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:** Karla Davis
Inspection Date & Time: December 14, 2022, at 8:30 a.m.	**Inspector's Name:** James Matias

Occupancy at Time of Report:	97%	Average Occupancy Over Last 12 Months:	96.7%

Number of Units: 76			
Number of Efficiency Bedrooms:	50	Number of One Bedrooms:	26
Number of Two Bedrooms:	0	Number of Three Bedrooms:	0

PHYSICAL INSPECTION	YES	NO	N/A
1) Are the access gates in operable condition?		X- see comment	
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 the third TSAHC annual review of Pythian Manor Apartments. Based on the pictures submitted for review, the property appears to be in overall in good condition. The monument sign is visible, the building exterior and interior are in an acceptable condition, hallways and sidewalk are clean, and the waste receptacles areas are clean and in good condition. The parking lot has a few potholes and some areas where the top coating is loosening or cracking.

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	1	Burglary of a Motor Vehicle (1)
Theft	0	
Criminal Mischief	0	
Personal Assault	0	
Drug Related Activity	2	Open air drug sales (2)
Gun Related Activity	2	Random Gunfire (2)
Domestic Violence	0	
Disturbance	7	Major Disturbance – Violence (4) Minor Disturbance (1) Loud Music Disturbance (1) Disturbance Emergency (1)

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			YES	NO	N/A
	Other	0			

	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: The section above was completed using the incidents listed on the 911 Police Incidents/Calls reports from Dallas Police Department dated August 15, 2022, through November 12, 2022. Management confirmed the property has surveillance cameras and all cameras are working properly. Light checks are conducted by maintenance every week.

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- see comment

COMMENTS: Management does not have knowledge of when the last risk assessment was conducted at the property.

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? ➢ The property requires permits and licenses for the elevator, boiler systems, and the multi-tenant certificate for the City of Dallas.	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 - 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: The HandiTrack key system is being used.

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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 for the entire property.			
6) What is the policy for following up on completed service requests? ➤ Property staff follows up on completed service request within 48-hours of completion.			
7) What is the property's after-hours emergency policy? ➤ After hour calls are forwarded to pagers that are assigned to on-call maintenance staff.			
8) What capital improvements have been scheduled or completed for this budget year? ➤ According to the Regional Manager, there were no capital improvements scheduled or completed in this budget year. In addition, the washers and dryers were not replaced in the laundry room as discussed in the 2021 report.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➤ Due to the property-wide rehab in 2020, no additional unit interior or appliance upgrades have been completed.			
10) Building Exterior and Curb Appeal repairs ➤ No additional building exterior or curb appears repairs were completed after the 2020 rehab.			
11) Amenity upgrades ➤ No additional amenity upgrades were completed last year.			
12) Other repairs or replacements ➤ No additional repairs or replacements have been completed.			
Number of service requests received:	17		
Number of requests open from prior periods:	20		
Number of service requests completed:	5		
Number of service requests completed within 24 hours:	1		
Number of outstanding service requests:	32		
13) On average, how many days does it take to complete a work order? ➤ According to management, it takes about 2 days to complete a work order. The Report provided does not reflect this turn time. See comments and observations below.			

COMMENTS: This section was completed using the Work Order Status report dated from 11/14/2022 – 12/14/2022. Management confirmed that none of the outstanding service request are emergency related. However, based on the 32 open work orders, it does appear that maintenance is not being completed timely.

Observations:

- **Based on the amount of open work orders, it does not appear the process of using vendors for all work is efficient. Management should pull all resources to get a lead maintenance technician hired for the property.**

- **Management should be aware of the work order turn times to ensure work is being done timely and tenants are satisfied.**

MARKETING			
1) Complete the table below with the most recent information available.			

SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	$0	0	0
Flyers	$0	0	0
Resident Referral	$0	0	0
Locator Service	$0	0	0
Printed/Internet Advertising - Corporate Website $0	$0	0	0
Other Source – Banners	$0	0	0
TOTAL	**$0**	**0**	**0**
The rental activity reflected in the above table was for the month of: 11/01/2022 – 12/20/2022			
	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 (see comments)	

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COMMENTS: Management stated that they do not spend any money on marketing. In addition, they do not track their traffic activity. The property is on a waiting list and gets all tenants through the Housing Authority. The Regional Property Manager said the market surveys are done annually.

