

# Texas State Affordable Housing Corporation

## The Willows Apartments 1332 Lamar Square, Austin, Texas, 78704

**Owner:** Mary Lee Foundation

**Date Built:** 2010

**Management Company:** Mary Lee Foundation

**Property Manager:** William Whitley

**Inspection Date & Time:** December 7, 2022, at 9:00 am

**Inspector's Name:** Mercedes Dunmore

<b>Occupancy at Time of Report:</b>	92.19%	<b>Average Occupancy Over Last 12 Months:</b>	94.66%
<b>Number of Units: 64</b>			
<b>Number of One Bedrooms:</b>	51	<b>Number of Two Bedrooms:</b>	9
<b>Number of Three Bedrooms:</b>	4	<b>Number of Four Bedrooms:</b>	0

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 – see below	
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- see below	
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 below	
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 – see below	
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:** The overall condition of the property was well maintained. However, there were a few issues noted during the review. There was damage to the perimeter fence and erosion along the exterior of the building throughout the property. The Property Manager was aware of the damage and confirmed they are currently working with a contractor to repair the damage. The laundry room had one washer machine that isn't working and is currently awaiting repair. There was also damage to the waste receptacles doors that are being repaired by the general contractor. The hallways and stairs are clean however TSAHC recommends the Property Manager implement a pressure washing schedule for the Maintenance team. Lastly, areas of the parking lot and handicap spots are in need of stripping repair. TSAHC recommends that be completed.

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		
Theft		
Criminal Mischief		
Personal Assault		
Drug Related Activity		

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Gun Related Activity					
Domestic Violence					
Disturbance					
Other					
			<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> Management does not provide the 3-month summary of police calls and summary. However, management keeps track of security and crime issues by using incident reports and monitoring the security surveillance cameras. Management will send out lease violations when there is an occurrence.					

<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 last risk assessment was conducted by the insurance company in November 2022.					

<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		
➤ <b>Elevator license and fire permits</b>					
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)			X		
<b>COMMENTS:</b> Management advised that they are in the works for obtaining bids to install a stage in the BBQ/Picnic area also known as the Greenbelt area.					

<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		
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		

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**COMMENTS:** Management is currently working towards obtaining an electric key tracking system for 2023. The system will assign a random key code that will allow for keys to not have the unit numbers listed on them. TSAHC recommends this change goes into effect as soon as possible in order to keep unit secured.

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 – see below	
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?		X	
5) How often are Pest Control services provided? ➢ Weekly, each unit is treated at least once a month.			
6) What is the policy for following up on completed service requests? ➢ Management staff tracks in Onesite; however, they do not have a written policy on how to follow up on completed request.			
7) What is the property's after-hours emergency policy? ➢ On-call maintenance team receives and handles the emergency after hour call.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ Management hopes to install an entertainment stage for the outdoor BBQ/Picnic (Greenbelt area) during the current budget year.			

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

9) Unit Interior and Appliance upgrades ➢ Flooring is replaced as needed after a move out.			
10) Building Exterior and Curb Appeal repairs ➢ N/A			
11) Amenity upgrades ➢ Washers were replaced during the last budgeted year.			
12) Other repairs or replacements ➢ A fourth of the hot water heaters were replaced (management is tracking the age of the system and replaces the oldest systems first). Also, the HVAC units (PTACS) are replaced as they go out, roughly 3% of them are replaced.			
Number of service requests received:	11		
Number of requests open from prior periods:	0		
Number of service requests completed:	8		
Number of service requests completed within 24 hours:	2		
Number of outstanding service requests:	3		

13) On average, how many days does it take to complete a work order?  
➢ Eleven days, on average.

**COMMENTS:** While visiting the maintenance shop the reviewer noted the supplies and materials were not well organized and there was no MSDS Binder found near the chemicals in this area. A MSDS Binder must be kept near any chemicals used on site to comply with the health and safety regulations. Service requests are tracked in Onesite and printed for the Maintenance Staff, once complete the Maintenance staff logs the amount of time worked on the paper copy it is then turned into the office staff to finalize the work order in the system.

**Observation:**

- **TSAHC recommends management close out work orders in the system the same day as the service request is completed to get an accurate count of how long it takes to have a request completed.**

**Finding:**

- **During the site visit, there was no MSDS binder located within the property. It is essential to the protection of the staff and property for a MSDS binder to be in the area where the materials and chemicals are stored. The owner must implement a MSDS binder for all materials and chemicals stored in the Maintenance shop by. A picture of the binder and its location must be provided to TSAHC by February 6, 2023.**

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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			
Locator Service			
Printed/Internet Advertising			
Other Source	Unknown	170	7
<b>TOTAL</b>	<b>Unknown</b>	<b>170</b>	<b>7</b>
<b>The rental activity reflected in the above table was for the month of: December 2022</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> Management states their most common sources are walk ins or referrals from agencies such as the local Housing Authorities or other agencies in the area.			
<b>Observation: TSAHC recommends management start to document the actual advertising source instead of listing all sources under "Other Source" as this will help management and ownership conduct a monthly market survey to ensure the Property is offering competitive rates.</b>			

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: 65.33%	12 months: 74.33%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	8.33%		
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 rental increase of 1.3% took place in 2020.			
10) How many households are currently on month-to-month leases? > 0			
11) What is the charge for month-to-month leases? > N/A			
<b>COMMENTS:</b>			

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	4
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:	N/A
6) Number of uncompleted made ready units at time of activity report:	4
7) Number of uncompleted one bedroom units at time of activity report: efficiency	4
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
<b>Units Walked</b>	

