



TSAHC ASSET OVERSIGHT MANUAL

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Attachments for the TSAHC Asset Oversight Manual

Attachment 1: Asset Oversight On-site Review Notification Letter

Attachment 2: Asset Oversight Virtual Review Notification Letter

Attachment 3: Contact Form

Attachment 4: Entrance Interview Questionnaire

Attachment 5: Asset Oversight Observation Report

Attachment 6: Asset Oversight Report Cover Letter

Attachment 7: Asset Oversight Findings Cleared Letter

Attachment 8: Letter of Non-Response

Attachment 9: Letter of Incomplete Response



TSAHC ASSET OVERSIGHT MANUAL

Asset Oversight Procedures

1. OVERVIEW

The Asset Oversight Manual is to serve as guide for the annual Asset Oversight Review (“Review”) required for qualified residential rental projects that are financed through the Multifamily Programs Department at Texas State Affordable Housing Corporation (TSAHC). This manual serves as a training tool for the owner, management company, and property staff. Additionally, it provides information on the following: a timeline for completing the Asset Oversight Review, documents requested to complete the Asset Oversight Review, and descriptions of each section of the Asset Oversight Report that are discussed during the annual reviews.

The Asset Oversight Review serves as a method of verifying that the owner, management company, and property staff are adhering to established guidelines in all areas of property operations. After each Review, TSAHC staff will provide the owner, management agent, and property staff with information about TSAHC’s assessment of the properties. Annual Reviews are conducted both in-person and virtually and scheduled throughout the year by the assigned Asset Oversight and Compliance auditor.

2. ASSET OVERSIGHT REVIEW PROCEDURE TIMELINE

Once a Review notification is sent to the Owner and all appropriate contacts, the Review date is set. Schedules are prepared with travel cost factors in mind; therefore, changing a review date may not always be possible. The auditor follows the following 4 steps, discussed in detail below:

A. Annual Review Notification Letter

A written Asset Oversight Review Notification Letter will be sent electronically to the owner, management company, property staff, and/or any other requested contacts at least 30 days before a scheduled Asset Oversight Review. The notice will notify the owner and management staff whether the Review will be conducted on-site (attachment 1) or virtually (attachment 2). The notice will also request the information needed to complete a Desk Review.

B. Conduct Desk Review

TSAHC staff will prepare for the Review in office a few days prior to the scheduled date. During this time the auditors will review the requested documentation submitted by the owner/management staff.

C. Conduct Annual Review

TSAHC staff will perform the Review at the scheduled time. The auditor will observe the property (interior and exterior) and review property management reports, general management practices, inspect units, and conduct a close out meeting.

D. Issue Asset Oversight Report

The Report will summarize the Review and will include observations and findings, if any, with corrective action due dates. It is TSAHC's goal to have Reports distributed within 30 days from date of Review.

3. DESK REVIEW

The desk review is the first step in preparing for the site visit. Based on the type of review notification received (on-site or virtual), the notices will provide a list of required reports and unit inspection notices that must be submitted prior to the review date. Management staff should begin preparing these reports and notices for timely submission to TSAHC.

A. Review Notice and Reports Request:

The Review notification letter (on-site or virtual) will list the specific reports that must be submitted prior to the Review date. The submission request will include the Contact Sheet (Attachment 3) and the Entrance Interview Questionnaire (Attachment 4). The requested reports must be submitted to TSAHC at least 14 days prior to the Review. TSAHC staff will review all submitted documents prior to the Review and complete as much of the report as possible.

Reports requested for On-site Reviews:

- Current Year Operating Budget
- Current Year-to-Date Financial Statements
- Current Variance Report including Budget Comparison reflecting actual and year-to-date budget information
- A copy of the written Non-Sufficient Funds (NSF) policy, a copy of the NSF log for the past 3 months, and a copy of the corresponding resident ledgers (no more than 10 resident ledgers)
- Physical Occupancy for each month of the past 12 months
- Police Report (911 Call Sheet) for the past three months
- Monthly renewal reports for the past 12 months reflecting the number of expiring leases, and the actual renewals completed for the month
- Updated Contact Information (including e-mail addresses) for the owner, Management agent, property manager, and/or any other requested contacts

Note: Additional reports will be requested on the day of the on-site visit.

For Virtual Reviews, the following list of Reports and documents will be requested in addition to those mentioned above:

- Work Order Summary Report (showing open & closed work orders for the past 30 days)
- Traffic Summary Report (showing number of prospects/leases for the past 30 days)
- Unit Availability Report (reflecting the status of all vacant units)
- Accounts Payable (showing current, 30 day and 60+ day balances)
- Delinquency Report (Current report that shows outstanding balances)
- Resident Retention Report (showing reasons for move-outs in the last 12 months)
- Property Photo Request: Fourteen (14) days prior to the scheduled Review date, the auditor will request property photos consisting of property exteriors, amenities, management office, etc. The request form will also provide a list of units that must be inspected and photographed. All photos will be electronically submitted to TSAHC within two business days from the date you receive the Photo Request. If three vacant units will not be available for inspection, please send proper notice to the residents that an inspection of their unit will occur in the connection with the scheduled Review.
- Tenant Files Request: Fourteen (14) days prior to the scheduled Review date, the auditor will request electronic tenant files for review. All electronic tenant files will be submitted via TSAHC's Share folder for compliance review.

B. Review Last Year's Asset Oversight Report

During the desk review process, the auditor will review the previous year's Asset Oversight Report. The auditor is looking for potential areas of concern to see if the property has made an effort to improve the issue or stop a negative trend. Note: If the information requested by TSAHC prior to the annual Review is not provided, it will be noted as a Finding in the report.

4. ANNUAL REVIEW

The type of Review you are scheduled for (on-site or virtual) will determine how the Annual Review is conducted.

