

# Texas State Affordable Housing Corporation

## Willowick Apartments

1501 Newland, Gainesville, Texas 76240

**Owner:** HVM BP Gainesville, LLC

**Date Built:** 1977

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

**Property Manager:** Sarah Chilcoat

**Inspection Date & Time:** February 17, 2022, at 8:30 AM

**Inspector's Name:** Estefania Linares

<b>Occupancy at Time of Report:</b>	98%	<b>Average Occupancy Over Last 12 Months:</b>	89.67%
<b>Number of Units: 60</b>			
<b>Number of One Bedrooms:</b>	30	<b>Number of Two Bedrooms:</b>	30
<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		
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 last on-site Asset Oversight review for Willowick Apartments. This property just completed a full property rehab; the property is in overall in great condition. The monument sign is clean and visible to the public, the leasing office was easy to locate, the parking lot is clean and free from any potholes. The building exteriors appear to be stable and in good condition including all windows, blinds, and doors from the units.

### 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	6	Disturbance	
Other	1	Noise Complaint	
		YES	NO
			N/A

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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:** Based on the 911 calls from Gainesville Police Department dated 11/1/2021 – 2/2/2022, there was a total of 27 calls and 7 of them are noted above. Lights checks are conducted by the property manager every week.

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 on a quarterly basis.

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	
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		

**COMMENTS:** All amenities are in good condition and fully functional.

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:** Management stated they have a 3-lock system, where management staff needs keys to open 3 locks to access the key lockbox.

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?			

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➤ Pest Control services are provided monthly.			
6) What is the policy for following up on completed service requests?			
➤ The property manager follows up with tenants within 24 hours of completed service requests.			
7) What is the property's after-hours emergency policy?			
➤ Residents have the property manager's and the lead maintenance's phone numbers. Tenants are informed to call these numbers for all after-hour emergencies.			
8) What capital improvements have been scheduled or completed for this budget year?			
➤ N/A – A full property rehab was completed last year. Management submitted documentation to support a completion date of April 28, 2021 and submitted a detailed rehab construction summary with associated construction costs.			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>			
9) Unit Interior and Appliance upgrades			
➤ N/A			
10) Building Exterior and Curb Appeal repairs			
➤ N/A			
11) Amenity upgrades			
➤ N/A			
12) Other repairs or replacements			
➤ N/A			
Number of service requests received:	18		
Number of requests open from prior periods:	0		
Number of service requests completed:	13		
Number of service requests completed within 24 hours:	2		
Number of outstanding service requests:	5		
13) On average, how many days does it take to complete a work order?			
➤ According to management, it takes 1 day to complete a work order, however, since this property currently does not have a lead maintenance, it takes approximately 16 days to complete a work order.			
<b>COMMENTS:</b> This section was completed using the Work Order Detail report dated 01/01/2022 – 02/28/2022. None of the outstanding service request are emergencies.			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	2	-
Flyers – Newspaper.	\$300	0	-
Resident Referral	\$0	1	-
Locator Service	\$0	0	-
Printed/Internet Advertising	\$0	2	-
Other Source (Apartments.com \$0)	\$0	0	-
<b>TOTAL</b>	<b>\$300</b>	<b>5</b>	<b>Unknown</b>
<b>The rental activity reflected in the above table was for the month of: January 2022 – February 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> This section was completed using the Weekly Traffic report from January 2022 – February 2022. The section on the submitted report titled "Leased Y/N" was not completed, therefore the reviewer was unable to complete the chart above. The reviewer recommends management answer this question to keep track if the units leased moving forward.			

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: 98.34%	6 months: 100%	12 months: 95.91%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?			0%

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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? ➤ Management confirmed that on January 1, 2022, there was a \$10 rent increase on all units.			
10) How many households are currently on month-to-month leases? ➤ N/A - the property does not offer month-to-month leases.			
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:			1		
2) Number of completed made ready units at time of activity report:			1		
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:			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:			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				
27	Vacant (2-bedroom) Made-ready but not yet leased.				
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: Weekly					
8) How many vacant units are in progress of being made ready? ➤ N/A – The vacant unit is made ready.					
9) What is the company policy on the number of days to turn vacant units? ➤ Based on the supervisor, the company's policy to turn a vacant unit is from 3-5 business days.					
COMMENTS:					

BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Yes, three bids are solicited in order to obtain materials, supplies, and services.			
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ N/A			

