

# Texas State Affordable Housing Corporation

## Willow Green Apartments

8301 Willow Place Drive, Houston, Texas 77070

**Owner:** Dalcor Affordable Housing I, LLC

**Date Built:** 1995

**Management Company:** Dalcor Management, LLC

**Property Manager:** Gayle Harris

**Inspection Date & Time:** April 13, 2016 at 8:30 a.m.

**Inspector's Name:** Celina Mizcles

<b>Occupancy at Time of Report:</b>	95%	<b>Average Occupancy Over Last 12 Months:</b>	94.5%
<b>Number of Units:</b>			
<b>Number of One Bedrooms:</b>	88	<b>Number of Two Bedrooms:</b>	168
<b>Number of Three Bedrooms:</b>	80	<b>Number of Four Bedrooms:</b>	N/A

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 (see comment)	
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:** Based on visual observation, the property appeared to be in acceptable condition on the day of the onsite visit. The property grounds and recreational areas were clean and free of debris.

**Observation:**

- The gutter located on the back of the management office is damaged. Prior to the issuance of this report, management confirmed that a bid has been approved for the trimming of trees and the cleaning of gutters. Management also confirmed that during the process any damaged gutters will be repaired and/or replaced.

### 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	5	Alarm/Burglary- 3, Robbery- 2
Theft	1	
Criminal Mischief	2	
Personal Assault	2	
Drug Related Activity	1	Narcotic complaint- 1
Gun Related Activity		

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Domestic Violence	1	Escort/family violence- 1
Disturbance	15	Disturbance/Family- 6, Disturbance/unknown weapon- 7, Disturbance/weapon/citation- 2
Other	16	Suspicious Vehicle- 2, Suspicious person/weapon- 2, Suspicious person- 4, Suspicious event- 1, Loud Music- 2, Trespasser/prowler- 2, Suicide- 1, Missing juvenile- 2
2) Does the property utilize a crime prevention agreement? <ul style="list-style-type: none"> <li>➤ Management uses a Notice of Curfew Hours, Zero Tolerance Addendum, Drug/Crime Free Addendum, and a Security Guidelines for Residents Addendum. Residents must sign each addendum as well as the lease contract upon initial occupancy.</li> </ul>		
3) What pro-active measures is the property taking to address crime on the property? <ul style="list-style-type: none"> <li>➤ There are security cameras placed throughout the property grounds and they are monitored as necessary.</li> </ul>		
4) How often is a light check conducted on the property? Who performs light checks on the property? <ul style="list-style-type: none"> <li>➤ Light checks are performed periodically throughout the week by the property manager.</li> </ul>		
<b>COMMENTS:</b> A review of the weekly police department call logs dated 1/01/2016 through 3/31/2016 indicate there were a total of 56 incidents logged. 43 of the 56 calls that were logged are listed above. Based on the call logs there appears to be a slight increase in criminal activity. In addition, the call logs support units having multiple incidents. On the day of the onsite visit, the reviewer asked about three specific units that appeared to have multiple incidents. Management was able to provide information that supports disciplinary actions that were taken with each unit. It appears that management is diligent in their efforts to address crime at this property. Management is encouraged to continue their efforts.		

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? <ul style="list-style-type: none"> <li>➤ Are criminal background checks being conducted on residents as they age to be 18 while living in the unit?</li> </ul>	X		
4) Has a risk assessment been conducted to determine risk liabilities at the property?	X		
<b>COMMENTS:</b> The last property risk assessment was conducted in February 2016.			

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? <ul style="list-style-type: none"> <li>➤ Fair Housing Poster</li> <li>➤ Occupancy Qualifications</li> </ul>	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? <ul style="list-style-type: none"> <li>➤ Playground</li> <li>➤ Community Room</li> <li>➤ BBQ/Picnic Area</li> <li>➤ Laundry Facility</li> <li>➤ Business Center</li> <li>➤ Pool</li> <li>➤ Other (describe)</li> </ul>	X		X
8) When are property licenses and permits renewed? <ul style="list-style-type: none"> <li>➤ Annual licenses and permits are acquired for the swimming pool, monument sign, perimeter gate, and fire alarm panels.</li> </ul>	X		
9) Where are vendor insurance records/binders maintained? <ul style="list-style-type: none"> <li>➤ The corporate office maintains the property's vendor and insurance records.</li> </ul>	X		
<b>COMMENTS:</b>			