A. For On-site Reviews:

- **Initial Meeting:** TSAHC staff will explain the Asset Oversight Review process to the property manager and other attendees and will request the following reports the day of the on-site visit:
 - Service Request Report reflecting the number of requests opened for the past 30 days
 - Traffic Summary Report reflecting the number of prospects and leases generated by traffic source for the past 30 days

- Lease Renewal Report for the previous 12 months reflecting the number of lease expirations and the number of lease renewals.
 - Reason for Move-out Report reflecting the number of residents who moved out without giving notice, also known as a “skip”.
 - Unit Availability Report reflecting the current vacant units, made ready units, and the length of vacancy
 - Current Accounts Payable Report as of the day of the site visit reflecting the current balance, 30-day balance, 60-day balance, and 90-day balance
 - Current Delinquency Report as of the day of the site visit reflecting the current balance, 30-day balance, 60-day balance, and 90-day balance
- **Property Inspection:** The auditor will conduct a physical inspection of the property, including all common areas, leasing/office areas, maintenance shop(s), and boiler rooms if applicable. Other areas include, but are not limited to, the building foundations, building exteriors, stairways, sidewalks, landscaping, trip hazards, monument sign, windows, leaks, roofs, perimeter fence, and damage due to a natural disaster. After the inspection is complete, TSAHC staff will complete the Physical Inspection section of the Asset Oversight Observation Report.
 - **Unit Inspection** – TSAHC staff will select and inspect a minimum of three (3) vacant, made-ready units, vacant units with extended period of time, and/or any down units identified by TSAHC staff. After the inspection of the units, TSAHC staff will then complete the Units Walked section of the Vacant/Make Ready Units section of the Asset Oversight Observation Report.

B. For Virtual Review:

- **Virtual Meeting:** The auditor will begin the virtual review and explain the Asset Oversight Review process to the property manager and other attendees. The auditor will discuss their analysis of all reports and photos previously submitted. In addition, the auditor will ask a series of questions and request any information needed to complete the report. At the end of the virtual meeting, the auditor will provide the management staff with a summary of the Review (also known as the Close Out Interview (see below).
- **Property & Unit Inspection:** TSAHC staff will have already reviewed previously submitted property building and unit photos and will ask questions and/or request any follow-up information needed to complete the report.

C. Close Out Interview

Upon completion of the Review, the auditor will conduct a close out meeting with the management staff and provide a summary of the Review. TSAHC’s policy requires that a representative of the management staff be present, this may include the on-site manager, compliance manager, or regional managers. The auditor will take this opportunity to outline any areas of concern, recommend improvements or solutions, and discuss any potential observations and findings. For Virtual Reviews, the close out meeting takes place at the end of the virtual meeting (see bullet point above).

5. ANNUAL REPORT

After the Review, the auditor is responsible to write a comprehensive Asset Oversight Observation Report (Attachment 5) detailing the property's overall condition. The auditor will include any comments, observations, and findings noted during the Review. Upon completion of the report draft, the auditor will have the report peer reviewed by TSAHC management staff. Once approved, the owner, property manager and any relevant contacts will receive the final Report. The final Report is due to the owner within 90 days after completion of the annual review, but it is TSAHC's goal to have them distributed within 30 days. The Report should be read thoroughly and corrective action, if any, should be made according to the Findings noted. Observations and findings are defined below.

A. Observations

Observations are recommendations used as an important tool to allow TSAHC to address areas of concern and/or need for improvement. Adherence to observations is not mandatory but should be given serious consideration based on what was observed during the Review. A Report cover letter is sent with the Asset Oversight Observation Report that defines Observations and Findings (Attachment 6).

Example: Work orders are not being tracked efficiently. XYZ Apartments should consider purchasing industry related software that will allow its service request processing system to become automated and more efficient.

B. Findings

Findings represent violations that require the owner/agent to take corrective action, as required by TSAHC. All Findings must be clear, concise, and specific to the problem discussed. For example: the unit number, time frame and or building location number should be included if applicable.

- **Corrective Action:** Corrective action requirements must also be concise and specific. The language must clearly state what the property must do to correct the issue, by when it needs to be completed, and in what manner the property should notify TSAHC of the completed corrective action. For most Findings, the property will have 30 days to cure from the date the Report is issued, but all health and safety Findings should have a time frame suited for the specific issue (i.e., a time frame as short as 24 hours for a serious health or safety violation).

Example: The owner/agent of XYZ Apartments must replace the smoke alarm on unit 21 in building 6. A copy of the work order must be submitted as evidence that the Finding is corrected to TSAHC within 24 hours from the Review. The property may submit copies of completed work orders electronically.

C. Responses

- **Findings Cleared:** If TSAHC has received all requested corrective action(s) within the prescribed time frame, a Findings Cleared Letter (Attachment 7) will be sent electronically to the owner, management company, property manager, and/or any other requested contacts.
- **Non-Response:** If TSAHC has not received a corrective action response within the prescribed time frame, a Letter of Non-Response (Attachment 8) will be sent to the owner, management company, property manager, and/or any other requested contacts electronically.
- **Incomplete Response:** If TSAHC receives an incomplete or insufficient submission of a corrective action, an Incomplete or Insufficient Response Letter (Attachment 9) will be drafted to outline all outstanding Finding(s) and explain what actions need to be taken to completely resolve the Finding(s). The Incomplete Response letter will be sent to the owner, management company, property manager, and/or any other requested contacts electronically.
- **Extensions:** Properties requesting an extension to cure corrective action requirements must submit a formal written request on company letterhead to a member of TSAHC's Multifamily Oversight staff. The length of extensions will be determined on an individual basis. Extensions will only be granted if the Finding cannot be cured within 30 days and if TSAHC's judgment for the cure has commenced.

D. Email and Phone Call

During the corrective action process, a TSAHC staff member will be in contact with the owner, management company, property manager, and/or any other requested contacts to address any outstanding questions about the required or suggested corrective action and to check on the status of the required work.

E. Borrowers' Default

If a property has not cured the outstanding Findings within the prescribed time frame, it can result in a Default.

6. BORROWER'S/OWNER'S GUIDE FOR THE ASSET OVERSIGHT REVIEW

This section includes a copy of the Asset Oversight Observation Report. Descriptions and examples of what will be reviewed are provided for each section of the report. Comments, Observations, and Findings will be written in the Comments section when needed. For additional information or questions, please contact the Multifamily Oversight Department.

A. Physical Inspection

PHYSICAL INSPECTION		YES	NO	N/A
1)	Are the access gates in operable condition?			

