

# Texas State Affordable Housing Corporation

## Marshall Apartments

1157 Salinas Street, Austin, Texas 78702

**Owner:** EC Marshall, LLC

**Date Built:** 1968

**Management Company:** Envolve Communities

**Property Manager:** Shawanna Hubert

**Inspection Date & Time:** June 13, 2022 at 1:30 p.m.

**Inspector's Name:** Celina Mizcles Stubbs

<b>Occupancy at Time of Report:</b>	96%	<b>Average Occupancy Over Last 12 Months:</b>	98%
<b>Number of Units: 100</b>			
<b>Number of One Bedrooms:</b>	24	<b>Number of Two Bedrooms:</b>	36
<b>Number of Three Bedrooms:</b>	24	<b>Number of Four Bedrooms:</b>	16

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- 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:** This is the first asset oversight review for Marshall Apartments. The property has two sites, one is located off of Salinas and the other is off of East 12<sup>th</sup> Street. Based on visual observations made on the day of the onsite visit, the property is in overall good condition. The property recently completed a property-wide rehabilitation. The building exteriors, parking lot and grounds are in good condition. The recreation and common areas are clean and accessible. The reviewer did notice several damaged window blinds during the visit. Management stated blinds were replaced as part of the rehab. Management policy is to notify tenants of damaged blinds, replace them and assess replacement fees to the tenant. In addition, there were a couple of damaged window screens. Management stated all windows screens are scheduled to be replaced.

**Observations:**

- The property is in overall good condition; however, several window blinds were visibly damaged. Management is encouraged to continue to enforce their management policy of replacing them to maintain the property's great curb appeal.
- The site located on East 12<sup>th</sup> Street appears to need more maintenance attention. There was dirt/sand on the sidewalk pathways, the laundry room could use a light cleaning, and there were a few bulk items next to the dumpster. While these items are not of urgent nature, management is encouraged to utilize the temporary maintenance contractor to ensure the curb appeal is maintained at both site locations moving forward.

### 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:
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Incident Type	# of Occurrences	Comments:
Burglary	1	Residence (1)
Theft	2	Auto Theft (2)
Criminal Mischief		
Personal Assault	1	Assault (1)
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance		
Other	9	Gun (3), Robbery w/deadly weapon (1), Prowler (1), Criminal Trespassing (1), and Other (3)

	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 – see comment	

**COMMENTS:** The Austin Police Department call logs dated February 2022 to April 2022 indicate there were 32 calls made; 13 of those are noted above. Management uses the HUD lease contract to prevent criminal activity at the community. There are 4 surveillance cameras monitoring the management office. The property manager monitors the footage. There is no maintenance staff at this time, therefore nightly light checks are not being conducted. Management stated the tenants are very pro-active and call the management office when they notice any changes in the community, including any inoperable lights. Management staff is encouraged to conduct light checks periodically until maintenance staff is hired.

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 conducts community liability stair inspections monthly.

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	
➤ N/A			
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: Both locations	X		
➤ Community Room: Salinas location	X		
➤ BBQ/Picnic Area: Both locations	X		
➤ Laundry Facility: Both locations	X		
➤ Business Center: Main	X		
➤ Pool: N/A			X
➤ Other: Fitness Center (closed due to covid) and Pergolas	X		

**COMMENTS:** The business and fitness center are closed due to covid; both will reopen when covid cases decrease. There was one inoperable washer. Management confirmed a work order has been created with the vendor.

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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		
<b>COMMENTS:</b>			

MAINTENANCE PROGRAM	YES	NO	N/A
1) Does the property have a preventative maintenance program?	X – see comment		
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 controls services are provided every Friday for units that request service.			
6) What is the policy for following up on completed service requests? ➢ The Property Manager follows up on completed work orders at random to ensure completion and customer satisfaction.			
7) What is the property's after-hours emergency policy? ➢ The property utilizes a third party after-hours answering service. If the call is an emergency, the appropriate persons including the Property Manager are notified.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ There are no capital improvements scheduled or completed this year as the property is completing a property-wide rehabilitation.			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>			
9) Unit Interior and Appliance upgrades ➢ N/A – The property recently completed a full rehabilitation. See Rehab Details attached to this report. See Observation.			
10) Building Exterior and Curb Appeal repairs ➢ N/A – The property recently completed a full rehabilitation.			
11) Amenity upgrades ➢ N/A – The property recently completed a full rehabilitation.			
12) Other repairs or replacements ➢ N/A – The property recently completed a full rehabilitation.			
Number of service requests received:	11		
Number of requests open from prior periods:	0		
Number of service requests completed:	11		
Number of service requests completed within 24 hours:	10		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➢ Based on the Work Order directory, it takes 1.5 days to complete work orders.			
<b>COMMENTS:</b>			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth/Curb Appeal		1	0
Flyers			
Resident Referral		2	
Locator Service			
Printed/Internet Advertising: RentCafe (\$64/month)	\$64	3	0
Other Source: Property website, HUD, Property Referral, Facebook and Craigslist		25	2
<b>TOTAL</b>	<b>\$64</b>	<b>31</b>	<b>2</b>
<b>The rental activity reflected in the above table was for the month of: 5/13/22 - 6/13/22</b>			
	YES	NO	N/A

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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:** Management disclosed they work off an extensive wait list to fill vacancies.

