

# Texas State Affordable Housing Corporation

## Woodglen Apartments 6800 Cockrell Hill Dr., Dallas TX 75236

**Owner:** Dalcor Woodglen, Ltd.

**Date Built:** 2004

**Management Company:** Dalcor Management, LLC

**Property Manager:** Veronica Moreno/ Jessica Sanchez

**Inspection Date & Time:** August 10, 2016 at 8:30 a.m.

**Inspector's Name:** James Matias

<b>Occupancy at Time of Report:</b>	94%	<b>Average Occupancy Over Last 12 Months:</b>	96.3%
<b>Number of Units: 232</b>			
<b>Number of One Bedrooms:</b>	64	<b>Number of Two Bedrooms:</b>	112
<b>Number of Three Bedrooms:</b>	56	<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		
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:** The property appeared to be in great condition on the day of the onsite visit. The property grounds are clean and free of debris. The exterior of all buildings (sidewalks, roofs, fascia boards) appear to be in good condition. The monument and office signs were in good condition and visible. The parking lots examined were found to be well kept with the handicap spaces clearly marked. During the site visit a large amount of broken glass was found behind building 18. Management provided a closed work order showing the glass was cleaned up prior to the completion of this report. On the day of the site visit a large amount of broken glass was found in the back of building 18. Prior to the submission of this report management provided a completed work order for the broken glass.

### 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	3 (Burglary of a Motor Vehicle)
Theft	1	
Criminal Mischief	3	
Personal Assault	3	
Drug Related Activity	0	
Gun Related Activity	0	
Domestic Violence	0	

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Disturbance	0	
Other	2	1 (Cruelty to animal) and 1 (Harassment)
2) Does the property utilize a crime prevention agreement? ➤ The Property Manager confirmed that all residents are provided with the property's crime prevention plan at the time of initial occupancy. It was also confirmed that the property continues to participate in the Dallas Police Department's Gold Star Certification program.		
3) What pro-active measures is the property taking to address crime on the property? ➤ In order to address crime on the property, the community has 2 courtesy officers; the property has a 9:00 P.M. curfew for minors and a 10:00 P.M. curfew for adults. Management also dated the Dallas Policed Department has a very strong presence at the community. In addition, the community has security cameras.		
4) How often is a light check conducted on the property? Who performs light checks on the property? ➤ Light checks are conducted weekly by the courtesy officers and maintenance staff.		
<b>COMMENTS:</b>		

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:** Regarding item 2 above, management explained that a small girl wrote on a picnic table with nail polish. According to management the last risk assessment was conducted in March 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?			
➤ 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	X		
➤ Community Room	X		
➤ BBQ/Picnic Area	X		
➤ Laundry Facility		X	
➤ Business Center	X		
➤ Pool	X		
➤ Other (describe) Fitness Center & Volleyball Court	X		
8) When are property licenses and permits renewed?			
➤ Multitenant registration, security alarm, and the pool permits are renewed annually.			
9) Where are vendor insurance records/binders maintained?			
➤ All vendor insurance records/binders are maintained 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:** Management confirmed the property utilizes The Hardytrack 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		

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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 it takes 3.6 days to complete a work order. Urgent issues appear to be completed much sooner than the average.			
5) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X (see observation)		
6) How often are Pest Control services provided? ➤ Pest control services are provided every Monday and all buildings are done at least twice per year.			
7) What is the policy for following up on completed service requests? ➤ Management stated that staff calls and follows up on every work order.			
8) What is the property's after-hours emergency policy? ➤ The property's after-hours emergency number is located on the leasing office's front door. The after-hours answering service will notify the maintenance staff member that is on call. Maintenance staff is on a weekly rotating schedule for after-hours emergency maintenance calls.			
9) What capital improvements have been scheduled or completed for this budget year? ➤ Capital improvements scheduled for this budget year include exterior paint (siding, trim, and rails) and metal stringers (stabilization bars) which will be replaced on the stairs for nine buildings.			

## Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

10) Unit Interior and Appliance upgrades ➤ Interior and appliance upgrades were completed as needed.			
11) Building Exterior and Curb Appeal repairs ➤ No exterior or curb appeal upgrades, other than regular flower replacements, were completed in 2015.			
12) Amenity upgrades ➤ No amenity upgrades were completed last year.			
13) Other repairs or replacements ➤ Management stated that no other repairs or replacements were completed.			
Number of service requests received:	172		
Number of requests open from prior periods:	0		
Number of service requests completed:	153		
Number of service requests completed within 24 hours:	24		
Number of outstanding service requests:	19		

**COMMENTS:** The Work Order Directory provided showed all work orders from 7/1/2016 through 8/9/2016. It appears the maintenance staff is doing a great job opening and closing work orders. 12 of the 153 work orders completed took longer than 10 days.