2) Is the community monument sign in acceptable condition?			
3) Is the perimeter fence surrounding the property in acceptable condition?			
4) Are the grounds and landscaping in acceptable condition?			
5) Are trees and shrubs properly trimmed?			
6) Are the grounds free of erosion, foot paths and tree root elevation?			
7) Are sidewalks clean and in good repair?			
8) Are parking lots clean, in good repair with handicap parking spaces clearly marked?			
9) Are all recreational/common areas/amenities clean, maintained and accessible?			
10) Is facility equipment operable and in acceptable condition?			
11) Is the area around the waste receptacles clean and are the enclosures in good repair?			
12) Is the exterior of the buildings in acceptable condition?			
14) Are hallways/breezeways clean and maintained?			
15) Are storage/maintenance areas clean, maintained and organized?			
16) Are building foundations in good repair?			
17) Are the gutters, downspouts and fascia boards on the buildings in good repair?			
18) Do the building roofs appear to be in good condition?			
19) Do balconies and upper-level walkways appear to be in good condition?			
20) Do windows, blinds, doors, and trim appear to be in good condition?			
21) Is Management addressing all health, fire or safety concerns on the property?			
22) Have repairs or corrections recommended or required from the last physical inspection been satisfactorily completed?			
COMMENTS:			

- **Landscaping:** While conducting the review, take note of the landscaping. If there are any major problems such as muddy areas, standing water, areas of dead trees or seriously overgrown trees, erosion, etc., make note of problems or deficiencies in the comments section under Physical Inspection.
- **Common Areas:** All common areas must be inspected for cleanliness and safety. This includes but is not limited to looking at the driveways, parking areas, sidewalks, clubhouse facilities, pool, playground, laundry facilities, and any other amenities.
- **Building Exterior:** Look at the exterior of the buildings for signs of rotted wood, peeling paint, roof damage, structural damage, leaning balconies, dingy breezeways, deterioration, and other signs of deferred maintenance.
- **Building Interior:** Check common hallways and elevators for cleanliness, vandalism, and health and safety concerns. All model units must be walked and noted in the Vacant/Make Ready section.
- **Health and Safety:** If there are any other health and safety concerns that have not been covered in the other questions make note of it in the Comments section. All serious health and safety violations result in a Finding with a 24-hour cure. Examples of Health and Safety violations; Air Quality (mold and gases), Electrical Hazards (exposed wires/open panels and/or water leaks on/near electrical), Elevation (tripping), Emergency/Fire Exits (blocked/unusable exits and missing exit signs), Flammable Materials (materials improperly stored), Garbage and Debris, Hazards (sharp edges, general defects that pose risk of bodily injury and tripping), and Infestation.

- **Documentation:** Give details in the Comments sections for any concerns the auditor has observed while performing the physical inspection. Also, provide positive comments when warranted.
- **Photographs:** For any Observations or Findings, provide photographs to support the item when possible. Also, take photographs of the monument sign, exterior of the leasing office, common areas such as the pool or playground, and the exterior of a building.

B. Security Program

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		
2) Does the property utilize a crime prevention agreement? ➤		
3) What pro-active measures is the property taking to address crime on the property? ➤		
4) How often is a light check conducted on the property? Who performs light checks on the property? ➤		
COMMENTS:		

SECURITY PROGRAM Part II	YES	NO	N/A
1) Is the Staff trained to address crime on the property?			
2) Is the property free of graffiti and/or vandalism?			
3) Are criminal background checks being conducted on all residents over 18 years of age?			
4) Are criminal background checks being conducted on residents as they age to be 18 while living in the unit			
5) Has a risk assessment been conducted to determine risk liabilities at the property?			
COMMENTS:			

- **Visual Observation:** While walking the property or reviewing submitted photos, look for signs of criminal activity such as graffiti, property damage, and loitering.
- **Police Reports:** TSAHC staff will request the police reports for the three (3) months prior to the scheduled Review. The information found in the report should be used to complete the above questions as well as to help facilitate the conversation about crime and security. If the police reports show multiple burglaries, drug activity, multiple assaults, gun activity, murder, etc, this could result in a Finding to create a Crime Prevention Plan and report monthly to TSAHC.
- **Manager Questions:** Discuss with the Manager what types of security are being used on-site and whether the criminal activity is increasing/decreasing and why.

C. Office

OFFICE	YES	NO	N/A
1) Is the office neat, the desk uncluttered?			
2) Are accurate office hours posted?			
3) Are emergency phone numbers posted?			
4) Are the EHO logos clearly posted?			
5) Are the following displayed in full view in the leasing office?			
➤ Fair Housing Poster			
➤ Occupancy Qualifications			
6) Is there a compliance department that ensures the set aside and eligibility requirements are being maintained?			
7) Does the property require licenses or permits? ➤ (Describe)			
8) Are property licenses and permits renewed as required?			
9) Are vendor insurance records/binders properly maintained?			
10) Are vendors properly screened to ensure proper insurance documents are being maintained?			
11) Which of the following community amenities are provided for resident use?			
➤ Playground			
➤ Community Room			
➤ BBQ/Picnic Area			
➤ Laundry Facility			
➤ Business Center			
➤ Pool			
➤ Other (describe)			
COMMENTS:			

Office Organization: During the initial interview, site management will be asked how vendor insurance and property's licenses and permits are maintained. If they are not maintained or if licenses or permits are expired, this may result in a Finding. Corrective action may include asking the property to submit current licenses and permits within 30 calendar days.

- **Signage:** During the Review, observe the signage outside the building, look for the office hours, emergency phone number, and the Equal Housing Opportunity sticker. Make sure the leasing office has the fair housing poster and the occupancy qualifications posted. The fair housing and occupancy qualification should be posted in English and in a visible location. If there is not an English version of the fair housing sign, a Finding should be issued.
- **Compliance:** Discuss with the Manager the compliance policies and procedures and look at their Qualifying Criteria to see if they are accurate and acceptable.
- **Overall Office:** Check for cleanliness and safety. If you have any concerns about the office, make note of it in the Comments section. Make note of any positive items such as an organized office.

D. Key Control

KEY CONTROL	YES	NO	N/A
1) Does the property use an electronic key tracking system? If not, answer questions 2-5.			
2) Are all property keys properly coded?			
3) Is key box locked and secured?			
4) Is the key code list kept separate from the key box?			
5) Are locks being changed during unit turnovers?			
COMMENTS:			

- **Key Box Inspection:** Look at the key box to make sure that it is locked and in a secure location. While looking at the key box, check to see if the keys have a different code than the apartment number and not in any noticeable pattern. Also, make sure that the key code log is not being stored with the box. If either of these situations are found, there would be a serious safety concern resulting in a Finding with a corrective action requirement of 24 hours to cure from the date of the Review. For virtual Review, property management can self-certify this information.

