

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 19, 2018 at 8:30 a.m.

Inspector's Name: James Matias

Occupancy at Time of Report:	97.9%	Average Occupancy Over Last 12 Months:	94.8%
Number of Units: 336			
Number of One Bedrooms:	88	Number of Two Bedrooms:	168
Number of Three Bedrooms:	80	Number of Four Bedrooms:	

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 was in great condition on the day of the onsite visit. There were no observations or finding noted during the property's exterior walk. The buildings, sidewalks, roofs, and balconies all appeared to be in good condition. In addition, the property's grounds, parking lot and sidewalks were clean, giving the property great curb appeal. During the vacant unit physical inspection, the reviewer noted that several hallways were clean and free of debris. Management stated that hallways are being power washed at least semi-annually.

Observation:

- **On the day of the review, the community was scattered with a lot of BBQ pits, grills, and smokers. The location of the grills, which were not in use, ranged from under the stairs, in front of the front door, in the yard, and on the staircases. Management stated they have a policy on where pits should be stored and what size requirements for the pits must be. It is strongly suggested that management monitor the policy closer and issue lease violations when the policy is broken. (pictures attached)**

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	2	
Theft	3	
Criminal Mischief	1	
Personal Assault	3	
Drug Related Activity	1	

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Gun Related Activity	2	1 (Discharged firearm), 1 (shooting)
Domestic Violence		
Disturbance	14	5 (weapon), 1(disturbance), 3 (family), 4 (noise)
Other		

	YES	NO	N/A
2) Does the property utilize a crime prevention agreement?	X		
3) Does the property take pro-active measures to address crime on property? If so, add comment	X		
4) Are light checks conducted by management staff on a weekly basis? If not, add comment.	X		

COMMENTS: Management stated that light checks are conducted monthly by maintenance. Monthly crime meetings are held to deter crime. The property also has security cameras that get monitored by 3rd Eye the company who installed the system, after hours. Management stated the community is in search of a courtesy officer at this time. The incidents documented above were taken from the 911 call logs from December 2017 through February 2018.

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? If yes, when?	X		

COMMENTS: The last risk assessment was conducted in February 2018.

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) Does the property require licenses or permits?	X		
8) Are property licenses and permits renewed as required?	X		
9) Are vendor insurance records/binders properly maintained?	X		
10) Are vendors properly screened to ensure proper insurance documents are being maintained?	X		
11) 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 (fitness center)	X		

COMMENTS: Management stated permits for the security alarms, signs, gates, pool, and fire system are renewed annually.

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

COMMENTS: The Handy Trac key system is used.

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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) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X (see comment)		
5) How often are Pest Control services provided? ➢ One building is treated per week and all buildings get treated twice per year. Tenants can request additional service at any time.			
6) What is the policy for following up on completed service requests? ➢ Management stated the property tries to follow up on all completed work orders.			
7) What is the property's after-hours emergency policy? ➢ 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.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ Capital improvements scheduled for 2018 include: repairing and cleaning the gutters, restriping the parking lot, purchasing new pool furniture, and building 6 and 7 will receive concrete repairs near the foundation.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➢ Fire stops were added to the ranges throughout the community (2 per unit). Appliances were replaced as needed. All toilets in the community were upgraded to water conservation toilets.			
10) Building Exterior and Curb Appeal repairs ➢ Rotten wood and exterior painting was completed on the exterior of the buildings as needed.			
11) Amenity upgrades ➢ No amenity upgrades were completed in the last budget year.			
12) Other repairs or replacements ➢ No other repairs or replacements were noted for 2017.			
Number of service requests received:	140		
Number of requests open from prior periods:	0		
Number of service requests completed:	140		
Number of service requests completed within 24 hours:	1		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➢ See observation below			
COMMENTS: The MSDS binder in the maintenance shed needs to be labeled.			
Observation:			
<ul style="list-style-type: none"> • According to the Work Order Directory, dated 3/19/2018 through 4/19/2018 140 work orders were opened and the vast majority of them were closed on two days 4/19/2018 and 4/26/2016. The second date is the date the report was submitted to the reviewer. It is apparent that work orders are not been closed frequently and they are either getting overlooked or closed in clusters. With the report not indicating when the work was actually completed, it does not reflect an average completion time. This practice is discouraged. It is important to document when work orders are opened and completed and to enter this information frequently. Resident retention and satisfaction is often strongly related to the maintenance program. Diligent use of the software system and accuracy of the information entered is strongly recommended. Following these recommendations will create a record showing the effectiveness of the maintenance staff. 			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth		22	5
Flyers			
Resident Referral (1 every 5-6 months)	\$10	3	1
Locator Service			
Printed/Internet Advertising (For Rent \$780 and property website)	\$780	24	
Other Source (Housing agency)		3	1
TOTAL	\$790	52	7
The rental activity reflected in the above table was for the following period: 3/15/2018 – 4/18/2018			
	YES	NO	N/A
2) Is the property doing bilingual advertising?	X		
3) Does the property have any competitors nearby?	X		