### Observations:

- During the site visit, the MSDS binder was located in the office and not in the maintenance area. It is essential to the protection of the staff and property for the MSDS binder to be located in the area where the materials and chemicals are stored. Management relocated the MSDS binder prior to the submission of this report.
- On the day of the site visit, the maintenance shop appeared unorganized, unkempt, and it was difficult to navigate. It is recommended the shop be put in and stay in a neat and orderly manner to avoid injury and increase efficiency.

## MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	18	1
Flyers	\$0	0	0
Resident Referral (\$50 each, 1 per quarter)	\$17	0	0
Locator Service	\$0	0	0
Printed Advertising (Apartment finder)	\$16	7	0
Internet Advertising (property website, forrent.com and section 8.com)	\$192	63	1
Other Source (Housing agency)	\$0	10	1
<b>TOTAL</b>	<b>\$225</b>	<b>98</b>	<b>3</b>
	<b>YES</b>	<b>NO</b>	<b>N/A</b>
2) Is the property doing bilingual advertising?		X	
3) Does the property have any competitors nearby?	X		
4) Does the property "shop" their competitors?	X		
5) Does the property complete a market survey at least monthly?	X		

**COMMENTS:** The information regarding traffic above was collected from the Traffic Sheet from 7/1/2016 through 8/9/2016. The marketing cost is the amount spent monthly. Management stated a market survey is completed monthly.

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LEASE RENEWAL	YES	NO	N/A
1) Does it appear that an effective lease renewal program is in place? If no, please comment below.	X		
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: 69%	6 months: 80%	12 months: 82%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	0%		
4) When are the lease renewal/rent increase notices sent to residents? ➤ Management provides all residents with a 90 day recertification notice and a 30 day renewal notice. Follow ups for recertification's are given at 60 and 30 days.			
5) Are individual files being reviewed to determine renewal/non-renewal status?	X		
6) How are renewals and re-certifications tracked and monitored? ➤ The property utilizes Yardi to keep track of renewals and recertifications.			
7) Are rent increases being implemented?	X		
8) When was the last rent increase implemented? What was the average rent increase? ➤ Management stated the last rent increase was implemented on 8/1/15. Residents who are not currently at max rent upon lease expiration are offered to renew with a minimum of a \$35 increase until the rent is brought up to max rent.			
9) How many households are currently on month-to-month leases? ➤ On the day of the site visit, management stated they have 6 month to month leases.			
10) What is the charge for month-to-month leases? ➤ All six units on month to month leases are at maximum rent.			
<b>COMMENTS:</b>			

VACANT/MAKE READY UNITS					
1) Number of vacant units at time of activity report:			12		
2) Number of completed made ready units at time of activity report:			3		
3) Number of completed one bedroom units at time of activity report:			0		
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:			9		
7) Number of uncompleted one bedroom units at time of activity report:			2		
8) Number of uncompleted two bedroom units at time of activity report:			5		
9) Number of uncompleted three bedroom units at time of activity report:			2		
Units Walked					
Unit #	Brief Description				
504	(2x2), Vacant, Ready				
610	(2X2), Vacant				
813	(1x1), Vacant, Full turn needed				
1213	(2x2), Vacant, Almost ready				
1805	(3x2), Vacant, Full turn needed				
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		
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? ➤ The property utilizes Yardi and the make ready board to monitor timely preparation of units.					
6) How often are occupied units inspected? ➤ Management stated they inspect occupied units at least quarterly.					

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7) How often are vacant units inspected? ➤ Vacant units are inspected at least bi-weekly.
8) How many vacant units are in progress of being made ready? ➤ During the physical inspection of the property, it was determined that nine units are in process of being made ready.
9) What is the company policy on the number of days to turn vacant units? ➤ Management requires units to be turned within 5 business days.
<b>COMMENTS:</b>

BUDGET MANAGEMENT					
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Three bids must be solicited in order to obtain materials.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ Management confirmed there have been no large unexpected repairs/purchases that have negatively affected the budget. However, numerous bed bug treatments have stretched the budget to the limit.					
3) Explain YTD variances of 10% or greater.					
<b><u>Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending</u></b>					
(Please note that a positive variance is under budget and a negative variance is over budget.)					
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION
Redecorating Expense	\$ 10,414	\$ 18,000	\$ 7,586	42.1%	Carpet Cleaning and Repair, Contract Cleaning, Contract Painting
Repairs and Maintenance	\$13,948	\$ 21,000	\$ 7,052	33.6%	Plumbing, Gate Repairs, Common area equipment, Miscellaneous Maintenance
Advertising Expense	\$ 2,466	\$ 4,400	\$ 1,934	44.0%	Promotional Expenses, Social Recreation, Locator and Broker Fees
Administrative Expense	\$ 19,239	\$ 17,300	(\$1,939)	(11.2%)	Licenses, Dues Subscriptions, Meetings
<b>COMMENTS:</b>					

