

Texas State Affordable Housing Corporation

Pythian Manor Apartments 2719 Illinois Ave, Dallas, Texas 75216

Owner: Steele Pythian LP

Date Built: 1968

Management Company: Monroe Group Ltd.

Property Manager: Margaret Smith

Inspection Date & Time: September 23, 2020 @ 1:30 p.m.

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	98%	Average Occupancy Over Last 12 Months:	95%
Number of Units: 76			
Number of Efficiencies:	50	Number of One Bedrooms:	26
Number of Two Bedrooms:	N/A	Number of Three 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: This is TSAHC's first annual review of Pythian Manor. The new owner took over the property on September 25, 2019. Due to the covid pandemic, this review was conducted virtually. Management confirmed all rehabilitation projects were completed on June 6, 2020. Based on the property photos submitted for review, the property appears to be in overall good condition. The site sign was visible, and the property grounds and common areas were clean and free of debris. The buildings, roofs, and breezeways were also in good condition. According to management, the perimeter fence does have an entry access gate; however, they are left open permanently. A detailed list of the completed rehab is attached to this report.

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		
Theft		
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		

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Disturbance				
Other				
			YES	NO
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 provided a copy of the Dallas Police Department's call logs for the neighborhood dated May 2020 through July 2020. Based on a review of the call logs, there were no incidents reported at the property's physical address in that timeframe. There are 19 surveillance cameras installed at the property that are monitored by site staff and used to investigate incidents when reported. When needed, management will issue lease violations. In addition, management participates in the City of Dallas' Crime Prevention Program.				

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?			
COMMENTS: A risk assessment has not been completed due to covid; however, the Regional Manager is scheduled to complete one before the end of this year.			

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?			
7) Does the property require licenses or permits?	X		
➤ (Elevator, Boiler systems, and the Multi-tenant certificate for City of Dallas)			
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 – Pergola	X		
➤ Laundry Facility	X		
➤ Business Center		X	
➤ Pool		X	
➤ Other (describe)			X
COMMENTS:			

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:			

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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 completed bi-monthly. Each unit gets treated twice a year.			
6) What is the policy for following up on completed service requests? ➤ Management follows-up on every other completed work order to ensure completion and customer satisfaction.			
7) What is the property's after-hours emergency policy? ➤ After hour calls are forwarded to pagers that are assigned to on-call staff. Once a call is received, the appropriate personnel is contacted.			
8) What capital improvements have been scheduled or completed for this budget year? ➤ Aside from the property's rehabilitation detailed below, no other capital improvements have been scheduled or completed during the current budget year.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➤ Refer to detailed rehabilitation section.			
10) Building Exterior and Curb Appeal repairs ➤ Refer to detailed rehabilitation section.			
11) Amenity upgrades ➤ Refer to detailed rehabilitation section.			
12) Other repairs or replacements ➤ Refer to detailed rehabilitation section.			
Number of service requests received:	100		
Number of requests open from prior periods:	82		
Number of service requests completed:	6		
Number of service requests completed within 24 hours:	5		
Number of outstanding service requests:	82		
13) On average, how many days does it take to complete a work order? ➤ See comment below.			
COMMENTS: Based on a review of the Work Order Detail report dated 8/18/2020, there were 100 work ordered created and only 6 of them have been completed. Most of the open work order were categorized as "inspection and make-ready." According to management, the information on the report is accurate. Management explained, emergency work orders were completed timely; however, all others were delayed due to covid. In addition, those that were categorized as "inspection and make-ready" were created then postponed, also due to covid. Management stated maintenance staff will start completing unit inspection late September.			

REHABILITATION DETAIL	YES	NO	N/A
1) Is rehab being completed according to the schedule?	X		
2) Are materials and repairs being completed according to the detail provided during the application process?	X		
	Units Completed	Date Completed	
3) Were unit interior upgrades performed? If so, how many? ➤ Flooring – 100% replaced in each unit ➤ Interior Paint - 100% interior paint ➤ Kitchen Cabinets and counters - 100% replacement ➤ Vanity Cabinets and counters - 100% replacement ➤ Drywall – repairs/replacement in all units ➤ Other - Sinks, lavatories, ADA grab bars installed in all bathrooms in all units ➤ Other – Ceiling fans in all units	76	6/9/2020	
4) Were appliances purchased/replaced? If so, how many? Yes ➤ Refrigerators - 100% replaced ➤ Ranges and Range Hoods – 100% replaced ➤ Other - Microwaves in all units	76	6/9/2020	
5) Were building exteriors repaired? Yes ➤ Exterior Paint – 100% repainted ➤ Roofs 100% replaced with warranty ➤ Siding - 100% siding repaired or replacement	N/A	6/9/2020	

