

Texas State Affordable Housing Corporation

Palladium Glenn Heights

2400 S Hampton Rd, Glenn Heights, Texas 75154

Owner: Palladium Glenn Heights, LTD.

Date Built: 2019

Management Company: Omnium Management

Property Manager: April West

Inspection Date & Time: August 22, 2019 at 8:30 a.m.

Inspector's Name: James Matias

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	N/A (New Construction)
Number of Units: 270			
Number of One Bedrooms:	66	Number of Two Bedrooms:	144
Number of Three Bedrooms:	60	Number of Four Bedrooms:	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: Construction for Palladium Glenn Heights was completed in June 2019 therefore the entire community is new. Based on observations made on the day of the onsite visit, the property is in overall great condition. The property grounds, building structures, hallways, and sidewalks are clean and free of debris. The property's common areas and amenities are all available and accessible to the tenants. No trash was observed on the grounds and the yard and landscaping was adequately kept.

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	1	Burglary of a vehicle
Theft	1	
Criminal Mischief	2	
Personal Assault	2	
Drug Related Activity		
Gun Related Activity	1	Shots Fired
Domestic Violence		
Disturbance	11	Loud Music (5), Public Disturbance (1), Civil Disturbance (5)

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Other	2	Fraud (1), Harassment (1)			
			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: According to management, the property continues to utilize a community policy addendum regarding safety awareness. In addition, the property has a courtesy officer that patrols the property nightly and writes reports for the Manager. The courtesy officer and the cares team, which was created by the property, have monthly crime prevention meetings. Daily reports, including exterior light check updates are emailed to the Property Manager by the courtesy officer nightly.					

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?	NA		
COMMENTS: Criminal background checks for individuals who are to turn 18 during a lease period are screened upon lease renewal.				

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 (see comment)		
➤	Pool Permit			
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: Basketball Court, Conference Center, Children's Play Room, and the Gym	X		
COMMENTS: All amenities areas were new, clean and inviting. The city of Glenn Heights requires a pool permit that the community maintains.				

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 property utilizes the Keytrack system.				

MAINTENANCE PROGRAM		YES	NO	N/A
1)	Does the property have a preventative maintenance program?	X		

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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		
5) How often are Pest Control services provided? ➤ Management stated pest control services are provided weekly in which one building is done.			
6) What is the policy for following up on completed service requests? ➤ The Property Manager follows up on 50% of the completed work orders to ensure the work was completed satisfactorily.			
7) What is the property's after-hours emergency policy? ➤ If the emergency answering service is reached, the answering service will contact the following persons in the following order; the Maintenance Manager, the Property Manager, followed by the Courtesy Officer.			
8) What capital improvements have been scheduled or completed for this budget year? ➤ The property was completed in 2019 therefore no capital improvements were needed.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

9) Unit Interior and Appliance upgrades ➤ N/A			
10) Building Exterior and Curb Appeal repairs ➤ N/A			
11) Amenity upgrades ➤ N/A			
12) Other repairs or replacements ➤ N/A			
Number of service requests received:	130		
Number of requests open from prior periods:	0		
Number of service requests completed:	118		
Number of service requests completed within 24 hours:	54		
Number of outstanding service requests:	12 (see comment)		
13) On average, how many days does it take to complete a work order? ➤ On average it takes about 2.2 days to complete a Work Order.			

COMMENTS: On the day of the site visit the maintenance area was missing a smoke detector and a copy of the MSDS binder. Prior to the completion of the site visit, the MSDS binder was moved into the maintenance area and a smoke detector was installed. The 12 outstanding work orders were all opened within the last week and one of the items indicate an urgent need.

Observation:

- Staff is strongly encouraged to be diligent when creating and selecting the correct Service Issue type when opening work orders. Currently a large portion, more than half, of the work orders have "Other – Please see comments" selected as the Service Issue type. This vague information makes it difficult for staff or anyone reviewing the Service Request Report to determine the urgency for work orders.

MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	79	13
Flyers	\$0	0	0
Resident Referral	\$0	0	0
Locator Service	\$0	0	0
Printed/Internet Advertising: Google, property web site	\$0	3	1
Other Source: Resident Transfers, Current Resident, Housing Authority, DART, Vistana	\$0	4	0
TOTAL	\$0	86	14
The rental activity reflected in the above table was for the month of: 7/22/19 through 8/31/19.			
	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:

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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: NA (See comments)	6 months: NA	12 months: NA
3)	What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	N/A (see comment)		
4)	Are lease renewal/recertification 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., Yardi, Onsite, 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 property has not had a rent increase to this point for any existing leases. When the first renewals are due in December, Management stated that rents will increase to the maximum allowable rent based on the updated income limits.			
10)	How many households are currently on month-to-month leases? ➤ There are no month-to-month leases for affordable rate units.			
11)	What is the charge for month-to-month leases? ➤ A charge of \$100 per month would apply to market rate units for a month to month lease. This is not applicable to units with an affordable designation.			
COMMENTS: Regarding questions 2 and 3 above, the property has not experienced any turn over to this point. The initial leases were completed in December of 2018, therefore the first renewals and recertifications will be due in December 2019.				

VACANT/MAKE READY UNITS					
1) Number of vacant units at time of activity report:			0		
2) Number of completed made ready units at time of activity report:			0		
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:			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:			0		
7) Number of uncompleted one bedroom units at time of activity report:			0		
8) Number of uncompleted two bedroom units at time of activity report:			0		
9) Number of uncompleted three bedroom units at time of activity report:			0		
Units Walked					
Unit #	Brief Description				
1209	(1x1) Occupied				
2107	(2x2) Occupied				
7105	(2x2) Occupied				
9101	(3x2) Occupied: Management noted they will speak with this resident about housekeeping.				
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) 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: Annually.					

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7) How often are vacant units inspected? ➤ Vacant units are inspected: Twice per week.
8) How many vacant units are in progress of being made ready? ➤ No 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's policy is to turn vacant units within 7 business days.
COMMENTS:

BUDGET MANAGEMENT					
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ The owner requires three bids to be solicited prior to hiring contractors or buying supplies.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ There have been no unexpected repairs or purchases that have negatively affected the budget.					
3) Explain YTD variances of 10% or greater.					
<u>Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending</u> (Please note that a positive variance is under budget and a negative variance is over budget.)					
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION
Repairs and Maintenance	\$12,987	\$91,560	\$78,574	85.8%	Cleaning Service, Make ready (General), Pool supplies, Landscape Contractor, Janitorial Supplies
Marketing	\$4,634	\$5,570	\$936	16.8%	Training and Education, Other Marketing
Resident Retention/Services	\$489	\$269	(\$221)	(82.2%)	Refreshments
General and Administrative	\$36,200	\$71,382	\$35,182	49.2%	Offices Supplies, Compliance, Computer Software System/Renewal
COMMENTS:					

REVENUE			
FOR THE MONTH ENDING: June 30, 2019		YEAR TO DATE AS OF: June 30, 2019	
Gross Potential	\$286,639	Gross Potential	\$1,641,866
Budgeted Rental Income	\$163,422	Budgeted Rental Income	\$5434,019
Actual Rental Income Collected	\$208,363	Actual Rental Income Collected	\$661,693
Variance + (-)	\$44,941	Variance + (-)	\$117,674
Other Revenue	\$5,216	Other Revenue	\$17,305
Total Collected	\$213,579	Total Collected	\$678,998
Budgeted	\$166,794	Budgeted	\$556,016
Variance + (-)	\$46,785	Variance + (-)	\$122,982
COMMENTS: The large variance in rents collected are due to the property leasing up much faster than anticipated. In addition, the budget was based on the original Performa and the community has experienced two rent increases since the original budget.			

