

# Texas State Affordable Housing Corporation

## Ridgewood Apartments 2830 Lake Road, Huntsville, TX 77340

**Owner:** Dalcor Affordable Housing I, LLC

**Date Built:** 1996

**Management Company:** Dalcor Management

**Property Manager:** Cathy Newvine

**Inspection Date & Time:** April 12, 2017 at 8:30 a.m.

**Inspector's Name:** Celina Stubbs

<b>Occupancy at Time of Report:</b>	96%	<b>Average Occupancy Over Last 12 Months:</b>	91.7%
<b>Number of Units: 232</b>			
<b>Number of One Bedrooms:</b>	48	<b>Number of Two Bedrooms:</b>	112
<b>Number of Three Bedrooms:</b>	72	<b>Number of Four Bedrooms:</b>	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 property was in great condition on the day of the onsite visit. There were no observations or finding noted during the property's exterior walk. The buildings, sidewalks, roofs, and balconies all appeared to be in good condition. In addition, the property's grounds, parking lot and sidewalks were clean, giving the property great curb appeal. During the vacant unit physical inspection, the reviewer noted that several hallways were clean and free of debris. Management stated that hallways are being power washed at least semi-annually.

### 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	
Drug Related Activity		
Gun Related Activity		
Domestic Violence	3	

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Disturbance	2	
Other	13	3 - Criminal trespassing, 3 - Dispute, 6 – Noise, 1- Suspicious Person
2) Does the property utilize a crime prevention agreement?		
➤ Yes, tenants are required to sign multiple crime prevention addendums promoting a zero-tolerance community. Forms include a Security Guideline for Residents, Drug/Crime Free Addendums, Notice of Curfew House, and a Zero-Tolerance Addendum.		
3) What pro-active measures is the property taking to address crime on the property?		
➤ The property continually takes pro-active measure by working with the local police department, housing a courtesy officer at the community, and hosting crime watch meetings. Based on conversation, the courtesy officer is required to walk the property nightly, identifies and warns residents of potential violations when noticed and has daily communication with the Property Manager. The property also maintains and monitors 17 security surveillance cameras.		
4) How often is a light check conducted on the property? Who performs light checks on the property?		
➤ Both the Property Manager and the Courtesy Officer conduct nightly light checks at the property.		
<b>COMMENTS:</b> Based on the call logs dated January 2017 through March 2017, there were 79 calls placed. 20 of the 79 calls are noted above. In addition, management has strengthened their efforts in deterring crime by hiring professional security camera monitors. The professional security monitors are responsible for monitoring the security cameras all week from 5:00 pm through 7:00am and provides management with a morning incident report if incidents were noted. Management takes appropriate action(s) as needed.		

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		
<b>COMMENTS:</b> The risk assessment was conducted in February 2017.			

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 (Two playgrounds)	X		
➤ Community Room	X		
➤ BBQ/Picnic Area	X		
➤ Laundry Facility			X
➤ Business Center	X		
➤ Pool	X		
➤ Other (Volleyball court and Fitness center)	X		
8) When are property licenses and permits renewed?			
➤ Licenses/permits are renewed annually for the community pool.			
9) Where are vendor insurance records/binders maintained?			
➤ Vendor documents are maintained at the corporate office.			
<b>COMMENTS:</b>			

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		
<b>COMMENTS:</b> The HandyTrac key system is utilized at this community.			

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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 1.5 days to complete a work order.				
5) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?		X		
6) How often are Pest Control services provided?				
➤ Each month a portion of the building are serviced, with all buildings being serviced on a quarterly basis. During the monthly service, the pest control representative will re-treat specific problem units if needed.				
7) What is the policy for following up on completed service requests?				
➤ At random, the property manager follows up on completed work orders.				
8) What is the property's after-hours emergency policy?				
➤ An after-hour emergency number is provided to all resident and it is posted in front of management office. When used an answering service will answer and they will contacts the appropriate staff member to relay emergency.				
9) What capital improvements have been scheduled or completed for this budget year?				
➤ For this budget year, management intends to repair/replace wood trim around windows, review and repair any sidewalk cracks, repair any water sprinkler heads, and update the camera monitoring system (this item has been completed).				
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year				
10) Unit Interior and Appliance upgrades				
➤ There were no unit interior and appliance upgrades.				
11) Building Exterior and Curb Appeal repairs				
➤ The following items took place during las year's budget; updates to the perimeter gate system, restriping of parking lot and speed bumps, as well as power washing the hallways semi-annually.				
12) Amenity upgrades				
➤ There were no amenity upgrades.				
13) Other repairs or replacements				
➤ Other than those noted above, there were no additional repairs or replacements.				
Number of service requests received:		125		
Number of requests open from prior periods:		0		
Number of service requests completed:		124		
Number of service requests completed within 24 hours:		15		
Number of outstanding service requests:		1		
<b>COMMENTS:</b> Based on visual observation of the interior and exterior of the property, the maintenance program is running smoothly and the maintenance work order time is sufficient in closing work orders within an average of 1.5 days.				

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth:	\$0	29	1
Flyers	\$0	0	0
Resident Referral: \$50 referral fee	\$150	8	3
Locator Service	\$0	0	0
Printed Advertising: For Rent \$294/monthly and Newspaper \$220/quarterly	\$367.33	26	0
Internet Advertising: Apartment Finder, Apartment.com, Craigslist, Property Website, and Section 8 (\$396/annually).	\$33	126	0
Other Source: Walker Housing Authority and Promotion Marketing (Manager), and Transfer Unit	\$0	9	2
<b>TOTAL</b>	<b>\$550 monthly</b>	<b>198</b>	<b>6</b>
<b>The rental activity reflected in the above table was for the month of: March 10, 2017 through April 11, 2017.</b>			
	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		

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**COMMENTS:** Management has made a diligent effort in marketing this community to increase the occupancy rate. Last year's report reported an occupancy rate of 85% (for March 2016). As of the date of this report, the property's occupancy is at 96%. Management stated they will continue their marketing efforts.

