

Texas State Affordable Housing Corporation

The Willows Apartments

1332 Lamar Square Drive, Austin, Texas 78704

Owner: Mary Lee Foundation

Date Built: 2010

Management Company: Mary Lee Foundation

Property Manager: Carla Bell

Inspection Date & Time: December 29, 2023

Inspector's Name: Mercedes Dunmore

Occupancy at Time of Report:	84.38%	Average Occupancy Over Last 12 Months:	89.06%
Number of Units: 64			
Number of One Bedrooms:	51	Number of Two Bedrooms:	9
Number of Three Bedrooms:	4	Number of Four Bedrooms:	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		
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 - see comment	
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?	X		
10) Is facility equipment operable and in acceptable condition?	X		
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 - see comment		
15) Are storage/maintenance areas clean, maintained and organized?		X -see comment	
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 year's review was conducted virtually. The property is overall in acceptable condition. The landscaping, roof, and building exterior did not present any visible damage. Although the overall condition of the property is acceptable, there were a few issues noted during the review. The sidewalks and walkways are in need of having the leaves blown and should be pressure washed due to dirt buildup. Lastly, the parking lot had stains from fluid leaks. Management states they are unable to make any changes or repairs to the property in lieu of the upcoming ownership changes that are set to take place before the 2nd quarter of 2024.

Observation:

- **The maintenance shop currently lacks organization and proper upkeep. It's essential for management to address these issues by making necessary updates to help with time efficiency and safety hazards.**

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	See finding	
Theft		

Texas State Affordable Housing Corporation

Criminal Mischief		
Personal Assault		
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:

Finding:

- On the day of the review Management stated they had not yet received a response for the requested 911 call logs and therefore unable to submit to the 911 call logs as required by TSAHC. For the past 10 years, the property has failed to submit the requested report. Management must obtain and submit the 911 call log reports for the previous 3 months and submit them along with a written statement of how Management plans to obtain and submit these call logs going forward. This corrective action is due to TSAHC no later than 02/22/2024. Note: Management submitted a written record of attempts made to obtain the 911 call logs prior to the Review.

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		

COMMENTS: The last risk assessment was conducted in June 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?	X		
➤ Elevator licenses and fire 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 and Greenbelt)	X		

COMMENTS:

Texas State Affordable Housing Corporation

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?			
COMMENTS:			
Finding:			
<ul style="list-style-type: none"> The key tracking system is properly secured; however, management does not have the keys coded properly. Management must properly and securely code keys and create a key log. Management must also store the key log in 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 no later than <u>02/22/2024</u>. 			

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 – see comment	
3) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
4) How often are Pest Control services provided?			
> Pest control services are provided weekly. The residents must sign up for services each week.			
5) What is the policy for following up on completed service requests?			
> Management staff tracks service requests in Onesite; however, they do not have a written policy on how to follow up on completed request			
6) What is the property's after-hours emergency policy?			
> Management has an on-call cell phone to receive all emergency calls.			
7) What capital improvements have been scheduled or completed for this budget year?			
> Management built an entertainment stage outdoor in the greenbelt.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
8) Unit Interior and Appliance upgrades			
> Flooring and refrigerators upgraded a unit at the turn.			
9) Building Exterior and Curb Appeal repairs			
> N/A			
10) Amenity upgrades			
> Entertainment stage			
11) Other repairs or replacements			
> N/A			
Number of service requests received:	16		
Number of requests open from prior periods:	197		
Number of service requests completed:	0		
Number of service requests completed within 24 hours:	unknown		
Number of outstanding service requests:	213		
12) On average, how many days does it take to complete a work order?			
> The report submitted does not reflect the dates submitted and the dates completed therefore, the average number of days it takes to complete a work order is unknown.			
COMMENTS: Upon review of the submitted photos, the maintenance shop appears not to be properly organized and in need of decluttering.			
Observation:			
<ul style="list-style-type: none"> Management stated the preventive maintenance schedule is behind. An effective preventive maintenance schedule and program is a very important factor in the physical longevity of the property. It is recommended that a well-documented and valid preventive maintenance plan be implemented. 			
Finding:			
<ul style="list-style-type: none"> According to the Work Order Directory report, it appears management is not creating or closing service requests in the software system. The software system in place can help with efficiency and decrease the possibility of lost or incomplete work orders. Resident retention/satisfaction is often strongly related to the maintenance program. Management must begin to properly utilize the software system. Management must submit a copy of the work order report for the past 30 days reflecting all service request activity by <u>02/22/2024</u>. 			

