

Texas State Affordable Housing Corporation

Tealwood Apartment
5300 Professional Drive, Wichita Falls, Texas 76302

Owner: Dalcor Affordable Housing I, LLC **Date Built:** 2004
Management Company: Dalcor Management, LLC **Property Manager:** Tia Meeker
Inspection Date & Time: June 16, 2016 at 8:00 a.m. **Inspector's Name:** Celina Mizcles

Occupancy at Time of Report:	83.8%	Average Occupancy Over Last 12 Months:	80.1%
Number of Units: 180			
Number of One Bedrooms:	36	Number of Two Bedrooms:	84
Number of Three Bedrooms:	60	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: On the day of the onsite visit, the property was in acceptable condition. The monument sign, grounds, landscaping, common areas, including all waste receptacles were found to be in great condition. Additionally, all building exteriors, foundations, gutters, roofs and balconies appeared to be in good condition.

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	3	
Personal Assault	3	Sexual Assault – 1 and Assault - 2
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance	8	Disturbance – 4 and Disturbance/ Noise - 4
Other	2	Check officer's satisfaction – 1, Subject won't leave - 1

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2) Does the property utilize a crime prevention agreement? ➤ Management continues to utilize their Drug Crime Free Addendum.
3) What pro-active measures is the property taking to address crime on the property? ➤ Pro-active measures taken by the property to address crime include: monitoring of the 16 security cameras throughout the community and the review of monthly 911 call logs. In addition, a courtesy officer resides on the property and conducts nightly walks of all property grounds.
4) How often is a light check conducted on the property? Who performs light checks on the property? ➤ Both management staff and/or the courtesy office conduct light checks weekly.
COMMENTS: Management submitted copies of the call logs dated 03/1/2016 through 05/31/2016. 16 of the 30 calls are listed above. It appears that management's efforts are effective as the number of activity or calls has not increased. Management is advised to continue their efforts.

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? ➤ 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 property risk assessment was completed in March 2016.			

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 ➤ Occupancy Qualifications	X X		
6) Is there a compliance department that ensures the set aside and eligibility requirements are being maintained?			
7) Which of the following community amenities are provided for resident use? ➤ Playground ➤ Community Room ➤ BBQ/Picnic Area ➤ Laundry Facility ➤ Business Center ➤ Pool ➤ Other (Fitness center & Volleyball sand court)	X X X X X X		 X
8) When are property licenses and permits renewed? ➤ The alarm system and pool permits are renewal annually.			
9) Where are vendor insurance records/binders maintained? ➤ Vendor documents are maintained in 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:			

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? ➤ A review of the Work Order Directory indicated it takes maintenance within 4 days.			

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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 on a bi-weekly basis. On each visit, services are provided to one apartment building and anyone on the list that requested additional services.			
7) What is the policy for following up on completed service requests? ➢ Once a work order is completed, the lead maintenance calls and/or visits the resident to confirm the issue was completed to satisfaction.			
8) What is the property's after-hours emergency policy? ➢ Management has a 24-7 answering service to address all calls. The answering service contacts the staff member who is on call for all after-hours emergencies.			
9) What capital improvements have been scheduled or completed for this budget year? ➢ The following capital expenditure are expected for 2016; fence and security camera repairs, stairway/balcony repairs, pool resurfacing, landscaping and irrigation.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

10) Unit Interior and Appliance upgrades ➢ N/A			
11) Building Exterior and Curb Appeal repairs ➢ N/A			
12) Amenity upgrades ➢ N/A			
13) Other repairs or replacements ➢ There were no repairs and replacements completed in the last budget year.			
Number of service requests received:	107		
Number of requests open from prior periods:	0		
Number of service requests completed:	89		
Number of service requests completed within 24 hours:	87		
Number of outstanding service requests:	18		

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	15	3
Flyers	\$0	0	0
Resident Referral (\$50 each)	\$0	5	0
Locator Service	\$0	0	0
Printed Advertising (apartment Finder (\$294) and Mall advertisement (\$295))	\$589	2	0
Internet Advertising (ApartmentGuide.com, Craigslist, Rent.com, Property Website)	\$0	12	2
Other Source (Housing Agency)	\$0	3	2
TOTAL	\$589	37	7

The rental activity reflected in the above table was for the month of 5/15/2016 through 6/15/2016.

	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: Management is working on creating marketing material in Spanish.

