

# Texas State Affordable Housing Corporation

## Willow Green Apartments

9301 Willow Place Dr., Houston, Texas 77070

**Owner:** Willow Green Apt. LP

**Date Built:** 1995

**Management Company:** Orion Real Estate Services Texas LLC **Property Manager:** Terra London

**Inspection Date & Time:** August 17, 2023, at 8:00 am

**Inspector's Name:** Mercedes Dunmore

<b>Occupancy at Time of Report:</b>	91.37%	<b>Average Occupancy Over Last 12 Months:</b>	<b>See finding</b>
<b>Number of Units: 336</b>			
<b>Number of One Bedrooms:</b>	88	<b>Number of Two Bedrooms:</b>	168
<b>Number of Three Bedrooms:</b>	80	<b>Number of Four Bedrooms:</b>	N/A

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 – see comment		
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 – see comment		
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 – see comment		
14) Are hallways/breezeways clean and maintained?	X – see comment		
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 – see comment		
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:** Overall the property's curb appeal is nicely maintained, however, there are a few areas the reviewer would like to note a few areas that are in need of attention. The building exteriors are starting to wear and fade. Management is encouraged to obtain bids to have the buildings' exteriors such as shingles and fascia boards repaired and repainted to assist with the upkeep and presentation for the curb appeal. The gutters in building 23 is in need of cleaning. The light fixtures in the breezeways and the breezeway themselves are in need of cleaning due to excessive debris. Tree trimming is needed outside of units 602 and 1109. Additionally, management advised the property is cleaning sewer drain lines and exterior vents, as well as repairing exterior siding and ceiling damage throughout the property under the directive of the City Code Enforcement Inspector.

**Observations:**

- At the time of transfer of ownership, the phone and internet services were disconnected resulting in no phone and internet services at the property for over X months. Management is required to implement working phones within the next 30 -days in order to ensure the property is available for rent to the general public.
- The reviewer noticed a heavy presence of personal grills on the property. Management is advised to review the policy for allowing residents to have grills on the property and implement enforcement to eliminate any safety concerns.
- The parking lot is not in good repair. The parking lot, fire lanes, and speed bumps need to be re-stripped and repainted. Several

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parking spots have stains from fluid leaks. It is recommended that management repair the parking lot to increase curb appeal and decrease the risk of safety issues. Photos of the damage are located at the end of this report.

- The roofs on several buildings appear to be dated and worn. Management states they are unaware of the age of the roofs. The Owner/management agent is encouraged to review this concern and discuss a plan of action to be ensure the repairing or replacing the roofs are completed timely.

**Finding:**

- Management failed to provide an occupancy report detailing the occupancy at the end of each month. Management must provide TSAHC with a report dating each month's occupancy from April 2023 through August 2023 no later than 11/13/2023.

## 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		See Finding below.
Theft		
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance		
Other		

	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:** Management states the security contract for the surveillance cameras was terminated and no future plans for a new contract have been mentioned. Additionally, management states, there is a courtesy officer who moved on-site in March 2023 that conducts property walks four nights a week.

**Observation:**

- Management advised that the courtesy officer has not provided and submitted weekly reports to detail the activity on the site. Management is advised to review the contract details to ensure the services are being rendered according to the contract.

**Finding:**

- Management did not provide the reviewer with the requested police reports therefore the Security Program section of this report could not be completed. It is important that management periodically review 911 reports to monitor any activity on the property and issue lease violations if necessary. Management must obtain 911 reports for the previous 3 months and submit them to TSAHC by 11/13/2023.

## 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 – see comment		

**COMMENTS:** The most recent risk assessment was completed in August 2023 by the owner's representative and the regional maintenance team.

## 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?			

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➤ 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? ➤ (Security system, fire panels, and pool)	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)	X		
<b>COMMENTS:</b>			

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		
<b>COMMENTS:</b>			

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 – see comment		
3) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
4) How often are Pest Control services provided? ➤ Pest Control services are provided once a week.			
5) What is the policy for following up on completed service requests? ➤ Management follows up with residents on completed service requests at random.			
6) What is the property's after-hours emergency policy? ➤ Residents send emails for all service requests to the property manager, which are delivered to the property manager's cell phone. The property manager identifies emergencies and contacts the on-call maintenance team member.			
7) What capital improvements have been scheduled or completed for this budget year? ➤ A new fence was installed around the pool and a water conservation replacement (i.e., toilets, aerators, and leak repairs) in each unit was completed in July 2023.			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>			
8) Unit Interior and Appliance upgrades ➤ Ceiling fans were installed for approximately 50 units, and 40 appliances were replaced during unit turns. Additionally, management replaced the flooring in six units during unit turns.			
9) Building Exterior and Curb Appeal repairs ➤ N/A			
10) Amenity upgrades ➤ N/A			
11) Other repairs or replacements ➤ N/A			
Number of service requests received:	84		

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Number of requests open from prior periods:	0		
Number of service requests completed:	47		
Number of service requests completed within 24 hours:	24		
Number of outstanding service requests:	37- see finding		
12) On average, how many days does it take to complete a work order? ➤ On average it takes 2.13 days to complete a service request.			
<b>COMMENTS:</b> The reviewer would like to note how well the maintenance shop was organized and structured, this helps staff to be more efficient, enabling staff with more time to complete the service request.			
<b>Observation:</b>			
<ul style="list-style-type: none"> <li>Management is encouraged to implement a plan of action or update the policy for closing completed service request in the property management system. To ensure the report accurately reflects the completion of each request.</li> </ul>			
<b>Finding:</b>			
<ul style="list-style-type: none"> <li>Per management, maintenance doesn't bring in completed requests daily resulting in the completion of service requests in the system being delayed. Due to the three (3) outstanding water leak concerns, management must submit proof that the work orders were completed for units 613, 1508, and 2303 by submitting copies of the completed services request, pictures, and/or invoices by 11/13/2023.</li> </ul>			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	46	10
Resident Referral (Current/Prior)	\$300	6	0
Locator Service	\$0	0	0
Printed/Internet Advertising: (Apts.com and Apartmentgilde.com)	\$421	67	0
Other Source	\$0	0	0
<b>TOTAL</b>	<b>\$721</b>	<b>119</b>	<b>10</b>
<b>The rental activity reflected in the above table was for the month of: July 16, 2023, through August 16, 2023</b>			
	<b>YES</b>	<b>NO</b>	<b>N/A</b>
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: See finding	6 months:	12 months:
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?			41.51%
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 rental increase was implemented in June 2023; the increase average was \$100.			
9) How many households are currently on month-to-month leases? ➤ N/A			
10) What is the charge for month-to-month leases? ➤ N/A			
<b>COMMENTS:</b>			

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**Observation:**

- The percentage of move-out due to eviction or non-payment of rent has increased by 15%. Management is strongly encouraged to review the current delinquency report and implement a plan to address concerns for at-risk residents to gain control of the rapid decrease in resident retention. Examples include creating a payment plan policy and/or assisting residents with rental assistance agencies, etc. to assist residents prior to being severely delinquent.

**Finding:**

- The reviewer is unable to determine the percentage of residents renewing at the current, six-month, and twelve-month timeframes based on the report provided. Management is required to submit to TSAHC a completed monthly lease expiration report from April 2023 through August 2023 to detail the number of renewals for each period as outlined above. The corrective actions are due to TSAHC no later than 11/13/2023.

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:	10
3) Number of completed one-bedroom units at time of activity report:	6
4) Number of completed two-bedroom units at time of activity report:	0
5) Number of completed three-bedroom units at time of activity report:	4
6) Number of uncompleted made ready units at time of activity report:	19
7) Number of uncompleted one-bedroom units at time of activity report:	7
8) Number of uncompleted two-bedroom units at time of activity report:	10
9) Number of uncompleted three-bedroom units at time of activity report:	2

**Units Walked**

Unit #	Brief Description
707	2X2 – Ready - 140 days vacant
2113	1X1 – Ready - 205 days vacant

**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		
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			
7) How often are vacant units inspected? ➤ Vacant units are inspected: Every other week. <b>See observation below</b>			
8) How many vacant units are in progress of being made ready? ➤ Nineteen (19) units are 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 five and seven days.			

**COMMENTS:** Based on the Available Unit report dated August 16, 2023, it is apparent management is currently working to make the units with the longest vacancies rent-ready. Management is reminded of the importance of making units ready with the longest vacancy days first in order to lease these units to increase the revenue.

**Observation:**

- Management stated that vacant units are not being inspected regularly. It is critical that all vacant units are inspected frequently to ensure there are not any leaks, squatters, or pest issues. It is suggested that management implement a new plan or start following the current management plan to better monitor the status of all vacant units.

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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 – see comment		
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		
Payroll Expense	\$40,984	\$75,647	\$34,663	59.44%	Leasing, Taxes/Workers Comp, Maintenance Supervisor, Manager		
Marketing	\$2,876	\$7,016	\$4,140	83.70%	Commissions, Resident Referrals		
Contract Services	\$8,880	\$14,629	\$5,749	48.90%	Security Contract, Alarm Contract		
Repairs and Maintenance	\$416	\$10,272	\$9,856	184.43%	HVAC, Plumbing, and Electrical Supplies		
Make Ready/Cleaning	\$9,398	\$17,197	\$7,799	58.66%	Apt Paint, Paint/Sheetrock, Interior and Supplies		
Capital Expenses	\$111,967	\$66,872	(\$45,095)	50.43%	Plumbing, Landscape & Drainage.		
<b>COMMENTS:</b> Management states the pool plumbing repairs negatively affected the budget, as indicated in the capital expenses budget.							

REVENUE			
FOR THE MONTH ENDING: June 2023		YEAR TO DATE AS OF: June 2023	
Gross Potential	\$322,943	Gross Potential	\$696,795
Budgeted Rental Income	\$293,734	Budgeted Rental Income	\$639,409
Actual Rental Income Collected	\$342,685	Actual Rental Income Collected	\$751,901
Variance + (-)	\$2,215	Variance + (-)	\$7,665
Other Revenue	\$4,796	Other Revenue	\$12,819
Total Budgeted	\$328,481	Total Budgeted	\$720,278
Total Collected	\$327,642	Total Collected	\$730,978
Variance + (-)	(\$839)	Variance + (-)	\$10,700
<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 of the report was completed using the AP Aging Detail report dated August 16, 2023.	0-30 Days:		\$0
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$0

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 <sup>st</sup> and late on the 4 <sup>th</sup> . On the 4 <sup>th</sup> a 10% late charge is applied to any delinquent accounts.			
3) When is legal action taken against delinquent accounts?			
➤ Legal action is taken on the 6 <sup>th</sup> of the month.			
4) Does the property currently have any resident(s) under eviction?	X – see comment		
5) Does Housing have any outstanding balances?		X	
<b>COMMENTS:</b> This section of the report was completed by using Aged Receivables report dated August 16,	0-30 Days:		\$69,095

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2023. The total balance includes a prepayment amount of \$27,91 and an unapplied credit payment of \$2,548. Management advised they are currently conducting a property-wide audit of all resident ledgers and making the necessary adjustments. Additionally, management states due to the recent transfer of ownership tenants are currently under two rent collection policies. 5THResidents with a Dalcors lease (previous owner) is following the rent collection policy as outlined in the lease agreement ((late on the 6<sup>th</sup> where an initial \$60 charge is applied and an additional \$5 per day fee is applied for no more than \$130). Lastly, management confirms there are currently fourteen residents pending evictions and awaiting judgement for each court case in court for eviction between 8/15/2023 and 8/22/2023.

30-60 Days:		\$20,497
60 Days and Over:		\$18,012
TOTAL		\$77,164

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 – see comment		
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 – see comment		
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. ➤ Management is required to take Grace Hill Training such as Fair Housing, Sexual Harassment, Active Shooter, and Reasonable Accommodation.			

COMMENTS: While most pre-audit reports were submitted punctually, a few reports were not received. We strongly urge management to thoroughly review the notification notices to ensure the accurate submission of reports. Failure to submit required reports may result in observations or findings moving forward. Management is currently recruiting a Leasing Agent. In addition, TSAHC strongly recommends management enroll in Housing Opportunity Through Modernization Act of 2016 ( HOTMA) courses. These courses are being offered by several industry professionals..

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 \$500 must obtain owner approval.			

COMMENTS:

SUMMARY OF OBSERVATIONS AND FINDINGS
<p>Observations:</p> <ul style="list-style-type: none"> <li>At the time of transfer of ownership, the phone and internet services were disconnected resulting in no phone and internet services at the property for over X months. Management is required to Implement working phones within the next 30 -days in order to ensure the property is available for rent to the general public.</li> <li>The reviewer noticed a heavy presence of personal grills on the property. Management is advised to review the policy for allowing residents to have grills on the property and implement enforcement to eliminate any safety concerns.</li> <li>The parking lot is not in good repair. The parking lot, fire lanes, and speed bumps need to be re-stripped and repainted. Several parking spots have stains from fluid leaks. It is recommended that management repair the parking lot to increase curb appeal and decrease the risk of safety issues. Photos of the damage are located at the end of this report.</li> <li>The roofs on several buildings appear to be dated and warn. Management states they are unaware of the age of the roofs. The Owner/management agent is encouraged to review this concern and discuss a plan of action to be ensure the repairing or replacing the roofs are completed timely.</li> <li>Management advised that the courtesy officer has not provided and submitted weekly reports to detail the activity on the site. Management is advised to review the contract details to ensure the services are being rendered according to the contract.</li> <li>Management is encouraged to implement a plan of action or update the policy for closing completed service request in the</li> </ul>



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property management system. To ensure the report accurately reflects the completion of each request.

- The percentage of move-out due to eviction or non-payment of rent has increased by 15%. Management is strongly encouraged to review the current delinquency report and implement a plan to address concerns for at-risk residents to gain control of the rapid decrease in resident retention. Examples include creating a payment plan policy and/or assisting residents with rental assistance agencies, etc. to assist residents prior to being severely delinquent.
- Management stated that vacant units are not being inspected regularly. It is critical that all vacant units are inspected frequently to ensure there are not any leaks, squatters, or pest issues. It is suggested that management implement a new plan or start following the current management plan to better monitor the status of all vacant units.

## Findings:

- Management failed to provide an occupancy report detailing the occupancy at the end of each month. Management must provide TSAHC with a report dating each month's occupancy from April 2023 through August 2023 no later than 11/13/2023.
- Management did not provide the reviewer with the requested police reports therefore the Security Program section of this report could not be completed. It is important that management periodically review 911 reports to monitor any activity on the property and issue lease violations if necessary. Management must obtain 911 reports for the previous 3 months and submit them to TSAHC by 11/13/2023.
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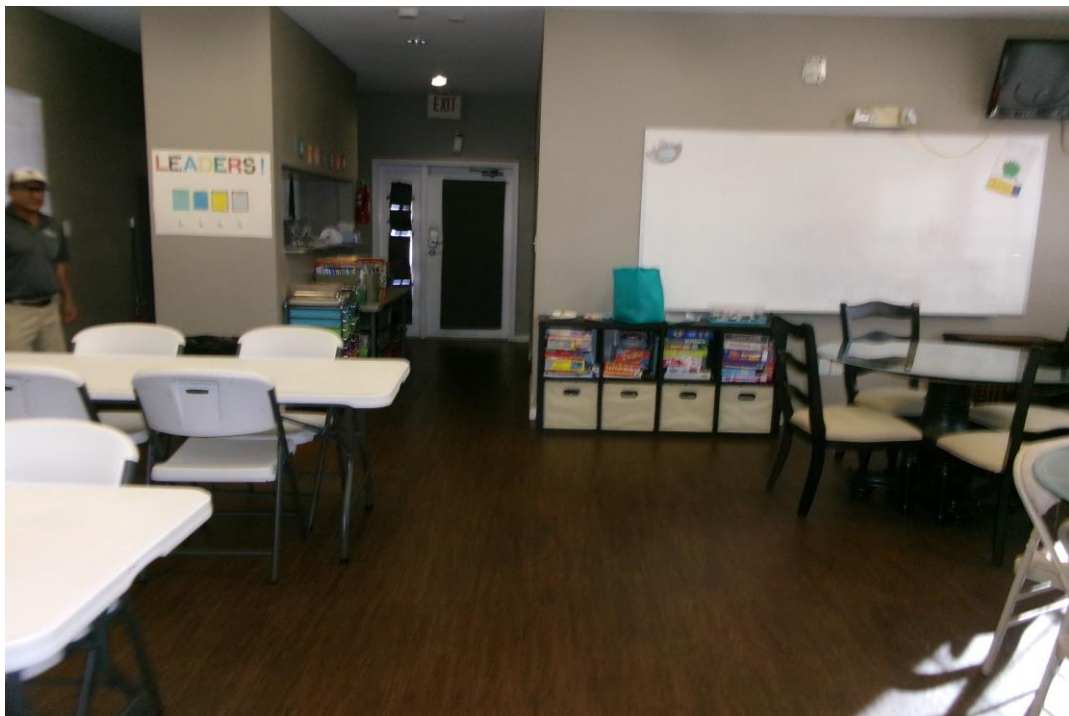




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