

# Texas State Affordable Housing Corporation

## Woodside Village Apartments 2029 MLK Jr., Blvd., Palestine, TX 75803

**Owner:** DHI Woodside Apartments LLC

**Date Built:** 1975

**Management Company:** FPI Management

**Property Manager:** Kari Howell

**Inspection Date & Time:** October 18, 2021, at 2:00 p.m.

**Inspector's Name:** Estefania Linares

<b>Occupancy at Time of Report:</b>	93.48%	<b>Average Occupancy Over Last 12 Months:</b>	95.90%
<b>Number of Units:</b> 92			
<b>Number of One Bedrooms:</b>	10	<b>Number of Two Bedrooms:</b>	30
<b>Number of Three Bedrooms:</b>	42	<b>Number of Four Bedrooms:</b>	10

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- see comment
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 year's review was conducted virtually. Based on the pictures submitted by management, the property looks to be in overall in good condition. The monument sign is visible, the grounds are free from erosion, sidewalks are clean, trees and shrubs are properly trimmed, and the building roofs are in good condition as well. Management let the reviewer know that they removed the property's fence in June of 2021.

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	0	N/A
Theft	0	N/A
Criminal Mischief	0	N/A
Personal Assault	0	N/A
Drug Related Activity	1	Drug Activity (1)
Gun Related Activity	1	Shots Fired (1)
Domestic Violence	0	N/A
Disturbance	9	Disturbance (9)

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Other	2	Suspicious Person (1) Criminal Trespass Warning (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		
<b>COMMENTS:</b> Based on the 911 call sheet that was submitted by management dated June 20, 2021, through September 20, 2021, there are a total of 39 incidents; 12 of them are noted above. The remaining 27 were not crime related. Lights checks are conducted weekly by Property Manager.					

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 by the Portfolio Manager in June 2021.				

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 a permit for the boiler at the community.	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 (Horseshoe and volleyball court)	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 provided monthly.			
6) What is the policy for following up on completed service requests? ➤ A follow up email is sent to the resident as soon as a service request has been completed.			
7) What is the property's after-hours emergency policy? ➤ When an emergency call is received, the call automatically goes to the Property Manager. The Property Manager then communicates the issue with maintenance technician.			
8) What capital improvements have been scheduled or completed for this budget year? ➤ N/A			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>			
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:	88		
Number of requests open from prior periods:	0		
Number of service requests completed:	83		
Number of service requests completed within 24 hours:	24		
Number of outstanding service requests:	5		
13) On average, how many days does it take to complete a work order? ➤ According to management on average it takes 24-48 hours to complete a work order.			
<b>COMMENTS:</b>			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	14	0
Flyers	\$0	0	0
Resident Referral	\$0	3	0
Locator Service	\$0	0	0
Printed/Internet Advertising	\$0	16	0
Other Source (Apt.com\$236) (Fair marketing letter \$0) (AffBaseline \$0) (Google \$0)	\$236	72	25
<b>TOTAL</b>	<b>\$236</b>	<b>105</b>	<b>25</b>
<b>The rental activity reflected in the above table was for the month of: 01/01/2021 - 10/01/2021</b>			
	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	
<b>COMMENTS:</b>			

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: 100%	6 months: 96.96%	12 months: 95.08%

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3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	33.33%		
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 January 2021 with a 1% average increase across all bedroom sizes.			
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			

**COMMENTS:**

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	6
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:	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:	0
6) Number of uncompleted made ready units at time of activity report:	4
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:	2
9) Number of uncompleted three bedroom units at time of activity report:	2

## Units Walked

Unit #	Brief Description
8E	(Vacant – 3 bedrooms) Made ready unit and a move in is scheduled for 10/14/2021.
8F	(Vacant – 3 bedrooms) Made ready unit and a move in is scheduled for 10/14/2021.
9G	(Vacant – 4 bedrooms) Made ready unit and a move in is scheduled for 10/13/2021.