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: 33%	6 months: 66%	12 months: 73%

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3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	21%		
4) When are the lease renewal/rent increase notices sent to residents? ➤ The initial lease renewal notice is sent out 120 days prior to the move-in anniversary date. After that, a 90-day, 60-day, and final 30-day notice is issued if there is no response.			
5) Are individual files being reviewed to determine renewal/non-renewal status?	X		
6) How are renewals and re-certifications tracked and monitored? ➤ Management uses Yardi and renewal spreadsheets to track renewals and recertification's .			
7) Are rent increases being implemented?	X		
8) When was the last rent increase implemented? What was the average rent increase? ➤ Rent increases are implemented monthly and are based upon the release of HUD income and rent limits.			
9) How many households are currently on month-to-month leases? ➤ There were no households on a month-to-month lease.			
10) What is the charge for month-to-month leases? ➤ There are no charges for month-to-month leases.			
COMMENTS: According to the Reasons For Move Out report dated 6/1/15 through 6/1/16, at least 29% of the move outs are due to eviction/non-payment of rent or skips. Specifically, 7% eviction for non-payment, 1% for owner initiated nonpayment, and 21% for skips.			

VACANT/MAKE READY UNITS

1) Number of vacant units at time of activity report:	27
2) Number of completed made ready units at time of activity report:	27
3) Number of completed one bedroom units at time of activity report:	4
4) Number of completed two bedroom units at time of activity report:	11
5) Number of completed three bedroom units at time of activity report:	12
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
323	(3x2), Vacant – Ready
503	(3x2), Vacant – Ready: Smoke alarm battery chirp
609	(3x2), Vacant – Ready: The cabinet underneath the bathroom sink was damaged.
624	(3x2), Vacant - Ready
703	(3x2), Vacant - Ready
712	(3x2), Vacant - Ready

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

Unit #	Brief Description	YES	NO	N/A
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 monitors Yardi and their unit availability board to monitor timely preparation of units.			
6)	How often are occupied units inspected? Management inspects occupied units on a weekly basis.			
7)	How often are vacant units inspected? ➤ Management inspects vacant units on a weekly basis.			
8)	How many vacant units are in progress of being made ready? ➤ There are no vacant units that are in the progress of being made ready.			

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9) What is the company policy on the number of days to turn vacant units? ➤ It is management policy to turn units within 5 business days.
COMMENTS:

BUDGET MANAGEMENT
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Management must obtain three bids in order to obtain materials, supplies, and services.
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ There has not been any unexpected repairs and/or purchases that have negatively affected the current 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
Redecorating Expenses	\$13,904	\$15,842	\$1,937	12%	Paint and Supplies and Int. Door Lock and Hardware
Repairs and Maintenance	\$6,045	\$10,898	\$4,852	44%	Carpet Wet Vac, Interior Repair, Pest Patrol – Bed Bugs, Misc. Maintenance and Equipment
Administrative Expenses	\$12,589	\$10,502	-\$2,087	-19%	Office Supplies and License Dues Subscription and Meetings
Refurbishment Expense	\$9,303	\$49,300	\$39,996	81%	Appliances, Major plumbing, Pool resurface, Stairs, and asphalt.

COMMENTS:

REVENUE			
FOR THE MONTH ENDING: April 2016		YEAR TO DATE AS OF 2016	
Gross Potential	\$122,631	Gross Potential	\$492,872
Budgeted Rental Income	\$125,670	Budgeted Rental Income	\$502,309
Actual Rental Income Collected	\$99,478	Actual Rental Income Collected	\$391,411
Variance + (-)	-\$3,381	Variance + (-)	-\$20,027
Other Revenue	\$7,775	Other Revenue	\$29,373
Total Collected	\$107,253	Total Collected	\$420,784
Budgeted	\$113,092	Budgeted	\$452,370
Variance + (-)	-\$5,838	Variance + (-)	-\$31,585

COMMENTS:

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 monthly.			
COMMENTS:	0-30 Days:		\$8,246
	30-60 Days:		\$677
	60 Days and Over:		\$0
	TOTAL		\$8,923

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 or before the 1 st of the month and considered late on the 6 th day of the month.			
3) When is legal action taken against delinquent accounts? ➤ Legal action is taken around the 10 th of the month unless management/tenant signed a hold-off agreement.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		

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COMMENTS: According to management, around \$1,300 is due to Hold-Off Agreements while the remainder is due to housing assistance and late rent balances.	0-30 Days:		\$5,344
	30-60 Days:		\$940
	60 Days and Over:		\$0
	TOTAL		\$6,284

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		4	
2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		

COMMENTS: Management properly applies the \$45.00 non-sufficient fund fee when rent payments are not honored.

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? ➤ Management staff conducts meetings on a daily basis.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ Site staff has attends Housing Tax Credit and Fair Housing training annually.			

COMMENTS: A new leasing manger was hired in January 2016.

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? ➤ The owner has access to all reports.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Amounts that exceed budgeted amount need owner approval.			
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		

COMMENTS:

SUMMARY OF OBSERVATIONS AND FINDINGS
No Observation or Findings.