

Texas State Affordable Housing Corporation

Willow Green Apartments

8301 Willow Place Drive, Houston TX 77070

Owner: Dalcour Affordable Housing I, LLC

Date Built: 1995

Management Company: Dalcour Management, LLC

Property Manager: Gayle Harris

Inspection Date & Time: May 23, 2014 at 8:00 a.m.

Inspector's Name: James Matias

Occupancy at Time of Report:	97%	Average Occupancy Over Last 12 Months:	90.9%
Number of Units: 336			
Number of One Bedrooms:	88	Number of Two Bedrooms:	168
Number of Three Bedrooms:	80	Number of Four Bedrooms:	NA

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) Is parking lot clean and in good repair with handicap parking clearly marked?	X		
9) Are recreational/common areas clean, maintained and accessible?	X		
10) Are laundry facilities clean, maintained and accessible?			X
11) Is facility equipment operable and in acceptable condition?	X		
12) Is the area around the waste receptacles clean and are the enclosures in good repair?	X		
13) Is the exterior of the buildings in acceptable condition?	X		
14) Are hallways clean and maintained?	X		
15) Are storage/maintenance areas clean, maintained and organized?	X		
16) Are building foundations in good repair?	X		
17) Are the gutters, downspouts and fascia boards on the buildings in good repair?	X		
18) Do the building roofs appear to be in good condition?	X		
19) Do balconies and upper level walkways appear to be in good condition?	X		
20) Do windows, blinds, doors, and trim appear to be in good condition?	X		
21) Is Management addressing all health, fire or safety concerns on the property? (X		
22) Have repairs or corrections recommended or required from the last physical inspection been satisfactorily completed?	X		

COMMENTS: On the day of the site visit, the landscaping around the office and throughout the community was well maintained and the grounds appeared to be in great condition. The common areas and amenities appeared clean and well kept. The buildings, roofs, stairs, and foundations appear to be in acceptable condition. Most of the parking lots examined were found to be well kept with the handicap spaces clearly marked. Compared to last year, when many shopping carts were found throughout the community, management appears to be doing a much better job making sure shopping carts are being returned to the grocery store nearby. On the day of the site visit the property had a major plumbing line leak that was in the process of being repaired. Numerous residents appeared to be storing large personal items and BBQ pits under the stairs or in front of their units.

Observation:

- The three monument signs were in good condition and have all the proper information. However the shrubs in front of the signs at the main entrance appear to be covering the properties phone number. (picture attached) It is suggested that the shrubs be cut lower in an effort to increase visibility and better market the property to drive by traffic.
- The majority of the breezeways between the second floor units were found to have large amounts of litter, dust, lint, and dirt. It is strongly suggested that a preventive maintenance plan for regularly sweeping or blowing out the breezeways is put into place.

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/Robbery	8	
Theft	7	

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Criminal Mischief		
Personal Assault	4	
Drug Activity		
Gunfire		
Domestic Violence		
Disturbance		
Other	2	Stolen Identity(1) Threat of life(1)
2) Does the property utilize a crime prevention agreement? ➤ The crime prevention plan is found in the resident handbook and residents sign a crime free addendum when they sign the lease.		
3) What pro-active measures is the property taking to address crime on the property? ➤ The property uses surveillance cameras and the Houston Police department patrols regularly.		
4) How often is a light check conducted on the property? Who performs light checks on the property? ➤ The maintenance staff or property manager checks the lights once per month.		
COMMENTS: Houston's Police Department's Blue Star Multi-Housing Program is designed to be a cooperative effort between apartment managers/owners, apartment residents and law enforcement, to abate crime and to enhance the quality of life for citizens living within Blue Star communities. The awarding of a Blue Star designation means that the apartment community has successfully completed all three phases of the program and has met the minimum standards for certification. It is hoped that, over time, many apartment managers and prospective residents will recognize that the Blue Star Multi-Housing certification will promote a safer and cleaner community with a higher quality of life.		
Observation:		
<ul style="list-style-type: none"> The amount of criminal activity according to the reports provided has decreased. However the amount of theft and/or burglary remains high. The property should continue to submit Monthly Crime Reports to TSAHC on the 10th of each month which include documentation for all proactive measures and 911 call logs for the previous month. 		