E. Maintenance Program

MAINTENANCE PROGRAM	YES	NO	N/A
1) Does the property have a preventative maintenance program that is being followed?			
2) Is the maintenance shop clean and organized?			
3) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?			
4) How often are Pest Control services provided?			
➤ 5) What is the policy for following up on completed service requests?			
➤ 6) What is the property's after-hours emergency policy?			
➤ 7) What capital improvements have been scheduled or completed for this budget year?			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
8) Unit Interior and Appliance upgrades			
➤ 9) Building Exterior and Curb Appeal repairs			
➤ 10) Amenity upgrades			
➤ 11) Other repairs or replacements			
Number of service requests received:			
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 work orders?			
COMMENTS:			

- **Service Request Report:** Use the service request report to calculate the number of work orders completed within 30 days, completed within 24 hours, the number of outstanding work orders, and the number of outstanding work orders at the beginning of the period. The reports are evaluated to assess the effectiveness and efficiency of the maintenance program. Observations and Findings will be determined on a program-by-program basis.
- **Maintenance Shop Inspection:** During the Review, look at the maintenance area. Look for a working smoke detector in the maintenance shop and the Material Safety Data Sheets (MSDS) binder. If the smoke detector does not work or is not present, allow management staff a chance to correct the problem while you are present. If it is not fixed, a Finding will be issued with a cure period of 24 hours. The MSDS binder must be present in the Maintenance Shop or in the Office if it is close by and it must contain up-to-date information.

F. **Marketing**

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			
The rental activity reflected in the above table was for the month of (note report dates):			
	YES	NO	N/A
2) Is the property doing bilingual advertising?			
3) Does the property have any competitors nearby?			
4) Does the property "shop" their competitors?			
5) Does the property complete a market survey at least monthly?			
COMMENTS:			

- **Traffic Report:** Use the traffic report from the past 30 days to complete the table with the number of Prospects and the number of Leases from the traffic. If the number of Prospects and Leases are not tracked, it may result in an Observation. TSAHC would recommend that management track the number of Prospects and Leases to evaluate the marketing plan.
- **Monthly Costs:** To find out the monthly costs of all forms of marketing, have the manager tell you the amounts spent last month in each of the areas. If they do not know the information, it can be found by looking at the invoices for the previous month or at the actual dollars spent on the current variance report.
- **Manager Questions:** Discuss the current marketing plan and its effectiveness with management. Also, discuss how often the market survey is updated and how often the

competition is being shopped. Feel free to add any helpful comments to the Comments sections. Any items of concern in this area should be listed as an Observation.

G. Lease Renewal

LEASE RENEWAL		YES	NO	N/A
1)	Does it appear that an effective lease renewal program is in place? If no, please comment below.			
2)	What percentage of residents renewed last month, past 6 months, and past 12 months?	Current:	6 months:	12 months:
3)	What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?			
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.			
5)	Are rent increase notices sent to residents at least 30-days prior to the rent increase implementation?			
6)	Are individual files being reviewed to determine renewal/non-renewal status?			
7)	Are renewals and re-certifications tracked and monitored with property management software? I.e., Yardi, Onesite, or Owner/Agent created software?			
8)	When was the last rent increase implemented? What was the average rent increase?			
9)	How many households are currently on month-to-month leases?			
10)	What is the charge for month-to-month leases?			
COMMENTS:				

- **Lease Renewal Report:** If the property has a lease renewal report, use it to help answer the questions in this section. Calculate the renewal percentage for each month to find the renewal percentage for the last month, the last 6 months, and the last 12 months. If the month-to-month leases are not shown on the reports, have the manager pull a report that shows the number of people that are on month-to-month leases. Make certain that all month-to-month leases that are low-income residents have a current Tenant Income Certification. Section 8 households should be on a monthly lease unless the situation permits otherwise.
- **Manager Questions:** Have the manager explain the effectiveness of the renewal process and why he/she feels that it is working or not. If no policy is in place and the property has an extremely low renewal rate, this would be considered a Finding. If a policy is in place but the renewal rate is low and the staff is not doing a good job handling the renewals, this would be considered an Observation.

H. Vacant/Make Ready

VACANT/MAKE READY UNITS	
1)	Number of vacant units at time of activity report:
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			
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?			
2)	Are units being turned in a timely manner?			
3)	Are there any down units?			
4)	Are there vacant units that have been vacant for an extended period? If so, please comment below.			
5)	What system is used by management to monitor the timely preparation of units? ➤			
6)	How often are occupied units inspected? ➤			
7)	How often are vacant units inspected? ➤			
8)	How many vacant units are in progress of being made ready? ➤			
9)	What is the company policy on the number of days to turn vacant units? ➤			
COMMENTS:				

- **Unit Availability Report:** Use the current unit availability report to complete this section of the report. The report should be compared to the Make Ready Status board in the office, if available, to check for accuracy. Using the information on the report, select at least three (3) vacant made-ready units to inspect. If the property does not have three vacant units available, the auditor will inspect at least 3 occupied units. The auditor may inspect a combination of vacant and occupied units. You can also use this report to see if there are any down units and how quickly units are being turned. If there are down units or vacant units with an extended vacancy, those units should be selected and inspected. Note: TSAHC has the discretion to review more than 3 units during the Review.
- **Down Units:** A units down status may be provided by the property manager and/or a down unit may be noted when walking vacant units. Any down units that are noted during the Review must be included in this section of the report. Down units must be designated as “down unit” on the Unit Status Report before the Asset Oversight Report is complete.

- **Manager Questions:** Discuss with the manager anything on the unit availability report that might seem odd or of concern. It is also important to ask the manager if there are any down units or major renovations currently being done at this time. Ask the manager if there is a model apartment. If there is, walk all model units.
- **Unit Inspections:** When reviewing units, check the quality of the unit to ensure that it is ready to be lived in. Look for items such as heavily stained/worn carpet, dirty walls, unclean appliances, insects/pests, or mold. Also, check to see if proper preventative maintenance is being done such as changing air filters or smoke detector batteries. Check for any health and safety concerns such as smoke detectors beeping or uneven sub flooring. If there are any other maintenance problems with the units such as leaking plumbing fixtures or broken windows, also make notations of these items. All vacant units should have electricity and all doors must have deadbolts to ensure resident safety. Write down as many items as needed in the description section. If the unit is in good condition, state the condition. For all Observations and Findings, photograph the items for documentation.

