

# Texas State Affordable Housing Corporation

## Willow Green Apartments

9301 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:** October 27, 2020 at 9:30 a.m.

**Inspector's Name:** Celina Mizcles Stubbs

<b>Occupancy at Time of Report:</b>	95%	<b>Average Occupancy Over Last 12 Months:</b>	92%
<b>Number of Units: 336</b>			
<b>Number of One Bedrooms:</b>	88	<b>Number of Two Bedrooms:</b>	168
<b>Number of Three Bedrooms:</b>	80	<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:**

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. The building exteriors (buildings, sidewalks, stairwells) appear to be in good condition, but the roofs appear to be aging. The property manager mentioned the roofs are older but still working properly. Management also stated they repaired and repainted the damaged stairwells at the property.

### 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	
Theft	3	
Criminal Mischief	1	
Personal Assault	4	Personal assault (3) and sexual assault (1)
Drug Related Activity	1	Narcotic Complaint
Gun Related Activity	1	Shooting

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Domestic Violence	14	Unknown (6), Weapons (4) and Family (4)		
Disturbance				
Other	8	Threat (1), Loud Noise (2), Trespassing (1), Suspicious Event (2), Suspicious Persons (1), and Forgery/Fraud (1)		
		<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		
<p><b>COMMENTS:</b> The incidents noted above were reported in the Houston Police Department's call logs dated June through August 2020. There was a slight increase in incident, however management is taking several crime preventions precautions. Management continues to utilize a third-party surveillance team to monitor the property security cameras. In addition, the new courtesy officer, who lives onsite, conducts daily property walks at night and reports his observations during their daily management meetings. Monthly crime-watch meetings were cancelled through the high peak months of the pandemic but they recently resumed in October 2020. The property manager conducts monthly risk assessment property walks, and an annual property risk assessment was conducted by an insurance representative in January 2020.</p>				

<b>SECURITY PROGRAM Part II</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		
<p><b>COMMENTS:</b> The property manager conducts monthly risk assessment property walks, and an annual property risk assessment was conducted by an insurance representative in January 2020</p>				

<b>OFFICE</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		
➤ Fire, pool, property signs, and security system.		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 Club		X		
<p><b>COMMENTS:</b></p>				

<b>KEY CONTROL</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		

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**COMMENTS:**

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? <ul style="list-style-type: none"> <li>&gt; Pest control services are provided on a quarterly basis.</li> </ul>			
6) What is the policy for following up on completed service requests? <ul style="list-style-type: none"> <li>&gt; The property manager follows-up on 100% of completed work orders.</li> </ul>			
7) What is the property's after-hours emergency policy? <ul style="list-style-type: none"> <li>&gt; The answering services answered all after-hour calls. The answer services will forward the call to the appropriate staff member(s).</li> </ul>			
8) What capital improvements have been scheduled or completed for this budget year? <ul style="list-style-type: none"> <li>&gt; The trees were trimmed during the current budget year and the building signs are scheduled to be completed.</li> </ul>			

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

9) Unit Interior and Appliance upgrades <ul style="list-style-type: none"> <li>&gt; Floors were replaced from old tile to vinyl plank in every make-ready unit. In addition, appliance were upgraded, as needed.</li> </ul>			
10) Building Exterior and Curb Appeal repairs <ul style="list-style-type: none"> <li>&gt; There were no building exteriors and curb appeal improvements completed.</li> </ul>			
11) Amenity upgrades <ul style="list-style-type: none"> <li>&gt; No amenity upgrades were completed in the last budget year.</li> </ul>			
12) Other repairs or replacements <ul style="list-style-type: none"> <li>&gt; No other repairs or replacements were noted for 2019.</li> </ul>			
Number of service requests received:	89		
Number of requests open from prior periods:	0		
Number of service requests completed:	88		
Number of service requests completed within 24 hours:	15		
Number of outstanding service requests:	1		

13) On average, how many days does it take to complete a work order?  
 > On average, it takes 7 days to complete work orders.

**COMMENTS:** Based on a review of the Work Order Directory dated 9/12/2020 - 10/12/2020, it takes an average of 7 days to complete a work order which is a slightly above the property's typical work order close time. The property manager mentioned the slight increase in turn times is due to covid. For a short period of time, maintenance was only completing emergency work order and they recently started completing all 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		34	17
Flyers		0	0
Resident Referral: \$50 per approved applicant (typically 1 per quarter)	\$200	3	1
Locator Service			0
Printed/Internet Advertising: \$810	\$810	45	0
Other Source		3	3
<b>TOTAL</b>	<b>\$1010 (annually)</b>	<b>85</b>	<b>21</b>

**The rental activity reflected in the above table was for the month of: 9/12/20 – 10/12/20**

	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 Sheet shows two traffic source types that sound similar, Website and Property Website. Management is encouraged to rename one of the source types to ensure they properly log traffic.