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Unit #	Brief Description		
315	160 Days Vacant – Full turn in process		
408	160 Days Vacant – Full turn needed		
<b>Down Units Walked (units vacant and unready for extended period of time and all down units)</b>			
Unit #	Brief Description		
107	181 Days Vacant – Full turn needed		
214	251 Days Vacant – Full turn needed		
	<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: Weekly			
8) How many vacant units are in progress of being made ready? ➢ There are 4 units.			
9) What is the company policy on the number of days to turn vacant units? ➢ There is a 7-day turn period.			
<p><b>COMMENTS:</b> Management has confirmed the policy for unit turns has not been followed due to the turnover in staff. Due to the staff turnover management has attempted to outsource the unit turns and having difficulties finding a make-ready company to service the site.</p> <ul style="list-style-type: none"> <li>• <b>Finding: Units 107 and 214 are considered down units. A Down Unit is defined as: Vacant Unit that meets one or more of the following requirements: i) uninhabitable due to infestations, sewer backups, foundation and subfloor issues, missing drywall and carpets, missing cabinets and appliances, mold, significant water damage not caused by a natural disaster ii) uninhabitable and “not made ready” for over 180 calendar days iii) uninhabitable due to casualty loss (unit or building damage due to disaster or sudden, unexpected accidents). The previously designated low-income units are now Market units. There units will maintain a Market designation until a qualified household occupies the unit. Management must submit proof that the units are back on-line and available for rental to the general public in the form of invoices, work orders, pictures, and/or Tenant Income Certifications to TSAHC.</b></li> </ul>			

BUDGET MANAGEMENT				YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➢ Yes						
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? ➢ No						
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	
Total Expenses	\$58,201	\$66,983	-8,783	-13.11	Salaries, Taxes, and Benefits, Fees and Licenses, Bad Debt	

**COMMENTS: Financial Budget FY 2023 YTD vs Operating Budget Report as of: August 2022.**

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REVENUE			
FOR THE MONTH ENDING: 08/2022		YEAR TO DATE AS OF: 08/2022	
Gross Potential	\$30,257	Gross Potential	\$60,513
Budgeted Rental Income	\$30,257	Budgeted Rental Income	\$60,513
Actual Rental Income Collected	\$27,977	Actual Rental Income Collected	\$55,954
Variance + (-)	\$2,280	Variance + (-)	\$-4,559
Other Revenue	\$1,136	Other Revenue	\$2,272
Total Collected	\$29,113	Total Collected	\$58,226
Budgeted	\$31,675	Budgeted	\$63,351
Variance + (-)	-\$2,562	Variance + (-)	\$5,125
<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> Management does not have access to view the Payables for the site. Ownership was able to provide a Weekly Budget Request Report dated 12/7/2022-12/13/2022.	0-30 Days:		\$795.86
	30-60 Days:		
	60 Days and Over:		
	<b>TOTAL</b>		<b>\$795.86</b>

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 <sup>st</sup> . There is a 6-day grace period, then late fees are applied on the 7 <sup>th</sup> of the month.			
3) When is legal action taken against delinquent accounts? ➤ Evictions are filed if rent is delinquent after 2 months.			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?		X	
<b>COMMENTS:</b> Due to the amount of delinquent tenants Management has decided to waive their policy of charging late fees on the 7 <sup>th</sup> of the month, to the 17 <sup>th</sup> .  Note: The information was provided by Delinquency and Prepaid Report dated on 12/07/2022. The "0-30 Day" balance is due to the review being completed on the 7 <sup>th</sup> as the property doesn't receive many of its rents until around the 17 <sup>th</sup> of the month.	0-30 Days:		\$16,998
	30-60 Days:		\$3,530
	60 Days and Over:		\$2,200
	<b>TOTAL</b>		<b>\$24,408</b>

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		1	
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		

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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. ➤ Income Eligibility Training, Neighbor Works Training			
<b>COMMENTS:</b> Management has hired a new Assistant Property Manager and a new Maintenance Technician since the last site visit. Ownership is currently recruiting for additional maintenance members as the property should have a total of 3. The Property Manager has since been promoted to The Director of Housing. The New Property Manager is set to start in January 2023.			

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? ➤ Management submits weekly reporting to ownership.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Management has to receive ownerships approval for any expense over \$500.			
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>			

SUMMARY OF OBSERVATIONS AND FINDINGS
<p><b>Observation:</b></p> <ul style="list-style-type: none"> <li>• TSAHC recommends management close out work orders in the system the same day as the service request is completed to get an accurate count of how long it takes to have a request completed.</li> <li>• TSAHC recommends management start to document the actual advertising source instead of listing all sources under “Other Source” as this will help management and ownership conduct a monthly market survey to ensure the Property is offering competitive rates.</li> </ul> <p><b>Finding:</b></p> <ul style="list-style-type: none"> <li>• During the site visit, there was no MSDS binder located within the property. It is essential to the protection of the staff and property for a MSDS binder to be in the area where the materials and chemicals are stored. The owner must implement a MSDS binder to track the use of all materials and chemicals in the Maintenance shop by. A picture of the binder and its location must be provided to TSAHC by February 5, 2023.</li> <li>• Units 107 and 214 are considered down units. A Down Unit is defined as: Vacant Unit that meets one or more of the following requirements: i) uninhabitable due to infestations, sewer backups, foundation and subfloor issues, missing drywall and carpets, missing cabinets and appliances, mold, significant water damage not caused by a natural disaster ii) uninhabitable and “not made ready” for over 180 calendar days iii) uninhabitable due to casualty loss (unit or building damage due to disaster or sudden, unexpected accidents). The previously designated low-income units are now Market units. There units will maintain a Market designation until a qualified household occupies the unit. Management must submit proof that the units are back on-line and available for rental to the general public in the form of invoices, work orders, pictures, and/or Tenant Income Certifications to TSAHC.</li> </ul>



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