

Texas State Affordable Housing Corporation

Marshall Apartments 1157 Salinas Street, Austin, TX 78702

Owner: EC Marshall, LLC

Date Built: 1968

Management Company: Envolve Communities

Property Manager: Shawanna Hubert

Inspection Date & Time: May 17, 2023 at 9:00 am

Inspector's Name: Mercedes Dunmore

Occupancy at Time of Report:	97%	Average Occupancy Over Last 12 Months:	99.08%
Number of Units: 100			
Number of One Bedrooms:	24	Number of Two Bedrooms:	36
Number of Three Bedrooms:	24	Number of Four Bedrooms:	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) Are parking lots clean, in good repair with handicap parking spaces clearly marked?	X – see comment		
9) Are all recreational, common areas and amenity areas clean, maintained, and accessible?			
10) Is facility equipment operable and in acceptable condition?	X – see comment		
11) Is the area around the waste receptacles clean and are the enclosures in good repair?	X		
12) Is the exterior of the buildings in acceptable condition?	X		
14) Are hallways/breezeways 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: Marshall Apartments has two sites; one is located off of Salinas street and the other site is located off of East 12th Street. Based on the physical property walk, both sites appear to be in overall good condition. The building exteriors, gutters, and the common areas were all in good repair with the exception of the laundry room located on east 12th Street. Management advised the laundry facility located at the 12th Street property is currently closed due to inoperable washing machines. Management is currently looking to have the machines replaced and once completed management will reopen the facility for resident use. TSAHC will revisit during next year's review.

Observation:

- The sidewalks and parking lot were not free of debris and stains. Additionally, the parking lot's stripping is starting to look dull and fade out. On 12th Street there was a large presence of glass throughout the parking lot which can cause harm to the residents and visitors. Management is advised to clean the broken glass from the parking lot and pressure wash and restripe the parking lot and sidewalks to assist with improving the curb appeal.

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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			
		YES	NO
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: Management was unable to provide the reviewer with the requested 911 reports; therefore, the security section of this report could not be completed. Per management, reports were requested via Austin Police Department online website. As of the date of this report, management had not received the police call logs. Once received,, management is encouraged to review them and follow up with tenants, if needed. Management disclosed they utilize a security patrol vendor to frequent the property three to four times per week. Additionally, there are no working cameras on the property due to vandalism. Management advised their plan to reinstall the security cameras however bids have not been obtained as of the day of review. TSAHC will monitor the re-installation of security cameras during next year's review. Lastly, management confirms light checks are completed monthly.			

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		
4) Are criminal background checks being conducted on residents as they age to be 18 while living in the unit?	X		
5) Has a risk assessment been conducted to determine risk liabilities at the property? If yes, when?	X – see comments		
COMMENTS: Per management, the property manager conducts property safety inspections monthly and the regional manager conducts risk assessments quarterly. Additionally, there was a bank asset inspection in April 2023.			

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		

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➤ Business Center	X		
➤ Pool			X
➤ Other: Fitness Center and Pergolas	X		
COMMENTS:			

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 – see comment	
5) Are locks being changed during unit turnovers?	X		
COMMENTS:			
Finding:			
<ul style="list-style-type: none"> The key tracking system is properly secured; however, management maintains a copy of the key log in the key tracking box. Management must relocate the key log to a safe secure location in efforts to minimize the risk of liability and maintain the safety of all residents, staff, and the property. Management must provide TSAHC with a photo once the key log is removed from the key tracking system. 			

