

Texas State Affordable Housing Corporation

Pine Club Apartments

5015 Pine Street Beaumont, TX 77703

Owner: Dalcor Affordable Housing I, LLC

Date Built: 1996

Management Company: Dalcor Management, LLC

Property Manager: Christina Durden

Inspection Date & Time: October 1, 2020 at 9:30 a.m.

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	82%	Average Occupancy Over Last 12 Months:	91.21%
Number of Units: 232			
Number of One Bedrooms:	48	Number of Two Bedrooms:	112
Number of Three Bedrooms:	72	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: Based on a review of the property photos, the property is in overall good condition. The property grounds, parking lots and common areas are all clean and well maintained.

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	1 (Burglary), 2 (Auto burglary)
Theft	2	
Criminal Mischief	3	
Personal Assault	4	
Drug Related Activity	0	
Gun Related Activity	1	Shots Fired
Domestic Violence	0	
Disturbance	36	31 (Disturbances) 5 (Loud Music)
Other	12	(Trespassing) 4, (Suspicious Persons in Vehicle 3, (Robbery) 1, (Animal Cruelty) 1, (Hit &

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		Run Accident) 1 and (Harassment) 2		
		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 is taking several pro-active measures to address the crime on the property. Management has hired Jefferson's County Police Department to patrol a few days a week. Management has a third-party contractor monitoring the property's surveillance cameras. There are currently 16 cameras at the property; however, 10 additional cameras have been approved and budgeted for. Management works closely with both third parties to follow-up on reported incidents. Management issues lease violation when needed and continues to host crime prevention meetings. Lastly, maintenance staff ensures all exterior lights are working by conducting weekly light checks.				

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 March 2020.				

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		
	➤ Alarm and fire panel licenses are required.	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 (describe)		X	
COMMENTS: According to management, pool permits are not required by the city.				

KEY CONTROL		YES	NO	N/A
1)	Does the property use an electronic key tracking system? If not, answer questions 2-4.	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:				

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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		
5) How often are Pest Control services provided? ➢ Pest control services are offered twice a year or more, if needed.			
6) What is the policy for following up on completed service requests? ➢ The property continues to follow-up on work order that are created for reoccurring issues.			
7) What is the property's after-hours emergency policy? ➢ After-hour calls are answered by an answering service and forwarded to the staff member that is on call.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ Scheduled capital improvement items include parking lot restriping, pool resurfacing, car port cover repairs and sidewalk repairs.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➢ Unit interior and appliance upgrades were made as needed.			
10) Building Exterior and Curb Appeal repairs ➢ None			
11) Amenity upgrades ➢ No amenity upgrades were completed in the last budget year.			
12) Other repairs or replacements ➢ N/A			
Number of service requests received:	71		
Number of requests open from prior periods:	0		
Number of service requests completed:	71		
Number of service requests completed within 24 hours:	38		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➢ According to the Work Order Director report, work is completed within 3 days.			
COMMENTS:			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth (bandit signs \$200 and Flyers \$100)	\$25	18	2
Flyers	\$0		
Resident Referral (\$50 each)	\$0	1	
Locator Service	\$0		
Printed/Internet Advertising (\$369 / month for Apartment Guide (14) / Rent Path and property website)	\$369	33	
Other Source (Go section 8 \$360 / year, Housing Agency (3))	\$30	3	
TOTAL	\$424	55	2
The rental activity reflected in the above table was for the following period: August 15, 2020 through September 15, 2020.			
	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: The Traffic Reports shows 55 prospects with 2 lease conversions. When asked, management stated they failed to update the report as prospects convert to leases. Management is aware to update the report properly when prospects are converted to leases moving forward. Management stated that market surveys are completed monthly. A Yardi conversion took place in July 2020.			

LEASE RENEWAL	YES	NO	N/A
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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: N/A	6 months: N/A	12 months: 82%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	40%		
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., Yardi, 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 June 2018 in accordance with recently released HUD rent limits.			
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: Based on the Reasons for Moveout report, 18 move-outs were due to skips (24%) and 12 move-outs were due to evictions for nonpayment of rent (16%). According to management, the increase of moveouts was due to both the covid pandemic and management efforts to ensure rent is paid timely and according to the lease contracts.			

