

Texas State Affordable Housing Corporation

Silver Trails Apartments 403 Mesquite, Menard, Texas 76859

Owner: HVM BP Menard Ret, LLC

Date Built: 1991

Management Company: Hamilton Valley Management, Inc.

Property Manager: Susan Anderson

Inspection Date & Time: May 14, 2021 at 1:30 pm

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	79%	Average Occupancy Over Last 12 Months:	85.16%
Number of Units: 24			
Number of One Bedrooms:	22	Number of Two Bedrooms:	2
Number of Three Bedrooms:	N/A	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		
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 Asset Oversight review for Silver Trails Apartments. Based on a review of the submitted photos, the property is in overall great condition. The property site sign is in good condition and easily visible. The scheduled property rehab recently commenced, and it is about 15% complete. The parking lot appears to have a few minor potholes, but management confirmed the parking lot replacement is part of the of the rehab.

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	1	Possible break-in

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	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: According to the Menard County Sheriff's Office there were 5 calls logged in the past three months, one of which is noted above. The Property utilizes the Rural Rental Housing Association (RRHA lease) to address criminal activity. While management said there is little to no criminal activity, management will issue lease violations if necessary. The Property Manager and tenants maintain a great relation with the local sheriff's department. Maintenance conducts light checks 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 regional manager conducts a risk assessment quarterly.			

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? ➤ (Describe)		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: Library, Pantry, and Piano.	X		
COMMENTS: According to management, upon completion of the rehab, the property will have a business center with one computer and a community garden.			

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: Management stated they have a 4-lock system, where an individual needs keys to open 4 locks to access the key lockbox.			

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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 bi-monthly for tenants who request unit interior treatment and all exteriors. Pest control services are provided bi-monthly for the exterior of all units. In addition, tenants can have the interior of their unit treated upon request.				
➤				
6) What is the policy for following up on completed service requests?				
➤ The Property Manager follows up on completed work orders by calling or visiting tenants to ensure work was completed satisfactorily.				
7) What is the property's after-hours emergency policy?				
➤ The after-hours emergency number is posted on the management office and provided to all tenants. The tenants call the property manager or maintenance technician directly. Once the emergency is confirmed, the appropriate parties are contacted.				
8) What capital improvements have been scheduled or completed for this budget year?				
➤ N/A – The property recently commenced a full rehabilitation. At the time of the report, the property rehab had recently commenced.				
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year				
9) Unit Interior and Appliance upgrades				
➤ N/A – The property recently started a full property rehab				
10) Building Exterior and Curb Appeal repairs				
➤ N/A – The property recently started a full property rehab				
11) Amenity upgrades				
➤ N/A – The property recently started a full property rehab				
12) Other repairs or replacements				
➤ N/A – The property recently started a full property rehab				
Number of service requests received:		6		
Number of requests open from prior periods:		0		
Number of service requests completed:		6		
Number of service requests completed within 24 hours:		6		
Number of outstanding service requests:		0		
13) On average, how many days does it take to complete a work order?				
➤ All work orders reviewed were completed the same day they were opened.				
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 – Corporate pays for this advertising.	\$0		
Resident Referral	\$0		
Locator Service	\$0		
Printed/Internet – Newspaper \$82 (bi-monthly)	\$82		
Other Source:	\$0		
TOTAL	\$82	26	See comment
The rental activity reflected in the above table was for the month of: 12/15/2021 – 4/12/2021			
	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: The property submitted a Weekly Traffic Report (20 prospects); however, the report does not capture the traffic source type. Without the			

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traffic source, the reviewer is unable to complete the traffic source section above. Management is encouraged to revise the current report to include traffic source type (i.e., drive-by, internet ad, resident referral, etc.), and to keep track of the traffic source types moving forward. In addition, the Wait List (6 prospects) was provided for review. Market surveys are completed quarterly.

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:	6 months:	12 months: 80%
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 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? ➤ Rent increases are scheduled for 08/11/2021. The anticipated rent increase is \$105 for 1-bedrooms and \$150 for 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			
COMMENTS:			

VACANT/MAKE READY UNITS				
1) Number of vacant units at time of activity report:				5
2) Number of completed made ready units at time of activity report:				2
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:				1
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:				3
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:				1
9) Number of uncompleted three bedroom units at time of activity report:				0
Units Walked				
Unit #	Brief Description			
Unit 6	Vacant (1 bedrooms) Unit in the make-ready process			
Unit 12	Vacant (1 bedrooms) Unit is made-ready			
Unit 14	Vacant (2 bedrooms) Unit is made-ready			
Unit 15	Vacant (2 bedrooms) Unit in the make-ready process			
Down Units Walked (units vacant and unready for extended period of time and all down units)				
Unit #	Brief Description			
N//A				

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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? ➤ Three of the vacant units are in the process of being 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.
COMMENTS: The property has a total of 5 vacant units. According to management, the weekly traffic log and the wait list are being utilized to occupy the vacant units. The reviewer discussed units 6, 14, and 15 with management because together they have an average vacancy length of 541 days. The Property Manager confirmed they utilize the Weekly Traffic Log and the Wait List to fill vacancies however two qualified applicants elected to wait until the unit rehab is complete before occupying the units. In addition, management stated it is difficult to qualify tenants for the two-bedroom units due to the occupancy requirements. Management will continue to market the community and lease the vacant units as soon as possible.

BUDGET MANAGEMENT					
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 \$3,000.					
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.					
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
Maintenance & Operations Exp				29%	Decrease in expenses due to t property rehab
Administrative Expense				10.6%	Increase to manage new property loan
COMMENTS: Management did not submit a budget comparison; therefore, the reviewer completed the section above with the HVM Budget Narrative for the Year 2021 which only provided the variance percentage but did not include dollar amounts.					

REVENUE					
FOR THE MONTH ENDING: March 2021			YEAR TO DATE AS OF: March 2021		
Gross Potential		\$13,962	Gross Potential		\$41,880
Budgeted Rental Income		\$13,962	Budgeted Rental Income		\$34,246
Actual Rental Income Collected		\$8,716	Actual Rental Income Collected		\$26,286
Variance + (-)		\$2,881	Variance + (-)		\$7,960
Other Revenue		\$50	Other Revenue		\$143
Total Collected		\$8,765	Total Collected		\$26,538
Budgeted		\$6,980	Budgeted		\$20,841
Variance + (-)		\$1,785	Variance + (-)		\$5,596
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:	0-30 Days:		\$1,225
	30-60 Days:		\$0.00
	60 Days and Over:		0.00
	TOTAL		\$1,225

DELINQUENCIES	YES	NO	N/A
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1) Is the delinquency report up to date?	X		
2) What is the rent collection policy? ➤ Rent is due on the 1 st and late on the 10 th . On the 11 th of the month a lease violation for nonpayment of rent is posted. On the 15 th a 3-day Notice to Vacate is posted			
3) When is legal action taken against delinquent accounts? ➤ Management issues a Notice of Termination on the 10 th 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	
COMMENTS:	0-30 Days:		-\$439
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		-\$439

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 TDHCA's income eligibility and HTC 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 weekly, include but are not limited to property financial report, occupancy report, and delinquency reports.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ The Manager and Regional Manager seek approval for anything over \$1,000.			
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: Management agreed to submit the Rehab Questionnaire as soon as the rehab is complete. Management 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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Unit 6



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