice is posted on the office doors to redirect both tenant and applicants to the temporary office.

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	3	Burglary of motor vehicle
Theft		
Criminal Mischief	2	
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		

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Disturbance	2			
Other	9	Suspicious vehicle/person (5), Loud music (2) and Harassment (2)		
		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 provided City of Georgetown call logs for January 1, 2021, through September 15, 2021 (9 months). This year there were a total of 78 calls, 16 of which are outlined above. Management disclosed that there was an increase in criminal activity across several multifamily properties in the City of Georgetown, including Gateway. The onsite courtesy officer continues to walk the property nightly and provides management with a summary of any findings. Light checks are conducted weekly by the manager and security patrol.				

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? See comments	X		
COMMENTS: According to management, criminal background checks started being conducted on residents as they age to be 18 while living in the unit this year. The Regional Manager conducts quarterly risk assessments of the property.				

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		
➤	Fire inspections are conducted annually.	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 – see comment		
➤	BBQ/Picnic Area	X		
➤	Laundry Facility	X		
➤	Business Center	X – see comment		
➤	Pool	X		
➤	Other: Fitness Center	X		
COMMENTS: The management office is currently closed due to flooding. The residents have been notified that they can use the computer in the temporary management office.				

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:				

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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 continue to be provided weekly for household that request services and to building exteriors.			
6) What is the policy for following up on completed service requests? ➢ Management follow up on completed work orders at random.			
7) What is the property's after-hours emergency policy? ➢ The on-call staff member receives after-hour calls directly.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ Management replaced the sewage pumps at the lift station and installed a new sign at the entrance on Northwest Blvd.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➢ Unit interiors and appliance upgrade are replaced, if needed.			
10) Building Exterior and Curb Appeal repairs ➢ No building exteriors or curb appeal repairs were completed last budget year.			
11) Amenity upgrades ➢ N/A			
12) Other repairs or replacements ➢ N/A			
Number of service requests received:	75		
Number of requests open from prior periods:	0		
Number of service requests completed:	75		
Number of service requests completed within 24 hours:	40		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➢ It takes 2 days on average 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: Advertising signs and Balloons (\$67/monthly)	\$67	0	0
Flyers	NA		
Resident Referral (Current & Prior): \$100 per approved applicant with an average of 4 per year (\$34/month)	\$34	0	0
Locator Service	\$0	1	0
Printed/Internet Advertising: Property website, Google.com, Apartments.com (\$490/month), and apartments247 (\$50 monthly with virtual tour) and Lifestyle magazine \$30 monthly.	\$570	90	5
Other Source: Local Housing Authority, Other Property, Billboard (\$300/month)	\$300	42	7
TOTAL	\$971	133	12
The rental activity reflected in the above table was for the following period: 8/1/2021 – 8/31/2021			
	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:			

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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 (September): 52%	6 months: 82.6%	12 months: 84%
3)	What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	6%		
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 was in September 2021 with an average increase of about \$50.			
10)	How many households are currently on month-to-month leases? ➤ There are currently 8 households on month-to-month leases.			
11)	What is the charge for month-to-month leases? ➤ The month-to-month fee is \$60 per lease. Management confirmed that the total rent amount will never exceed the program rent maximum.			
COMMENTS:				

VACANT/MAKE READY UNITS					
1) Number of vacant units at time of activity report:			15		
2) Number of completed made ready units at time of activity report:			12		
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:			8		
5) Number of completed three bedroom units at time of activity report:			4		
6) Number of uncompleted made ready units at time of activity report:			3		
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:			3		
9) Number of uncompleted three bedroom units at time of activity report:			0		
Units Walked					
Unit #	Brief Description				
121	(3x2) Vacant: Made ready				
618	(3x2) Vacant: Temporary Management Office				
923	(2x2) Vacant: Made ready				
926	(2x2) Vacant: Made 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 (see comments)		
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: Semi-annually, however 100% of the units were inspected in May 2021.					