I. Budget Management

BUDGET MANAGEMENT						YES	NO	N/A
1) Are three bids solicited to obtain materials, supplies, and services?								
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? If so, add comments below.								
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			
COMMENTS:								

- **Budget Comparison:** Using the Year-to-Date information in the variance report, complete the table above. When using the property's report, check the mathematical calculations yourself for accuracy. Calculate the variance percent for each of the expense items listed. Any percentages 10% or higher should be included in the table. Examine the categories with variance percentages of 10% or higher and examine the expense items that are over or under the budgeted amounts, and comment if necessary. For this table, positive variances are under budget and negative variances are over budget. Ask the manager about variances 10% and over.
- **Manager Questions:** During the close out interview, discuss with the manager any large variances in the Variance Report. This could cause an Observation or Finding. If management is keeping within the budget, make a note in the Comments section.

J. Revenue

REVENUE			
FOR THE MONTH ENDING:		YEAR TO DATE AS OF:	
Gross Potential		Gross Potential	
Budgeted Rental Income		Budgeted Rental Income	
Actual Rental Income Collected		Actual Rental Income Collected	
Variance + (-)		Variance + (-)	
Other Revenue		Other Revenue	
Total Budgeted		Total Budgeted	
Total Collected		Total Collected	
Variance + (-)		Variance + (-)	
COMMENTS:			

- **Revenue:** Compare the actual revenue collected with the budgeted amounts to see if the property is performing well. In addition, the auditor should review the monthly revenue in comparison with the YTD amount to determine the possibility of a negative trend regarding rent collection or delinquency.

K. Accounts Payable

ACCOUNTS PAYABLE	YES	NO	N/A
1) Is the payable report up to date?			
2) Is the property in good standing with all vendors?			
3) Are invoices processed weekly?			
COMMENTS:	0-30 Days:		
	30-60 Days:		
	60 Days and Over:		
	TOTAL		

- **Accounts Payable:** Review the aged accounts payable report. Look for the current balance, 30-day balance, 60-day balance, and 90-day balance. Record the balances to complete this section. If there is a large, aged balance, this could result in an Observation or Finding. Large balances older than 60 days are a bigger concern than recent invoices. Additional documentation may be requested to complete the section. Compare the current year balances to the previous year's balance for any significant increases or decreases.

L. Delinquency

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?			
2) What is the rent collection policy?			
3) When is legal action taken against delinquent accounts?			
4) Does the property currently have any resident(s) under eviction?			

5) Does Housing have any outstanding balances?			
COMMENTS:	0-30 Days:		
	30-60 Days:		
	60 Days and Over:		
	TOTAL		

- **Delinquency Report:** Review the aged delinquency report. Look for the current balance, 30-day balance, 60-day balance, and 90-day balance. Record the balances to complete this section. This report is instrumental in a review of how resident accounts are handled and if company policies on delinquent rent is being handled correctly. If there is a large, aged balance, this could cause an Observation or Finding.
- **Manager Questions:** Use the delinquent report to lead the discussion. Inquire with the manager how resident accounts are handled when there are outstanding balances. The manager will need to provide TSAHC with the eviction dollar amount and if there is a balance owed by the housing authority. If there are residents currently being evicted, calculate the total outstanding and input the dollar amount in the table. If the housing authority owes money, input the dollar amount in the table.

M. Returned Checks

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:			
2) Has the manager collected and deposited all returned checks?			
3) Is the manager following company policy on returned checks?			
COMMENTS:			

- **Non-Sufficient Funds Policy:** Review the NSF policy to ensure that management is following the policy on Returned Checks.
- **NSF Report:** Use the NSF report to count the number of Returned Checks that the property received in the three (3) months prior to the Review. Use the log to ensure that you have received the correct resident ledgers to the residents that are on the NSF report.
- **Resident Ledgers:** Review the submitted resident ledgers to verify if the NSF checks have been paid, how much they were charged in late fees, and NSF fees. In addition, verify if all resident account charges are consistent. If the amounts are different, find out why and determine if this would be an Observation or a Finding.

N. Personnel

PERSONNEL	YES	NO	N/A
1) Does owner/agent have a system/procedure for providing field supervision of on-site personnel?			
2) Does the property appear to be adequately staffed?			
3) Is overtime being controlled?			

4) Were requested pre-audit reports submitted on time?			
5) Does it appear that personnel are team oriented?			
6) Was management staff prepared for the site visit?			
7) Has staff turnover occurred since the last site review?			
8) Are staff meeting held weekly, at a minimum?			
9) Have personnel been trained in Fair Housing?			
10) List training staff has received in the past year. ➤			
COMMENTS:			

- **Observation:** Most of the personnel questions will be answered through observing the staff during the Review. Observe whether the staff is wearing professional attire and whether the staff demonstrates good teamwork.
- **Manager Questions:** Ask the manager about any training that the office staff or maintenance personnel have received or attended in the 12 months prior to the review. Also, ask about scheduling and whether the property is fully staffed. If the staff has not attended or is not scheduled to attend Fair Housing or Compliance training on a regular basis this would be a Finding.

O. Owner Participation

OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to the software system utilized to manage the property?			
2) Is site management required to submit weekly reports to the owner?			
3) Are funds needed for capital improvement items, turning of units, and marketing campaigns released by the owner according to what has been budgeted?			
4) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤			
COMMENTS:			

- **Manager Questions:** There is no report for this section. These answers will come directly from the property manager or the property supervisor.

P. Summary of Findings and Observations

SUMMARY OF OBSERVATIONS AND FINDINGS

- **Findings:** Cut and paste the Findings from the body of the report and add the appropriate corrective action requirements. Be very specific and include the date by which the corrective action must be submitted.
- **Observations:** Cut and paste the Observations from the body of the report; add the suggested Recommendation for each Observation.
- **Photos:** Include pictures of the property sign, leasing office, swimming pools, amenities, buildings, parking lots, any property issues, etc.

7. REPORTING REQUIREMENTS

A. Annual Budgets

TSAHC staff will review the annual budget submitted by the owner/management agent. Staff may make recommendations to the Owner regarding the submitted Budget (such recommendation will be based upon the Asset Oversight and Compliance Department's opinion as to whether income, expense and capital items are realistic within the context of the property and its rental market). In addition, TSAHC staff will make recommendations to the Owner concerning any proposed variations from such budget that would require the approval of the Owner.

