



October 12, 2021

Dalcor Affordable Housing I, LLC
Attn: Mr. Dale Dodson
15950 North Dallas Parkway, Suite 300
Dallas, Texas 75248

RE: **Woodglen Park Apartments**

Dear Mr. Dodson,

On September 24, 2021, an Asset Oversight Review was performed at the above referenced property. Details of the review can be found in the enclosed Observation Report.

The results of this review may indicate items in need of correction in order to be in compliance with your TSAHC Multifamily Bonds. A list of Findings and/or Observations resulting from the review is enclosed. Each Finding will include Corrective Action dates for those items considered deficient. Properties with any Corrective Action Requirements will be placed on a Monitoring Status pending correction.

For Clarification:

Observations will address issues that can be improved upon, but do not require immediate action. An **Observation** will always be followed by a **Recommendation**. Management should consider **Recommendations** but there is no written response required. **Findings** address serious issues that need to be cured immediately. **Findings** will always be followed by **Corrective Action Requirements**. Management must complete the **Corrective Action Requirements** and send certification to TSAHC that they have been resolved as stipulated within each **Corrective Action Requirement**. This certification must be on company letterhead and address each item individually.

I appreciate the time and effort your staff allotted to our review. If you wish to discuss the report findings before preparing your response, please feel free to contact me at the number listed below.

Respectfully,

Celina Mizcles Stubbs
Senior Manager, Asset Oversight and Compliance
cstubbs@tsahc.org
512.334.2154

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Woodglen Park Apartments

6800 Cockrell Hill Dr., Dallas, Texas 75236

Owner: Dalcour Woodglen, Ltd.

Date Built: 2004

Management Company: Dalcour Management, LLC

Property Manager: Primera Sanchez

Inspection Date & Time: September 24, 2021 at 9:30 a.m.

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	94.8%	Average Occupancy Over Last 12 Months:	95.2%
Number of Units: 232			
Number of One Bedrooms:	64	Number of Two Bedrooms:	112
Number of Three Bedrooms:	56	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: The property is 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	Burglary of Motor Vehicle (2) and UUMV (1)
Theft	3	Stolen Vehicle (1), Theft (2)
Criminal Mischief	1	
Personal Assault	5	Family Violence (3), Assault (1), Aggravated Assault (1)
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance		
Other	3	Harassment/Threat (3)
		YES NO N/A

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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: The Dallas Police department's summary for May 25, 2021, through August 25, 2021, shows a total of 38 incidents. The chart above indicates the incidents for 15 of those 38 calls. Management continues to host crime watch meetings and they welcome the help of the courtesy officer drive-bys conducted by the City of Dallas police officers and the Constable. The property's security system footage is reviewed when needed and light checks are conducted nightly by site staff.

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, conducted by the insurance agent, was completed on April 3, 2020. However, the Regional Manager conducts thorough property inspections monthly, if not weekly, to ensure there are no risk liabilities.

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?			
➤ The property maintains the pool manager license and operations alarms and fire panel equipment 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 and volleyball)	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: The property utilizes the Handytrack system for monitoring keys.

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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 provided weekly for a portion of the buildings. All units are treated annually.			
6)	What is the policy for following up on completed service requests? ➤ According to management, about 50% of completed work orders are followed up on. Management also contacts tenants when a work order is delayed due to part orders and/or shortages to ensure tenant is aware.			
7)	What is the property's after-hours emergency policy? ➤ After-hours emergency calls go directly to the on-call staff member.			
8)	What capital improvements have been scheduled or completed for this budget year? ➤ Capital improvements completed for this budget year include new fitness equipment (treadmill & elliptical), rotten wood replacement on building exteriors, tree trimming, stair and stringer replacement, and concrete and sidewalk repairs.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year				
9)	Unit Interior and Appliance upgrades ➤ Unit interior upgrades are completed as necessary. In addition, floors are being replaced with vinyl flooring during unit turns.			
10)	Building Exterior and Curb Appeal repairs ➤ There were no exterior or curb appeal repairs completed during the last budget year.			
11)	Amenity upgrades ➤ There were no upgrades completed during the last budget year.			
12)	Other repairs or replacements ➤ There were no other repairs or replacements completed during the last budget year.			
Number of service requests received:		34		
Number of requests open from prior periods:		0		
Number of service requests completed:		22		
Number of service requests completed within 24 hours:		17		
Number of outstanding service requests:		12		
13)	On average, how many days does it take to complete a work order? ➤ On average it takes 19 days to complete a work order. See comment below.			
COMMENTS: The Work Order Directory Report dated 8/8/2021 through 9/8/2021 was used to complete the chart above. There are a few pending non-emergency work orders (12 total) that are open due to the delay in supplies and/or materials. Management confirmed they will be completed as soon as the order arrives. Management is encouraged to continue to call tenants to make them aware of any delays in work order completion. These delays have led to longer than desired work order turn times.				