Texas State Affordable Housing Corporation

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0		
Resident Referral (Current/Prior)	\$0		
Locator Service	\$0		
Printed/Internet Advertising	\$0		
Other Source	\$0		
TOTAL	\$0	Unknown	Unknown
The rental activity reflected in the above table was for the month of: Unknown			
	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: The reviewer was unable to determine the number of prospective tenants for a 30-day timeframe because the report did not reflect when the prospects were added to the list. The prospective tenant count is over two thousand individuals. Management does not currently have a marketing expense and management has confirmed the traffic sources are from the local housing authorities, walk-ins, or other outside agencies.			
Observation: <ul style="list-style-type: none"> • Management is strongly encouraged to create a Marketing or Prospect report detailing the number of prospective tenants, sources of the prospects, and the number of leases signed for each month. 			

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: 0%	6 months: 29.17%	12 months: 32.42%
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?	18.18%		
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 last rental increase of 1.3% took place in 2020.			
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: Per management, the percentage of move-outs due to eviction for non-payment of rent has roughly increased 10% in the past year due to the filing of evictions on severely delinquent households.			

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	10
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:	1
4) Number of completed two-bedroom units at time of activity report:	0
5) Number of completed efficiency-bedroom units at time of activity report:	0
6) Number of uncompleted made ready units at time of activity report:	9
7) Number of uncompleted one-bedroom units at time of activity report:	1
8) Number of uncompleted two-bedroom units at time of activity report:	1
9) Number of uncompleted efficiency-bedroom units at time of activity report:	7

Texas State Affordable Housing Corporation

Units Walked				
Unit #	Brief Description			
201	Ready			
205	Ready			
319	Ready			
Down Units Walked (units vacant and unready for extended period and all down units)				
Unit #	Brief Description			
107	Not Ready – The unit has been vacant for 547 days.			
		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 – see comment	
3)	Are there any down units?	X – see comment		
4)	Are there vacant units that have been vacant for an extended period? 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: Annually			
7)	How often are vacant units inspected? ➢ Vacant units are inspected: Two times a month			
8)	How many vacant units are in progress of being made ready? ➢ There are 9 units in the process of being made ready.			
9)	What is the company policy on the number of days to turn vacant units? ➢ Company policy is to turn units within 30 days of the date of move-out.			
COMMENTS: The property has 9 units that have been vacant for an extended amount of time that are not made-ready. Per management, the units haven't been turned due to a potential ownership change (anticipated to take place in February 2024).				
Findings:				
<ul style="list-style-type: none"> The property's occupancy has dropped 7.1% since last year's review and has occupancy lower than the industry standards (90%). Management must provide TSAHC with a leasing plan to increase occupancy no later than <u>02/22/2024</u>. Unit 107 is considered a down unit. This is the second year in a row this unit has been Down. The unit was made ready within the corrective action period for the 2022 Review. However, management said the drain cap and water heater was pulled from this unit making it uninhabitable during this Review. Note: A Down Unit is defined as a 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 unit is now a Market unit. The unit will maintain a Market designation until a qualified household occupies the unit. Management must submit proof that the unit is made-ready and available for rental to the general public in the form of invoices, work orders, pictures, and/or Tenant Income Certifications to TSAHC no later than <u>02/22/2024</u>. 				