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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: 72%	6 months: 81.5%	12 months: 77%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	34%		
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 was implemented in June 2020. The average rent increase was about \$23 dollars.			
10) How many households are currently on month-to-month leases? ➢ N/A			
11) What is the charge for month-to-month leases? ➢ N/A			
<b>COMMENTS:</b>			

VACANT/MAKE READY UNITS			
1) Number of vacant units at time of activity report:			11
2) Number of completed made ready units at time of activity report:			2
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:			1
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:			3
9) Number of uncompleted three bedroom units at time of activity report:			4
<b>Units Walked</b>			
<b>Unit #</b>	<b>Brief Description</b>		
103	(1x1) Vacant: Made-ready		
716	(2x1) Vacant: Made-ready		
1112	(1x1) Occupied: Unit in good condition		
1503	(3x1) Vacant: Made-ready		
2115	(2x1) Vacant: Made-ready		
2501	(2x1) Occupied: Unit in good condition		
<b>Down Units Walked (units vacant and unready for extended period of time and all down units)</b>			
<b>Unit #</b>	<b>Brief Description</b>		
NA			
	<b>YES</b>	<b>NO</b>	<b>N/A</b>
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 (see comment)		
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: Semi-annual			

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7) How often are vacant units inspected? ➢ Vacant units are inspected: Daily
8) How many vacant units are in progress of being made ready? ➢ Nine units are in the process of being made-ready.
9) What is the company policy on the number of days to turn vacant units? ➢ Per policy, units should be made-ready within 7-10 days.
<b>COMMENTS:</b> According to management, unit 1715 had a unit fire in July 2020. As of the date of this Review, windows were installed, and cabinets and doors were scheduled to be delivered. According to management, the unit will be ready for occupancy by November 2020.

BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➢ Three binds are required.			
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.			
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 Expenses	\$62,031	\$53,984	\$8,047	-14.9%	Carpet Cleaning and Repair, Contract Cleaning, and Paint and Supplies
Repairs and Replacements	\$63,43	\$56,728	-\$6,995	-11%	Pest Control- Bed Bugs, Common Area Maintenance, and Misc. Area Maintenance and Equipment

**COMMENTS:** Variances were due to having more unit turns and floor replacements than expected

REVENUE					
FOR THE MONTH ENDING: AUGUST 2020			YEAR TO DATE AS OF: AUGUST 2020		
Gross Potential		\$258,855	Gross Potential		\$2,050,888
Budgeted Rental Income		\$271,454	Budgeted Rental Income		\$2,150,085
Actual Rental Income Collected		\$276,319	Actual Rental Income Collected		\$2,124,029
Variance + (-)		\$4,865	Variance + (-)		-\$26,055
Other Revenue		\$10,085	Other Revenue		\$32,507
Total Collected		\$286,405	Total Collected		\$2,156,536
Budgeted		\$276,270	Budgeted		\$2,188,613
Variance + (-)		\$10,135	Variance + (-)		-\$32,076

**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		
<b>COMMENTS:</b> According to the Payable Aging report dated 10/13/2020, the past due (60 days and over) invoices of \$15,823 is for Premier Logitech who is installing new computers for the community. The balance has not been paid because they are waiting for all computers to be installed before paying.	0-30 Days:		\$17,197
	30-60 Days:		\$922
	60 Days and Over:		\$15,818
	TOTAL		\$33,937

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> and late on the 6 <sup>th</sup> . A three-day notices to vacate are sent on or around the 10 <sup>th</sup> of each month.			
3) When is legal action taken against delinquent accounts?			

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➤ Legal action is taken around the 20 <sup>th</sup> unless a repayment agreement has been signed.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b> According to management there is two units under evictions and two tenants that are on repayment agreements.	0-30 Days:		\$20,157
	30-60 Days:		\$5,262
	60 Days and Over:		\$15,059
	<b>TOTAL</b>		<b>\$40,478</b>

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:	5		
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) 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. ➤ All staff members are required to participate in various trainings provided through local apartment association. In addition, staff takes a tax credit courses and Grace Hill courses.			
<b>COMMENTS:</b>			

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 property reports at their discretion.			
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 must seek approval for all amounts over budget in excess of \$100.			
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>			

SUMMARY OF OBSERVATIONS AND FINDINGS
<b>No Findings or Observations.</b>

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