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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 3 units in the process of being made-ready.
9) What is the company policy on the number of days to turn vacant units? ➤ Management practice is to have units turned within one week.
COMMENTS:

BUDGET MANAGEMENT					
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Three bids are required for all services, materials, and supplies.					
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? ➤ According to management, the property had unexpected AC and plumbing cost. Also, additional marketing and advertising negatively affected 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
Payroll & Related	\$137,252	\$162,016	\$24,763	15.2%	Life Insurance, Worker's Compensation Insurance, Overtime, and Bonuses
Administrative Expenses	\$113,276	\$86,993	(\$26,283)	(30%)	Office Equipment, Office Supplies, IT Software, Travel, Bank Fees, Screening Services, Consulting Fees, and Contract Labor
Marketing Expense	\$13,125	\$7,008	(\$6,117)	(87%)	Signage, Printed Material, and Advertising - Other
Maintenance & Repair	\$44,124	\$35,920	(\$8,294)	(22%)	Materials - A/C and Materials - Plumbing
COMMENTS: The budget overage in administrative expense and maintenance & repair is due to the management office rehabilitation. The budget overage in the Marketing expense is due to management efforts to minimize high vacancy.					

REVENUE			
FOR THE MONTH ENDING: August 2021		YEAR TO DATE AS OF: August 2021	
Gross Potential	\$223,546	Gross Potential	\$1,778,873
Budgeted Rental Income	\$174,176	Budgeted Rental Income	\$1,393,408
Actual Rental Income Collected	\$162,037	Actual Rental Income Collected	\$1,259,558
Variance + (-)	(\$12,139)	Variance + (-)	(\$133,849)
Other Revenue	\$2,058	Other Revenue	\$9,067
Total Collected	\$166,840	Total Collected	\$1,291,851
Budgeted	\$179,703	Budgeted	\$1,437,624
Variance + (-)	(\$12,862)	Variance + (-)	(\$145,772)
COMMENTS: According to management, the negative rental income variance is due to low occupancy. Management also disclosed several tenants with delinquent rent balances are waiting for Texas Rent Relief payments.			

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? ➤ Management processes invoices daily.	X		
COMMENTS: The Vendor Aging Report dated 8/31/2021 was reviewed and used for this section.	0-30 Days:		\$18,055
	30-60 Days:		\$1,272
	60 Days and Over:		\$0
	TOTAL		\$19,327

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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 of the 6 th . An initial \$25 late fee is assessed plus a \$5 daily fee thereafter, not to exceed 15 days.			
3)	When is legal action taken against delinquent accounts? ➤ Legal action against delinquent accounts was suspended due to covid. Instead, management is asked to assist families that are struggling with rent.			
4)	Does the property currently have any resident(s) under eviction?		X	
5)	Does Housing have any outstanding balances?		X	
COMMENTS: The chart was completed using the Delinquent and Prepaid report dated 9/17/2021. According to management and the notes written under serval units on the report, about 78% (\$13,870) of the total delinquent balances is pending Texas Rent Relief assistance funds.		0-30 Days:		\$14,889
		30-60 Days:		\$1,250
		60 Days and Over:		\$1,540
		TOTAL		\$17,679

RETURNED CHECKS		YES	NO	N/A
1)	Total number of returned checks in the past 3 months:		3	
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. ➤ All staff is required to complete various Grace Hill trainings (i.e., Fair Housing, HOME training, Tax Credit, etc.). Management also attended virtual TML training and Elizabeth Moreland trainings.			
COMMENTS: Management is stated they are looking for a maintenance technician.				

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 pulls and reviews reports at his discretion.			
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 must obtain owner approval for amounts over \$500 that are unexpected or over budget.			
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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Monument Sign - Front Entrance



Side Entrance



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Temporary Office – Unit 618



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Management Office (Rehab in Progress)



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Unit 923



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