

Texas State Affordable Housing Corporation

Saddlewood Apartments 23625 Wellborn, Bryan, TX 77801

Owner: Dalcour Affordable Housing I, LLC

Date Built: 1995

Management Company: Dalcour Management

Property Manager: Sabrina Mendez

Inspection Date & Time: April 13, 2017 at 8:30 a.m.

Inspector's Name: Celina Stubbs

Occupancy at Time of Report:	94%	Average Occupancy Over Last 12 Months:	88.9%
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 (see comment)		
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 (see comment)	
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 (see comment)		
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's grounds and common areas were clean and in good condition. During the property exterior walk through the following items were noted; damaged window shutter on building 8, wood fence pickets missing, and two areas in need of parking lot repairs. During the onsite visit, maintenance repaired the shutter on building 8 and replaced the two wood fence pickets that were missing. Management also provided the reviewer with copies of the parking lot repair bids. Management stated the parking lot repairs will be scheduled when the weather gets better as the city has received a lot of rain.

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	1	
Criminal Mischief		
Personal Assault	2	1 – assault in progress and 1- assault just occurred
Drug Related Activity		

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Gun Related Activity		
Domestic Violence		
Disturbance	8	
Other	6	2 - criminal trespassing and 4 - music
2) Does the property utilize a crime prevention agreement? <ul style="list-style-type: none"> ➢ 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? <ul style="list-style-type: none"> ➢ The Property Manager maintains a working relationship with the local police department which conducts courtesy patrols. The property also houses a courtesy officer, whom is required to walk the property nightly and identifies and warns residents of potential violations when noticed. The property has also made improvements to the security surveillance cameras. 		
4) How often is a light check conducted on the property? Who performs light checks on the property? <ul style="list-style-type: none"> ➢ Both the Property Manager and the Courtesy Officer conduct nightly light checks at the property. 		
COMMENTS: Based on the call logs dated January 2017 through March 2017, there were 64 calls placed. This is a significant decrease in the amount of calls listed in the previous year's report (122 calls noted in last year's report). 17 of the 64 calls are noted above. Management has also updated the 17 surveillance security camera system by hiring a professional security camera monitor company. The professional security monitors are responsible for monitoring the security cameras all week from 5:00 pm through 7:00am and provide 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? <ul style="list-style-type: none"> ➢ 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 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? <ul style="list-style-type: none"> ➢ Fair Housing Poster ➢ 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? <ul style="list-style-type: none"> ➢ Playground ➢ Community Room ➢ BBQ/Picnic Area ➢ Laundry Facility ➢ Business Center ➢ Pool ➢ Other (Sand Volleyball and Fitness Center) 	X		X
8) When are property licenses and permits renewed? <ul style="list-style-type: none"> ➢ Licenses/permits are renewed annually for the community pool. 			
9) Where are vendor insurance records/binders maintained? <ul style="list-style-type: none"> ➢ Vendor documents are maintained 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		

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COMMENTS: The HandyTrac key system is utilized at this community.

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 7.5 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? ➢ A portion of the buildings are serviced bi-weekly, with all buildings being serviced on a quarterly basis. During the bi-weekly 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 about 10% of 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 parking lot issues, re-stripe the parking lot, re-paint unit entry doors, and update the camera monitoring system to digital (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; improvements to the security cameras and playground equipment, and repairs to the speed bumps.			
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:	129		
Number of requests open from prior periods:	0		
Number of service requests completed:	118		
Number of service requests completed within 24 hours:	2		
Number of outstanding service requests:	11		
COMMENTS: The 11 open work orders listed on the Work Order Directory dated 3/10/2017 through 4/10/2017 have been open for an average of 12 days. Based on a review, none of the open work orders are due to safety or life-threatening issues however management is advised to close them as soon as possible.			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	33	8
Flyers	\$0	3	0
Resident Referral: \$50 referral fee	\$350	16	7
Locator Service	\$0	0	0
Printed Advertising: Rent Path \$383/monthly and LaVos Newspaper \$135/monthly	\$518	42	0
Internet Advertising: Apartment.com, Craigslist, Property Website, and Section 8 (\$396/annually).	\$33	31	6
Other Source: Employment Referral and Returning Resident	\$0	3	1
TOTAL	\$901	128	22
The rental activity reflected in the above table was for the month of: March 10, 2017 through April 10, 2017.			
	YES	NO	N/A
2) Is the property doing bilingual advertising?	X		
3) Does the property have any competitors nearby?	X		

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4) Does the property "shop" their competitors?	X		
5) Does the property complete a market survey at least monthly?	X		
COMMENTS: The Traffic Sheet did not include "Newspaper" as a source type. Management is advised to add this source type to the report.			