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6) Were amenities upgraded/repaired? Yes ➤ Community Room - painted, drywall repaired, new cabinets, counters, refrigerator, microwave and range, ceiling fans were purchased and installed. ➤ Laundry Room – painted, flooring replaced, still pending delivery of new washer and dryers and chairs (covid related shipping delays) ➤ Pergola - pergola built, patio area built, (2) new ADA accessible picnic tables were purchased and installed ➤ Other - Flooring for all hallways replaced	N/A	6/9/2020
7) Were plumbing or electrical repairs made? Yes ➤ Plumbing - repairs were completed as needed. ➤ Electrical - repairs were completed as needed.	N/A	6/9/2020
8) Were any repairs made to the parking area, including carports? Yes ➤ All asphalt repairs were made, and stripping was completed	N/A	6/9/2020
(9) Were any additional repairs made? (I.E. Fence) Yes ➤ Retaining Wall: It was repaired and completed. ➤ Boilers – Two new boilers were installed and completed. ➤ Chiller System - Two new compressors were replaced. ➤ ADA units - Two units were upgraded, and ADA Hearing and Visual improvements were installed and completed. ➤ ADA Units – 5 mobility and 2 hearing and visual communication systems were installed.	N/A	6/9/2020
TOTAL COST OF REHAB YTD:	\$3,157,676	
COMMENTS: The above information noted in bold font was provided by the owner.		

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth			
Flyers			
Resident Referral			
Locator Service			
Printed/Internet Advertising			
Other Source			
TOTAL	\$0	0	0
The rental activity reflected in the above table was for the month of: N/A - See comment			
	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: According to management, there were no marketing efforts made during the rehabilitation process. In addition, the property works off an extensive wait list. Moving forward, management is encouraged to start documenting the source of traffic as new applicants are placed on the wait list			

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: 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"?	14%		
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? <ul style="list-style-type: none"> ➤ The last rent increase was implemented October 2019, the average increase was \$19.00. 			

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10)	How many households are currently on month-to-month leases? ➤ All household are on a HUD lease contract. The initial term is 12 months then they roll into month-to-month term leases.
11)	What is the charge for month-to-month leases? ➤ N/A
COMMENTS:	

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

Units Walked	
Unit #	Brief Description
3	(1x1) Vacant: Unit is in make-ready process.
208	(Efficiency x 1) Vacant: Unit is in make-ready process.
209	(Efficiency x 1) Occupied: Unit appear to be in good condition.
210	(Efficiency x 1) Occupied: Unit appear to be in good condition.

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			
8) How many vacant units are in progress of being made ready? ➤ There are two units in the process of being made ready.			
9) What is the company policy on the number of days to turn vacant units? ➤ The company policy is to turn vacant units within 7 days.			

COMMENTS:

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 services.			
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ According to management, an unexpected chiller repair affected the current budget.			
3) Explain YTD variances of 10% or greater.			

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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
Administrative Expenses	\$120,058	\$85,377	\$34,680	40%	Compliance consulting, postage/delivery, answering service, IT support, Travel Exp (Air, Lounge, Auto Meals), and Misc-Admin Exp
Operation & Maintenance Expenses	\$71,662	\$57,165	\$14,497	25%	Cleaning, Landscaping, Contracts, Fire Dept, Water Treatment, and Contract Labor

COMMENTS: According to management the variances in both areas noted above are due to the recent acquisition and these are normal expenses.

REVENUE

FOR THE MONTH ENDING: JULY 31, 2020		YEAR TO DATE AS OF: JULY 31, 2020	
Gross Potential	\$86,435	Gross Potential	\$605,045
Budgeted Rental Income	\$86,435	Budgeted Rental Income	\$605,045
Actual Rental Income Collected	\$83,354	Actual Rental Income Collected	\$597,058
Variance + (-)	-\$3,081	Variance + (-)	-\$7,987
Other Revenue	-\$3,105	Other Revenue	-\$32,414
Total Collected	\$80,248	Total Collected	\$564,643
Budgeted	\$82,770	Budgeted	\$579,390
Variance + (-)	-\$2,521	Variance + (-)	-\$14,747

COMMENTS: According to management, the "Other Revenue" is negative for the loss of vacancy income.