REVENUE			
FOR THE MONTH ENDING: MAY 2016		YEAR TO DATE AS OF MAY 2016	
Gross Potential	\$ 200,767	Gross Potential	\$ 987,359
Budgeted Rental Income	\$ 175,544	Budgeted Rental Income	\$ 874,220
Actual Rental Income Collected	\$ 180,708	Actual Rental Income Collected	\$ 903,049
Variance + (-)	\$ 5,164	Variance + (-)	\$ 28,829
Other Revenue	\$ 911	Other Revenue	\$ 25,553
Total Collected	\$ 181,619	Total Collected	\$ 928,602
Budgeted	\$ 180,543	Budgeted	\$ 899,108
Variance + (-)	\$ 1,076	Variance + (-)	\$ 29,494
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? ➤ Management confirmed that invoices are processed every 30 days.			
<b>COMMENTS:</b>	0-30 Days:	\$22,581.30	
	30-60 Days:	\$310.22	
	60 Days and Over:	\$918.76	
	TOTAL	\$23,810.28	

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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 <sup>st</sup> of the month and late on the 6 <sup>th</sup> . A 3-day Notice to Vacate (NTV) is sent on the 6 <sup>th</sup> . Between the 6 <sup>th</sup> and the 20 <sup>th</sup> of the month the staff will continue to reach out to the tenant to collect rent.			
3)	When is legal action taken against delinquent accounts? ➤ According to the Property Manager, evictions are rarely filed; however, if they are, they are filed immediately after the 3 day NTV expires.			
4)	Does the property currently have any resident(s) under eviction?		X	
5)	Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b>		0-30 Days:	\$50,804.49	
<b>Observation:</b>		30-60 Days:	(\$391)	
		60 Days and Over:	\$3,733.58	
<ul style="list-style-type: none"> <li>The amount of delinquency appears much higher than it has in years past. The Affordable Aging Detail Report was provided on the 10<sup>th</sup> of August. The report reflects that more than 28% of the total rent for August remains uncollected. After reviewing some of the high delinquencies with management it was determined that about \$15,000 (29%) of the outstanding amount is from new housing move-ins and interim housing adjustments. Management stated that 3-4 residents are set up on payment plans and another 2 residents have large outstanding balances due to bed bug treatments that they need to pay reimbursements for. At this point in time, 26 households have a balance greater than \$500. The above mentioned items explain a large portion of the uncollected balances but the property still appears to be performing unsatisfactorily compared with prior years and the overall budget for rent collections. It is highly recommended that that someone is assigned to work closely with housing to work out the deficiencies and get the rent adjustments and new move in balances paid faster. In addition, it is strongly suggested that management uphold the rent collection policy outlined in item 2 above. This includes limiting the amount of payment plans, posting notices timely, and filing evictions promptly.</li> </ul>		TOTAL	\$54,147.08	

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		
9)	How often are staff meetings held? ➤ Staff meetings are held weekly.			
10)	Have personnel been trained in Fair Housing?	X		
11)	List training staff has received in the past year. ➤ The current manager has attended the Housing Tax Credit (HTC) and Yardi trainings in the past year.			
<b>COMMENTS:</b> The manager from the prior year was promoted to cover multiple properties in the area for DALCOR. A new manager was hired to replace her.				

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? ➤ Management submits weekly reports to the owner.			
3)	What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ All items and/or amounts must be approved by 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		
<b>COMMENTS:</b>				



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## SUMMARY OF OBSERVATIONS AND FINDINGS

No Findings.

### Observations:

- During the site visit, the MSDS binder was located in the office and not in the maintenance area. It is essential to the protection of the staff and property for the MSDS binder to be located in the area where the materials and chemicals are stored. Management relocated the MSDS binder prior to the submission of this report.
- On the day of the site visit, the maintenance shop appeared unorganized, unkempt, and it was difficult to navigate. It is recommended the shop be put in and stay in a neat and orderly manner to avoid injury and increase efficiency.
- The amount of delinquency appears much higher than it has in years past. The Affordable Aging Detail Report was provided on the 10<sup>th</sup> of August. The report reflects that more than 28% of the total rent for August remains uncollected. After reviewing some of the high delinquencies with management it was determined that about \$15,000 (29%) of the outstanding amount is from new housing move-ins and interim housing adjustments. Management stated that 3-4 residents are set up on payment plans and another 2 residents have large outstanding balances due to bed bug treatments that they need to pay reimbursements for. At this point in time, 26 households have a balance greater than \$500. The above mentioned items explain a large portion of the uncollected balances but the property still appears to be performing unsatisfactorily compared with prior years and the overall budget for rent collections. It is highly recommended that someone is assigned to work closely with housing to work out the deficiencies and get the rent adjustments and new move in balances paid faster. In addition, it is strongly suggested that management uphold the rent collection policy outlined in item 2 above. This includes limiting the amount of payment plans, posting notices timely, and filing evictions promptly.



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