MAINTENANCE PROGRAM		YES	NO	N/A
1)	Does the property have a preventative maintenance program that is being followed?	X – see comment		
2)	Is the maintenance shop clean and organized?	X		
3)	Does the maintenance area have properly documented MSDS material and chemicals labeled properly?		X – see comment	
4)	How often are Pest Control services provided? ➤ Pest control services are provided weekly to any residents who call in request.			
5)	What is the policy for following up on completed service requests? ➤ The property manager follows up on completed work orders by visiting the unit to ensure completion.			
6)	What is the property's after-hours emergency policy? ➤ After-hour calls route through the after-hours call center. The maintenance technician is notified first, if the call is not answered the call routes to the property manager.			
7)	What capital improvements have been scheduled or completed for this budget year? ➤ This year the plumbing pipes were replaced at the 12 th Street property for multiple buildings.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year				
8)	Unit Interior and Appliance upgrades ➤ N/A			
9)	Building Exterior and Curb Appeal repairs ➤ N/A			
10)	Amenity upgrades ➤ N/A			
11)	Other repairs or replacements ➤ N/A			
Number of service requests received:				13
Number of requests open from prior periods:				0
Number of service requests completed:				13
Number of service requests completed within 24 hours:				9
Number of outstanding service requests:				0
12)	On average, how many days does it take to complete a work order? ➤ Work orders are completed within an average of four days.			
COMMENTS: The preventative maintenance program consists of inspecting each unit biannually for any maintenance related issues. Management states all repairs and replacements outside of the pipes being replaced were completed during the rehab. Additionally, management advised the pipes				

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bursting were not the result of bad weather or a freeze during this year's winter months but instead the age of the property and pipes.

Finding:

- During the site visit, there was no Material Safety Data Sheet (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 07/10/2023.

MARKETING

1) Complete the table below with the most recent information available.

SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth			
Resident Referral (Current/Prior)			
Locator Service			
Printed/Internet Advertising			
Other Source			
TOTAL			See comment

The rental activity reflected in the above table was for the month of: N/A – see comment

	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: Management states there is no paid marketing done at the property due to the waitlist length for each bedroom size.

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: N/A	12 months: 88%
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?			41%
4) Are lease renewal 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) When was the last rent increase implemented? What was the average rent increase? ➢ The recent average rental increase of \$60 was implemented in January 2023.			
9) How many households are currently on month-to-month leases? ➢ N/A			
10) What is the charge for month-to-month leases? ➢ N/A			

COMMENTS: Management advised the large percentage of move outs is the result of enforcing rules and regulations to include the eviction policy.

VACANT/MAKE READY UNITS

1) Number of vacant units at time of activity report:	3
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:	2

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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:	1
9) Number of uncompleted three-bedroom units at time of activity report:	1

Units Walked	
Unit #	Brief Description
208E	Vacant 15 days - 3x1 not ready
106S	Vacant 15 days - 2x1 ready
237S	Occupied - 1x1

Down Units Walked (units vacant and unready for extended period 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 – see below	
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? 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 biannually.			
7) How often are vacant units inspected? ➢ Vacant units are inspected by maintenance daily.			
8) How many vacant units are in progress of being made ready? ➢ One vacant unit is in the progress of being made ready.			
9) What is the company policy on the number of days to turn vacant units? ➢ The company policy is to complete makeready unit turns within 10 days.			

COMMENTS:

Observation:

- The Unit Availability Detail report reflects two units as made ready, however based on the observation of the units, the reviewer determined the units are not ready for occupancy. TSAHC strongly recommends the property manager walk each vacant unit prior to marking units as “rent ready” in the property management software to reflect accurate information.

BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited to obtain materials, supplies, and services?	X		
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? If so, comment below.	X – see comment		
3) Explain YTD variances of 10% of greater in the charet below.			

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
Property Personnel	\$25,195	\$57,592	32,297	56.18	Salaries Wages Maint. Bonus Administrative, Workers Comp.
Building Repairs and Maintenance	\$65,087	\$26,633	(\$38,454)	(144.39)	Contract Plumbing, Contract Electrical, Contract Pest Control
Property Administrative	\$41,347	\$21,307	(\$20,040)	(94.05)	Compliance Monitoring Fee, Legal Expense, Bad Debt
Capital Expenses	\$26,593	\$15,000	(\$11,593)	(77.29)	Other 15

COMMENTS: Management states the increase in evictions caused the Property Administrative variance on this year's Operating Budget. Additionally, management advised, the “Other 15” in Capital Expenses could possibly be a result of misclassifying the plumbing expense as a result of the pipes bursting in multiple buildings. Lastly, management states the 2024 budget will include a sizable, budgeted expense for plumbing repairs and piping replacements (due to the aging pipes) to ensure the repairs and maintenance expenses are not carrying a large variance.

