

# Texas State Affordable Housing Corporation

## W Leo Daniels Apartments 8826 Harrell St., Houston, Texas 77903

**Owner: W. Leo Daniels Towers I, LP**

**Date Built: 1979**

**Management Company: J. Allen Management Co.**

**Property Manager: Demita Hill**

**Inspection Date & Time: July 21, 2023 at 8:30 a.m.**

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

<b>Occupancy at Time of Report:</b>	79%	<b>Average Occupancy Over Last 12 Months:</b>	78.5%
<b>Number of Units: 100</b>			
<b>Number of Efficiencies:</b>	53	<b>Number of One Bedroom:</b>	47
<b>Number of Two Bedrooms:</b>	0	<b>Number of Three Bedrooms:</b>	

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) Are parking lots clean, in good repair with handicap parking spaces clearly marked?		X	
9) Are all recreational, common areas and amenity areas clean, maintained, and accessible?		X	
10) Is facility equipment operable and in acceptable condition?	X		
11) Is the area around the waste receptacles clean and are the enclosures in good repair?	X		
12) Is the exterior of the buildings in acceptable condition?	X		
14) Are hallways/breezeways 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 still undergoing full-site property rehab. The property grounds are in acceptable condition. However, there are several rehab materials, large storage containers, and machinery on the property grounds. Management is encouraged to ensure the property grounds are brought back up to standard once all materials, containers and machinery are removed at rehab completion. There are two property access gates, while both are operational one of the gates is manually closed at nighttime while the other remains open. The reviewer was unable to access the roof, however, management confirmed that the roof has been rehabbed and in acceptable condition. The blinds are being replaced. The parking lot is currently being constructed with the addition of an underground retention.

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:		
<b>Incident Type</b>	<b># of Occurrences</b>	<b>Comments:</b>
Burglary	3	
Theft	4	
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		

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Disturbance	1				
Other	1	Suspicious Event			
			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 Houston Police Department’s Calls for Service report dated3/1/2023 – 7/13/2023, there was a slight increase in activity. Management continues to provide security via Champions Security Management services. They patrol the property weekly (Monday – Friday), from 9pm to 4am. Management continues to utilize the security surveillance cameras to monitor activity on the property and issues lease violations when necessary.					

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		
4)	Are criminal background checks being conducted on residents as they age to be 18 while living in the unit?			X
5)	Has a risk assessment been conducted to determine risk liabilities at the property? If yes, when?	X		
COMMENTS: The last risk assessment was conducted on 9/8/2021 by the owner's insurance group. The Property Manager conducts property inspections quarterly.				

<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		
	➤ Elevator, Fire & Sprinkle Alarm, Emergency Pull Cord and Fire Extinguishers				
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- see comment	
	➤ BBQ/Picnic Area				X
	➤ Laundry Facility		X		
	➤ Business Center			X – see comment	
	➤ Pool				X
	➤ Other – Elevators (two)		X		
<b>COMMENTS:</b> The following amenities are offered to tenants but are currently under construction; computer room, gym, community room, café and beauty salon.					

<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 that is being followed?	X		
2) Is the maintenance shop clean and organized?	X		
3) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
4) How often are Pest Control services provided? ➤ Services are provided weekly (two floors per week).			
5) What is the policy for following up on completed service requests? ➤ Site staff is responsible for opening/closing work orders. One complete, site staff completes courtesy call backs on all completed work orders.			
6) What is the property's after-hours emergency policy? ➤ The answering services transfer calls to the appropriate on-call staff member.			
7) What capital improvements have been scheduled or completed for this budget year? ➤ The property is still undergoing a full-site rehab; therefore, no capital improvements has been scheduled this budget year.			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>			
8) Unit Interior and Appliance upgrades ➤ N/A – Property under rehab			
9) Building Exterior and Curb Appeal repairs ➤ N/A – Property under rehab			
10) Amenity upgrades ➤ N/A – Property under rehab			
11) Other repairs or replacements ➤ N/A – Property under rehab			
Number of service requests received:	5		
Number of requests open from prior periods:	0		
Number of service requests completed:	3		
Number of service requests completed within 24 hours:	1		
Number of outstanding service requests:	2		
12) On average, how many days does it take to complete a work order? ➤ On average, work orders are completing within 2 days.			

**COMMENTS:**

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	17	17
Resident Referral (Current/Prior)			
Locator Service			
Printed/Internet Advertising: Green Sheets (\$40/week)	\$2,080	81	71
Other Source			
<b>TOTAL</b>	<b>\$2,080</b>	<b>98</b>	<b>88</b>
<b>The rental activity reflected in the above table was for the month of: 6/1/23 – 7/6/23</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

**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		

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2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: N/A	6 months: N/A	12 months: N/A – see comment
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or “skip”?	12%		
4) Are lease renewal 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) When was the last rent increase implemented? What was the average rent increase? ➤ The last rent increase was implemented in December 2022. The average rent increase was \$20 for Efficiency units and \$21 for one-bedrooms.			
9) How many households are currently on month-to-month leases? ➤ The property utilizes HUD leases.			
10) What is the charge for month-to-month leases? ➤ N/A			
<b>COMMENTS:</b> Based on conversation there are still several tenants living on a sister property that are waiting to be transferred back into their rehab units. Management has not been properly entering the tax credit leases into OneSite software system therefore management was unable to generate a report for review. Management is aware to ensure this information is properly tracked moving forward. According to the Reason for Move Out Report for the past 12 months, 12% (3 moveout) were due to nonpayment of rent.			

VACANT/MAKE READY UNITS					
1) Number of vacant units at time of activity report:			29		
2) Number of completed made ready units at time of activity report:			1		
3) Number of completed efficient-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 two-bedroom units at time of activity report:			0		
6) Number of uncompleted made ready units at time of activity report:			28 – (Unit rehabs)		
7) Number of uncompleted efficient-bedroom units at time of activity report:			19		
8) Number of uncompleted one-bedroom units at time of activity report:			9		
9) Number of uncompleted two-bedroom units at time of activity report:			0		
Units Walked					
Unit #	Brief Description				
125	(1x1) Occupied: Good condition				
128	(0x1) Occupied: Good condition				
702	(0x1) Vacant: Made-ready				
705	(1x1) Occupied: Good condition				
709	(0x1) Occupied: Good condition				
807	(1x1) Vacant: Made-ready				
Beauty Shop					
Down Units Walked (units vacant and unready for extended period 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? If so, please comment below.				X– see comment	
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: Quarterly					

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7) How often are vacant units inspected? ➤ Vacant units are inspected: Daily by maintenance staff and bi-weekly by property manager.
8) How many vacant units are in progress of being made ready? ➤ There are 28 units that are in the process of being rehabilitated.
9) What is the company policy on the number of days to turn vacant units? ➤ Per company policy, units must be made-ready withing 5-7 days.
<b>COMMENTS:</b> As of the date of this report, the following floors are completed 1, 7 and 8, the following floors are in the final rehab stage 2 and 3 (tenant returns are scheduled for the end of August 2023), and the following floors are still under construction 6, 5 and 4.

BUDGET MANAGEMENT					YES	NO	N/A
1)	Are three bids solicited to obtain materials, supplies, and services?				X		
2)	Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? If so, comment below.					X	
3)	Explain YTD variances of 10% of greater in the chart below.						
<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	
See comment.							
<b>COMMENTS:</b> According to the Budget Comparison as of May 31, 2023, there are no variances greater than ten percent. The property is accurately budgeting for this site during the full site rehab.							

REVENUE					
FOR THE MONTH ENDING: May 2023			YEAR TO DATE AS OF: May 2023		
Gross Potential		\$109,483	Gross Potential		\$547,415
Budgeted Rental Income		\$94,858	Budgeted Rental Income		\$474,290
Actual Rental Income Collected		\$80,248	Actual Rental Income Collected		\$418,279
Variance + (-)		(\$14,619)	Variance + (-)		(\$56,011)
Other Revenue		\$273	Other Revenue		\$412
Total Budgeted		\$94,963	Total Budgeted		\$474,815
Total Collected		\$80,521	Total Collected		\$418,691
Variance + (-)		(\$14,422)	Variance + (-)		(\$56,124)
<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> The Vendor Aging Report dated 7/21/23 was utilized to complete this report.				0-30 Days:		\$3,398
				30-60 Days:		\$1,073
				60 Days and Over:		\$0
				TOTAL		\$5,371

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 1 <sup>st</sup> . Initial late fee of \$5 is assessed on the 6 <sup>th</sup> day in addition to a daily \$1 fee until rent is paid.						
3) When is legal action taken against delinquent accounts?						