## 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.			
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 4 vacant units that are in the progress of being made ready.			
9)	What is the company policy on the number of days to turn vacant units? ➤ Based on management, the company's policy to turn a vacant unit is 5 business days.			

**COMMENTS:**

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BUDGET MANAGEMENT					YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Yes, three bids are solicited for any amount to obtain materials, supplies and services.							
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ Yes, management purchased new computers for the Community Room and the property had 2 plumbing issues that were repaired.							
3) Explain YTD variances of 10% or greater.							
<b><u>Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending</u></b>							
(Please note that a positive variance is under budget and a negative variance is over budget.)							
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION		
Marketing	\$1,156	\$3,216	\$2,060	64%	Resident Functions		
Administrative Expenses	\$77,729	\$66,248	-\$11,482	-17%	Office Supplies, Management Fee, Compliance Expense, Bookkeeping Fees/Accounting, Telephone and Answering Service.		
Operating and Maintenance Expense	\$66,468	\$27,243	-\$39,225	-144%	Exterminating Contract, Grounds Contracting, Repairs Contract/ Carpet/ Floor.		
Capital Expenses	\$116,619	\$20,713	-\$95,906	-463%	Parking Lot, Plumbing, Walls and Fences, Carpet and Floor Replacements, Heating and Air Conditioning, Appliance Replacements, Other Capital Expenses and Prior Year AP.		
<b>COMMENTS:</b> According to management, the large variance in the Operating and Maintenance Expense budget is due to improper budgeting amounts entered by the prior management company. In addition, the large variance in the Capital Improvement budget is due to new computers for the Community Room and the two plumbing issues that were repaired.							

REVENUE			
FOR THE MONTH ENDING: August 2021		YEAR TO DATE AS OF: August 2021	
Gross Potential	\$89,850	Gross Potential	\$704,370
Budgeted Rental Income	\$88,980	Budgeted Rental Income	\$711,840
Actual Rental Income Collected	\$76,612	Actual Rental Income Collected	\$614,430
Variance + (-)	\$12,368	Variance + (-)	\$96,997
Other Revenue	\$4,565	Other Revenue	\$36,520
Total Collected	\$77,080	Total Collected	\$662,447
Budgeted	\$91,128	Budgeted	\$729,024
Variance + (-)	\$14,048	Variance + (-)	\$66,577
<b>COMMENTS:</b>			

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> This section was completed using the Payables Aging Report dated 10/31/2021.	0-30 Days:		\$37
	30-60 Days:		\$75
	60 Days and Over:		\$81.58
	TOTAL		\$193.58

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 1st day of each month. It is considered late on the 6th and there is a \$5 initial late fee and a \$1 daily late fee after.			
3) When is legal action taken against delinquent accounts? ➤ Legal action is taken on the 10 <sup>th</sup> day of every month.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?		X	
	0-30 Days:		\$10,529.01

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**COMMENTS:** The Aged Receivable Report dated 09/20/2021 was used to complete this section.

At the time of the review, the reviewer was informed that a new management company took over for The Woodside Apartments in June 2021.

When asked about the high delinquency amount, management responded that the total amount on the report is not the actual balance. Most of the amount are due to recertifications that were not completed on time. Because they were not completed on time, the software system started charging market rate rents to every tenant with a past-due recertification. Management also confirmed that the owner needs to go into the software system to fix the amounts and update the report. Lastly, of the true delinquent balance, management confirmed that Texas Rent Relief program has approved \$1,200 of rental assistance and that an additional \$6,000 has been submitted for approval.

**Finding:** Due to the information noted above, management must provide TSAHC with an accurate Aged Receivable Report reflecting true delinquencies no later than 12/19/2021.

30-60 Days:		\$9,512.68
60 Days and Over:		\$98,168.34
TOTAL		\$118,210.03

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
<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. ➤ Staff takes Grace Hill trainings.			
COMMENTS:				

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? ➤ Every Monday, management sends the current delinquency, availability, and financials reports to the owner.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Management is required to get owner's approval for any amount over \$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		
<b>COMMENTS:</b>			

SUMMARY OF OBSERVATIONS AND FINDINGS
No Observations.
<b>Finding:</b> Due to the information noted above, management must provide TSAHC with an accurate Aged Receivable Report reflecting true delinquencies no later than 12/19/2021.