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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
Operating Expenses	\$56,216	\$66,088	\$9,871	14.94%	Maintenance Repairs Payroll, Maintenance Repairs Supply and Capital Improvements.
Administrative Expenses	\$94,166	\$91,584	\$12,065	13.17%	Manager's Salary, Management Fees, Legal and Professional.
Other Expenses	\$19,168	\$22,493	\$3,324	14.77%	Dues & Subscriptions
Other Property Expenses	\$48,435	\$0	-\$48,435	-100%	Note Payable – 538 Loan

**COMMENTS:** Based on management, the "Note Payable – 538 Loan" is actually Greystone Services loan for a rehab.

## REVENUE

FOR THE MONTH ENDING: January 2022		YEAR TO DATE AS OF: January 2022	
Gross Potential	\$41,700	Gross Potential	\$41,700
Budgeted Rental Income	\$41,700	Budgeted Rental Income	\$41,700
Actual Rental Income Collected	\$28,658	Actual Rental Income Collected	\$28,658
Variance + (-)	\$13,042	Variance + (-)	\$13,042
Other Revenue	\$1,548	Other Revenue	\$1,548
Total Collected	\$30,206	Total Collected	\$30,206
Budgeted	\$40,596	Budgeted	\$40,596
Variance + (-)	\$10,390	Variance + (-)	\$10,390

**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		
<b>COMMENTS:</b> This section was completed using the Summary Aged Payables as of February 16, 2022.	0-30 Days:		\$4,024.01
	30-60 Days:		\$0
	60 Days and Over:		-\$8.10
	TOTAL		\$4,015.91

## DELINQUENCIES

	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the rent collection policy?			
➤ If rent is not paid in full by the tenth of the month, according to the property's regional manager a late charge in the amount of \$10 is applied.			
3) When is legal action taken against delinquent accounts?			
➤ On the 11th day, management will take legal action against delinquent accounts by issuing 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> According to management, one resident is under eviction for non-payment. The manager further disclosed the resident moved out the day prior from the review date.	0-30 Days:		\$3,896
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$3,896

## 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

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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- see comment		
9) Are weekly staff meetings held?	X		
10) Have personnel been trained in Fair Housing?		X – see comment	
11) List training staff has received in the past year. ➤ Grace Hill			

**COMMENTS:** Willowick Apartments has had the lead maintenance position vacant since September 2021, but management is seeking to hire someone soon. In addition, a new property manager joined the property in August 2021. The property manager has not attended Fair Housing, however management confirmed they are scheduling it through Grace Hill soon.

- **Observation: The reviewer strongly recommends that the property manager complete Fair Housing training no later than 04/01/2022.**

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. Reports include but not limited to the property financial reports, 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 property manager is required to get the owner's approval for anything over \$1,000 for an unbudgeted or over budget expense.			
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
<p><b>Observation: The reviewer strongly recommends that the property manager complete Fair Housing training no later than 04/01/2022.</b></p> <p><b>No Findings.</b></p>



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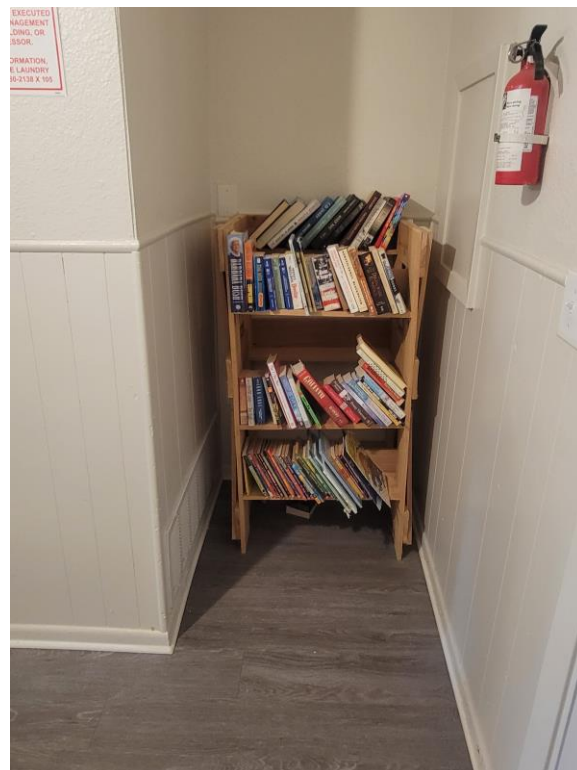
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