Texas State Affordable Housing Corporation

Woodside Village
2029 MLK Jr., Blvd., Palestine, Texas, 75803

Owner: DHI Woodside Apartments LLC
Date Built: 1975
Management Company: FPI Management
Property Manager: Kari Howell
Inspection Date & Time: May 21, 2024, at 8 am
Inspector's Name: Blaire Bigelow

Occupancy at Time of Report:	96%	Average Occupancy Over Last 12 Months:	95%

Number of Units: 92			
Number of One Bedrooms:	10	**Number of Two Bedrooms:**	30
Number of Three Bedrooms:	42	**Number of Four Bedrooms:**	10

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-see comment	
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 grounds are clean and free of trash. The moss that had been growing on the building is under control because the property is power washing the building monthly (a few buildings per month). Restriping of the parking lot was completed last year; however, it has faded quickly in many areas. Management should monitor this. The asphalt has cracks, heavy oil stains, and potholes. Management should consider resurfacing and restriping the parking lot. The siding on building 7 needs repaired and the fascia boards on many buildings are damaged (photos attached). The paint on the fire hydrant needs to be repainted.

Observation:

- **TSAHC recommends management repair the siding and the damaged fascia boards this year to prevent any further damage to the building. In addition, the fire hydrants should be repainted promptly to ensure quick identification in case of emergencies.**

Finding:

- **The landscaping is not being maintained as it has not been mowed in over two months. Residents are unable to safely utilize the BBQ, picnic, and horseshoes areas. A resident reported a snake sighting hiding in the tall grass on the day of the review. Management must secure a landscaping vendor to promptly address the issue. Management must submit a copy of the landscaping contract and photos of the property after the first service to TSAHC no later than 07/20/2024.**

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		

Theft		
Criminal Mischief	2	Harassment, Telephone Harassment
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance	6	
Other	4	Criminal trespass (1), Warrant Service (1), Runaway (1), Sex Offense (1)

	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: This section was completed using Palestine Police Department Records dated 02/15/2024 through 04/15/2024. The chart above shows 12 calls with 35 calls in this period.

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: There is graffiti on one of the dumpsters (photo attached). TSAHC advised management to promptly clean up graffiti on the dumpster. A risk assessment is conducted quarterly by the Regional Manager. The last assessment was conducted in March 2024.

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? ➢ (Describe)The property maintains boiler system and fire extinguisher permits.	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 (3 computers)	X		
➢ Pool			X
➢ Other (Horseshoe and Volleyball Court)	X		

COMMENTS: The air conditioning unit in the leasing office is non-operational. Water marks on the wall in the office behind the manager's desk were observed dripping from the unit. The manager is using a window unit to cool the office.

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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		
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 monthly.			
5) What is the policy for following up on completed service requests? ➢ The manager calls tenants at random and per Yardi's property management system.			
6) What is the property's after-hours emergency policy? ➢ The property has an emergency after-hours maintenance line that texts the manager and maintenance staff.			
7) What capital improvements have been scheduled or completed for this budget year? ➢ N/A			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
8) Unit Interior and Appliance upgrades ➢ New appliance as needed including washers, dryers, stoves, and fridges.			
9) Building Exterior and Curb Appeal repairs ➢ N/A			
10) Amenity upgrades ➢ N/A			
11) Other repairs or replacements ➢ A vendor was hired to check each unit for repairs prior to a REAC inspection.			
Number of service requests received:			84
Number of requests open from prior periods:			0
Number of service requests completed:			80
Number of service requests completed within 24 hours:			21
Number of outstanding service requests:			4
12) On average, how many days does it take to complete a work order? ➢ Based on the Work Order Directory dated April 20, 2024, through May 20, 2024, the average days to complete a work order is 6.5 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		
Resident Referral (Current/Prior)	0	5	
Locator Service	0	1	
Printed/Internet Advertising (google)	1,000	2	1
Other Source	0		
TOTAL	**$1,000**	**8**	**1**
The rental activity reflected in the above table was for the month of: April 4, 2024, through May 9, 2024.			

	YES	NO	N/A
2) Is the property doing bilingual advertising?		X	
3) Does the property have any competitors nearby?		X	

		YES	NO	N/A
4)	Does the property "shop" their competitors?		X	
5)	Does the property complete a market survey at least monthly?		X	

COMMENTS: This section was completed using the traffic report detail dated April 4, 2024, through May 9, 2024.

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: 98%	12 months: 98%
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?			40%
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 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) When was the last rent increase implemented? What was the average rent increase? ➤ The last rent increase was in January 2024 and the average increase was ten dollars.			
9) How many households are currently on month-to-month leases? ➤ N/A – This property utilities a HUD lease that rolls into month-to-months terms.			
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:	3
2) Number of completed made ready units at time of activity report:	0
3) Number of completed one-bedroom units at time of activity report:	0
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:	0
6) Number of uncompleted made ready units at time of activity report:	3
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:	3

Units Walked

Unit #	Brief Description
9G	(4x2) Occupied
6D	(3x2) Vacant

Down Units Walked (units vacant and unready for extended period and all down units)

Unit #	Brief Description
10A	(3x2) Vacant (502 days) Fire unit: This is considered a down unit until full renovation is completed. The unit has been fully gutted down to the studs. See Finding.
10B	(3x2) Vacant (465 days) Fire Damaged: This unit shared with the fire unit. The unit has been fully gutted down to the studs. See comment.