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: 81.5%	12 months: 93.4%
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 lese 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 of $26 for the efficiency and $35 for one bedroom was implemented on October 1, 2022.			
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: Two of the five units (40%) that moved out were due to skip (abandoned unit).

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:	1
3) Number of completed efficiency bedroom units at time of activity report:	1
4) Number of completed one-bedroom units at time of activity report:	0
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:	1
7) Number of uncompleted one-bedroom units at time of activity report:	1
8) Number of uncompleted two-bedroom units at time of activity report:	0
9) Number of uncompleted three-bedroom units at time of activity report:	0

Units Walked

Unit #	Brief Description
1-111	0X1, Vacant, Made Ready
1-216	1X1, Vacant, ADA Unit, Almost Ready

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: Every Quarterly			
7) How often are vacant units inspected? ➢ Vacant units are inspected: Weekly			

8)	How many vacant units are in progress of being made ready?
➤	One vacant unit is 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 calendar days.

COMMENTS:

Observation:

- **The company policy is to turn units within seven days. However, one of the two vacancies (unit 111) took 3.5 months to be made ready. With a high demand for affordable housing and a Housing Authority with a waiting list, the property is losing revenue by not turning and renting the unit timely.**

BUDGET MANAGEMENT
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 over $1000.
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget?
➤ Yes, the property replaced the chiller system.
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
Administrative	$151,402	$125,275	($26,127)	(20.9%)	Bad Debt, Telephone/Answering Service, Travel Expense (Air, lodging and auto).
Operating & Maintenance	$93,464	$73,381	($20,083)	(27.4%)	Repair Contracts Other, Repair Contracts HVAC, Repairs Contract Plumbing, Contract Labor

COMMENTS: The property is operating without a maintenance staff; therefore, contract labor is higher making the Operating and Maintenance line item go over budget.

REVENUE			
FOR THE MONTH ENDING: SEPTEMBER 2022		**YEAR TO DATE AS OF: SEPTEMBER 2022**	
Gross Potential	$92,735	Gross Potential	$831,178
Budgeted Rental Income	$89,871	Budgeted Rental Income	$808,839
Actual Rental Income Collected	$89,192	Actual Rental Income Collected	$797,343
Variance + (-)	($679)	Variance + (-)	($11,496)
Other Revenue	($6,154)	Other Revenue	($20,075)
Total Collected	$83,038	Total Collected	$777,268
Budgeted	$85,417	Budgeted	$799,022
Variance + (-)	($2,379)	Variance + (-)	($21,754)

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 using the Vendor Aging Report dated 12/31/2022. Based on a review of the report, 83% of the high balance is due to unpaid ownership payments. No other invoices or the aged delinquency of the invoices are a concern.	0-30 Days:		$12,818
	30-60 Days:		$9,453
	60 Days and Over:		$45,986
	TOTAL		$68,257

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 of every month and late on the 6th with an initial late fee of $5 and $1 after until rent is paid in full. Maximum of late fee is $30 per month.			

3) When is legal action taken against delinquent accounts? ➤ Notice is sent on the 6th and eviction file is on the 17th.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?		X	

COMMENTS: This section was completed using the Delinquent and Prepaid report dated 12/14/2022. Regarding the current balance due, 99% comes from 8 delinquent households. On average, each household has a delinquent balance of $3,950. One of the eight large balances is due to a large housing balance. The large housing balance was due to income that was not reported to the Housing Authority. Management stated the other 7 units with high balances have been issued a 30-day notice and the start of the eviction process is pending.	0-30 Days:	$3,747
	30-60 Days:	$7,286
	60 Days and Over:	$20,028
	TOTAL	$31,061

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:			

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. ➤ Sexual Harassment, Fair Housing and LMS Courses.			
COMMENTS: The property is currently looking for a Lead 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? ➤ Reports such as financials, delinquency and availability are submitted 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? ➤ The dollar amount of an unbudgeted or over budget expense over $1,000 requires owner approval.			
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:			