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases Submitted/ Approved
Drive-By/Word of Mouth	\$0	36	14/2
Flyers	\$0	0	0
Resident Referral (\$50 per approved applicant)	\$50	1	1/1
Locator Service	\$0	0	0
Printed/Internet Advertising (Apartments.com - \$683, Rentable \$66.50, and Illustrate Paper \$184.89)	\$934	13	1/0
Other Source (section8.com: \$306/year, Housing, N/A)	\$306	4	2/0
TOTAL	\$1,290	54	18/3
The rental activity reflected in the above table was based on the Traffic Sheet report from 8/1/2021 through 8/31/2021.			
	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: (August) 37.5%	6 months: 70%	12 months: 84.8%
3)	What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	17.2%		
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 April 2021 with an average increase of \$40.			
10)	How many households are currently on month-to-month leases? ➤ Management stated they do not have anyone on a month-to-month lease.			
11)	What is the charge for month-to-month leases? ➤ N/A			
COMMENTS: The percentage of move-outs due to eviction, non-payment of rent or skips increased by 7% (8 units). More specifically, the increase was due to 3 skips, 1 nonpayment of rent and 4 evictions for non-payment of rents. Management believes the increase was related to covid and the site management turnover. Management is currently working hard to decreasing this number.				

VACANT/MAKE READY UNITS				
1) Number of vacant units at time of activity report:		12		
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:		0		
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:		2		
6) Number of uncompleted made ready units at time of activity report:		8		
7) Number of uncompleted one bedroom units at time of activity report:		3		
8) Number of uncompleted two bedroom units at time of activity report:		4		
9) Number of uncompleted three bedroom units at time of activity report:		1		
Units Walked				
Unit #	Brief Description			
02-201	(2x2), Vacant, Almost Made-Ready, need vinyl floor replacement.			
03-301	(3x2), Vacant, Made-Ready			
05-506	(3x2), Vacant, Made-Ready			
09-903	(3x2), Vacant, Made-Ready			
20-2002	(3x2), 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: Semiannually				

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7) How often are vacant units inspected? ➤ Vacant units are inspected: Weekly
8) How many vacant units are in progress of being made ready? ➤ As of the date of the virtual review, 8 units are in the process of being made-ready.
9) What is the company policy on the number of days to turn vacant units? ➤ According to management, units should be turned in 5 -7 business days.
COMMENTS: According to the August 2021 unit status report, there are 12 vacant units. These units have been vacant for an average of 63.7 days. Management stated the extended vacancy is mostly due to the covid pandemic and partly due to property manager turnover. This will be monitored for the next 12 months to ensure the length of vacancy decreases.

BUDGET MANAGEMENT					
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Per company policy, three bids are required prior to obtaining materials, supplies or services.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ There has not been any large, unexpected repairs or purchases that have negatively affected the current 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
Advertising Expenses	\$9,131	\$7,420	-\$1,711	-23.1%	Advertising and Promotional Expenses
Administrative Expenses	\$33,340	\$37,940	\$4,599	12%	Travel and Lodging and Office Equipment
Refurbishment Expenses	\$83,384	\$30,065	-\$53,319	-177.3%	Appliance Replacement and Vinyl Replacement
Redecorating Expense	\$29,536	\$33,873	\$4,336	12.8%	Carpet Cleaning/Repair and General Cleaning Supplies
Repairs and Maintenance	\$22,545	\$25,732	\$3,186	12.3%	Irrigation Repairs and Miscellaneous Repairs
COMMENTS:					