		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-see comment		
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: Occupied units are inspected annually unless there are known housekeeping issues, which are then inspected every 30 days.	
7) How often are vacant units inspected?	
➤ Vacant units are inspected: Vacant units are inspected weekly.	
8) How many vacant units are in progress of being made ready?	
➤ There is one unit in the process of being made ready and the two fire units are pending work to be completed by ServePro.	
9) What is the company policy on the number of days to turn vacant units?	
➤ The company policy is 3 – 5 days to turn a unit. However, due to the conditions of the units and the aging of the property, the owner has asked the site staff to increase the number of days to 10 days to allow for a fully completed unit turn.	

COMMENTS: There are two Down Units from a fire that occurred in 2023. During the review, debris from the fire has not been removed from the grounds (located in the back of the unit). Prior to the issuance of this report, management stated the debris was removed. Management is currently waiting for ServePro to schedule the rehabilitation work.

Finding:

- **Unit 10A and 10B are Down Units due to a fire that occurred in January 2023. As of the date of this report, the units have not been rehabilitated. Monthly progress reports must be submitted to TSAHC until repairs have been completed. The progress report must include paid invoices showing work has been completed and Certification of Occupancy to show the units are rehabilitated and available to the general public.**

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.			

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
Marketing	$67	$420	$352	83%	Advertising
Administrative expenses	$50,842	$37,009	($13,833)	(37%)	Computer Software, Compliance expenses
Operating and Maintenance Expenses	$27,064	$18,908	($8,156)	(43%)	Exterminating costs, Appliance repairs, electrical and plumbing repairs.

COMMENTS: This section was completed using the Budget Comparison Report dated April 2024. The extra expense to the Operating and Maintenance budget is due to management hiring a vendor to inspect units in preparation of a REAC inspection and due to extra exterminating costs for a unit.

REVENUE			
FOR THE MONTH ENDING:		**YEAR TO DATE AS OF:**	
Gross Potential	$90,990	Gross Potential	$363,960
Budgeted Rental Income	$90,990	Budgeted Rental Income	$363,960
Actual Rental Income Collected	$95,557	Actual Rental Income Collected	$367,651
Variance + (-)	$4,567	Variance + (-)	$3,691
Other Revenue	$3,637	Other Revenue	$11,518
Total Budgeted	$94,455	Total Budgeted	$377,820
Total Collected	$99,195	Total Collected	$379,169
Variance + (-)	$4,740	Variance + (-)	$1,349

COMMENTS:

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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 Payables Aging Report as of April 1, 2024.		
0-30 Days:		$26,436
30-60 Days:		$15,404
60 Days and Over:		$15,757
TOTAL		$57,597

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 day of the month and a grace period is granted until the 5th. On the 6th a $5 late fee is charged and $1 fee per day is assessed up to $30 maximum until the full balance is paid.			
3) When is legal action taken against delinquent accounts? ➢ Evictions are filed between the 10th and the 15th of the month following a full month of delinquency.			
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 Affordable Aging Detail report dated May 2024.		
0-30 Days:		$7,458
30-60 Days:		$5,629
60 Days and Over:		$13,679
TOTAL		$26,768

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		
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. ➢ They use Grace Hill for training and have completed Fair Housing, Sexual Harassment, Lead Awareness, Cyber Security and HOTMA.			

COMMENTS:

Observation:

- **The requested reports prior to this annual review were not submitted in a timely manner. Moving forward reports need to be submitted timely or it may will result in a Finding with penalties fee moving forward.**

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? ➢ The Manager can approve up to $500 and the regional Manager up to $1,000.			
COMMENTS:			

SUMMARY OF OBSERVATIONS AND FINDINGS
Observation: **TSAHC recommends management repair the siding and the damaged fascia boards this year to prevent any further damage to the building. In addition, the fire hydrants should be repainted promptly to ensure quick identification in case of emergencies.**   **The requested reports prior to this annual review were not submitted in a timely manner. Moving forward reports need to be submitted timely or it may will result in a Finding with penalties fee moving forward.**   **Finding:**   **The landscaping is not being maintained as it has not been mowed in over two months. Residents are unable to safely utilize the BBQ, picnic, and horseshoes areas. A resident reported a snake sighting hiding in the tall grass on the day of the review. Management must secure a landscaping vendor to promptly address the issue. Management must submit a copy of the landscaping contract and photos of the property after the first service to TSAHC no later than 07/20/2024.**   **Unit 10A and 10B are Down Units due to a fire that occurred in January 2023. As of the date of this report, the units have not been rehabilitated. Monthly progress reports must be submitted to TSAHC until repairs have been completed. The progress report must include paid invoices showing work has been completed and Certification of Occupancy to show the units are rehabilitated and available to the general public.**