

Texas State Affordable Housing Corporation

Windwood Apartments

100 Windwood Dr., Kingsland, Texas 78639

Owner: HVM BP Kingsland, LLC

Date Built: 1989

Management Company: Hamilton Valley Management, Inc

Property Manager: John Heskett

Inspection Date & Time: March 17, 2022, at 9:30AM

Inspector's Name: Estefania Linares

Occupancy at Time of Report:	93%	Average Occupancy Over Last 12 Months:	94.3%
Number of Units: 68			
Number of One Bedrooms:	58	Number of Two Bedrooms:	10
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 – see comment	
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- see comment	

COMMENTS: This is the last on-site Asset Oversight review for Windwood Apartments. This property is completing a full property rehab, and at the time of the on-site review, the property still has a few minor repairs pending. Management confirmed that these remaining items will be completed on or before 4/26/2022. Aside from these minor items, the property is overall in great condition. The property monument signs are visible (one of them is fading), and all the building's exterior are in good condition including the building's roof, doors, windows, and blinds. In last year's report, the fading monument sign and tree trimming was addressed however they haven't been addressed.

Observation: The monument sign should be painted to ensure visibility. In addition, management/maintenance should continue to walk the property and schedule tree trimming as needed.

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		

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Drug Related Activity				
Gun Related Activity				
Domestic Violence				
Disturbance				
Other				
			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 Llano County Sheriff's Department there were 6 calls logged between December 2021 and February 2022, none of which are noted in the chart above. Lights checks are conducted by maintenance 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: Management confirmed that risk assessments are conducted quarterly by the Property Regional Manager.				

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 (Beauty Salon, Library, Garden, and Soda Machine)			X	
COMMENTS: All amenities are in good condition and available for all residents.				

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 an individual needs keys to open 3 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 to residents every month.			
6) What is the policy for following up on completed service requests? ➤ The Property Manager follows up within 24 hours on a completed service request.			
7) What is the property's after-hours emergency policy? ➤ The after-hours emergency number is posted in the management office and provided to all tenants. The emergency number calls the property manager 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 just completed a full rehab.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➤ N/A - the property just completed a full rehab.			
10) Building Exterior and Curb Appeal repairs ➤ N/A - the property just completed a full rehab.			
11) Amenity upgrades ➤ N/A - the property just completed a full rehab.			
12) Other repairs or replacements ➤ N/A - the property just completed a full rehab.			
Number of service requests received:	5		
Number of requests open from prior periods:	0		
Number of service requests completed:	5		
Number of service requests completed within 24 hours:	5		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➤ Management confirmed it takes 24 hours to complete a work order.			
COMMENTS: This section was completed using the Work Order Detail report dated from January 1, 2022, to March 31, 2022.			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	0	0
Flyers – Newspaper	\$300	0	0
Resident Referral	\$0	0	0
Locator Service	\$0	0	0
Printed/Internet Advertising	\$0	0	0
Other Source (Internet Search)	\$0	5	2
TOTAL	\$300	5	2
The rental activity reflected in the above table was for the month of: January 2022 – March 2022			
	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: This report was completed using the Weekly Traffic Log from January 2022 to March 2022.			

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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: 100%	6 months: 50%	12 months: 79.41%
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 Property Manager confirmed that on January 1, 2022, there was a \$10 rent increase on the 1-bedrooms and a \$20 increase on the 2-bedrooms.			
10)	How many households are currently on month-to-month leases? ➤ N/A			
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:			5		
3) Number of completed one bedroom units at time of activity report:			2		
4) Number of completed two bedroom units at time of activity report:			3		
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				
202	(Vacant 1-bedroom) Made-ready				
215	(Vacant 2-bedrooms) Made-ready				
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- see comment		
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: Quarterly					
7) How often are vacant units inspected? ➤ Vacant units are inspected: Weekly					
8) How many vacant units are in progress of being made ready? ➤ All vacant units are made ready.					

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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: Unit 202 has been vacant since 10/30/2021 but the unit is made ready. The Property Manager confirmed that this unit is a bit more difficult to lease due to the specific income and rent restrictions. The Property Manager confirmed that this unit is being advertised.

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 the 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
Operating Expenses	\$9,292	\$6,549	-\$2,743	-41.88%	Capital IMPV-Items Expesed and Grounds Maintenance.
Administrative Expenses	\$7,866	\$9,587	\$1,720	17.94%	Manager's Salary
Other Expenses	\$1,021	\$1,697	\$675	39.77%	Interest Exp – (Other than FMHA)
Other Property Expenses	\$7,463	\$9,230	\$1,766	19.13%	Note Payable FMHA

COMMENTS:

REVENUE					
FOR THE MONTH ENDING: January 2022			YEAR TO DATE AS OF: January 2022		
Gross Potential		\$43,274	Gross Potential		\$43,274
Budgeted Rental Income		\$41,186	Budgeted Rental Income		\$41,186
Actual Rental Income Collected		\$41,676	Actual Rental Income Collected		\$41,676
Variance + (-)		-\$490	Variance + (-)		-\$490
Other Revenue		\$1,710	Other Revenue		\$1,710
Total Collected		\$43,386	Total Collected		\$43,386
Budgeted		\$42,827	Budgeted		\$42,827
Variance + (-)		-\$559	Variance + (-)		-\$559

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: This section was completed using the Summary Aged Payables report as of February 28, 2022.	0-30 Days:		\$4,043.32
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$4,043.32

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?			
2) What is the rent collection policy?			
➤ Rent is due on the 1st and late on the 10th. On the 11th of the month a lease violation for nonpayment of rent is posted. On the 15th 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 10th 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	

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COMMENTS: This report was completed using the Delinquent Rent Report dated 3/17/2022.	0-30 Days:		\$1,336.14
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$1,336.14

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		
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. ➤ Grace Hill and Rural Development training.			
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 to the owners every month. The reports include the Financial, Occupancy, 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 and the Regional Manager seek approval for anything 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		
COMMENTS:			

SUMMARY OF OBSERVATIONS AND FINDINGS
<p>Observation: The monument sign should be painted to ensure visibility. In addition, management/maintenance should continue to walk the property and schedule tree trimming as needed.</p> <p>No Findings.</p>

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