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		
<b>COMMENTS:</b>			

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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? <ul style="list-style-type: none"> <li>➢ A review of the Work Order Directory indicated it takes maintenance an average of 12 days to close a work order. See comment below.</li> </ul>			
5) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
6) How often are Pest Control services provided? <ul style="list-style-type: none"> <li>➢ Pest control services are provided each Monday, servicing all buildings monthly.</li> </ul>			
7) What is the policy for following up on completed service requests? <ul style="list-style-type: none"> <li>➢ Management follows up on all work orders to ensure completeness.</li> </ul>			
8) What is the property's after-hours emergency policy? <ul style="list-style-type: none"> <li>➢ Residents are instructed to call the emergency number which connects the resident to an answering service call center. The answering service then contacts the appropriate staff personnel.</li> </ul>			
9) What capital improvements have been scheduled or completed for this budget year? <ul style="list-style-type: none"> <li>➢ According to management, the following capital improvements are scheduled for this budget year: parking lot restriping ,speed bump repairs, tree trimming, gutter cleaning, replacement of resident mailboxes, and re-painting of the exterior gate and stairwells.</li> </ul>			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
10) Unit Interior and Appliance upgrades <ul style="list-style-type: none"> <li>➢ Unit interior/appliance upgrades were completed as needed.</li> </ul>			
11) Building Exterior and Curb Appeal repairs <ul style="list-style-type: none"> <li>➢ Building exterior and/or curb appeal improvements were completed as needed.</li> </ul>			
12) Amenity upgrades <ul style="list-style-type: none"> <li>➢ There were no amenity upgrades during the last budget year.</li> </ul>			
13) Other repairs or replacements <ul style="list-style-type: none"> <li>➢ Management stated there were no other repairs or replacements completed during the last budget year.</li> </ul>			
Number of service requests received:	140		
Number of requests open from prior periods:	0		
Number of service requests completed:	105		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	35		
<b>COMMENTS:</b> The Work Order Directory dated 3/12/2016 – 4/12/2016 revealed that it takes maintenance an extended amount of time to close work orders (12 days, on average). In the previous Asset Oversight Report, management was advised to be more diligent in opening and closing work orders. It appears that work orders are being closed as completed; however, it now takes an average of 12 days to complete a work order. The report did not indicate any emergency work orders; however, management is strongly advised that maintenance must open and close all emergency work orders within 24 to 48 hours. This issue will be reviewed closely during the next Asset Oversight review.			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	34	4
Flyers	\$0	0	0
Resident Referral (\$50 per resident referral)	\$150	9	3
Locator Service (50% of one month's rent)	\$0	0	0
Printed Advertising (Apartment Finder and For Rent \$764/monthly)	\$764	17	1
Internet Advertising (Apartment.com, Craigslist, Property Website)	\$0	32	3
Other Source (Housing Authority, Phone book, and N/A)	\$0	5	1
<b>TOTAL</b>	<b>\$914</b>	<b>97</b>	<b>12</b>
<b>The rental activity reflected in the above table was for the month of 3/12/2016 through 4/12/2016.</b>			
	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		

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**COMMENTS:** The property's Traffic Sheet should be used as a tool to help determine successful marketing strategies. According to the property's Traffic Sheet, the source type identified with the best prospect to lease ratio is "N/A" which listed 3 prospects that resulted in 1 approved applicant. In addition, management stated they are no longer utilizing Apartment.com and Apartment Finder. The two source types have been removed from the Traffic Sheet report.

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: 62%	6 months: 75%	12 months: 77%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	25%		
4) When are the lease renewal/rent increase notices sent to residents? ➢ Recertification notices are sent to residents 120 days before lease expiration and followed up at the 90, 60, and 30-day timeframe.			
5) Are individual files being reviewed to determine renewal/non-renewal status?	X		
6) How are renewals and re-certifications tracked and monitored? ➢ Management utilizes Yardi software to track recertification and renewals.			
7) Are rent increases being implemented?	X		
8) When was the last rent increase implemented? What was the average rent increase? ➢ The last rent increase was in March 2015. Management stated they are in the process of issuing rent increase notifications in accordance with the release of the 2016 HUD income and rent limits.			
9) How many households are currently on month-to-month leases? ➢ Management does not allow or approve month-to-month leases.			
10) What is the charge for month-to-month leases? ➢ N/A			

**COMMENTS:** According to the Reasons For Move Out report dated 4/12/15 through 4/12/16, at least 25% of the move outs are due to eviction/non-payment of rent or skips. Specifically, 2% eviction for non-payment, 2% for owner initiated nonpayment, and 21% for skips. The Reasons For Move Out report also lists 25% for "other."

**Observation:**

- **The Reasons for Move Out report lists 25% for "other." Management stated they would remove the "other" option from the report in order to select the appropriate reason for a household's move-out. TSHAC strongly encourages management remove the "other" option. This change may assist management to better identify the reason for move-outs.**

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	10
2) Number of completed made ready units at time of activity report:	4
3) Number of completed one bedroom units at time of activity report:	1
4) Number of completed two bedroom units at time of activity report:	3
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:	6
7) Number of uncompleted one bedroom units at time of activity report:	3
8) Number of uncompleted two bedroom units at time of activity report:	3
9) Number of uncompleted three bedroom units at time of activity report:	0

**Units Walked**

Unit #	Brief Description
210	(2x2) Vacant for 164 days. Unit is ready for occupancy.
816	(2x2) Vacant for 38 days. Unit is ready for occupancy.
1814	(1x1) Vacant for 135 days. Unit is ready for occupancy.
2211	(2x2) Vacant for 44 days. Unit is in the make-ready process.