B. Quarterly Financial Reports

TSAHC staff will review quarterly financial statement submissions.

C. Monthly Crime Prevention Report

If a property had a Finding that required management to create and implement a Crime Prevention Plan, the property is required to report to TSAHC prior to the 10th of the month.

THIS DOCUMENT IS REVISED WHEN NECESSARY. TO VIEW THE MOST CURRENT VERSION, GO TO: www.tsahc.org.

Attachment One



Date

Owner

Attn: Owner Contact

Owner Address

City, State, Zip

RE: **Name of Property**

Dear Owner:

The purpose of this letter is to serve as notification that a Texas State Affordable Housing Corporation (TSAHC) Representative will conduct an Asset Oversight Review (“Review”) at ***Name of Property*** on ***Date***, starting at approximately ***Time***. In order to facilitate an efficient review, we intend to complete as much of the review as possible in our office prior to our on-site visit.

Please review the list of required documents outlined below and forward them to our office no later than **14 days before your site visit**. These documents may be submitted via e-mail, fax, or regular mail. It is the intention of TSAHC to minimize the disruption to your staff’s routine and the amount of time we spend at your site; therefore, we will need to begin our desk review of these documents as soon as possible.

- Current Year Operating Budget
- Current YTD Financial Statements
- Most recent Variance Report Including Budget Income Comparison with Actual and YTD Budgeted
- Written NSF policy along with NSF log for the past 3 months and a copy of the corresponding resident ledger (no more than 10)
- Physical Occupancy for each of the past 12 months
- Police reports (911 call sheet) for the past three months
- Monthly renewal reports for the past 12 months showing the percent that renewed or information to calculate the percent.
- Updated contact information (including e-mail addresses) for the property, management company, and the borrower

The site visit consists of an evaluation of property reports, a limited physical inspection, and a comprehensive interview with at least one member of the management staff. As part of the limited physical inspection, three vacant units will be randomly selected for inspection by the TSAHC staff member. If three vacant units will not be available for inspection, please send a notice to all residents that an inspection of their unit might occur on the date of the site visit.

The ability to develop a productive partnership is important to us, and we welcome the opportunity to serve you and your residents. We hope that our work together will assist in providing the best possible affordable

Attachment One



housing within the State of Texas. As always, you may contact me via telephone or e-mail for assistance or information.

Respectfully,

TSAHC Staff Member

Title

E-mail Address

Phone Number

Attachment Two



[Date]

Owner

Attn:

Address

Address

RE: Property Name

Dear Owner:

The purpose of this letter is to serve as notification that a Texas State Affordable Housing Corporation (TSAHC) Representative will conduct a virtual annual Asset Oversight Review (“Review”) via conference call for **[Property Name]** on **[Date]**, starting at approximately **[Time]**. ***Conference call information will be sent via Microsoft Outlook meeting invite through Ring Central Meetings.*** In order to facilitate an efficient review, we intend to complete as much of the review as possible in our office prior to the Review Date.

The Review consists of an evaluation of property reports, a limited physical inspection to be completed by site-management, and a comprehensive interview with at least one member of the management staff. As part of the limited physical inspection, three vacant units will be randomly selected for inspection by the TSAHC staff member **14 days prior to the Review Date**. Management will inspect the vacant units and take photos. The photos will be electronically submitted to TSAHC within two business days from the date you received notice of unit selection. If three vacant units will not be available for inspection, management must notify residents in occupied units that an inspection of their unit may occur in connection with the scheduled Review. We expect Owner/Agents to follow their policies and federal, state, and city guidance when entering occupied units. If Management is unable to enter occupied units, outside of emergencies, because of such policies or guidance, please notify TSAHC staff as soon as possible.

In addition, please review the list of required documents outlined below and forward them to our office no later than **14 days before your Review Date**. These documents may be submitted via e-mail, fax, or regular mail. It is our intent to minimize the disruption to your staff’s routine; therefore, we will need to begin our desk review of the following documents as soon as possible.

- Current Year Operating Budget
- Current YTD Financial Statements
- Most recent Variance Report Including Budget Income Comparison with Actual and YTD Budgeted
- Written NSF policy along with NSF log for the past 3 months and a copy of the corresponding resident ledger (no more than 10)
- Physical Occupancy for each of the past 12 months
- Police reports (911 call sheet) for the past three months
- Monthly renewal reports for the past 12 months showing the percent that renewed or information to calculate the percent.
- Work Order Summary Report (showing open & closed work orders for the past 30 days)
- Traffic Summary Report (showing number of prospects/leases for the past 30 day)

Attachment Two



- Unit Availability Report (to reflect current status of all vacant units)
- Account Payable (showing current, 30 day and 60+ day balances)
- Delinquency Report (Current report that shows outstanding balances)
- Resident Retention Report showing reasons for move-outs in the last 12 months)
- Current Rent Roll
- Updated contact information (including e-mail addresses) for the property, management company, and the borrower

As a reminder, the Conference Call information will be sent to you in a Microsoft Outlook meeting invite through Ring Central Meetings.

Developing a productive partnership is important to us. We welcome the opportunity to serve you and your residents and hope that our work together will help you provide the best possible affordable housing and services to your residents. As always, you may contact me via telephone or e-mail for assistance or information.

Respectfully,

Name

Title

E-mail Address



Contact Information

Development Information:

Development Name: _____
Development Physical Address: _____
Development Mailing Address: _____
On-Site Manager: _____
Development Telephone: _____
Development Fax #: _____
Manager E-mail Address: _____

Management Information

Management Company Name: _____
Management Mailing Address: _____
Management Contact: _____
Management Telephone: _____
Management Fax#: _____
Management Contact
E-mail Address: _____

Legal Owner Information

Owner Name: _____
Owner Mailing Address: _____
Owner Contact: _____
Owner Telephone: _____
Owner Fax#: _____
Owner Contact E-mail Address: _____



Entrance Interview Questionnaire

Instructions: Answer the questions below and return to TSAHC Compliance Department at 512-477-3557 (fax), or email to a TSAHC Staff Member.