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		
3)	Explain YTD variances of 10% or greater in the chart below.				
<u>Expense Items that Varied by 10% or Greater from the Budget for Year-to-Date Operations Ending</u>					
(Please note that a positive variance is under budget and a negative variance is over budget.)					
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION
N/A – see comment					

Texas State Affordable Housing Corporation

COMMENTS: Based on the Operating Budget FY 2021 YTS vs Operating Budget for FY 2024 report the total variance is only 5.83%. Therefore, there are no expense items that varied by 10% or greater.

REVENUE			
FOR THE MONTH ENDING: September 2023		YEAR TO DATE AS OF: September 2023	
Gross Potential	\$28,751	Gross Potential	\$86,252
Budgeted Rental Income	\$28,751	Budgeted Rental Income	\$86,252
Actual Rental Income Collected	\$26,313	Actual Rental Income Collected	\$78,939
Variance + (-)	\$2,437	Variance + (-)	\$7,313
Other Revenue	\$2,143	Other Revenue	\$6,430
Total Budgeted	\$28,456	Total Budgeted	\$85,369
Total Collected	\$29,782	Total Collected	\$89,348
Variance + (-)	\$1,326	Variance + (-)	\$3,980

COMMENTS: This section of the report was completed by using the Operating Budget FY 2021 YTS vs Operating Budget for FY 2024 report. Dated from 7/2023 through September 2023.

ACCOUNTS PAYABLE	YES	NO	N/A
1) Is the payable report up to date?		X - see finding	
2) Is the property in good standing with all vendors?		X	
3) Are invoices processed weekly?		X	
COMMENTS: Finding: <ul style="list-style-type: none"> Management did not submit accounts payable report showing current, 30, and 60+ day balances. TSAHC reviews this report to ensure vendors are paid in a timely manner and are in good standing. Management must submit the requested reports no later than <u>02/22/2024</u>. 	0-30 Days:		
	30-60 Days:		
	60 Days and Over:		
	TOTAL		

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 st . There is a 5-day grace period and a \$25 late fee is charged on the 6 th of the month.			
3) When is legal action taken against delinquent accounts? ➤ Legal action is taken case by case. Management doesn't have a policy on when to file evictions.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?		X	
COMMENTS: This section of the report was completed using the Delinquency and Prepaid Report dated as of 12/25/2023. Finding: <ul style="list-style-type: none"> Management must develop a written policy for delinquent accounts to help maintain transparency and fairness in the process for all tenants and submit it to TSAHC no later than <u>02/22/2024</u>. 	0-30 Days:		\$1,943
	30-60 Days:		\$2,236
	60 Days and Over:		\$1,201
	TOTAL		\$5,380

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 - see	

Texas State Affordable Housing Corporation

		comments	
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 comment		
8) Are weekly staff meetings held?		X – see comments	
9) Have personnel been trained in Fair Housing?		X – see comments	

10) List training staff has received in the past year.
 ➤ Staff has attended Income Eligibility training, Onesite training, and HUD training.

COMMENTS: It appears to the reviewer that the maintenance team could use additional help as they have to complete the maintenance for all sites owned by Mary Lee Foundation. Additionally, there have been significant personnel changes within the office (an assistant manager started in May 2023 and the Director of Housing started in June 2023).

Observations:

- The Director of Housing stated that the property is adequately staffed; however, it appears that the current maintenance staff members could benefit from additional help in addressing all maintenance needed (i.e., work orders, curb appeal, make-readies, and building exterior cleanings). It is recommended that ownership/management evaluate the workload of the current maintenance staff members and implement a plan to address all maintenance concerns.
- The Director of Housing mentioned that weekly staff meetings haven't been initiated as of the Review date but hopes to start them soon. It's strongly recommended that weekly staff meetings be held to keep all team members informed about the site's goals, needs, and expectations.