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4) Does the property "shop" their competitors?	X		
5) Does the property complete a market survey at least monthly?	X		
COMMENTS: According to management market surveys are completed monthly.			

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: 95%	6 months: 99%	12 months: 79.2%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	17%		
4) Are lease renewal/rent increase notices sent to residents at the 120-day, 90-day, 60-day and 30-day timeframes prior the end of the lease contract? If not, comment below.	X		
5) Are rent increase notices sent to residents at least 30-days prior to the rent increase implementation?	X		
6) Are individual files being reviewed to determine renewal/non-renewal status?	X		
7) Are renewals and re-certifications tracked and monitored with property management software? I.e., Yadri, Onesite, or Owner/Agent created software?	X		
8) Are rent increases being implemented?	X		
9) When was the last rent increase implemented? What was the average rent increase? > The last rent increase started in April of 2017 in accordance with recently released HUD rent limits. The increases were as follows: 1BR: \$713 - \$737 2BR: \$850 - \$880 3 BR: \$976 - \$1011			
10) How many households are currently on month-to-month leases? > Management does not allow or approve month-to-month leases.			
11) What is the charge for month-to-month leases? > NA			
COMMENTS:			

VACANT/MAKE READY UNITS				
1) Number of vacant units at time of activity report:			7	
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:			2	
5) Number of completed three bedroom units at time of activity report:			1	
6) Number of uncompleted made ready units at time of activity report:			3	
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:			1	
9) Number of uncompleted three bedroom units at time of activity report:			0	
Units Walked				
Unit #	Brief Description			
802	2x2, Vacant, Almost Ready. Minor items such as tub stops and medicine cabinet magnets are needed.			
1006	1x1, Vacant, Almost Ready, 1 smoke detector was found to be inoperable			
1503	3x2, Vacant, Full turn needed, Carpets need replacement. (see observation)			
1805	1x1, Vacant, Almost Ready			
2612	2x2, Vacant, Almost Ready, 1 smoke detector was found to be inoperable			
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	

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5) Is management utilizing property software (i.e., Yardi, Onesite, or an owner/agent created) to monitor the timely preparation of units? If not, comment.	X		
6) How often are occupied units inspected? ➤ Occupied units are inspected: twice per year			
7) How often are vacant units inspected? ➤ Vacant units are inspected: weekly			
8) How many vacant units are in progress of being made ready? ➤ Three 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. (see observation)			

COMMENTS: Prior to the completion of this report completed work orders for the smoke detectors were provided for units 1006 and 2612.

Observation:

- **Management stated that company policy is to turn vacant units in 7-10 business days. There are currently two units that have been vacant for more than 50 days that are not made ready for occupancy. In addition, after physical review, one of the units (1503) appears to have very little or no work done toward being made ready. Also, this unit shows up on the Unit Availability Details Report as "Vacant Rented Ready". It appears this unit has been incorrectly categorized and that may be what is leading to the delayed turn time. TSAHC suggests management implement a Make Ready Plan that will help the maintenance staff be able to complete make readies in the appropriate amount of time or revise the number of days it takes to turn a unit on the current management policy. In addition, the Manager should frequently check the Availability report to make sure the units are in the status in which they are categorized. The occupancy is high (97.9%), which means the sooner units are turned, the sooner a new resident can move in. Having tenants occupy units with less down time will decrease the community's vacancy loss and increase the overall annual revenue.**

BUDGET MANAGEMENT	YES	NO	N/A
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1) Are three bids 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? ➤ Management stated there have not been any large unexpected repairs or purchases that have negatively affected the current 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 Expense	\$5,010	\$10,335	\$5,325	51.5%	Contract Painting, Paint Supplies, Appliance Parts and Repairs
Repairs & Maintenance Expenses	\$4,287	\$6,385	\$2,098	32.9%	Carpet wet Vacs, Building & Structure, Fire Protection, HVAC
Advertising Expenses	\$3,082	\$1,855	(\$1,227)	(66.1%)	Locator Fees, Advertising, Promotional fees

