

Texas State Affordable Housing Corporation

Ridgewood Apartments

2830 Lake Road, Huntsville, Texas 77340

Owner: Dalcor Affordable Housing I, LLC

Date Built: 1996

Management Company: Dalcor Management

Property Manager: Cathy Newvine

Inspection Date & Time: March 28, 2018 at 11:30 a.m.

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	93.1%	Average Occupancy Over Last 12 Months:	93.1%
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 – see comment		
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: Ridgewood Apartments is in overall great condition. During the physical unit inspection the reviewer observed a dingy hallway that needed to be power washed (building #11). Management confirmed that hallways are power washed semi-annually and that this section of the property is on next set of buildings to be completed. A review of other building confirmed that management power washes the hallways as stated. Otherwise, the property appeared to be in great condition from the curb appeal to the buildings and the landscaping.

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	Theft - 1
Criminal Mischief		
Personal Assault	1	Assault - 1
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance	18	Disturbances - 2, Civil – 8, Domestic – 7, Domestic in Progress - 1

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Other	13	Harassment - 3, Noise – 8, Suspicious Activity – 1, Suspicious Vehicle – 1,	YES	NO	N/A
			X		
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		
<p>COMMENTS: The incidents noted above were taken from the call logs dated 1/1/18 – 3/12/18. There has been a slight increase in calls and incidents noted based on a review of the previous years' report. This year there were a total of 86 calls logged, 33 of which are noted above. Management confirmed that they require tenants to sign multiple lease addendums regarding crime prevention, a courtesy office lives onsite, and they utilize a 24 hours a day security surveillance monitoring system (for the 17 security cameras) to try to minimize criminal activity at the property. Management also stated that call logs, courtesy officer reports, and all activity noted from the surveillance monitoring company are reviewed and action is taken by management when required.</p>					

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? If yes, when?	X		
<p>COMMENTS: According to management, the last risk assessment was completed in March 2018.</p>			

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?	X		
➤ The property pool requires an annual permit/license.	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 – Two playgrounds	X		
➤ Community Room	X		
➤ BBQ/Picnic Area	X		
➤ Laundry Facility			X
➤ Business Center	X		
➤ Pool	X		
➤ Other – Fitness Center and Volleyball Court	X		
<p>COMMENTS:</p>			

KEY CONTROL	YES	NO	N/A
1) Does the property use an electronic key tracking system? If not, answer questions 2-4.	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		
<p>COMMENTS:</p>			

MAINTENANCE PROGRAM	YES	NO	N/A

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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) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
5) How often are Pest Control services provided? ➢ The pest control provider visits the property monthly to service a quarter of the property. All pest control work order request are treated during the monthly visits.			
6) What is the policy for following up on completed service requests? ➢ The Property Manager follows up on completed work orders at random.			
7) What is the property's after-hours emergency policy? ➢ The property utilizes an answering service that will immediately relay the emergency to the staff member that is on call.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ The following capital improvements have been completed; sidewalk trip hazards have been repaired, and fire stoppers (above each stove) have been added and water conservation toilets have been installed in each unit at the property. The following items are scheduled to be completed; tree trimming, wood trim replacement, re-stripping of parking lot and the replacement of building number signs.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➢ Unit interiors and applicant upgrades/replacements are conducted as needed.			
10) Building Exterior and Curb Appeal repairs ➢ There were no building exterior curb appeal repairs completed in the last budget year.			
11) Amenity upgrades ➢ No amenity upgrades.			
12) Other repairs or replacements ➢ N/A			
Number of service requests received:	142		
Number of requests open from prior periods:	0		
Number of service requests completed:	135		
Number of service requests completed within 24 hours:	37		
Number of outstanding service requests:	7		
13) On average, how many days does it take to complete a work order? ➢ On average, it takes maintenance staff 4 days to complete a work order.			
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	13	1
Flyers	\$0		
Resident Referral: \$50 resident referral free	\$0	10	0
Locator Service	\$0		
Printed/Internet Advertising: For Rent (\$290 monthly) and Local Newspaper (\$220 quarterly) totaling \$363 monthly. For Internet: For Rent, Apartments.com, Craigslist, Property Website, and Section 8 (\$396 annually), totaling \$33 monthly.	\$396	76	0
Other Source: Walker Housing Authority and promotions marketing conducted by the Property Manager.	\$0	15	5
TOTAL	\$396	114	6
The rental activity reflected in the above table was for the month of: 2/26/18 – 3/26/18			
	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: The reviewer encourages the marketing efforts put forth by management as they have successfully maintained a 93.1% average occupancy rate for the last 12 months.			

