

Texas State Affordable Housing Corporation

Marketplace at Liberty Crossing

6000 S. IH-45 Wilmer, Texas 75172

Owner: Marketplace TC II, LP

Date Built: 2024

Management Company: Asset Living

Property Manager: Vanessa Jasso

Inspection Date & Time: October 23, 2024 at 8:30 a.m.

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	17%	Average Occupancy Over Last 12 Months:	N/A%
Number of Units: 318			
Number of One Bedrooms:	126	Number of Two Bedrooms:	132
Number of Three Bedrooms:	48	Number of Four Bedrooms:	12

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		
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		
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 first asset oversight review for Marketplace at Liberty Crossing. The property is under construction, however buildings 2, 3, 6, 7, 8 and 10 were released and leasing began June 2024. Construction activities include but are not limited to the completion of the management office and community room. The temporary office is located at a sister property (EMLI at Liberty Crossing) that is next door within walking distance.

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	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: Management provide documentation to support the request of local police department call logs, however they were not received due to request issues. According to management, the local police department requires individual addresses to provide call logs. Management is advised that call logs will be requested as part of the annual review process and therefore encourages management to establish a working partnership with the local police department to see how to best submit future requests (i.e., include an attachment with all unit numbers) The property is only 17% occupied, which is acceptable at this time. The property utilized the Texas Apartment Association (TAA) lease to address criminal activity.

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 – see comment	
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 comment	

COMMENTS: Graffiti was identified on the maintenance shed. Prio to the end of the review, management provided the reviewer with a copy of the completed work order and a photo to support the graffiti was removed. A formal risk assessment is scheduled closer to the completion of the construction activities. Until then, the Regional Manager walks the property to oversee construction activities and monitors the property for risk assessments.

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		
➤ Riser rooms			
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: Two playgrounds	X		
➤ Community Room	X		
➤ BBQ/Picnic Area	X		
➤ Laundry Facility			X
➤ Business Center	X		
➤ Pool			X
➤ Other	X – see comment		

COMMENTS: The temporary office is neat, uncluttered and displays all required posters. The two playgrounds are installed and available for use however the remaining amenities are still in construction: community room, business center, splash pad, horseshoe pit and library.

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		

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COMMENTS:

MAINTENANCE PROGRAM	YES	NO	N/A
1) Does the property have a preventative maintenance program that is being followed?	X		
2) Is the maintenance shop clean and organized?			X
3) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?			X
4) How often are Pest Control services provided? > The pest control service contract is currently under negotiation. The proposed plan includes treatment for four buildings per month, ensuring each unit receives quarterly service. The frequency of service will be reviewed during next year's review.			
5) What is the policy for following up on completed service requests? > Management staff is required to conduct call backs on all completed work orders.			
6) What is the property's after-hours emergency policy? > Tenants call the management office which is an automated service that will contact the on-call maintenance staff members. There are two maintenance technicians on rotation followed by the property manager.			
7) What capital improvements have been scheduled or completed for this budget year? > N/A – This is a new construction property.			
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:	See comment		
Number of requests open from prior periods:			
Number of service requests completed:			
Number of service requests completed within 24 hours:			
Number of outstanding service requests:			
12) On average, how many days does it take to complete a work order? > N/A – see comment			

COMMENTS: There have not been any work orders submitted as of the date of this review.

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): \$250 (1 per month)	\$3,000	5	2
Locator Service			
Printed/Internet Advertising: Zumper (\$300/month) and Apartment.com (\$200/month) Google Business	\$6,000	6	4
Other Source		13	5
TOTAL	\$9,000	21	9
The rental activity reflected in the above table was for the month of: 9/23/2024 – 10/23/2024			
	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 Market Source Traffic Reports lists "Other" as a marketing source. Management is advised to rename "Other" to a more specific source type to reflect the actual source driving the traffic moving forward.

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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 – see comment
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: N/A	6 months: N/A	12 months: N/A
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or “skip”?	0%		
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? ➢ There has not been a rent increase.			
9) How many households are currently on month-to-month leases? ➢ There are not month-to-month leases.			
10) What is the charge for month-to-month leases? ➢ N/A			
COMMENTS: This was a first-year file review therefore there is no lease renewal.			

VACANT/MAKE READY UNITS			
1) Number of vacant units at time of activity report:			See comment
2) Number of completed made ready units at time of activity report:			
3) Number of completed one-bedroom units at time of activity report:			
4) Number of completed two-bedroom units at time of activity report:			
5) Number of completed three-bedroom units at time of activity report:			
6) Number of uncompleted made ready units at time of activity report:			
7) Number of uncompleted one-bedroom units at time of activity report:			
8) Number of uncompleted two-bedroom units at time of activity report:			
9) Number of uncompleted three-bedroom units at time of activity report:			
Units Walked			
Unit #	Brief Description		
2016	(1x1) Vacant		
7205	(2x2) Vacant		
7307	(3x2) Vacant		
6207	(4x2) Vacant		
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
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: Annually and monthly for filter and pest control services			
7) How often are vacant units inspected? ➢ Vacant units are inspected: Weekly by property manager and lead maintenance.			

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8) How many vacant units are in progress of being made ready? ➤ See comment.
9) What is the company policy on the number of days to turn vacant units? ➤ Company policy is to turn units in 3 to 5 business days.
COMMENTS: The property has 265 vacant units. The reviewer did not include these units in the chart above as the units have not been released for occupancy.

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.			

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
See comment					

COMMENTS: There were no expenses that varied by 10% or greater.

REVENUE					
FOR THE MONTH ENDING: September 2024			YEAR TO DATE AS OF: September 2024		
Gross Potential	\$447,061		Gross Potential		\$2,597,121
Budgeted Rental Income	\$53,863		Budgeted Rental Income		\$84,944
Actual Rental Income Collected	\$53,863		Actual Rental Income Collected		\$86,944
Variance + (-)	\$0		Variance + (-)		\$0
Other Revenue	\$642		Other Revenue		\$1,767
Total Budgeted	\$54,505		Total Budgeted		\$86,711
Total Collected	\$54,505		Total Collected		\$86,711
Variance + (-)	\$0		Variance + (-)		\$0

COMMENTS: The large discrepancy between gross potential and the actual income is due to only 53 units (16.7%) of the total units being occupied. The remaining units are not yet available for occupancy at the time of this report.

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 Vendor Aging Report dated 11/19/2024 was used to complete this section.	0-30 Days:		\$0
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$0

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 and considered late on the 4 th . On the 4 th a 10% late fee is assessed.			
3) When is legal action taken against delinquent accounts? ➤ On the 17 th of the month, legal action is taken against delinquent accounts that have not signed a Repayment Plan			
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: The Delinquency and Prepaid report dated 10/22/2024 was used to complete this section. According to management, the 60-day and over balance is due to a pending Dallas Housing voucher payment.	0-30 Days:		\$11,146
	30-60 Days:		\$6,554
	60 Days and Over:		\$3,379
	TOTAL		\$21,079

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		
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. ➤ Site staff is required to attend various Grace Hill training courses. Additionally, Asset Living staff have attended HOTMA 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) 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? ➤ Any amount that is unbudgeted and/or over budget requires owner approval.			

COMMENTS:

SUMMARY OF OBSERVATIONS AND FINDINGS
<p>No Observation and no Findings.</p>

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