

Texas State Affordable Housing Corporation

Saddlewood Club

3625 Wellborn Bryan, TX 77801

Owner: Dalcor Affordable Housing I, LLC

Date Built: 1995

Management Company: Dalcor Management

Property Manager: Linette Bounds

Inspection Date & Time: March 19, 2015 at 8:30 AM

Inspector's Name: James Matias

Occupancy at Time of Report:	84%	Average Occupancy Over Last 12 Months:	83.4%
Number of Units: 232			
Number of One Bedrooms:	48	Number of Two Bedrooms:	112
Number of Three Bedrooms:	72	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 common areas and amenities appeared to be clean and well kept. The buildings, roofs, stairs, and foundations appear to be in acceptable condition. Most of the parking lots examined were found to be well kept with the handicap spaces clearly marked. On the day of the site visit a few tenants were found to be disposing of cigarette butts on the grounds outside the units. The fence on the east side of the property is leaning and appears to need some new support posts.

Observation:

- On the day of the site visit, the landscaping around the office and throughout the community was well maintained and the grounds appeared to be in good condition. However, it appears that the lawn service mowed the property while the grounds were very wet, leaving a large amount of ruts and tire tracks. It is suggested that management postpone any scheduled lawn servicing when the grounds are saturated.

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	2	
Criminal Mischief		
Personal Assault	1	

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Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance	9	Disturbance (5), Loud Music/Noise (4)
Other	11	Civil Matter (7), Threats (1), recovered Stolen Vehicle (1), Criminal trespassing (2)
2) Does the property utilize a crime prevention agreement? ➤ The property follows management policies regarding criminal activity and has the residents sign a crime free addendum along with the lease.		
3) What pro-active measures is the property taking to address crime on the property? ➤ To deter criminal activity on the property, there are security cameras throughout the property, a Bryan Police Department officer lives on site and patrols the grounds regularly, and crime watch meetings are held monthly.		
4) How often is a light check conducted on the property? Who performs light checks on the property? ➤ Management stated the security officer checks the lights weekly.		
COMMENTS:		

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?	X		
COMMENTS: The last risk assessment was conducted in November of 2012.			
Observation:			
<ul style="list-style-type: none"> On the day of the site visit, a very small amount of graffiti was found on the west facing wall between units 803 and 804. It is highly suggested to repaint this portion of the wall in an effort to increase the property's curb appeal. 			

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) 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 (sand volleyball court, fitness center)	X		
8) When are property licenses and permits renewed? ➤ The property does not have any licenses or permits to renew.			
9) Where are vendor insurance records/binders maintained? ➤ Vendor insurance records are kept at the corporate office.			
COMMENTS:			

KEY CONTROL	YES	NO	N/A
1) Are all property keys properly coded?	X		
2) Is key box locked and secured?	X		
3) Is the key code list kept separate from the key box?			X
4) Are locks being changed during unit turnovers?	X		
COMMENTS: The Handy Track key system is being utilized.			

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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	
4) On average, how many days does it take to complete a work order? ➤ On average, it takes about 5 days to complete a work order request.				
5) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?		X		
6) How often are Pest Control services provided? ➤ Pest control services are provided weekly and all buildings are serviced quarterly.				
7) What is the policy for following up on completed service requests? ➤ Management stated that 100% of the work orders are followed up on through email.				
8) What is the property's after-hours emergency policy? ➤ Residents call the office phone number and are transferred to a live answering service that determines if there is an emergency, and then the appropriate staff person is contacted.				
9) What capital improvements have been scheduled or completed for this budget year? ➤ No capital improvements have been scheduled or completed for this budget year.				
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year				
10) Unit Interior and Appliance upgrades ➤ Interior and appliance upgrades were completed as needed.				
11) Building Exterior and Curb Appeal repairs ➤ No building exterior or curb appeal repairs have been completed.				
12) Amenity upgrades ➤ Amenity upgrades were not performed last year.				
13) Other repairs or replacements ➤ No other repairs or replacements were completed.				
Number of service requests received:		198		
Number of requests open from prior periods:		NA		
Number of service requests completed:		164		
Number of service requests completed within 24 hours:		48		
Number of outstanding service requests:		34		
COMMENTS: On the day of the site visit the maintenance shop was found unkempt and disorganized. Observation: <ul style="list-style-type: none"> Service requests are not being opened or closed daily in the software system. The work order directory reflects that 60 of the 198 (30%) work orders opened from February 1, 2015 to March 16, 2015 took longer than 7 days to complete. The report also reflects 34 outstanding work orders. Resident retention/satisfaction is often strongly related to the maintenance program. Diligent and daily use of the software system is strongly recommended. 				