VACANT/MAKE READY UNITS			
1) Number of vacant units at time of activity report:			40
2) Number of completed made ready units at time of activity report:			26
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:			15
5) Number of completed three bedroom units at time of activity report:			11
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:			0
8) Number of uncompleted two bedroom units at time of activity report:			14
9) Number of uncompleted three bedroom units at time of activity report:			0
Units Walked			
Unit #	Brief Description		
802	2 bedrooms: Vacant, made ready		
816	2 bedrooms: Vacant, made-ready		
909	2 bedrooms: Vacant, made-ready		
916	2 bedrooms: Vacant, made-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) 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			
7) How often are vacant units inspected? ➢ Vacant units are inspected: Weekly			

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8)	How many vacant units are in progress of being made ready? There are fifteen 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.
COMMENTS: The Unit Availability Details dated 9/15/2020 shows there are 14 units that are vacant and not made ready. As of the date of the report, their vacant length averages 55 days. When discussing turn time with management, they stated that the extended make-ready period is due to covid. Specifically, the property closed for two different periods of time as well as vendors, which delayed maintenance purchases order, including appliance orders. An Observation regarding turn times was noted in the last year's report. Management is reminded of the importance of having units made ready in an appropriate amount of time and within the management policy.	

BUDGET MANAGEMENT	YES	NO	N/A
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? ➤ There have not been any large unexpected repairs or purchases that affected the budget negatively.			
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
Payroll Expenses	\$158,041	\$179,833	\$21,791	12%	Payroll and Health Insurance
Repairs and Maintenance Expenses	\$27,388	\$33,218	\$5,829	17%	Heating and Air Conditioning, Interior Repairs. Building Structures, and Pest Control – Beg Bugs
Ground and Maintenance	\$25,177	\$20,400	-\$4,777	-23%	Miscellaneous Grounds

COMMENTS:

REVENUE			
FOR THE MONTH ENDING: August 2020		YEAR TO DATE AS OF: August 2020	
Gross Potential	\$95,620	Gross Potential	\$738,050
Budgeted Rental Income	\$154,897	Budgeted Rental Income	\$1,197,810
Actual Rental Income Collected	\$149,276	Actual Rental Income Collected	\$1,221,981
1,221,981 Variance + (-)	-\$5,621	Variance + (-)	\$24,171
Other Revenue	\$3,602	Other Revenue	\$23,066
Total Collected	\$152,878	Total Collected	\$1,245,048
Budgeted	\$157,532	Budgeted	\$1,218,890
Variance + (-)	-\$4,653	Variance + (-)	\$26,158

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) Are invoices processed weekly?	X		
COMMENTS: This section was completed with the Payable Aging Report dated September 6, 2020.	0-30 Days:		\$12,643
	30-60 Days:		\$695
	60 Days and Over:		\$38
	TOTAL		\$13,376

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?			

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➤ Legal action is taken after all appropriate notices have been delivered, typically around the 15 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: Before taking legal action, management works with tenants and enter into repayment agreements or management will refer them to agencies that can provide rental assistance. According to management, the high balance listed under the "60+ Days and Over" column is due to large non-payment rent balances due to covid. Units 1407, 1604, 1606 and 1901 are included in that large balance.	0-30 Days:		\$9,160
	30-60 Days:		\$5,505
	60 Days and Over:		\$21,199
	TOTAL		\$35,864

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:	0		
2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		
COMMENTS: Management handled all three NSF payments per management guidelines.			

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. ➤ Monthly safety meetings are held with the staff. In addition, the staff attends all Gracehill training classes and TDHCA HTC online courses.			
COMMENTS: At the time of this review, a leasing position was vacant. Management stated they are actively looking to fill this position.			

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 once per month, when needed.			
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 all expenses outside the 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
No Findings or Observations.

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