Finding:

- In our virtual Review, the reviewer learned that the current management staff lacks training in Fair Housing. All team members with access to property visitors, current and prospective tenants must attend fair housing training, ensuring the protection of the employees, management, and ownership teams. Management must provide TSAHC with a written certification stating all team members have attended or are scheduled to attend a Fair Housing course no later than **02/22/2024**.

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 – see comment		
4) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Management must gain ownership approval for any expense regardless of the dollar amount.			

COMMENTS:

SUMMARY OF OBSERVATIONS AND FINDINGS

Observations:

- The maintenance shop currently lacks organization and proper upkeep. It's essential for management to address these issues by making necessary updates to help with time efficiency and safety hazards.
- Management stated the preventive maintenance schedule is behind. An effective preventive maintenance schedule and program is a very important factor in the physical longevity of the property. It is recommended that a well-documented and valid preventive maintenance plan be implemented.
- Management is strongly encouraged to create a Marketing or Prospect report detailing the number of prospective tenants, sources of the prospects, and the number of leases signed for each month.
- The Director of Housing stated that the property is adequately staffed; however, it appears that the current maintenance staff members could benefit from additional help in addressing all maintenance needed (i.e., work orders, curb appeal, make-readies, and building exterior cleanings). It is recommended that ownership/management evaluate the workload of the current maintenance staff members and implement a plan to address all maintenance concerns.
- The Director of Housing mentioned that weekly staff meetings haven't been initiated as of the Review date but hopes to start them soon. It's strongly recommended that weekly staff meetings be held to keep all team members informed about the site's goals, needs, and expectations.

Texas State Affordable Housing Corporation

Findings:

- On the day of the review Management stated they had not yet received a response for the requested 911 call logs and therefore unable to submit to the 911 call logs as required by TSAHC. For the past 10 years, the property has failed to submit the requested report. Management must obtain and submit the 911 call log reports for the previous 3 months and submit them along with a written statement of how Management plans to obtain and submit these call logs going forward. This corrective action is due to TSAHC no later than 02/22/2024. Note: Management submitted a written record of attempts made to obtain the 911 call logs prior to the Review.
- The key tracking system is properly secured; however, management does not have the keys coded properly. Management must properly and securely code keys and create a key log. Management must also store the key log in 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 no later than 02/22/2024.
- According to the Work Order Directory report, it appears management is not creating or closing service requests in the software system. The software system in place can help with efficiency and decrease the possibility of lost or incomplete work orders. Resident retention/satisfaction is often strongly related to the maintenance program. Management must begin to properly utilize the software system. Management must submit a copy of the work order report for the past 30 days reflecting all service request activity by 02/22/2024.
- The property's occupancy has dropped 7.1% since last year's review and has occupancy lower than the industry standards (90%). Management must provide TSAHC with a leasing plan to increase occupancy no later than 02/22/2024.
- Unit 107 is considered a down unit. This is the second year in a row this unit has been Down. The unit was made ready within the corrective action period for the 2022 Review. However, management said the drain cap and water heater was pulled from this unit making it inhabitable during this Review. Note: A Down Unit is defined as a 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 unit is now a Market unit. The unit will maintain a Market designation until a qualified household occupies the unit. Management must submit proof that the unit is made-ready and available for rental to the general public in the form of invoices, work orders, pictures, and/or Tenant Income Certifications to TSAHC no later than 02/22/2024.
- Management did not submit accounts payable report showing current, 30, and 60+ day balances. TSAHC reviews this report to ensure vendors are paid in a timely manner and are in good standing. Management must submit the requested reports no later than 02/22/2024.
- Management must develop a written policy for delinquent accounts to help maintain transparency and fairness in the process for all tenants and submit it to TSAHC no later than 02/22/2024.
- In our virtual Review, the reviewer learned that the current management staff lacks training in Fair Housing. All team members with access to property visitors, current and prospective tenants must attend fair housing training, ensuring the protection of the employees, management, and ownership teams. Management must provide TSAHC with a written certification stating all team members have attended or are scheduled to attend a Fair Housing course no later than 02/22/2024.



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation

