

Texas State Affordable Housing Corporation

Willow Green Apartments

9301 Willow Place Dr., Houston, Texas 77070

Owner: Dalcour Affordable Housing I, LLC

Date Built: 1995

Management Company: Dalcour Management, LLC

Property Manager: Terra London

Inspection Date & Time: October 6, 2022 at 9:00 am

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	97%	Average Occupancy Over Last 12 Months:	97.2%
Number of Units: 336			
Number of One Bedrooms:	88	Number of Two Bedrooms:	168
Number of Three Bedrooms:	80	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 in overall good condition based on the photos submitted by management.

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	
Theft	0	
Criminal Mischief	1	
Personal Assault	2	
Drug Related Activity	0	
Gun Related Activity	2	Shooting - 1 and Discharged firearm -1
Domestic Violence		
Disturbance	16	
Other	8	Suspicious event - 1, Suspicious person - 1, Robbery - 2, Exposure - 1, Forgery - 1 and Loud Noise - 2
		YES NO N/A

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2) Does the property utilize a crime prevention agreement?			
3) Does the property take pro-active measures to address crime on property? If so, add comment			
4) Are light checks conducted by management staff on a weekly basis? If not, add comment.			

COMMENTS: The Houston Police Department call logs dated May 2022 – July 2022 indicate a total of 53 calls were made. Of those 53 calls, 31 are noted in the chart above. There is a slight increase from the number of incidents noted in the previous year's report (10 incidents). Management mentioned there has been an increase of crime overall in the city of Houston. However, management continues to utilize the surveillance cameras to monitor activity at the property and uses the contract lease and house rules to issues lease violation when needed. Management disclosed the property does not have a courtesy officer at this time however they are actively trying to find a new officer to fill the position.

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: In September 2022, management conducted a property-wide risk assessment.

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?	X		
➤ Security system, fire panels, pool			
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	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:

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		

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4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
5) How often are Pest Control services provided? ➢ Each week, 15 units are provided with pest control services.			
6) What is the policy for following up on completed service requests? ➢ Site staff conducts customer call backs within a day of completing work orders.			
7) What is the property's after-hours emergency policy? ➢ The property utilizes an answering service. The answering service will contact the appropriate persons.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ The following capitol improvements were completed for the current budget year; Installation of new picnic tables, new bus stop and bench, speed bumps, stair rail were repainted, stair landing were replaced (\$26K) and new plumbing pipe lines through property(\$55K).			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➢ Vinyl floors were installed as needed.			
10) Building Exterior and Curb Appeal repairs ➢ Stair landings were repaired.			
11) Amenity upgrades ➢ New fitness equipment was added, and vinyl flooring was installed in the business center.			
12) Other repairs or replacements ➢ N/A			
Number of service requests received:	179		
Number of requests open from prior periods:	45		
Number of service requests completed:	179		
Number of service requests completed within 24 hours:	15		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➢ Based on the Work Order Directory report, it takes maintenance staff an average of 10.5 days to completed work orders.			
COMMENTS: Management disclosed there were short a lead maintenance position for about 3 months which lead to the delay of completed work orders timely. A lead maintenance position has been filled.			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth		55	7
Flyers			
Resident Referral		9	0
Locator Service			
Printed/Internet Advertising		131	3
Other Source: Apartments, LLC and it's \$683 + Rentable is \$66.50	\$749.50	0	0
TOTAL	\$749.50	195	10
The rental activity reflected in the above table was for the month of: 8/1/2022 – 9/16/2022			
	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		
COMMENTS:			

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: 20%	6 months: 85%	12 months: 93%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?			26%

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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? <ul style="list-style-type: none"> ➢ There was a significant rent increase implemented in May 2022 in the amount of \$118, \$138 and \$156 on the 1, 2 and 3-bedrooms unit, respectively. See comment. 			
10) How many households are currently on month-to-month leases? <ul style="list-style-type: none"> ➢ 			
11) What is the charge for month-to-month leases? <ul style="list-style-type: none"> ➢ 			
COMMENTS: Management mentioned the percentage of households renewing decreased because tenants are either choosing too or because management is enforcing rent payment on delinquent tenants. In addition, the move outs due to eviction/non-payment of rent or "skips" decreased by 10%. Regarding the rent increase, management stated they are implementing new rents on new tenant and continue to offer minimal rent increases on current tenants.			