Property Name: _____

1. Briefly explain your certification process?
2. How do you track re-certifications?
3. How is the Next Available Unit Rule Tracked?
4. Briefly explain your re-certification process, including when you begin?
5. Are any units on the property rented for less than 30 days, not including month-to-month leases? If so, list the unit numbers.
6. Are any units utilized as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park? If so, list the units.
7. Are any units leased to a corporation, business or university? If so, list the units.
8. Are any units owned by a cooperative housing corporation? If so, list the units.
9. Are any units not available for rental on a continuous basis to members of the general public? If so, list the unit number and provide an explanation.
10. Does any property staff live on-site? What unit do they live in? What is their job title?

The information contained thereon is, to the best knowledge of the Borrower, true and accurate.

Printed Name: _____ Title: _____

Signature: _____ Date: _____

Attachment 5
Texas State Affordable Housing Corporation

Property Names	
Address, City, State, Zip Code	
Owner:	Date Built:
Management Company:	Property Manager:
Inspection Date & Time:	Inspector's Name:

Occupancy at Time of Report:	%	Average Occupancy Over Last 12 Months:	%
Number of Units:			
Number of One Bedrooms:		Number of Two Bedrooms:	
Number of Three Bedrooms:		Number of Four Bedrooms:	

PHYSICAL INSPECTION	YES	NO	N/A
1) Are the access gates in operable condition?			
2) Is the community monument sign in acceptable condition?			
3) Is the perimeter fence surrounding the property in acceptable condition?			
4) Are the grounds and landscaping in acceptable condition?			
5) Are trees and shrubs properly trimmed?			
6) Are the grounds free of erosion, foot paths and tree root elevation?			
7) Are sidewalks clean and in good repair?			
8) Are parking lots clean, in good repair with handicap parking spaces clearly marked?			
9) Are all recreational, common areas and amenity areas clean, maintained, and accessible?			
10) Is facility equipment operable and in acceptable condition?			
11) Is the area around the waste receptacles clean and are the enclosures in good repair?			
12) Is the exterior of the buildings in acceptable condition?			
14) Are hallways/breezeways clean and maintained?			
15) Are storage/maintenance areas clean, maintained and organized?			
16) Are building foundations in good repair?			
17) Are the gutters, downspouts, and fascia boards on the buildings in good repair?			
18) Do the building roofs appear to be in good condition?			
19) Do balconies and upper-level walkways appear to be in good condition?			
20) Do windows, blinds, doors, and trim appear to be in good condition?			
21) Is Management addressing all health, fire, or safety concerns on the property?			
22) Have repairs or corrections recommended or required from the last physical inspection been satisfactorily completed?			

COMMENTS:

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	

Attachment 5
Texas State Affordable Housing Corporation

2) Does the property utilize a crime prevention agreement?			
3) Does the property take pro-active measures to address crime on property? If so, add comment			
4) Are light checks conducted by management staff on a weekly basis? If not, add comment.			

COMMENTS:

SECURITY PROGRAM Part II	YES	NO	N/A
1) Is the Staff trained to address crime on the property?			
2) Is the property free of graffiti and/or vandalism?			
3) Are criminal background checks being conducted on all residents over 18 years of age?			
4) Are criminal background checks being conducted on residents as they age to be 18 while living in the unit			
5) Has a risk assessment been conducted to determine risk liabilities at the property? If yes, when?			

COMMENTS:

OFFICE	YES	NO	N/A
1) Is the office neat, the desk uncluttered?			
2) Are accurate office hours posted?			
3) Are emergency phone numbers posted?			
4) Are the EHO logos clearly posted?			
5) Are the following displayed in full view in the leasing office?			
➤ Fair Housing Poster			
➤ Occupancy Qualifications			
6) Is there a compliance department that ensures the set aside and eligibility requirements are being maintained?			
7) Does the property require licenses or permits?			
➤ (Describe)			
8) Are property licenses and permits renewed as required?			
9) Are vendor insurance records/binders properly maintained?			
10) Are vendors properly screened to ensure proper insurance documents are being maintained?			
11) Which of the following community amenities are provided for resident use?			
➤ Playground			
➤ Community Room			
➤ BBQ/Picnic Area			
➤ Laundry Facility			
➤ Business Center			
➤ Pool			
➤ Other (describe)			

COMMENTS:

KEY CONTROL	YES	NO	N/A
1) Does the property use an electronic key tracking system? If not, answer questions 2-5.			
2) Are all property keys properly coded?			
3) Is key box locked and secured?			
4) Is the key code list kept separate from the key box?			
5) Are locks being changed during unit turnovers?			

COMMENTS:

MAINTENANCE PROGRAM	YES	NO	N/A
1) Does the property have a preventative maintenance program that is being followed?			
2) Is the maintenance shop clean and organized?			
3) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?			
4) How often are Pest Control services provided?			
➤			

Attachment 5
Texas State Affordable Housing Corporation

5) What is the policy for following up on completed service requests? ➤			
6) What is the property's after-hours emergency policy? ➤			
7) What capital improvements have been scheduled or completed for this budget year? ➤			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
8) Unit Interior and Appliance upgrades ➤			
9) Building Exterior and Curb Appeal repairs ➤			
10) Amenity upgrades ➤			
11) Other repairs or replacements ➤			
Number of service requests received:			
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? ➤			
COMMENTS:			

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			
The rental activity reflected in the above table was for the month of: *note report dates*			
	YES	NO	N/A
2) Is the property doing bilingual advertising?			
3) Does the property have any competitors nearby?			
4) Does the property "shop" their competitors?			
5) Does the property complete a market survey at least monthly?			
COMMENTS:			

LEASE RENEWAL	YES	NO	N/A
1) Does it appear that an effective lease renewal program is in place? If no, please comment below.			
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current:	6 months:	12 months:
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?			
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.			
5) Are rent increase notices sent to residents at least 30-days prior to the rent increase implementation?			
6) Are individual files being reviewed to determine renewal/non-renewal status?			