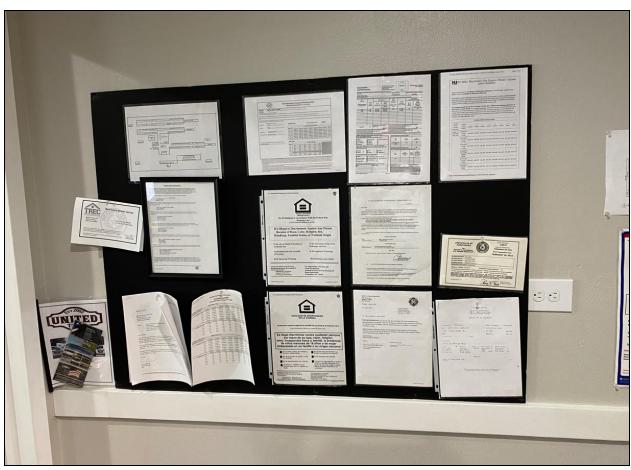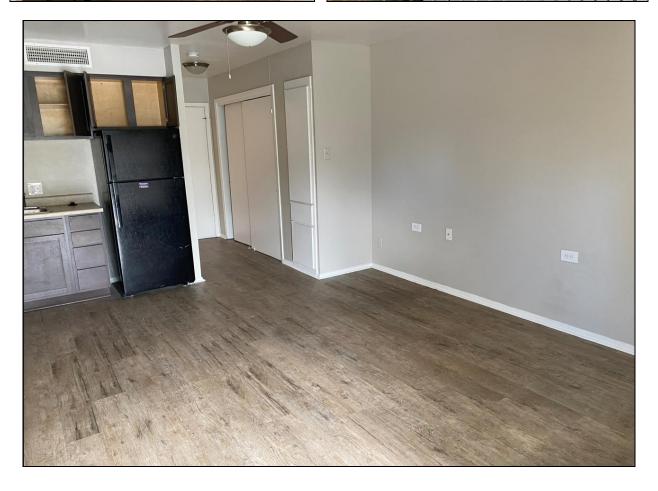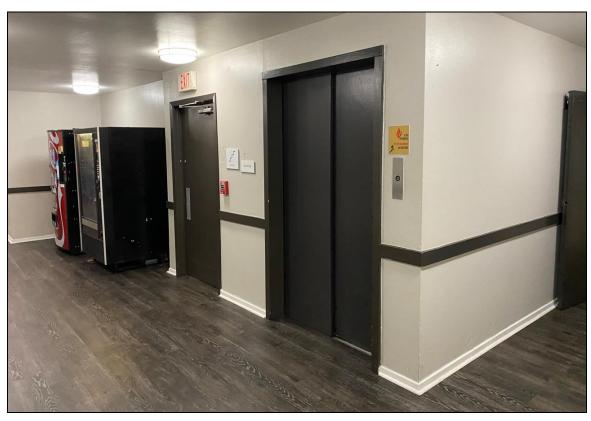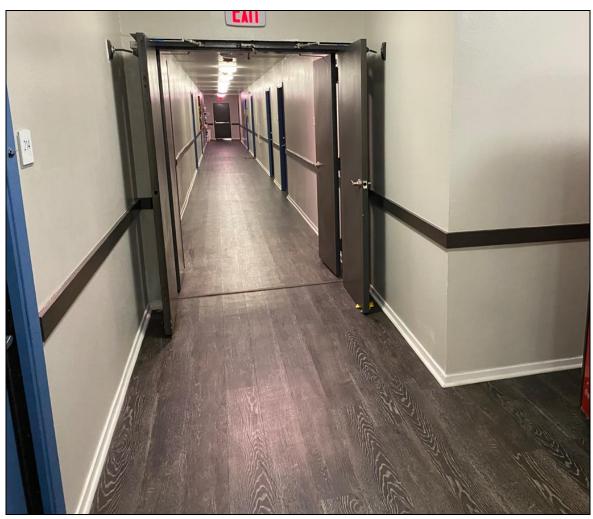| SUMMARY OF OBSERVATIONS AND FINDINGS |
|---|
| **Observations:**
 •   **Based on the amount of open work orders, it does not appear the process of using vendors for all work is efficient. Management should pull all resources to get a lead maintenance technician hired for the property.**
 •   **Management should be aware of the work order turn times to ensure work is being done timely and tenants are satisfied.**
 •   **The company policy is to turn units within seven days. However, one of the two vacancies (unit 111) took 3.5 months to be made ready. With a high demand for affordable housing and a Housing Authority with a waiting list, the property is losing revenue by not turning and renting the unit timely.** |

UNIT 216

Unit 111