

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: June 23, 2015 at 8:00 a.m.

Inspector's Name: James Matias

Occupancy at Time of Report:	94.3%	Average Occupancy Over Last 12 Months:	96.1%
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.

Observation:

- On the day of the site visit the majority of the exterior condenser HVAC units have coils that need to be cleaned (picture attached). Clean exterior coils on the HVAC's condenser will help the unit run more efficiently and decrease the chance of the fan motor or other condenser items breaking.

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	3	
Theft	2	Auto (1), Theft (1)
Criminal Mischief		
Personal Assault	8	
Drug Related Activity		

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Gun Related Activity	5	Discharge of a firearm (1), Disturbance with a weapon (4)
Domestic Violence		
Disturbance	5	Family (4), Noise (1)
Other	1	Home Invasion

- 2) Does the property utilize a crime prevention agreement?
 ➤ The crime prevention plan found in the resident handbook is used, and residents are required to sign a crime free addendum at the time of occupancy.
- 3) What pro-active measures is the property taking to address crime on the property?
 ➤ The property uses surveillance cameras, and Champion Security Service patrols 4 times per week and on the weekends.
- 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:

Observation:

- The amount of criminal activity according to the reports provided has remained at a low level for 2 consecutive years. However, the amount of personal assault has doubled. The property should continue to submit monthly crime reports to TSAHC on the 10th of each month, which includes documentation to support all proactive measures taken and 911 call logs.

SECURITY PROGRAM Part II	YES	NO	N/A
1) Is the Staff trained to address crime on the property?	X		
2) Is the property free of graffiti and/or vandalism?	X		
3) Are criminal background checks being conducted on all residents over 18 years of age?	X		
➤ 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 two years ago.

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 (describe)		X	
8) When are property licenses and permits renewed?			
➤ The licenses/permits for the pool, monument sign, access gate, and fire alarm panels are renewed annually.			
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 unit turnovers?	X		

COMMENTS: The property utilizes the Handytrack system.

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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 Work Order Directory provided reflects that it takes maintenance staff 5.7 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 every Monday and all buildings get serviced monthly.			
7)	What is the policy for following up on completed service requests? ➤ Management stated that 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. 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 ➤ Interior or appliance upgrades were completed as needed.			
11)	Building Exterior and Curb Appeal repairs ➤ Building exterior or curb appeal upgrades were not completed in the last budget year.			
12)	Amenity upgrades ➤ No amenity upgrades have been completed in the last budget year.			
13)	Other repairs or replacements ➤ No other repairs or replacements were completed.			
Number of service requests received:		183		
Number of requests open from prior periods:		0		
Number of service requests completed:		164		
Number of service requests completed within 24 hours:		39		
Number of outstanding service requests:		19		
COMMENTS:				
Observations:				
<ul style="list-style-type: none"> The preventive maintenance schedule provided during the site visit reflects that no preventive maintenance was completed for May and June. Management stated that the large amount of rain received in the Houston area has not permitted the staff the opportunity to stay on schedule, and it has redirected the priorities away from the preventive maintenance. It is suggested that staff get back on schedule regarding the preventive maintenance as soon as possible. According to the Work Order Directory report, it appears that staff is not doing a diligent job of opening and closing work orders, or staff is not completing the work timely. Below are a few concerns that reflect inconsistencies in the work order process: <ul style="list-style-type: none"> The report submitted for review, dated May 22, 2015 through June 22, 2015, has 19 work orders open and not completed. The majority of the open work orders have a status of "call". Management stated that the status of "call" means that the resident likely opened the work order by calling the emergency number, and in turn the work order was created by the answering service. It is likely that the incomplete work orders with "call" as the status are work orders created by the answering service. It appears that the work orders opened by the answering service are either not being closed/cancelled or duplicate work orders are being created. A large portion of work orders was found to be closed on the same day. The average completion time for the Work Order Directory is 5.7 days. Four work orders were found to have closed dates prior to the call/open date. <p>Resident retention and satisfaction is often strongly related to the maintenance program. It is important that all work orders be updated on a daily basis to monitor the effectiveness of the maintenance staff and the maintenance program. TSAHC suggests staff properly open and close work orders. It is also important that both management and maintenance staff that are responsible for opening and closing work orders be diligent and make sure the information being entered is accurate. TSAHC also suggests management and maintenance staff work together to create an action plan that addresses the amount of open/incomplete work orders and the average time frame for completing work orders.</p>				

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases

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Drive-By/Word of Mouth	\$35	64	2
Flyers	\$0	0	0
Resident Referral (1 per quarter)	\$17	24	3
Locator Service	\$375	0	0
Printed Advertising (Apartment Finder)	\$0	25	0
Internet Advertising (For Rent, apartment.com, property website)	\$350	113	0
Other Source (craigslist,, housing, NA, transfers)	\$0	48	0
TOTAL	\$777	274	5

The rental activity reflected in the above table was from 5/22/2015 to 6/22/2015.