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:	\$0.00
		30-60 Days:	\$0.00
		60 Days and Over:	\$0.00
		TOTAL	\$0.00

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 considered late on the 4 th day. On the 5 th day of each month, management provides late renters with a Three-Day			

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Notice to Vacate.			
3) When is legal action taken against delinquent accounts? ➤ If repayment agreements have not been executed, legal action against the late renters are taken between the 15 th and 20 th day of each month.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
COMMENTS: The information was taken from the Delinquency and Prepaid report dated 8/24/2019. Housing balances account for about \$1,400 of the delinquent balance and a unit were the eviction was granted accounts for another \$2,200. For the most part, the remaining \$16,000 is accounted for by 10 units. The majority of which have verbally promised management they would pay by the end of the August. Delinquency appears to be a slight concern. However, Management appears to be on top of all delinquent balances and is following up with residents as needed.	0-30 Days:	\$17,993	
	30-60 Days:	\$2,190	
	60 Days and Over:	\$10	
	TOTAL	\$20,193	

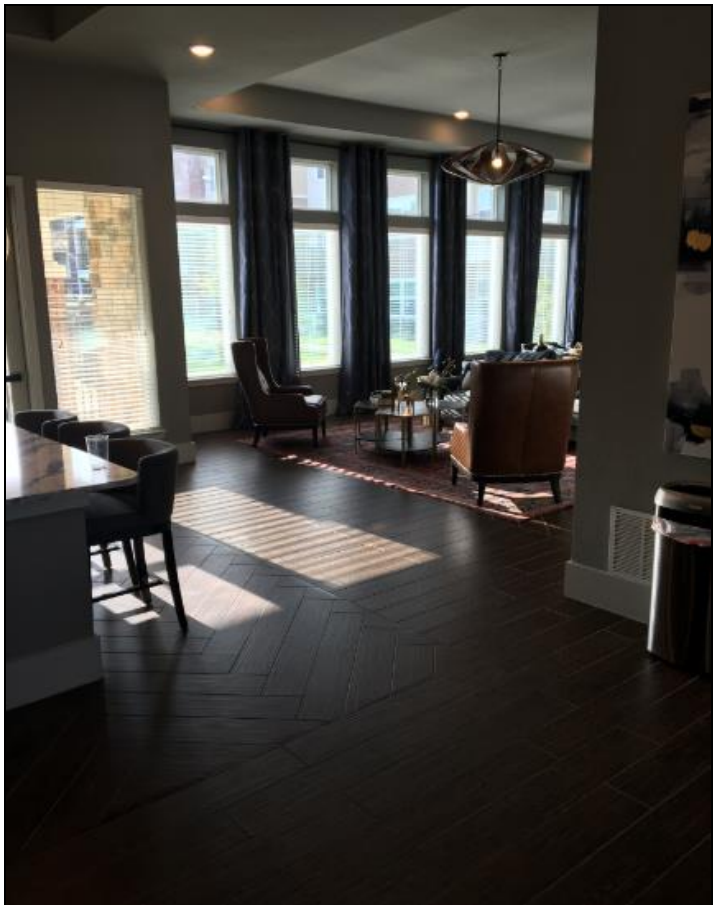
RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:	9		
2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		
COMMENTS: Management stated that after a household has two NSF's, they can no longer pay by personal check.			

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. ➤ Omnium Management provides continual online training. Onsite staff is also required to attend fair housing, professional development, and housing tax credit training. In addition, Omnium is in the process of updating its in house training Program. In addition, quarterly staff meetings are held for all managers			
COMMENTS: Since the property was recently completed, the entire staff is new. The property's staff consists of three maintenance technicians and three site-office personnel.			

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 the Occupancy and Leasing Activity reports daily, the Light Inspections and Delinquency Report weekly, and the Occupancy Reports, Pool logs, and a Market Survey monthly.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ The Property Manager is required to get owner approval for any amount over \$500 and the Regional Property Manager requires owner approval on amounts over \$2,500.			
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
No Findings.
Observation:
<ul style="list-style-type: none"> Staff is strongly encouraged to be diligent when creating and selecting the correct Service Issue type when opening work orders. Currently a large portion, more than half, of the work orders have "Other – Please see comments" selected as the Service Issue type. This vague information makes it difficult for staff or anyone reviewing the Service Request Report to determine the urgency for work orders.