REVENUE			
FOR THE MONTH ENDING: July 2021		YEAR TO DATE AS OF: July 2021	
Gross Potential	\$137,102	Gross Potential	\$959,714
Budgeted Rental Income	\$210,644	Budgeted Rental Income	\$1,464,163
Actual Rental Income Collected	\$222,483	Actual Rental Income Collected	\$1,530,696
Variance + (-)	\$11,839	Variance + (-)	\$66,533
Other Revenue	\$6,920	Other Revenue	\$77,220
Total Collected	\$229,404	Total Collected	\$1,607,916
Budgeted	\$212,051	Budgeted	\$1,474,012
Variance + (-)	\$17,353	Variance + (-)	\$133,904
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: The Payable Aging Reports dated September 2021 was used to complete the chart.	0-30 Days:		\$15,187
	30-60 Days:		\$3,721
	60 Days and Over:		\$1,201
	TOTAL		\$20,109

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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 of the month. If rent has not been received and a repayment plan has not been completed, management will issue a 30-Day Notice to Vacate on the 6h day of the month.				
3) When is legal action taken against delinquent accounts?				
➤ If a payment plan has not been agreed to, management will take legal action according covid pandemic timeline. This is, 30-day Notice to Vacate (NTV) form, followed by a 21-day NTV, followed by a final 3-day NTV.				
4) Does the property currently have any resident(s) under eviction?		X		
5) Does Housing have any outstanding balances?		X		
COMMENTS: The chart to the right was completed using the Aged Receivable report dated 9/30/2021. There were 17 tenants with large past due balances. As of the date of this report, management confirmed that 10 of the tenants applied for and are waiting for Texas Rent Relief approval, 4 tenants have paid off their balances, and 3 tenants are in the eviction process or have been evicted.		0-30 Days:		\$24,989
		30-60 Days:		\$12,198
		60 Days and Over:		\$35,019
		TOTAL		\$72,206

RETURNED CHECKS		YES	NO	N/A
1) Total number of returned checks in the past 3 months:			1	
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.				
➤ On-site staff has attended online training that includes Grace Hill, Greater Dallas Apartment Associates trainings and UPCS trainings.				
COMMENTS: According to management, the site has been without a full-time property manager or site staff since July 26, 2021. A temp was hired to work as a leasing agent but is currently being trained to work as site manager.				

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 can review and pull 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 Manager must seek approval for any unbudgeted or over budget items for the property.				
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 Observations or Findings.

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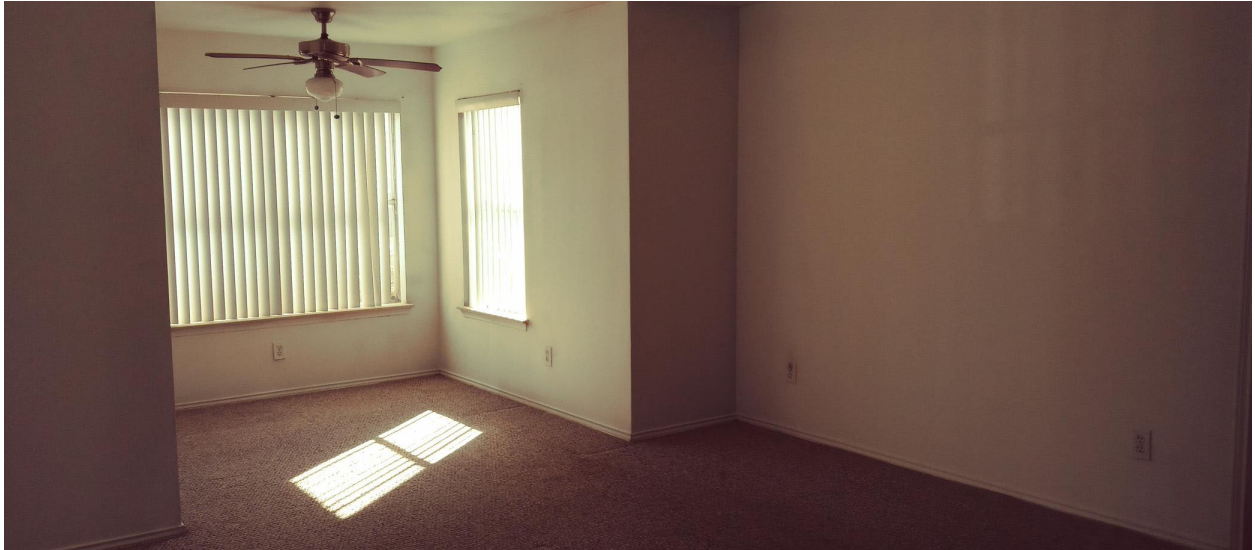


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Vacant Unit 201



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Vacant Unit 506