	YES	NO	N/A
2) Is the property doing bilingual advertising?	X		
3) Does the property have any competitors nearby?	X		
4) Does the property "shop" their competitors?	X		
5) Does the property complete a market survey at least monthly?	X		

COMMENTS: Management stated a market survey is completed once per month.

LEASE RENEWAL	YES	NO	N/A
1) Does it appear that an effective lease renewal program is in place? If no, please comment below.	X		
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: 100%	6 months: 95%	12 months: 90%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	29%		
4) When are the lease renewal/rent increase notices sent to residents? ➤ Lease renewal and rent increase notices are sent 30 days prior to the end of the lease.			
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? ➤ A rent increase of \$10 on average was implemented in March 2015.			
9) How many households are currently on month-to-month leases? ➤ Management stated that they have 5 units that are currently on a month-to-month lease.			
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:

- During the site visit management was asked to explain the month to month leases since it is against the management policy. Management stated that they have 3 units in the process of purchasing a home and 2 units waiting for units to transfer within the community. It is strongly suggested that management follow the policies put in place for the community or change the policy.

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	19
2) Number of completed made ready units at time of activity report:	5
3) Number of completed one bedroom units at time of activity report:	5
4) Number of completed two bedroom units at time of activity report:	0
5) Number of completed three bedroom units at time of activity report:	0
6) Number of uncompleted made ready units at time of activity report:	14
7) Number of uncompleted one bedroom units at time of activity report:	4
8) Number of uncompleted two bedroom units at time of activity report:	6
9) Number of uncompleted three bedroom units at time of activity report:	4

Units Walked

Unit #	Brief Description
614	1x1, Vacant, Almost ready, one smoke detector needs repair and the fire extinguisher needs to be charged.

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709	2x2, Vacant, The drywall needs to be patched in the bathroom and the carpet needs repairs or replacement.
1012	1x1, Vacant, Ready
1114	1x1, Vacant, Ready
1504	3x2, Vacant, Ready
2611	2x2, Vacant, Ready

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? If so, please comment below.		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 usually inspected 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 units are in progress of being made ready? ➤ Fourteen 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 stated the policy is to turn vacant units in 7 business days.			

COMMENTS: Prior to the issuance of the report, completed work orders for the items mentioned above for units 614 and 709 were submitted to TSAHC. Management stated that the extended vacancy time for units 1012, 1114, and 1711 is due to the fact that demand for 3 bedroom units in the area has been very low.

Observation:

- Management stated that company policy is to turn vacant units within 7 business days. Currently, there are 14 units that are vacant and not ready. The average days vacant for the 14 units is 34 days, which exceeds the company policy. The company policy is not being followed, therefore TSAHC suggests management implement a make ready plan that will assist the maintenance staff in completing make readies in a reasonable amount of time, or revise the company policy to more accurately reflect the number of days it takes to turn a unit.

BUDGET MANAGEMENT

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 current 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
Redecorating	\$27,203	\$20,300	(\$6,903)	(34%)	Sheetrock Repairs, Appliance parts & repairs, Int Door Locks and Hardware
Repairs & Maintenance	\$27,611	\$38,352	\$10,741	28%	Carpet Wet Vacs, Interior repairs, Common area maintenance
Advertising	\$6,864	\$10,267	\$3,403	33%	Locator & Broker fees, Resident Referrals
Administrative	\$15,617	\$18,360	\$2,743	15%	Answering Service, Credit Investigation, License Dues subscription & meetings.

COMMENTS:

REVENUE

FOR THE MONTH ENDING: April 2015	YEAR TO DATE AS OF: April 2015
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Gross Potential	\$245,128	Gross Potential	\$980,512
Budgeted Rental Income	\$229,646	Budgeted Rental Income	\$918,584
Actual Rental Income Collected	\$234,344	Actual Rental Income Collected	\$931,270
Variance + (-)	\$4,698	Variance + (-)	\$12,686
Other Revenue	\$19,959	Other Revenue	83,488
Total Collected	\$254,304	Total Collected	\$1,014,759
Budgeted	\$246,167	Budgeted	\$984,668
Variance + (-)	\$8,137	Variance + (-)	\$30,091