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: The chart is completed using the Vendor Aging Report dated 8/25/2020.	0-30 Days:		\$3,165
	30-60 Days:		\$0
	60 Days and Over:		\$149
	TOTAL		\$3,314

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 6 th . Residents receive a \$5 late fee on the 5 th and \$1 daily fee thereafter. 10 Day Notices are sent on the 10 th and on the 13 th a 3 Day Notice to Vacate is posted.			
3) When is legal action taken against delinquent accounts?			
➤ Evictions are filed around the 21 st of each month.			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?	X		
COMMENTS: Based on the Delinquency and Prepaid report dated 8/18/2020, there is \$5,406 delinquent; however, the housing assistance payment adjustment is -\$4,152 leaving an actual delinquent balance of \$1,254.	0-30 Days:		\$5,108
	30-60 Days:		\$158
	60 Days and Over:		\$140
	TOTAL		\$5,406

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		

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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. ➤ Site management is required to complete Monroe in-house trainings, as well as attend COS and HTC trainings.			
COMMENTS: This is the first site review for TSAHC. The new management company kept the majority of the maintenance staff and some of the administrative staff. According to Management, on September 4 th , 2020 the maintenance position became available and they started to recruit to fill the position immediately. For now, they have contracted a temporary maintenance technician.			

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 occupancy, delinquency and other general property reports are sent to the owner weekly.			
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 over budget for the release of funds.			
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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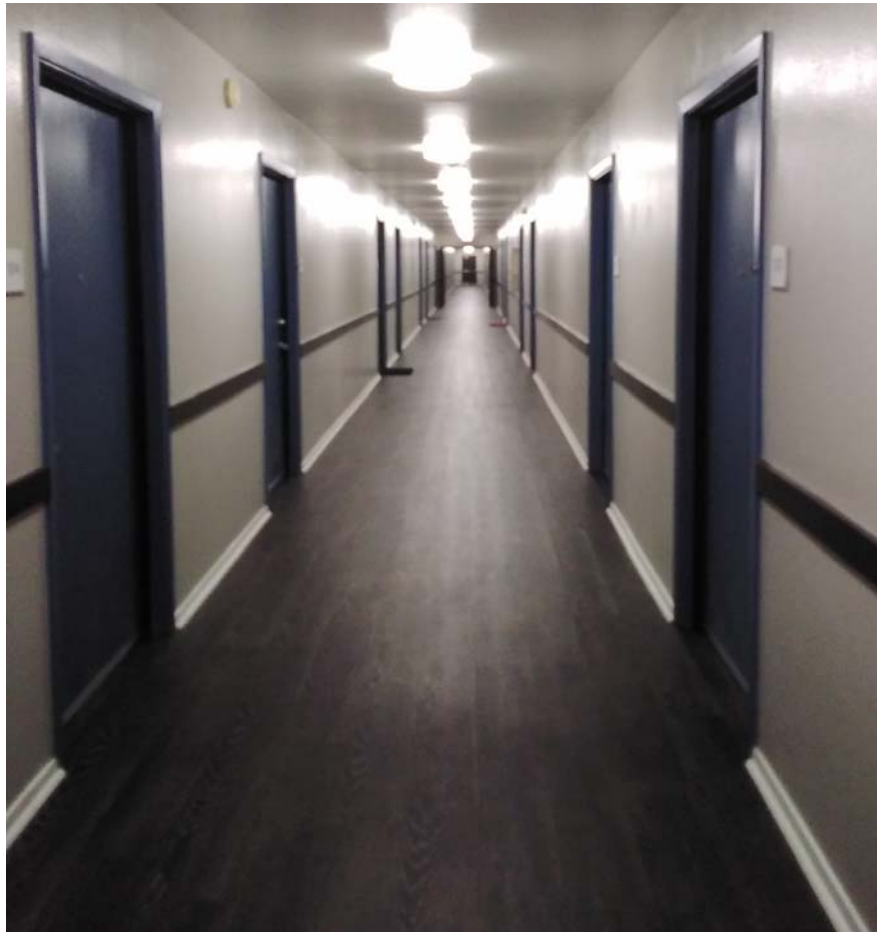
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