COMMENTS:

REVENUE

FOR THE MONTH ENDING: February 2018		YEAR TO DATE AS OF: February 2018	
Gross Potential	\$293,552	Gross Potential	\$587,104
Budgeted Rental Income	\$257,689	Budgeted Rental Income	\$514,378
Actual Rental Income Collected	\$262,579	Actual Rental Income Collected	\$522,890
Variance + (-)	\$4,890	Variance + (-)	\$8,512
Other Revenue	\$11,043	Other Revenue	\$19,789
Total Collected	\$273,621	Total Collected	\$542,678
Budgeted	\$261,746	Budgeted	\$522,491
Variance + (-)	\$11,875	Variance + (-)	\$20,187

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) Are invoices processed weekly?	X		
COMMENTS:	0-30 Days:		\$10,066
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$10,066
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 st and considered late on the 6 th of the month. Three-day Notice to Vacate letters are issued after the 6 th 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 th – 20 th 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		
COMMENTS: Observation <ul style="list-style-type: none">• Management stated that about one third of the outstanding balance is due to interim income changes and new move in's with the local housing authority. The reviewer confirmed this amount after reviewing the Aging Summary. Management is encouraged to stay on top of the balances with housing and communicate with them regularly to minimize that amount of housing delinquency. According to the Aging Summary 166 of the 336 units have a balance which is about 50% of the units. Many of these balances are small but when added they become a large delinquency. It is recommended that a staff member work diligently to clean up the small balances with the residents and housing. Ten residents have a balance greater than \$1,000 that is not housing. Management stated that payment plans have been initiated with most residents that have a large balance. Management is encouraged not to embark on payment plans when they exceed one month's rent and to follow the rent collection and eviction policies outlined in items 2 and 3 above.	0-30 Days:		\$24,609
	30-60 Days:		\$6,479
	60 Days and Over:		\$4,234
	TOTAL		\$35,322
RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		4	
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	
9) Are weekly staff meetings held?	X		
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ Fair housing, Tax credit class through TDHCA/TAA, and Gracehill Courses (Sexual harassment, leasing, and customer service)			
COMMENTS:			

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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 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 expenses in excess of \$100 for an unbudgeted or over budget item.			
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:

- On the day of the review, the community was scattered with a lot of BBQ pits, grills, and smokers. The location of the grills, which were not in use, ranged from under the stairs, in front of the front door, in the yard, and on the staircases. Management stated they have a policy on where pits should be stored and what size requirements for the pits must be. It is strongly suggested that management monitor the policy closer and issue lease violations when the policy is broken. (pictures attached)
- According to the Work Order Directory, dated 3/19/2018 through 4/19/2018 140 work orders were opened and the vast majority of them were closed on two days 4/19/2018 and 4/26/2016. The second date is the date the report was submitted to the reviewer. It is apparent that work orders are not been closed frequently and they are either getting overlooked or closed in clusters. With the report not indicating when the work was actually completed, it does not reflect an average completion time. This practice is discouraged. It is important to document when work orders are opened and completed and to enter this information frequently. Resident retention and satisfaction is often strongly related to the maintenance program. Diligent use of the software system and accuracy of the information entered is strongly recommended. Following these recommendations will create a record showing the effectiveness of the maintenance staff.
- Management stated that company policy is to turn vacant units in 7-10 business days. There are currently two units that have been vacant for more than 50 days that are not made ready for occupancy. In addition, after physical review, one of the units (1503) appears to have very little or no work done toward being made ready. Also, this unit shows up on the Unit Availability Details Report as "Vacant Rented Ready". It appears this unit has been incorrectly categorized and that may be what is leading to the delayed turn time. TSAHC suggests management implement a Make Ready Plan that will help the maintenance staff be able to complete make readies in the appropriate amount of time or revise the number of days it takes to turn a unit on the current management policy. In addition, the Manager should frequently check the Availability report to make sure the units are in the status in which they are categorized. The occupancy is high (97.9%), which means the sooner units are turned, the sooner a new resident can move in. Having tenants occupy units with less down time will decrease the community's vacancy loss and increase the overall annual revenue.
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No Findings.



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