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: 98.4%	12 months: 88.5%
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? > The last rent increase was implemented on 5/1/2022. The average increase was about \$30 per floor plan.			
10) How many households are currently on month-to-month leases? > The HUD lease is utilized therefore an initial 12-month term is executed that rolls into a month-to-month term.			
11) What is the charge for month-to-month leases? > There are no charges for month-to-month lease.			
<b>COMMENTS:</b>			

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:			0		
9) Number of uncompleted three-bedroom units at time of activity report:			1		
Units Walked					
Unit #	Brief Description				
122E	Vacant (3x1): Needs to be made-ready. This is the final unit that needs to be fully rehabilitated as part of the acquisition/rehab.				
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		



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6) How often are occupied units inspected? ➤ Occupied units are inspected: Quarterly
7) How often are vacant units inspected? ➤ Vacant units are inspected: Twice, at the time the tenant moves out and the day prior to the new tenant moving in.
8) How many vacant units are in progress of being made ready? ➤ There is one unit 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 must be made-ready within 5-7 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 materials, supplies and services.							
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? ➤ There were two major plumbing issues with the underground cast iron pipe that affected the current budget.							
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 Expense		\$75,150	\$63,657	-\$11,493	-18%	Bad Debt Expenses and Travel	
COMMENTS:							

REVENUE			
FOR THE MONTH ENDING: May 2022		YEAR TO DATE AS OF: May 2022	
Gross Potential	\$160,460	Gross Potential	\$802,300
Budgeted Rental Income	\$160,460	Budgeted Rental Income	\$802,300
Actual Rental Income Collected	\$157,188	Actual Rental Income Collected	\$799,028
Variance + (-)	-\$3,272	Variance + (-)	-\$3,272
Other Revenue	\$167	Other Revenue	\$3,6658
Total Collected	\$157,355	Total Collected	\$721,280
Budgeted	\$158,551	Budgeted	\$767,424
Variance + (-)	\$804	Variance + (-)	\$13,856
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 - see comment		
3) Are invoices processed weekly?				X		
<b>COMMENTS:</b> The Payable Aging Detail report dated as of June 2022 shows a \$29,160 balance in the "60 Day and Over" column. When questioned, management mentioned there is a glitch in the Yardi report and confirmed the property does not have and/or carry a balance over 30 days. An updated report was not submitted prior to the issuance of this report therefore the balance is included on the chart.				0-30 Days:		\$0
				30-60 Days:		\$0
				60 Days and Over:		\$29,160
				TOTAL		\$29,160

DELINQUENCIES				YES	NO	N/A
1) Is the delinquency report up to date?				X		
2) What is the rent collection policy?						

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➤ Rent is due on the 1 <sup>st</sup> and considered late on the 6 <sup>th</sup> day. An initial late fee of \$5 is assessed on the 6 <sup>th</sup> day and a \$1 daily fee thereafter.			
3) When is legal action taken against delinquent accounts?			
➤ Legal action is taken on the 15 <sup>th</sup> day on delinquent accounts.			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b> The Delinquency report dated June 13, 2022 was used to complete this section. According to management, there is some unpaid housing assistance payments, some households on repayment plans, and one household under eviction. Management disclosed it has become difficult to get on time rent payments due to the pandemic.	0-30 Days:		\$18,001
	30-60 Days:		\$8,836
	60 Days and Over:		\$14,518
	TOTAL		\$41,355

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		
<b>COMMENTS:</b>			

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 – see comment	
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.			
➤ Management staff is required to complete various in-house corporate training.			
<b>COMMENTS:</b> As mentioned throughout the report, the property is in overall good condition. However, the site has two vacant maintenance positions, and it appears that an additional management staff member may be useful as there were several passed due annual recertifications. Management disclosed there are working diligently to fill the positions but have been unable to. See observation below and refer to the Observation and Findings in the Compliance Report.			
<b>Observation:</b>			
<ul style="list-style-type: none"> <li>It is imperative to have the site adequately staffed to ensure program compliance. Management is encouraged to continue to market the maintenance positions and to provide site management with the resources to complete necessary certification to ensure program compliance.</li> </ul>			

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 has access to the software system; therefore, reports are not submitted.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds?			
➤ Any amount that is unbudgeted or over budget requires 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		
<b>COMMENTS:</b>			

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## SUMMARY OF OBSERVATIONS AND FINDINGS

### Observations:

- The property is in overall good condition; however, several window blinds were visibly damaged. Management is encouraged to continue to enforce their management policy of replacing them to maintain the property's great curb appeal.
- The site located on East 12<sup>th</sup> Street appears to need more maintenance attention. There was dirt/sand on the sidewalk pathways, the laundry room could use a light cleaning, and there were a few bulk items next to the dumpster. While these items are not of urgent nature, management is encouraged to utilize the temporary maintenance contractor to ensure the curb appeal is maintained at both site locations moving forward. It is imperative to have the site adequately staffed to ensure program compliance.
- Management is encouraged to continue to market the maintenance positions and to provide site management with the resources to complete necessary certification to ensure program compliance.

### No Findings.





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Unit 112





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