SECURITY PROGRAM Part II	YES	NO	N/A
1) Is the Staff trained in addressing crime on the property?	X		
2) Is the property free of graffiti and/or vandalism?		X	
3) Are criminal background checks being conducted on all residents over 18 years of age?	X		
➤ Are criminal background checks being conducted on residents as they age to be 18 while living in the unit?	X		
4) Has a risk assessment been conducted to determine (risk) liabilities at the property?	X		
COMMENTS: Management stated that a risk assessment was completed in February or March of 2014.			
Observation:			
<ul style="list-style-type: none"> On the day of the site visit, building 22 and 23 had a small amount of graffiti on the side of the building facing the East. Proper documentation, including pictures and closed work orders showing that the graffiti repairs were completed were sent to TSHAC prior to the submission of this review. In an effort to approve curb appeal, it is suggested that management find a better exterior paint match to cover up such issues moving forward. 			

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) Which of the following community amenities are provided for resident use?			
➤ Playground(2)	X		
➤ Community Room	X		
➤ BBQ/Picnic Area	X		
➤ Laundry Facility		X	
➤ Business Center	X		
➤ Pool	X		
➤ Other (fitness center)	X		
8) When are property licenses and permits renewed?			

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➤ The pool, monument sign, access gate, and fire alarm permits are all kept at the corporate office.
9) Where are vendor insurance records/binders maintained?
➤ Vendor insurance records are held at the corporate office.
COMMENTS:

KEY CONTROL	YES	NO	N/A
1) Are all property keys properly coded?	X		
2) Is key box locked and secured?	X		
3) Is the key code list kept separate from the key box?	X		
4) Are locks being changed during turnover of vacant units and turnover of staff?	X		
COMMENTS: The property utilizes the Handytrack system.			

MAINTENANCE PROGRAM	YES	NO	N/A
1) Does the property have a preventative maintenance program?	X		
2) Is the preventative maintenance schedule being implemented?	X		
3) Is the maintenance shop clean and organized?	X		
4) On average, how many days does it take to complete a work order? ➤ On average, the report provided reflects that it takes 4.7 days to complete a work order.			
5) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
6) How often are Pest Control services provided? ➤ Pest control services are provided weekly on Monday's.			
7) What is the policy for following up on completed service requests? ➤ Management stated that about 40% of all work orders are followed up on.			
8) What is the property's after hours emergency policy? ➤ Residents call the phone number posted at the property. During business hours, if available, the leasing staff will address the emergency call. If the call comes after hours or when the staff is unavailable, the answering service receives the call and distributes the call to the property manager or lead maintenance dependent upon the nature of the call.			
9) What capital improvements have been scheduled or completed for this budget year? ➤ No capital improvements have been scheduled for this budget year.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

10) Unit Interior and Appliance upgrades ➤ No interior or appliance upgrades have been completed since the rehab that was complete in 2013.			
11) Building Exterior and Curb Appeal repairs ➤ Building exterior or curb appeal upgrades were not completed in the prior budget year.			
12) Amenity upgrades ➤ No amenity upgrades have been completed in the last budget year.			
13) Other repairs or replacements ➤ Ceiling fan installation started in the previous budget year and is an ongoing process between each move out.			
Number of service requests received:	158		
Number of requests open from prior periods:	0		
Number of service requests completed:	130		
Number of service requests completed within 24 hours:	44		
Number of outstanding service requests:	28		

COMMENTS:

Observation:

- Preventive maintenance appears to be completed regularly. However, no schedule is in place or organized in a report or binder. In an effort to ensure no buildings or units get overlooked, it is suggested that management and maintenance work together to develop a report or binder that enables the staff to properly monitor the preventive maintenance program.
- According to the Work Order Directory report, it appears that staff is not doing diligent job of opening and closing work orders or they are not completing the work timely. The report provided, which ranges from April 22, 2014 through May 22, 2014, has 28 work orders open and not completed that exceed 48 hours. The average time frame for the 28 open work orders at the time the report was given is 10 days and counting. Resident retention and satisfaction is often strongly related to the maintenance program. It is important that all work orders be closed on a daily basis to monitor the effectiveness of the maintenance staff and the maintenance program. It is suggested that the task of opening and closing work orders happen much more frequently and that the individual(s) opening and closing work orders do a diligent job making sure the information being entered is accurate. It is also suggested that management and the maintenance staff work together to create an action plan that address the amount of open/incomplete work orders and the average time frame for completing work orders, which is currently 4.7 days.