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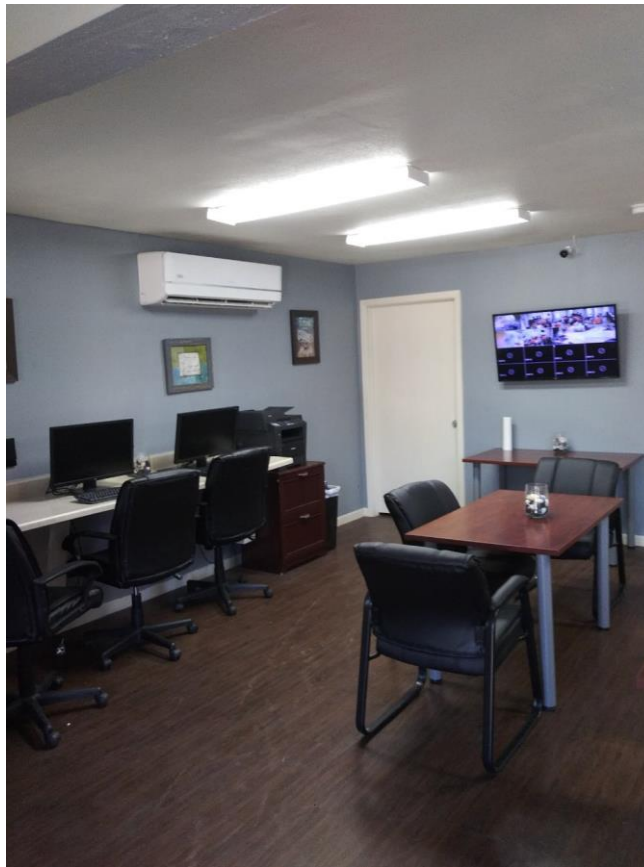
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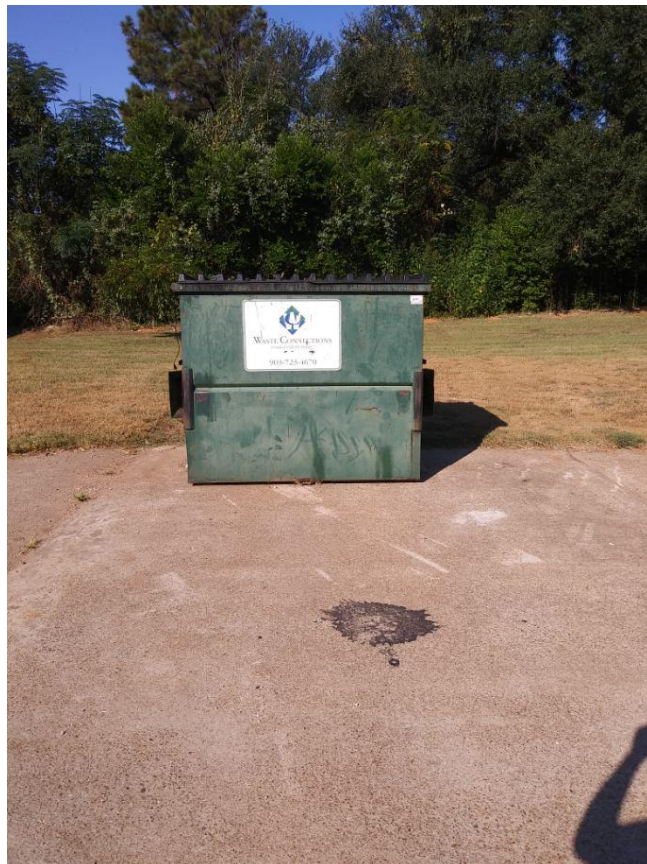
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