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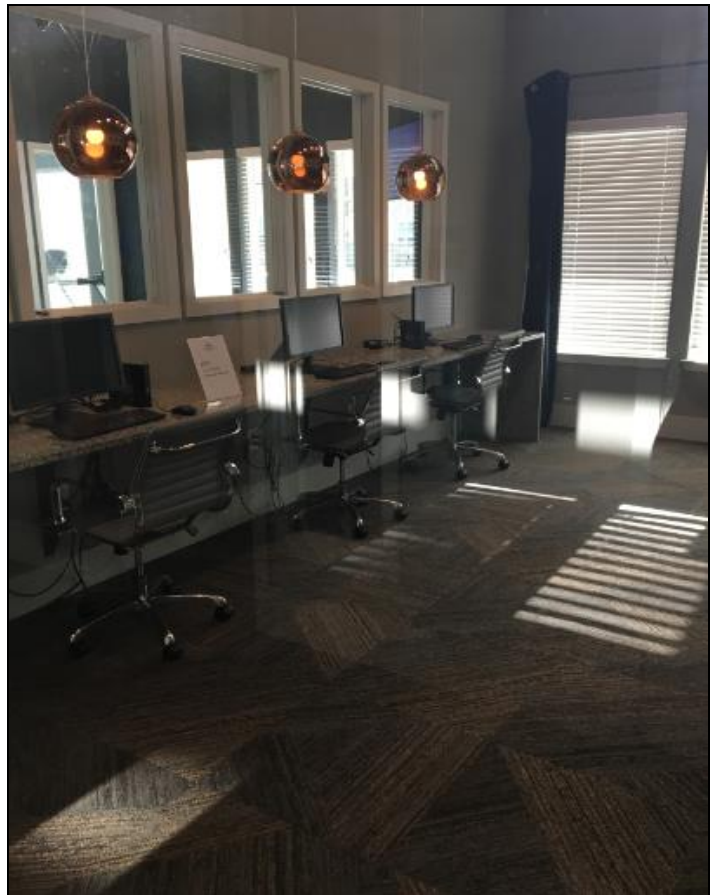
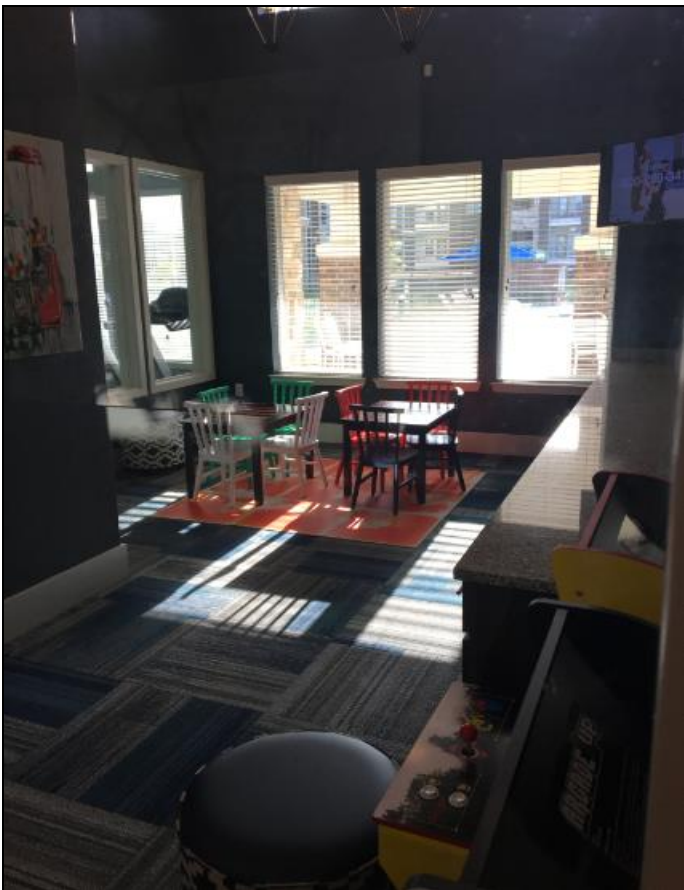
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