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

Unit #	Brief Description
N/A	

	YES	NO	N/A
1) Does the Unit Availability Report match the make ready board?	X		
2) Are units being turned in a timely manner?	X		

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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? > Yardi software and a make ready board are used to monitor the make ready status.			
6) How often are occupied units inspected? > Management stated that occupied units are inspected semi-annually.			
7) How often are vacant units inspected? > Vacant units are inspected daily.			
8) How many vacant units are in progress of being made ready? > Nine 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 a vacant unit in 7- 10 business days.			
<b>COMMENTS:</b> During the physical inspection of units, the reviewer confirmed that the units with a high vacancy rate were made-ready and available for occupancy. In addition, management confirmed that units 210 and 1814, the units with the highest vacancy rate, are pre-leased.			

BUDGET MANAGEMENT			
1) How many bids are solicited in order to obtain materials, supplies, and services? > Three bids are solicited in order to obtain materials, supplies, and service.			
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? > According to management, the property's firewall is required to be inspected due to a new city of Houston ordinance. The inspection will negatively affect the current budget. Management is in the process of accepting bids for the work to be completed. As of the date of the report, the amount is unknown.			
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 Expense	\$46,649	\$64,700	\$18,051	27.9%	Sheetrock repairs, Appliance part/repairs, and Supplies other.
Repairs and Maintenance	\$5,690	\$9,100	\$3,410	37.4%	Common area maintenance, Heating and Air conditioning, Electrical and Carpet Wet Vac
Advertising Expense	\$2,328	\$3,370	\$1,042	30.9%	Locator and broker fees, Resident referrals, and Uniforms
Administrative Fees	\$10,922	\$13,580	\$2,658	19.5%	Printing forms, Eviction Legal, License Dues Subscriptions Meetings, and Travel and lodging

**COMMENTS:**

REVENUE			
FOR THE MONTH ENDING FEBRUARY 2016		YEAR TO DATE AS OF FEBRUARY 2016	
Gross Potential	\$202,964	Gross Potential	\$406,155
Budgeted Rental Income	\$204,472	Budgeted Rental Income	\$408,245
Actual Rental Income Collected	\$236,239	Actual Rental Income Collected	\$469,950
Variance + (-)	\$4	Variance + (-)	\$16,009
Other Revenue	\$22,653	Other Revenue	\$41,905
Total Collected	\$258,892	Total Collected	\$511,855
Budgeted	\$246,881	Budgeted	\$492,169
Variance + (-)	\$12,011	Variance + (-)	\$19,686

**COMMENTS:**

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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.			
<b>COMMENTS:</b>	0-30 Days:		\$4,109
	30-60 Days:		\$0
	60 Days and Over:		\$148
	TOTAL		\$4,257

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the rent collection policy? ➤ Management policy states rent is due on the 1 <sup>st</sup> and considered late on the 6 <sup>th</sup> of the month. Three-day Notice to Vacate letters are issued after the 6 <sup>th</sup> day of the month, followed by a final 24-hour notice.			
3) When is legal action taken against delinquent accounts? ➤ Legal action is taken after all appropriate notices have been delivered, typically within the 10 <sup>th</sup> – 20 <sup>th</sup> day of the month if payment plans are not agreed to.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b> Based on a review of the Receivables Aging Report dated April 2016, the total balance is \$23,756. Management confirmed that the majority of the balance is due to unit 2304 (\$4,154.87), unit 1815 (\$2,037), and a housing assistance balance (about \$5,269), for a total of \$11,460.87 which is half of the total delinquent balance. Management provided detailed information for the current status for each of the delinquent balances noted above. Management also states that the current delinquent balance may appear high due to the fact that management offers payment plans for residents that cannot pay prior to the 6 <sup>th</sup> of the month.	0-30 Days:		\$14,731
	30-60 Days:		\$2,806
	60 Days and Over:		\$6,219
	TOTAL		\$23,756

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

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 comment)		
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 Property Manager attends the annual Housing Tax Credit training. This year, the new hires will attend the training as well.			
<b>COMMENTS:</b> Management disclosed that the onsite management office is fully staffed. There have been 4 new hires (2 leasing agents, 1 lead maintenance and 1 assistant maintenance technician) in the last 12 months.			

OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to the software system utilized to manage the property?	X		

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2) How often are reports submitted to the owner? ➤ The owner reviews and pulls reports on a regular basis.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Owner approval is required for any amount that is unbudgeted or over budget.			
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

**Observations:**

- The gutter located on the back of the management office is damaged. Prior to the issuance of this report, management confirmed that a bid has been approved for the trimming of trees and the cleaning of gutters. Management also confirmed that during the process any damaged gutters will be repaired and/or replaced.
- The Reasons for Move Out report lists 25% for "other." Management stated they would remove the "other" option from the report in order to select the appropriate reason for a household's move-out. TSHAC strongly encourages management remove the "other" option. This change may assist management to better identify the reason for move-outs.

**No Findings.**



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