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: 70%	12 months: 78%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	28%		
4) When are the lease renewal/rent increase notices sent to residents? <ul style="list-style-type: none"> ➤ 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? <ul style="list-style-type: none"> ➤ 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? <ul style="list-style-type: none"> ➤ The last rent increase was implemented in March 2016; however, another increase was implemented in June 2016 due to a utility allowance change. 			
9) How many households are currently on month-to-month leases? <ul style="list-style-type: none"> ➤ N/A 			
10) What is the charge for month-to-month leases? <ul style="list-style-type: none"> ➤ N/A 			
COMMENTS:			

VACANT/MAKE READY UNITS			
1) Number of vacant units at time of activity report:			14
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:			3
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:			3
6) Number of uncompleted made ready units at time of activity report:			7
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:			1
9) Number of uncompleted three bedroom units at time of activity report:			5
Units Walked			
Unit #	Brief Description		
312	(1x1) This unit is made-ready.		
807	(3x2) This unit is made-ready however the smoke alarms were not operable and an odor treatment needs to be completed. See comment.		
1508	(3x2) This unit is made-ready.		
1813	(2x1) Unit needs to be 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 14 units that are vacant, 7 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 10 - 14 days.
COMMENTS: Prior to the end of the onsite visit, management provided the reviewer with closed work order to support that the smoke alarms were operable in unit 807.

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.

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
Total Utilities	\$22,486	\$31,300	\$8,813	28%	Utility Late Fee and Irrigation Water
Redecorating Expense	\$8,207	\$3,025	-\$5,128	-171%	Int Door Locks and Hardware, Paint and Supplies, Contract Cleaning, and Contract Painting Labor
Total Repair and Maintenance	\$852	\$4,959	\$4,106	82%	Carpet Wet Vac, Interior Repair, Pool and Spa Maintenance Pest Control- Bed bug

COMMENTS: A review of the budgets suggests that the budget variances are due to the start of the budget year. The Redecorating Expense variance was due to contract cleaning and painting labor.

REVENUE

FOR THE MONTH ENDING: January		YEAR TO DATE AS OF: January	
Gross Potential	\$141,097	Gross Potential	\$141,097
Budgeted Rental Income	\$140,776	Budgeted Rental Income	\$140,776
Actual Rental Income Collected	\$143,667	Actual Rental Income Collected	\$143,667
Variance + (-)	\$2,891	Variance + (-)	\$2,891
Other Revenue	\$11,832	Other Revenue	\$11,832
Total Collected	\$155,6500	Total Collected	\$155,6500
Budgeted	\$150,452	Budgeted	\$150,452
Variance + (-)	\$5,048	Variance + (-)	\$5,048

COMMENTS:

ACCOUNTS PAYABLE	YES	NO	N/A
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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.			

COMMENTS: According to management, the total balance listed in the 90 day and over is due to one vendor. The payment is pending the submission of the vendor's insurance documents.	0-30 Days:		\$8,862
	30-60 Days:		\$1,932
	60 Days and Over:		\$2,389
	TOTAL		\$13,183

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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 is late on the 6 th 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 th day of each month.			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?	X		
COMMENTS: Management stated that the current balance includes balances for 2 evictions that have been files (court pending) and 2 potential evictions that will be filed if rent is not paid on or before April 21, 2017. The remaining balances are for households that have entered into a payment agreement.	0-30 Days:		\$8,185
	30-60 Days:		\$264
	60 Days and Over:		\$0
	TOTAL		\$8,449

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		2	
2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		
COMMENTS: Based on a review of tenant ledgers, management is following company policy in regards to returned checks.			

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? ➤ Weekly 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.			
COMMENTS:			

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		
COMMENTS:			

SUMMARY OF OBSERVATIONS AND FINDINGS
No Findings or Observations.

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