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$50	23	2
Flyers	\$100		
Resident Referral	\$50	5	
Locator Service	\$50		
Printed Advertising (Apartment Guide)	\$341	39	
Internet Advertising	\$0	26	
Other Source – (Transfer, Gift bags, and "N/A")	\$15	39	11
TOTAL	\$606	132	13
The rental activity reflected in the above table was for the month of <u>February 2015</u> .			
	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		

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5) Does the property complete a market survey at least monthly?	X		
COMMENTS: Management stated they complete a market survey monthly. Observation: <ul style="list-style-type: none"> The Traffic report provided has 38 events with "N/A" listed as the source. Out of those 38 events, 11 applicants were approved. The traffic labeled "N/A" has the highest lease ratio out of all other sources. It is highly suggested that a more specific source be sought and selected in an effort to more effectively monitor traffic activity and marketing methods. 			

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: 80%	12 months: 86%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	25%		
4) When are the lease renewal/rent increase notices sent to residents? ➤ Lease renewal and recertification notices are sent to residents 120 days before lease expiration and followed up with households every 30 days thereafter. Residents are notified of rent increases 30 days in advance.			
5) Are individual files being reviewed to determine renewal/non-renewal status?	X		
6) How are renewals and re-certifications tracked and monitored? ➤ Yardi is used to track and monitor renewals.			
7) Are rent increases being implemented?	X		
8) When was the last rent increase implemented? What was the average rent increase? ➤ The last rent increase occurred in March 2015 and averaged about \$30.			
9) How many households are currently on month-to-month leases? ➤ Month to month leases are not allowed under management guidelines.			
10) What is the charge for month-to-month leases? ➤ N/A			
COMMENTS: The data provided for lease renewals and the Reasons for Move Out Report reflect that the property and management are doing a great job increasing the resident retention percentage and decreasing the amount of skip-outs.			

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	36
2) Number of completed made ready units at time of activity report:	7
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:	3
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:	29
7) Number of uncompleted one bedroom units at time of activity report:	1
8) Number of uncompleted two bedroom units at time of activity report:	11
9) Number of uncompleted three bedroom units at time of activity report:	17
Units Walked	
Unit #	Brief Description
204	3x2, Almost ready, Carpet and one non-working smoke detector
314	1x1, Full turn needed, recent move-out
802	3x2, Ready
1005	3x2, Full turn needed
1205	3x2, Almost ready. Carpet and Refrigerator needed.
1206	3x2, Ready
1208	3x2, Ready
1609	2x2, Full turn needed. All smoke detectors are missing or inoperable.
Down Units Walked (units vacant and unready for extended period of time and all down units)	
Unit #	Brief Description
201	3x2, Almost ready. Make ready cleaning and a new dishwasher needed.
808	3x2, Full turn needed. Three missing or inoperable smoke detectors.

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	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) What system is used by management to monitor the timely preparation of units? ➤ Management uses Yardi and a make ready board to monitor the make ready status.			
6) How often are occupied units inspected? ➤ Management stated that occupied units are inspected quarterly.			
7) How often are vacant units inspected? ➤ Management stated vacant units are inspected daily.			
8) How many vacant units are in progress of being made ready? ➤ Twenty-nine units are in the process of being made ready.			
9) What is the company policy on the number of days to turn vacant units? ➤ Management stated the company policy is to turn a vacant unit in 7-10 days.			

COMMENTS:

Observation

- Management stated that company policy is to turn vacant units within 7-10 days. There are currently 27 units that are vacant and not ready. The average days vacant for the 27 units exceeding the company policy is 132 days. The company policy is not being followed therefore it is suggested that management implement a make ready plan that will assist the maintenance staff to be able to complete make readies in the appropriate amount of time, or change the policy on the number of days to turn a unit.

BUDGET MANAGEMENT			
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Three bids are collected to obtain materials and services.			
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ Management stated that there have not been any expenses that have negatively affected the budget			
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
Utilities	\$20,418	\$23,433	\$3,015	12.9%	Vacant Units Electric, Irrigation, Cable TV
Redecorating Expense	\$3,659	\$5,389	\$1,730	32.1%	Contract Cleaning, Contract Painting Labor, Paint & Supplies
Advertising	\$1,011	\$1,625	\$614	37.8%	Advertising, Resident Referrals

COMMENTS:

REVENUE					
FOR THE MONTH ENDING: <u>January 2015</u>			YEAR TO DATE AS OF: <u>January 2015</u>		
Gross Potential		\$157,616	Gross Potential		\$157,616
Budgeted Rental Income		\$123,095	Budgeted Rental Income		\$123,095
Actual Rental Income Collected		\$119,448	Actual Rental Income Collected		\$119,448
Variance + (-)		-\$3,647	Variance + (-)		-\$3,647
Other Revenue		\$12,845	Other Revenue		\$12,845
Total Collected		\$132,293	Total Collected		\$132,293
Budgeted		\$133,776	Budgeted		\$133,776
Variance + (-)		-\$1,483	Variance + (-)		-\$1,483

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) How often are invoices processed? ➤ Invoices are processed weekly.			
COMMENTS: The accounts payable report reflects \$17,874 past due for more than 60 days. Management provided an explanation that an invoice for \$11,970 was not received until mid-March and the due date is April 12, 2015. Management also stated that the payment for this invoice will go out prior to April 12, 2015. In addition, \$488 is currently in dispute regarding a 2013 invoice that was not received until late 2014. This amount will stay on the Accounts Payable report until the dispute is remedied. Management stated that all invoices past due more than 60 days that are not in dispute will be paid by April 12, 2015.	0-30 Days:		\$23,114
	30-60 Days:		\$13,584
	60 Days and Over:		\$17,874
	TOTAL		\$54,572

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 late on the 6 th . A 3 day Notice to Vacate (NTV) is sent around the 6 th . After the 3 day NTV expires, a final 24 hour notice is given.			
3) When is legal action taken against delinquent accounts? ➤ Eviction is typically filed between the 10 th and 20 th day of the month, unless a payment agreement has been made and is being honored.			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?	X		
COMMENTS:	0-30 Days:		\$17,642
	30-60 Days:		\$5,691
	60 Days and Over:		\$219
	TOTAL		\$23,552

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		3	
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) How often are staff meetings held? ➤ Staff meetings are held daily.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ The manger attended a training given by TDHCA regarding eligibility.			
COMMENTS: Management stated that the Bryan College Station Apartment Association is holding a fair housing class that staff will attend.			

OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to the software system utilized to manage the property?	X		
2) How often are reports submitted to the owner? ➤ Management stated that the owners have access to all reports and they pull them regularly.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ All unbudgeted or over budget expenses require approval from the owner.			

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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		
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COMMENTS:

SUMMARY OF OBSERVATIONS AND FINDINGS

Observations:

- On the day of the site visit, the landscaping around the office and throughout the community was well maintained and the grounds appeared to be in good condition. However, it appears that the lawn service mowed the property while the grounds were very wet, leaving a large amount of ruts and tire tracks. It is suggested that management postpone any scheduled lawn servicing when the grounds are saturated.
- The Traffic report provided has 38 events with "N/A" listed as the source. Out of those 38 events, 11 applicants were approved. The traffic labeled "N/A" has the highest lease ratio out of all other sources. It is highly suggested that a more specific source be sought and selected in an effort to more effectively monitor traffic activity and marketing methods.
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No Findings.



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