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: 88.4%	12 months: 83.8%
3)	What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	27%		
4)	When are the lease renewal/rent increase notices sent to residents? ➤ Notices are sent out at 120 day in advance of the renewal expiration. Additional notices are sent at 60 and 30-days prior to lease expiration, if needed.			
5)	Are individual files being reviewed to determine renewal/non-renewal status?	X		
6)	How are renewals and re-certifications tracked and monitored? ➤ Yardi and the property's unit status report are used to track 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 was implemented in March 2016; however, another increase was implemented in March 2017 due to a utility allowance change.			
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> The percentage of residents renewing has dramatically increased in the last 12 months. The current, 6 months, and 12 months percentages increase by 15%, 23.5%, and 24%, respectively. In addition, the percentage of move-outs due to eviction /non-payment of rent or skips have decreased from 40% to 27%.				

VACANT/MAKE READY UNITS					
1) Number of vacant units at time of activity report:			7		
2) Number of completed made ready units at time of activity report:			2		
3) Number of completed one bedroom units at time of activity report:			1		
4) Number of completed two bedroom units at time of activity report:			1		
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:			5		
7) Number of uncompleted one bedroom units at time of activity report:			3		
8) Number of uncompleted two bedroom units at time of activity report:			2		
9) Number of uncompleted three bedroom units at time of activity report:			0		
Units Walked					
Unit #	Brief Description				
215	(1x1) In final stages of make-ready process.				
307	(2x2) In make-ready process.				
513	(2x2) In make-ready process.				
1318	(1x1) This unit is made-ready.				
Down Units Walked (units vacant and unready for extended period of time 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 of time? If so, please comment below.				X	

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5) What system is used by management to monitor the timely preparation of units? ➤ Management reviews the make-ready board and Yardi to monitor make-ready activity.
6) How often are occupied units inspected? ➤ Occupied units are inspected twice a year.
7) How often are vacant units inspected? ➤ Vacant unit are inspected daily.
8) How many vacant units are in progress of being made ready? ➤ There are 7 units that are vacant, three of which are in the make-ready process.
9) What is the company policy on the number of days to turn vacant units? ➤ Management policy is to turn units within 7-10 days.
<b>COMMENTS:</b>

BUDGET MANAGEMENT					
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Per policy, three bids are required to be obtained prior to approval.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ There have not been any unexpected repairs during the current budget year.					
3) Explain YTD variances of 10% or greater.					
<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
Redecorating Expenses	\$2,684	\$4,925	\$2,240	45%	Vinyl and Tile Repair, Blinds /Verticals, Int Door Locks and Hardware
Repairs and Maintenance	\$2,040	\$4,600	\$2,559	55%	Carpet Wet Vac, Pool Spa maintenance, Pest Control – Bed Bugs, and Fire Protection
<b>COMMENTS:</b>					

REVENUE					
FOR THE MONTH ENDING: January 2017			YEAR TO DATE AS OF: January 2017		
Gross Potential		\$143,277	Gross Potential		\$143,277
Budgeted Rental Income		\$137,762	Budgeted Rental Income		\$137,762
Actual Rental Income Collected		\$145,523	Actual Rental Income Collected		\$145,523
Variance + (-)		\$1,977	Variance + (-)		\$1,977
Other Revenue		\$17,439	Other Revenue		\$17,439
Total Collected		\$162,952	Total Collected		\$162,952
Budgeted		\$154,165	Budgeted		\$154,165
Variance + (-)		\$8,797	Variance + (-)		\$8,797
<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) How often are invoices processed? ➤ Management processes invoices weekly.			
<b>COMMENTS:</b> A review of the Payable report, dated 4/11/2017, confirms that the majority of the balance belongs to one vendor (City Real Estate Advisor \$12,453). During on the onsite visit, management confirmed that the vendor is completing an audit, and once the audit is completed the vendor's invoice will be paid.	0-30 Days:		\$6,383
	30-60 Days:		\$6,652
	60 Days and Over:		\$12,548
	TOTAL		\$25,583

DELINQUENCIES	YES	NO	N/A
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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 is late on the 6 <sup>th</sup> day of each month. If rent has not been received, a 3-Day Notice to Vacate is issued followed by a final 24-hour notice to vacate.			
3) When is legal action taken against delinquent accounts? ➤ If a payment plan has not been agreed to, management will take legal action on or around the 20 <sup>th</sup> day of each month.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b> The current balance reflects households that have entered into a payment agreement.	0-30 Days:		\$4,493
	30-60 Days:		\$26
	60 Days and Over:		\$0
	TOTAL		\$4,519

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:	9 (See comment)		
2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		
<b>COMMENTS:</b> During the onsite visit, management stated that the 9 non-sufficient funds (NSF) noted above were incorrect. Management confirmed that this error was due to a check scanner issue. Management is in the process of refunding the 9 tenants that were affected by this error.			

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? ➤ Daily meeting are conducted in the management office.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ Management staff has completed some training with the local apartment association and is scheduled to attend the Housing Tax Credit training in June 2017.			
<b>COMMENTS:</b> Management hired a new Porter.			

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 the ability to review and pull reports at their discretion.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Any amount that is unbudgeted or over budget requires 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		
<b>COMMENTS:</b>			

SUMMARY OF OBSERVATIONS AND FINDINGS
No Findings or Observations.



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