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MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth(none)	\$0	19	0
Flyers	\$0	0	0
Resident Referral	\$0	5	2
Locator Service	\$365	0	0
Printed Advertising	\$294	22	0
Internet Advertising /Property Website	\$350	47	0
Other Source (craigslist,, housing, NA)	\$0	63	12
TOTAL	\$1009	156	14
The rental activity reflected in the above table was from 4/1/2014 to 5/22/2014.			
	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:			
Observation:			
<ul style="list-style-type: none"> • The property does not appear to be gathering the necessary sources to accurately update the traffic sheet. Management states that the majority of the sources with a "NA" designation are those coming from the answering services. For the report which was pulled for the 45 days prior to the review, "NA" is currently entered on 59 of the 156 sources which is more than 38% of the report. This is critically important to your property because 12 of the 14 leases for this time frame came from a traffic source of "NA", which means you cannot firmly determine where the most substantial leads are coming from. Although the property currently has a high occupancy (97%), it is essential to know when and where your traffic comes from. It is suggested that management create a system with the answering service to determine where the traffic is coming from and start entering all traffic sources onto the report so management will know how to properly market the property and allocate marketing funds in the future. • Management stated that they have an average of one lease from a locating service per month. The report provided which spans a period greater than 45 days, does not show any traffic with apartment locating listed as the source. If apartment locators are not being entered or are being entered as a different source, it is suggested that the manner in which apartment locating is documented be changed so management can determine the effectiveness of having locators as a marketing option. 			

LEASE RENEWAL	YES	NO	N/A
1) Does it appear that an effective lease renewal program in place?	X		
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: 6%	6 months: 53%	12 months: 46%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	41%		
4) When are the lease renewal/rent increase notices sent to residents? ➢ Recertification notices are sent 120 days in advance and then every 30 days thereafter.			
5) Are individual files being reviewed to determine renewal/non-renewal status?	X		
6) How are renewals and re-certifications tracked and monitored? ➢ Management uses the Unit Status Report and the Yardi system to track re-certifications.			
7) Are rent increases being implemented?		X	
8) When was the last rent increase implemented? What was the average rent increase? ➢ Rent increases are not being administered because the property is currently at max rent.			
9) How many households are currently on month-to-month leases? ➢ The property does not currently have any households under eviction.			
10) What is the charge for month-to-month leases? ➢ The property does not have any additional charges for month to month leases because it is against management policy to have month to month leases.			
COMMENTS:			
Observation:			
<ul style="list-style-type: none"> • The reports provided for lease renewal reflect that the property is retaining less than half of its residents. Low numbers regarding retention were expected towards the end of 2013 because the property was placed in service with a new set of affordability standards. However, nine months removed from the time period where low retention was explained, the property appears to still be experiencing a large amount of move outs. Marketing the property, resident turnover, and unit make readies are a large part of the 			

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overall expenses in the operating budget. It is suggested that management obtain surveys from move outs and conduct an analysis as to why resident retention is low.

- Of the 82 households who moved out in the previous 12 months, 49(41%) were for eviction, non-payment of rent, or “skip”. The cost to market and make units ready is high, if qualified residents are obtained those costs should decrease. It is suggested that management review the rental criteria and policies to ensure that residents are fully qualified and that screening process/criteria is only overridden when it is determined to be completely necessary.