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REVENUE			
FOR THE MONTH ENDING: March 2023		YEAR TO DATE AS OF: March 2023	
Gross Potential	\$163,804	Gross Potential	\$491,421
Budgeted Rental Income	\$160,705	Budgeted Rental Income	\$482,115
Actual Rental Income Collected	\$163,412	Actual Rental Income Collected	\$487,039
Variance + (-)	2,707	Variance + (-)	4,924
Other Revenue	\$510	Other Revenue	\$1,471
Total Budgeted	\$163,922	Total Budgeted	\$488,510
Total Collected	\$161,365	Total Collected	\$484,910
Variance + (-)	2,557	Variance + (-)	3,600

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: The Payable Aging Detail report dated as of March 31, 2023, was used to complete this section of the report.	0-30 Days:		\$2,453
	30-60 Days:		(\$118)
	60 Days and Over:		(\$1200)
	TOTAL		\$1,775
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 1st of the month and a \$5 late fee is applied on the 6 th of the month. A \$1 a day fee is applied to all unpaid balances.			
3) When is legal action taken against delinquent accounts?			
➤ Eviction notices are delivered to delinquent residents on the 7 th .			
4) Does the property currently have any resident(s) under eviction?	X – see comment		
5) Does Housing have any outstanding balances?		X	
COMMENTS: The Delinquency Report dated May 17, 2023, was used to complete this section of the report. There are currently four residents under eviction which carries a 60-day and over balance of \$33,620. One of the four evictions has been scheduled for 5/24/23, the three remaining evictions are awaiting court dates.	0-30 Days:		\$14,901
	30-60 Days:		\$7,121
	60 Days and Over:		\$42,579
	TOTAL		\$64,601

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) Was management staff prepared for the site visit?	X		
7) Has staff turnover occurred since the last site review?	X - see		

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	comment		
8) Are weekly staff meetings held?	X		
9) Have personnel been trained in Fair Housing?	X		
10) List training staff has received in the past year. ➤ Fair Housing Training, Sexual Harassment Training, and additional training through the company's Envolve training website.			
COMMENTS: Since last year's review, management was able to rehire the previous maintenance technician and hire a new assistant manager.			

OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to the software system utilized to manage the property?	X		
2) Is site management required to submit weekly reports to the owner?	X		
3) 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		
4) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ The regional manager submits any expense over \$1500 to ownership for approval.			
COMMENTS:			

SUMMARY OF OBSERVATIONS AND FINDINGS
<p>Observations:</p> <ul style="list-style-type: none"> The sidewalks and parking lot were not free of debris and stains. Additionally, the parking lot's stripping is starting to look dull and fade out. On 12th Street there was a large presence of glass throughout the parking lot which can cause harm to the residents and visitors. Management is advised to clean the broken glass from the parking lot and pressure wash and restripe the parking lot and sidewalks to assist with improving the curb appeal. The Unit Availability Detail report reflects two units as made ready, however based on the observation of the units, the reviewer determined the units are not ready for occupancy. TSAHC strongly recommends the property manager walk each vacant unit prior to marking units as "rent ready" in the property management software to reflect accurate information. <p>Finding:</p> <ul style="list-style-type: none"> The key tracking system is properly secured; however, management maintains a copy of the key log in the key tracking box. Management must relocate the key log to a safe secure location in efforts to minimize the risk of liability and maintain the safety of all residents, staff, and the property. Management must provide TSAHC with a photo once the key log is removed from the key tracking system. During the site visit, there was no Material Safety Data Sheet (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 07/10/2023. <p>Corrective action for the findings listed above are due to TSAHC no later than 07/10/2023.</p>



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