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: Management stated that the large balance past 60 days delinquent in excess of \$7,000 is all for one flooring company and it is being disputed by the vice president of DALCOR. Management also stated the dispute should be resolved shortly, and assuming it is resolved in DALCOR's favor, this will fall off the accounts payable report very soon.	0-30 Days:		\$6,072
	30-60 Days:		\$4,206
	60 Days and Over:		\$7,278
	TOTAL		\$17,556

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the rent collection policy? ➤ Rent is due on the 1 st and late on the 6 th . A three day Notice to Vacate is sent on the 6 th . Between the 6 th and the 20 th the staff will continue to reach out to the tenant to collect rent.			
3) When is legal action taken against delinquent accounts? ➤ Evictions are filed around the 25th of each month.			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?	X		
COMMENTS: Management stated that about 25% of the delinquent rent is due to housing assistance balances that are currently unpaid because the residents have recently moved in or had a recent rent change. A few of the units with an outstanding housing balance include units 0605, 2002, and 2505. Units 1109 and 1406 each have a balance of about \$1000 and they are both set up on payment plans. Unit 906 is currently under eviction for nonpayment of rent.	0-30 Days:		\$13,625
	30-60 Days:		\$2,696
	60 Days and Over:		\$6,550
	TOTAL		\$22,871

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		5	
2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		

COMMENTS:

PERSONNEL	YES	NO	N/A
1) Does owner/agent have a system/procedure for providing field supervision of on-site personnel?	X		
2) Does the property appear to be adequately staffed?	X		
3) Is overtime being controlled?	X		
4) Were requested pre-audit reports submitted on time?	X		
5) Does it appear that personnel are team oriented?	X		
6) 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 (see below)		

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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 leasing agent attended leasing 101 with the Houston Apartment Association. The property manager attended the annual tax credit class administered by the Texas Apartment Association and the Texas Department of Housing and Community Affairs.			
COMMENTS: Management confirmed that the lead maintenance person was replaced since the last site visit.			

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 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
<p>Observations:</p> <ul style="list-style-type: none"> On the day of the site visit the majority of the exterior condenser HVAC units have coils that need to be cleaned (picture attached). Clean exterior coils on the HVAC's condenser will help the unit run more efficiently and decrease the chance of the fan motor or other condenser items breaking. The amount of criminal activity according to the reports provided has remained at a low level for 2 consecutive years. However, the amount of personal assault has doubled. The property should continue to submit monthly crime reports to TSAHC on the 10th of each month, which includes documentation to support all proactive measures taken and 911 call logs. The preventive maintenance schedule provided during the site visit reflects that no preventive maintenance was completed for May and June. Management stated that the large amount of rain received in the Houston area has not permitted the staff the opportunity to stay on schedule, and it has redirected the priorities away from the preventive maintenance. It is suggested that staff get back on schedule regarding the preventive maintenance as soon as possible. According to the Work Order Directory report, it appears that staff is not doing a diligent job of opening and closing work orders, or staff is not completing the work timely. Below are a few concerns that reflect inconsistencies in the work order process: <ul style="list-style-type: none"> The report submitted for review, dated May 22, 2015 through June 22, 2015, has 19 work orders open and not completed. The majority of the open work orders have a status of "call". Management stated that the status of "call" means that the resident likely opened the work order by calling the emergency number, and in turn the work order was created by the answering service. It is likely that the incomplete work orders with "call" as the status are work orders created by the answering service. It appears that the work orders opened by the answering service are either not being closed/cancelled or duplicate work orders are being created. A large portion of work orders was found to be closed on the same day. The average completion time for the Work Order Directory is 5.7 days. Four work orders were found to have closed dates prior to the call/open date. <p>Resident retention and satisfaction is often strongly related to the maintenance program. It is important that all work orders be updated on a daily basis to monitor the effectiveness of the maintenance staff and the maintenance program. TSAHC suggests staff properly open and close work orders. It is also important that both management and maintenance staff that are responsible for opening and closing work orders be diligent and make sure the information being entered is accurate. TSAHC also suggests management and maintenance staff work together to create an action plan that addresses the amount of open/incomplete work orders and the average time frame for completing work orders.</p> <ul style="list-style-type: none"> Management stated that company policy is to turn vacant units within 7 business days. Currently, there are 14 units that are vacant and not ready. The average days vacant for the 14 units is 34 days, which exceeds the company policy. The company policy is not being followed, therefore TSAHC suggests management implement a make ready plan that will assist the maintenance staff in completing make readies in a reasonable amount of time, or revise the company policy to more accurately reflect the number of days it takes to turn a unit.
<p>No Findings.</p>

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