VACANT/MAKE READY UNITS

1) Number of vacant units at time of activity report:	8
2) Number of completed made ready units at time of activity report:	6
3) Number of completed one bedroom units at time of activity report:	2
4) Number of completed two bedroom units at time of activity report:	2
5) Number of completed three bedroom units at time of activity report:	2
6) Number of uncompleted made ready units at time of activity report:	2
7) Number of uncompleted one bedroom units at time of activity report:	0
8) Number of uncompleted two bedroom units at time of activity report:	2
9) Number of uncompleted three bedroom units at time of activity report:	0

Units Walked

Unit #	Brief Description
106	1x1, vacant, Ready
112	1x1, Vacant, Almost ready, 1 smoke detector needed
612	1x1, Vacant, Ready
809	2x2, Vacant, Ready
1008	2x2, ready, Smokes
1204	2x2, Vacant, ready
2402	3x2, Vacant, Almost ready
2506	2x2, Vacant, Not Ready, Needs counter Tops in bathrooms, and smoke detector repairs

Down Units Walked (units vacant and unready for extended period of time and all down units)

Unit #	Brief Description
NA	

	YES	NO	N/A
1) Does the Unit Availability Report match the make ready board?	X		
2) Are units being turned in a timely manner?	X		
3) Are there any down units?		X	
4) Are there vacant units that have been vacant for an extended period of time?		X	
5) What system is used by management to monitor the timely preparation of units? ➢ Management uses Yardi and a make ready board to monitor the make ready status.			
6) How often are occupied units inspected? ➢ Management stated that occupied units are inspected at least twice annually.			
7) How often are vacant units inspected? ➢ Management stated that vacant units are inspected at least once per week.			
8) How many vacant unready units are in progress of being made ready? ➢ Two vacant units are in the process of being made ready.			
9) What is the company policy on the number of days to turn vacant units? ➢ Management policy is to turn vacant units in 3-5 business days.			

COMMENTS: Prior to the submission of the report, completed work orders for the smoke alarms and counter tops for units 112, 1008, and 2506 were submitted to TSAHC.

Observation:

- On the day of the site visit the unit availability report provided did not match the status of units selected for review. Management agreed that many of the units listed as “ready” on the unit availability report were not fully ready. It is strongly suggested that a unit not be moved into the “ready” status on unit availability report until after the final walk though is completed. An inaccurate report can lead to overlooked maintenance and delayed move-ins for new coming residents.

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BUDGET MANAGEMENT					YES	NO	N/A
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Three bids are collected to obtain materials and services.							
2) Have there been any large unexpected repairs or purchases that have negatively affected the budget? ➤ No large unexpected repairs have negatively affected the budget.							
3) Explain YTD variances of 10% or greater.							
Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending							
(Please note that a positive variance is under budget and a negative variance is over budget.)							
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION		
Payroll Expenses	\$59,401	\$66,510	\$7,109	10.7%	Temporary Labor, Workers Compensation		
Repairs & Maintenance	\$19,548	\$15,381	-\$4,167	-27.1%	Carpet Wet Vacs, Interior Repairs, Common area maintenance		
Administrative Expenses	\$14,124	\$12,693	-\$1,431	-11.3%	Telephone & Internet, Eviction & Legal, Patrol & Alarm Service		
COMMENTS:							

REVENUE					
FOR THE MONTH OF <u>MARCH, 2014</u>			YEAR TO DATE		
Gross Potential		\$244,704	Gross Potential		\$734,112
Budgeted Rental Income		\$220,398	Budgeted Rental Income		\$655,773
Actual Rental Income Collected		\$229,264	Actual Rental Income Collected		\$671,246
Variance + (-)		\$8,866	Variance + (-)		\$15,473
Other Revenue		\$13,142	Other Revenue		\$48,677
Total Collected		\$242,405	Total Collected		\$719,924
Budgeted		\$235,631	Budgeted		\$701,472
Variance + (-)		\$6,774	Variance + (-)		\$18,452
COMMENTS:					

ACCOUNTS PAYABLE				YES	NO	N/A
1) Is the payable report up to date?				X		
2) Is the property in good standing with all vendors?					X	
3) How often are invoices processed? ➤ Invoices are processed weekly.						
COMMENTS: \$10,350 of the \$11,385 (91%) of the balance due greater than 30 days is for the accounting firm that handled the taxes for this property. Management stated that this audit was recently completed and the payable is being handled by corporate.				0-30 Days:		\$7,507
				30-60 Days:		\$2,662
				60 Days and Over:		\$8,723
				TOTAL		\$18,892