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➤ Management takes legal action against delinquent accounts on the 15 <sup>th</sup> day of the month.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b> The Delinquency report dated 7/21/23 was utilized to complete this report. Management confirmed the tenant that owned \$6,680 (57%) of balance is schooled to pay remainder of balance in July 2023.	0-30 Days:		\$6,264
	30-60 Days:		\$5,338
	60 Days and Over:		\$0
	TOTAL		\$11,580

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>			

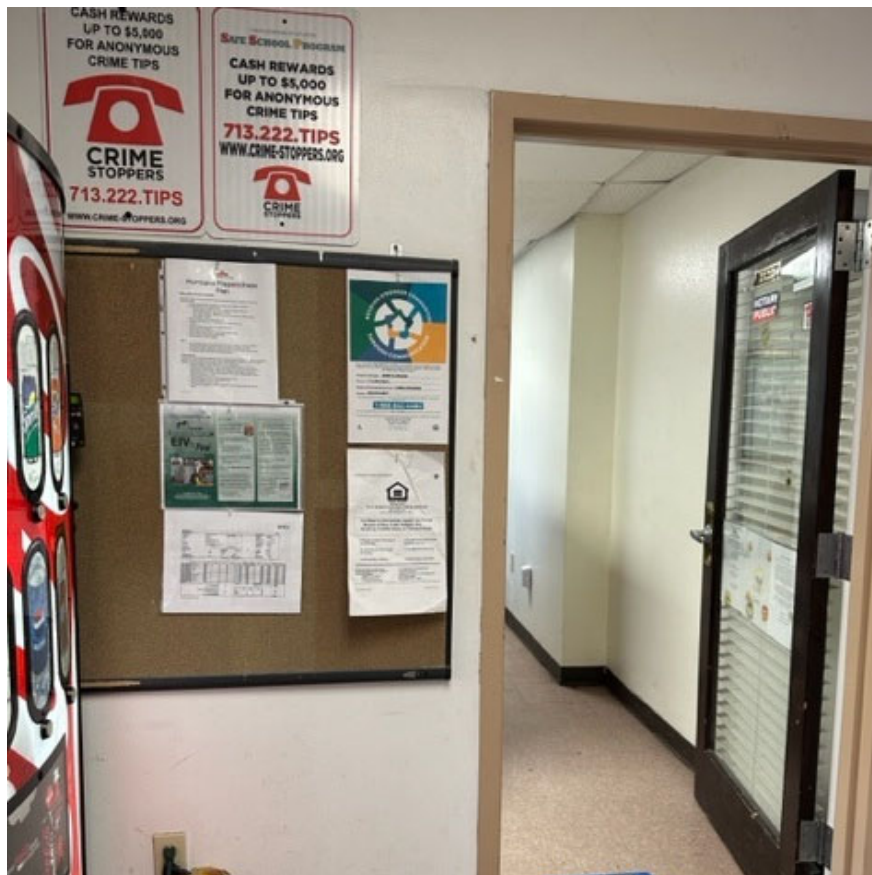
PERSONNEL		YES	NO	N/A
1)	Does owner/agent have a system/procedure for providing field supervision of on-site personnel?	X		
2)	Does the property appear to be adequately staffed?	X		
3)	Is overtime being controlled?	X		
4)	Were requested pre-audit reports submitted on time?	X		
5)	Does it appear that personnel are team oriented?	X		
6)	Was management staff prepared for the site visit?	X		
7)	Has staff turnover occurred since the last site review?		X	
8)	Are weekly staff meetings held?	X		
9)	Have personnel been trained in Fair Housing?	X		
10)	List training staff has received in the past year. ➤ Site staff is required to take in-house industry and management training monthly.			
COMMENTS:				

OWNER PARTICIPATION		YES	NO	N/A
1)	Does the owner have access to the software system utilized to manage the property?	X		
2)	Is site management required to submit weekly reports to the owner?	X		
3)	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		
4)	What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Any amount over budget requires owner approval.			
COMMENTS:				

SUMMARY OF OBSERVATIONS AND FINDINGS
No Observation or Findings.



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Community Room & Cafeteria



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Exterior / Parking Lot / Underground Retention



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Building Exterior





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Unit 702 Vacant:



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Unit 807 Vacant:

