

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: October 26, 2023 at 10:00 am

Inspector's Name: Celina Mizeles Stubbs

Occupancy at Time of Report:	96%	Average Occupancy Over Last 12 Months:	96%
Number of Units: 76			
Number of One Bedrooms:	50	Number of Two Bedrooms:	26
Number of Three Bedrooms:	0	Number of Four Bedrooms:	0

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 appears to be in good condition based on the review of 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	2		
Theft	2		
Criminal Mischief			
Personal Assault			
Drug Related Activity	2		
Gun Related Activity			
Domestic Violence			
Disturbance	20		
Other			
		YES	NO
		N/A	

Texas State Affordable Housing Corporation

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: According to the local police department call logs, there were a total of 45 calls. Of the 45 calls, 26 are listed above. Management disclosed there are several unwarranted calls that are placed however they do follow up on any calls that they are aware of and conduct tenant interviews when/if needed. In addition, there are 18 surveillance cameras throughout the building, parking lot and management office.

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 in August 2023.

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		
➤ Boiler systems, multi-tenant certificate and elevators.	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			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 that is being followed?	X		
2) Is the maintenance shop clean and organized?	X		

Texas State Affordable Housing Corporation

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 twice a month; all units are serviced monthly.			
5) What is the policy for following up on completed service requests? ➢ Management follows up on duplicate work orders.			
6) What is the property's after-hours emergency policy? ➢ The automated answer service forwards calls to the Property Manager and the on-call maintenance staff personnel.			
7) What capital improvements have been scheduled or completed for this budget year? ➢ The following capital improvements are scheduled in 2024; asphalt repairs and access gate repairs (currently under assessment).			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

8) Unit Interior and Appliance upgrades ➢ None			
9) Building Exterior and Curb Appeal repairs ➢ None			
10) Amenity upgrades ➢ None			
11) Other repairs or replacements ➢ None			

Number of service requests received:	21		
Number of requests open from prior periods:	9		
Number of service requests completed:	18		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	12		

12) On average, how many days does it take to complete a work order? ➢ According to management, it takes an average of 2 days to complete work orders.			
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COMMENTS: Bases on conversation, the pending items were make-ready assignments, all tenant created work orders were completed timely.

MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth			
Resident Referral (Current/Prior)			
Locator Service			
Printed/Internet Advertising			
Other Source: Flyers (buses and trains)	\$1,800	16	2
TOTAL	\$1,800 annually	16	2

The rental activity reflected in the above table was for the month of: 9/1/2023 – 10/13/2023

	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: The property has an extensive wait list of over 195 people. While they have a small budget for marketing, management relies on the wait list to occupy vacant units.

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: N/A	6 months: N/A	12 months: 90%
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?	42.8%		
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		

Texas State Affordable Housing Corporation

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 October 202 for an average of \$50 per unit size.			
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			
COMMENTS:			

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

Units Walked	
Unit #	Brief Description
1	(1x1) Vacant, ready
123	(0x1) Vacant, ready
24	(1x1) Vacant, ready
6	(0x1) Vacant, ready

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 and at the time of annual recertification.			
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 no units in the process of being made ready.			
9) What is the company policy on the number of days to turn vacant units? > Units are required to be turned within 7 calendar days.			

COMMENTS:

Texas State Affordable Housing Corporation

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% or greater in the chart below.					
<u>Expense Items that Varied by 10% or Greater from the Budget for Year-to-Date Operations Ending</u>					
(Please note that a positive variance is under budget and a negative variance is over budget.)					
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION
Administrative	\$178,623	\$128,697	\$49,926	38.7%	Legal Expenses, Telephone/Answering Service, and Bad Debt
Operating & Maintenance	\$83,767	\$75,363	\$8,403	11.54%	Snow Removal, Fire Dept Inspection, and Contract Labor
COMMENTS:					

REVENUE					
FOR THE MONTH ENDING: August 31, 2023			YEAR TO DATE AS OF: August 31, 2023		
Gross Potential		\$89,594	Gross Potential		\$716,752
Budgeted Rental Income		\$89,594	Budgeted Rental Income		\$716,752
Actual Rental Income Collected		\$91,227	Actual Rental Income Collected		\$729,249
Variance + (-)		\$1,633	Variance + (-)		\$12,497
Other Revenue		(\$2,079)	Other Revenue		(\$13,229)
Total Budgeted		\$87,994	Total Budgeted		\$716,019
Total Collected		\$89,147	Total Collected		\$701,392
Variance + (-)		\$1,153	Variance + (-)		\$14,627
COMMENTS: The loss in revenue for vacancies created a negative "other revenue" figure. According to management, they had several tenants that weren't able to pay rent and/or skips that led to high vacancies this past year.					

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: The Vendor Aging report dated as of 8/31/2023 was used to complete this section. Of the total balance, 65% is due to ownership payment that has not been paid.	0-30 Days:		\$22,292
	30-60 Days:		\$18,295
	60 Days and Over:		\$6,480
	TOTAL		\$47,067

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 and considered late on the 6 th . On the 6 th day, a \$5 initial late fee is assessed followed by a daily fee of \$1 until rent is paid. Late fees not to exceed \$30.			
3) When is legal action taken against delinquent accounts?			
➤ Legal action is taken around the 17 th on households that have not paid rent.			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?	X		
COMMENTS: The Delinquent and Prepaid report dated as of 10/5/2023 was used to complete this section. According to management, the over 90-day balance needs to be written off as it is all due to former tenants. Current household with balance has been notified and 2 are under eviction.	0-30 Days:		\$10,659
	30-60 Days:		\$3,963
	60 Days and Over:		\$7,535

Texas State Affordable Housing Corporation

	TOTAL		\$22,157
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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) 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. ➤ Management is required to take various RealPage 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) 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 \$1,000 requires the owner's approval.			

COMMENTS:

SUMMARY OF OBSERVATIONS AND FINDINGS
<p>No Observation and no Findings.</p>

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Unit 1



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