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:			8
3) Number of completed one bedroom units at time of activity report:			2
4) Number of completed two bedroom units at time of activity report:			3
5) Number of completed three bedroom units at time of activity report:			3
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:			2
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:			0
Units Walked			
Unit #	Brief Description		
801	Vacant (2x2) Unit is made-ready		
908	Vacant (3x2) Unit is made-ready		
1004	Vacant (1x1) Unit is made-ready		
1709	Vacant (2x2) Unit is made-ready		
2202	Vacant (2x2) Unit is made-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? <ul style="list-style-type: none"> ➢ Occupied units are inspected: Quarterly 			
7) How often are vacant units inspected? <ul style="list-style-type: none"> ➢ Vacant units are inspected: Weekly 			
8) How many vacant units are in progress of being made ready? <ul style="list-style-type: none"> ➢ Four units are in the process of being made-ready. 			

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9) What is the company policy on the number of days to turn vacant units? > Unit must be turned within 10 days, per company policy.	
COMMENTS:	

BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? > Three bids are required.			
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? > There have not been any unexpected repairs or purchase during the current budget year.			
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
Payroll Expenses	\$256,235	\$225,670	(\$30,565)	(13.5%)	Bonuses and 401k Employer Match
Redecorating Expenses	\$69,032	\$59,840	(\$9,192)	(15%)	Contract Paint Labor and Int Doors and Locks
Grounds and Maintenance Expense	\$36,224	\$50,150	\$13,925	27%	Miscellaneous grounds
Advertising Expenses	\$11,718	\$13,280	\$1,561	11%	Social Recreation and Locator and Broker Fees
Refurbishment Expenses	\$180,644	\$235,246	\$54,601	23%	Roof replacements, Landscaping/Irrigation and Fire Protection Replacement

COMMENTS: Regarding the Grounds and Maintenance, maintenance confirmed that the budgeted item was miscoded. Management will make this edit to this line item.

REVENUE			
FOR THE MONTH ENDING: August 2022		YEAR TO DATE AS OF: August 2022	
Gross Potential	\$321,101	Gross Potential	\$2,568,808
Budgeted Rental Income	\$802,397	Budgeted Rental Income	\$2,410,526
Actual Rental Income Collected	\$310,506	Actual Rental Income Collected	\$2,469,434
Variance + (-)	\$8,109	Variance + (-)	\$58,908
Other Revenue	\$11,436	Other Revenue	\$5,544
Total Collected	\$321,942	Total Collected	\$2,474,979
Budgeted	306,549	Budgeted	\$2,443,742
Variance + (-)	\$15,393	Variance + (-)	\$31,237

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 Payable Aging Report as of 9/16/2022.	0-30 Days:		\$22,052
	30-60 Days:		\$0
	60 Days and Over:		(\$1,798)
	TOTAL		\$20,254

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. A \$5 late fee is assessed on the 6 th and a daily 5% fee is assessed until rent is paid in full.			
3) When is legal action taken against delinquent accounts? > Action against delinquent accounts is taken on the 20 th of each month.			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?	X		

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COMMENTS: This section was completed using the Affordable Receivable Aging Summary report as of September 2022. Management mentioned there are several households on re-payment plans and a few that are in the process of being evicted.	0-30 Days:		\$29,729
	30-60 Days:		\$8,189
	60 Days and Over:		\$7,736
	TOTAL		\$45,654

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		2	
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.			
<ul style="list-style-type: none"> ➤ Staff is required to completed industry trainings via Grace Hill, Housing Apartment Association and Texas Apartment Association. 			
COMMENTS: There is a new lead maintenance and a new leasing agent at the community.			

OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to the software system utilized to manage the property?			
2) How often are reports submitted to the owner?			
<ul style="list-style-type: none"> ➤ Owners have access to the property management software system. 			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds?			
<ul style="list-style-type: none"> ➤ Any amount over \$100 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
<p>No Observations or Findings.</p>

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