Attachment 5
Texas State Affordable Housing Corporation

7) Are renewals and re-certifications tracked and monitored with property management software? I.e., Yardi, Onesite, or Owner/Agent created software?			
8) When was the last rent increase implemented? What was the average rent increase?			
➤			
9) How many households are currently on month-to-month leases?			
➤			
10) What is the charge for month-to-month leases?			
➤			
COMMENTS:			

VACANT/MAKE READY UNITS				
1) Number of vacant units at time of activity report:				
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			
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?				
2) Are units being turned in a timely manner?				
3) Are there any down units?				
4) Are there vacant units that have been vacant for an extended period? If so, please comment below.				
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.				
6) How often are occupied units inspected?				
➤ Occupied units are inspected:				
7) How often are vacant units inspected?				
➤ Vacant units are inspected:				
8) How many vacant units are in progress of being made ready?				
➤				
9) What is the company policy on the number of days to turn vacant units?				
➤				
COMMENTS:				

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

Attachment 5
Texas State Affordable Housing Corporation

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

COMMENTS:

REVENUE

FOR THE MONTH ENDING:		YEAR TO DATE AS OF:	
Gross Potential		Gross Potential	
Budgeted Rental Income		Budgeted Rental Income	
Actual Rental Income Collected		Actual Rental Income Collected	
Variance + (-)		Variance + (-)	
Other Revenue		Other Revenue	
Total Budgeted		Total Budgeted	
Total Collected		Total Collected	
Variance + (-)		Variance + (-)	

COMMENTS:

ACCOUNTS PAYABLE

	YES	NO	N/A
1) Is the payable report up to date?			
2) Is the property in good standing with all vendors?			
3) Are invoices processed weekly?			
COMMENTS:	0-30 Days:		
	30-60 Days:		
	60 Days and Over:		
	TOTAL		

DELINQUENCIES

	YES	NO	N/A
1) Is the delinquency report up to date?			
2) What is the rent collection policy?			
3) When is legal action taken against delinquent accounts?			
4) Does the property currently have any resident(s) under eviction?			
5) Does Housing have any outstanding balances?			
COMMENTS:	0-30 Days:		
	30-60 Days:		
	60 Days and Over:		
	TOTAL		

RETURNED CHECKS

	YES	NO	N/A
1) Total number of returned checks in the past 3 months:			
2) Has the manager collected and deposited all returned checks?			
3) Is the manager following company policy on returned checks?			

COMMENTS:

Attachment 5
Texas State Affordable Housing Corporation

PERSONNEL	YES	NO	N/A
1) Does owner/agent have a system/procedure for providing field supervision of on-site personnel?			
2) Does the property appear to be adequately staffed?			
3) Is overtime being controlled?			
4) Were requested pre-audit reports submitted on time?			
5) Does it appear that personnel are team oriented?			
6) Was management staff prepared for the site visit?			
7) Has staff turnover occurred since the last site review?			
8) Are weekly staff meetings held?			
9) Have personnel been trained in Fair Housing?			
10) List training staff has received in the past year. ➤			

COMMENTS:

OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to the software system utilized to manage the property?			
2) How often are reports submitted to the owner?			
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?			
4) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤			

COMMENTS:

SUMMARY OF OBSERVATIONS AND FINDINGS



Date

Owner

Attn: Owner Contact

Owner Address

City, State, Zip

RE: **Name of Property**

Dear Owner:

On **date**, an Asset Oversight Review was performed at the above referenced property. Details of the review can be found in the enclosed Observation Report.

The results of this review may indicate items in need of correction in order to be in compliance with your TSAHC Multifamily Bonds. A list of Findings and/or Observations resulting from the review is enclosed. Each Finding will include Corrective Action dates for those items considered deficient. Properties with any Corrective Action Requirements will be placed on a Monitoring Status pending correction.

For Clarification:

Observations will address issues that can be improved upon, but do not require immediate action. An Observation will always be followed by a Recommendation. Management should consider Recommendations but there is no written response required. Findings address serious issues that need to be cured immediately. Findings will always be followed by Corrective Action Requirements. Management must complete the Corrective Action Requirements and send certification to TSAHC that they have been resolved as stipulated within each Corrective Action Requirement. This certification must be on company letterhead and address each item individually.

I appreciate the time and effort your staff allotted to our review. If you wish to discuss the report findings before preparing your response, please feel free to contact me at the number listed below.

Respectfully,

TSAHC Staff Member

Title

E-mail Address



Date

Owner

Attn: Name

Street Address

City, State, Zip

RE: **Property**

Dear Owner:

The Texas State Affordable Housing Corporation (TSAHC) has received the corrective action submitted by **Person** on **Date**, for the Asset Oversight performed on **Date**.

Asset Oversight Audit:

This response is sufficient information to establish that the Findings identified on the Asset Oversight Observation Report dated **Date**, sent to you **Date** has been corrected.

Thank you for your attention to this important matter. Please do not hesitate to call should you have any questions regarding this notice.

Respectfully,

TSAHC Staff Member

Title

E-mail Address

Phone Number



Date

By Email

**1st NON RESPONSE NOTICE
REQUEST FOR CORRECTIVE ACTION**

Owner

Attn: Owner Contact

Owner Address

City, State, Zip

RE: Name of Property

Dear Owner:

The Texas State Affordable Housing Corporation (TSAHC) has not received a response to the Findings identified on the Asset Oversight Observation Report dated **Date**, sent to you **Date**. To ensure compliance, we must receive documents meeting the Corrective Action Requirements set out in the Report no later than **Date**. Please refer to the Narrative pages of the Report for the corrective action requirements. In addition, please refer to Appendix A of the Corporation's Compliance Policy to determine if any penalties will be assessed.

Thank you for your attention to this important matter. If you have forwarded the required documents, please contact us to ensure we have received the information that you submitted. Please do not hesitate to call should you require additional information or clarification on this important request.

Respectfully,

TSAHC Staff Member

Title

E-mail Address

Phone Number



Date

By Email

**INCOMPLETE OR INSUFFICIENT
RESPONSE NOTICE REQUEST
FOR CORRECTIVE ACTION**

Owner

Attn: Owner Contact

Owner Address

City, State, Zip

RE: Name of Property

Dear Owner:

The Texas State Affordable Housing Corporation (TSAHC) has received an incomplete or insufficient response from **Name of Person** to the Findings identified on the Asset Oversight Observation Report dated **Date**, sent to you **Date**. Specifically, your response has not sufficiently addressed the following Corrective Action requirements:

List the Outstanding Items

To ensure that corrective action has been reviewed by a 3rd party, information requested in this notice must come from the Compliance Department. It is recommended, site staff should submit documents to the Compliance Department in a timely manner to avoid delays in meeting the TSAHC corrective action deadline.

To ensure compliance, we must receive documents meeting the Corrective Action Requirements set out in the Report no later than **Date**.

Thank you for your attention to this important matter. Please do not hesitate to call should you require additional information or clarification on this important request.

Respectfully,

TSAHC Staff Member

Title

E-mail Address

Phone Number