DELINQUENCIES				YES	NO	N/A
1) Is the delinquency report up to date?					X	
2) What is the rent collection policy? ➤ Rent due on the 1 st , late on the 6 th . 3 day NTV is sent. Eviction hold over						
3) When is legal action taken against delinquent accounts? ➤ Evictions are filed around the 25 th						
4) Does the property currently have any resident(s) under eviction?				X		
5) Does Housing have any outstanding balances?				X		
COMMENTS: Observation: • A report provided pulled for the end of May reflects a total balance of \$76,561 and a balance that is 30 days delinquent or more of \$23,082. The majority (70%) of the				0-30 Days:		\$53,479
				30-60 Days:		\$8,517
				60 Days and Over:		\$14,565

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<p>delinquent balance is from 0 to 30 days. Nineteen units (6%) have a balance due greater than 1 months' rent with a balance that extends more than 30 days. 145 units (43%) have an amount due greater than \$100. The nineteen units that have large balances make up \$30,225 of the overall delinquent balance which is more than 50% if you deduct the \$13,000 that management stated was due to recent housing move ins and recertification's. It is strongly suggest that a more diligent approach regarding the rent collection policy be put in place. Rent collection letters and notices to vacate need to be posted punctually and evictions need to be filed and followed through. Additionally, the staff needs to make sure the rent charges are set up accurately for the tenant and housing portions and that the payments are entered timely.</p>	TOTAL	\$76,561
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RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:	6		
2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		
COMMENTS: The documentation provided prior to the site review reflected that one unit had an NSF on multiple occasions and that another unit has a NSF balance that has not been collected. Management clarified that any unit that has received 2 NSF's can no longer pay with any method other than certified funds. Management also stated the NSF balance that previously showed up as unpaid has now been paid.			

PERSONNEL	YES	NO	N/A
1) Does owner/agent have a system/procedure for providing field supervision of on-site personnel?	X		
2) Does the property appear to be adequately staffed?	X		
3) Is overtime being controlled?	X		
4) Were requested pre-audit reports submitted on time?	X		
5) Does it appear that personnel are team oriented?	X		
6) Are name tags/photo IDs being worn by the maintenance personnel?	X		
7) Was management staff prepared for the site visit?	X		
8) Has staff turnover occurred since the last site review?		X	
9) How often are staff meetings held? ➤ Staff meetings are held daily.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ The administrative staff has received the annual tax credit and fair housing classes administered by the Texas Apartment Association and the Texas Department of Housing and Community Affairs. The staff also attended the fair Housing and Redbook seminar put on by the Houston Apartment Association.			

COMMENTS:
Observation:

- **On the day of the site visit management mentioned very little training that the staff attended in the past year. In an effort to decrease the properties liability and increase the productivity and effectiveness of the staff, it is highly recommended that all staff members receive various different best practices, ethical, and industry standard trainings.**

OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to the software system utilized to manage the property?	X		
2) How often are reports submitted to the owner? ➤ The owner has access to reports daily.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Anything over \$100 that is unbudgeted or over budget requires approval from the owner.			
4) Are the funds for needed capital improvement items, turning of units, and marketing campaigns released by the owner according to what has been budgeted?	X		

COMMENTS:

SUMMARY OF OBSERVATIONS AND FINDINGS

Observation:

- **The three monument signs were in good condition and have all the proper information. However the shrubs in from of the signs at the main entrance appear to be covering the properties phone number. (picture attached) It is suggested that the shrubs be cut lower in an effort to increase visibility and better market the property to drive by traffic.**
- **The majority of the breezeways between the second floor units were found to have large amounts of litter, dust, lent, and dirt. It is strongly suggested that a preventive maintenance plan for regularly sweeping or blowing out the breezeways is put into place.**
- **The amount of criminal activity according to the reports provided has decreased. However the amount of theft and/or burglary remains high. The property should continue to submit Monthly Crime Reports to TSAHC on the 10th of each month which include**

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documentation for all proactive measures and 911 call logs for the previous month.

- On the day of the site visit, building 22 and 23 had a small amount of graffiti on the side of the building facing the East. Proper documentation, including pictures and closed work orders showing that the graffiti repairs were completed were sent to TSHAC prior to the submission of this review. In an effort to approve curb appeal, it is suggested that management find a better exterior paint match to cover up such issues moving forward.
- Preventive maintenance appears to be completed regularly. However, no schedule is in place or organized in a report or binder. In an effort to ensure no buildings or units get overlooked, it is suggested that management and maintenance work together to develop a report or binder that enables the staff to properly monitor the preventive maintenance program.
- According to the Work Order Directory report, it appears that staff is not doing diligent job of opening and closing work orders or they are not completing the work timely. The report provided, which ranges from April 22, 2014 through May 22, 2014, has 28 work orders open and not completed that exceed 48 hours. The average time frame for the 28 open work orders at the time the report was given is 10 days and counting. Resident retention and satisfaction is often strongly related to the maintenance program. It is important that all work orders be closed on a daily basis to monitor the effectiveness of the maintenance staff and the maintenance program. It is suggested that the task of opening and closing work orders happen much more frequently and that the individual(s) opening and closing work orders do a diligent job making sure the information being entered is accurate. It is also suggested that management and the maintenance staff work together to create an action plan that address the amount of open/incomplete work orders and the average time frame for completing work orders, which is currently 4.7 days.
- The property does not appear to be gathering the necessary sources to accurately update the traffic sheet. Management states that the majority of the sources with a "NA" designation are those coming from the answering services. For the report which was pulled for the 45 days prior to the review, "NA" is currently entered on 59 of the 156 sources which is more than 38% of the report. This is critically important to your property because 12 of the 14 leases for this time frame came from a traffic source of "NA", which means you cannot firmly determine where the most substantial leads are coming from. Although the property currently has a high occupancy (97%), it is essential to know when and where your traffic comes from. It is suggested that management create a system with the answering service to determine where the traffic is coming from and start entering all traffic sources onto the report so management will know how to properly market the property and allocate marketing funds in the future.
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- The reports provided for lease renewal reflect that the property is retaining less than half of its residents. Low numbers regarding retention were expected towards the end of 2013 because the property was placed in service with a new set of affordability standards. However, nine months removed from the time period where low retention was explained, the property appears to still be experiencing a large amount of move outs. Marketing the property, resident turnover, and unit make readies are a large part of the overall expenses in the operating budget. It is suggested that management obtain surveys from move outs and conduct an analysis as to why resident retention is low.
- Of the 82 households who moved out in the previous 12 months, 49(41%) were for eviction, non-payment of rent, or "skip". The cost to market and make units ready is high, if qualified residents are obtained those costs should decrease. It is suggested that management review the rental criteria and policies to ensure that residents are fully qualified and that screening process/criteria is only overridden when it is determined to be completely necessary.
- On the day of the site visit the unit availability report provided did not match the status of units selected for review. Management agreed that many of the units listed as "ready" on the unit availability report were not fully ready. It is strongly suggested that a unit not be moved into the "ready" status on unit availability report until after the final walk though is completed. An inaccurate report can lead to overlooked maintenance and delayed move-ins for new coming residents.
- A report provided pulled for the end of May reflects a total balance of \$76,561 and a balance that is 30 days delinquent or more of \$23,082. The majority (70%) of the delinquent balance is from 0 to 30 days. Nineteen units (6%) have a balance due greater than 1 months' rent with a balance that extends more than 30 days. 145 units (43%) have an amount due greater than \$100. The nineteen units that have large balances make up \$30,225 of the overall delinquent balance which is more than 50% if you deduct the \$13,000 that management stated was due to recent housing move ins and recertification's. It is strongly suggest that a more diligent approach regarding the rent collection policy be put in place. Rent collection letters and notices to vacate need to be posted punctually and evictions need to be filed and followed through. Additionally, the staff needs to make sure the rent charges are set up accurately for the tenant and housing portions and that the payments are entered timely.
- On the day of the site visit management mentioned very little training that the staff attended in the past year. In an effort to decrease the properties liability and increase the productivity and effectiveness of the staff, it is highly recommended that all staff members receive various different best practices, ethical, and industry standard trainings.

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