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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: 43%	6 months: 85%	12 months: 89.6%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	31%		
4) Are lease renewal/rent increase notices sent to residents at the 120-day, 90-day, 60-day and 30-day timeframes prior the end of the lease 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) Are rent increases being implemented?	X		
9) When was the last rent increase implemented? What was the average rent increase? > The last rent increase was implemented in April 2018 with an average rent increase of \$51.			
10) How many households are currently on month-to-month leases? > N/A			
11) 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:			14
2) Number of completed made ready units at time of activity report:			4
3) Number of completed one bedroom units at time of activity report:			2
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:			1
6) Number of uncompleted made ready units at time of activity report:			10
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:			9
9) Number of uncompleted three bedroom units at time of activity report:			0
Units Walked			
Unit #	Brief Description		
115	(2x1) Vacant: The unit is ready for occupancy.		
1005	(2x1) Vacant: This unit is ready for occupancy.		
1118	(1x1) Vacant: This unit is ready for occupancy.		
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 – 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: Semi-annually.			
7) How often are vacant units inspected? > Vacant units are inspected: Weekly.			
8) How many vacant units are in progress of being made ready? > At the time of the onsite visit there were 14 vacant units.			

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9) What is the company policy on the number of days to turn vacant units? > Vacant units should be turned within 7-10 business days according to management policy.	
COMMENTS:	

BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? > Management confirmed that three bids are required to obtain services and supplies.			
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? > There has not been an expenses that has 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
Payroll Expenses	\$15,014	\$19,741	\$4,726	23%	Health Insurance, Workers Comp., Other Employee Costs
Redecorating Expense	\$5,469	\$4,925	-\$544	-11%	Contract Cleaning and Paint and Supplies
Repairs and Maintenance	\$4,741	\$7,500	\$2,758	36%	Electrical and Plumbing
Advertising Expense	\$2,165	\$875	-\$1,290	-147%	Advertising and Resident Referrals

COMMENTS:

REVENUE			
FOR THE MONTH ENDING: JANUARY 2018		YEAR TO DATE AS OF: JANUARY 2018	
Gross Potential	\$161,704	Gross Potential	\$161,455
Budgeted Rental Income	\$148,617	Budgeted Rental Income	\$148,617
Actual Rental Income Collected	\$148,704	Actual Rental Income Collected	\$148,704
Variance + (-)	\$87	Variance + (-)	\$87
Other Revenue	\$5,123	Other Revenue	\$5,123
Total Collected	\$153,827	Total Collected	\$153,827
Budgeted	\$156,737	Budgeted	\$156,737
Variance + (-)	-\$2,909	Variance + (-)	-\$2,909

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) Are invoices processed weekly? > Invoices are processes weekly.			
COMMENTS: According to management, the 90+ day balance listed on the Aging Summary report dated 3/28/18 are entry errors. The errors include 6 resident security deposits that were all entered by mistake and are in the process of being removed.	0-30 Days:		\$30,228
	30-60 Days:		\$0
	60 Days and Over:		\$460
	TOTAL		\$30,688

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 day of each month and considered late on the 6 th day. Three-Day Notices are sent to everyone that has not pair rent followed by a final 24-hour notice to vacate.			
3) When is legal action taken against delinquent accounts? > Legal action is taken around the 20 th of the month for those who have not paid rent or those who have not entered a repayment agreement.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		

COMMENTS: 0-30 Days: \$3,313

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	30-60 Days:	-\$27
	60 Days and Over:	\$700
	TOTAL	\$3,986

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:

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) Are weekly staff meetings held?	X		
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ Staff attended Fair Housing, Housing Tax Credit Class through Texas Apartment Association.			

COMMENTS: The property hired a new Lead Maintenance that is scheduled to start in April 2018.

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 accessed to the property management system ad reviews reports at their convenience.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Any amount over \$100 requires the Property Manage to seek 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.

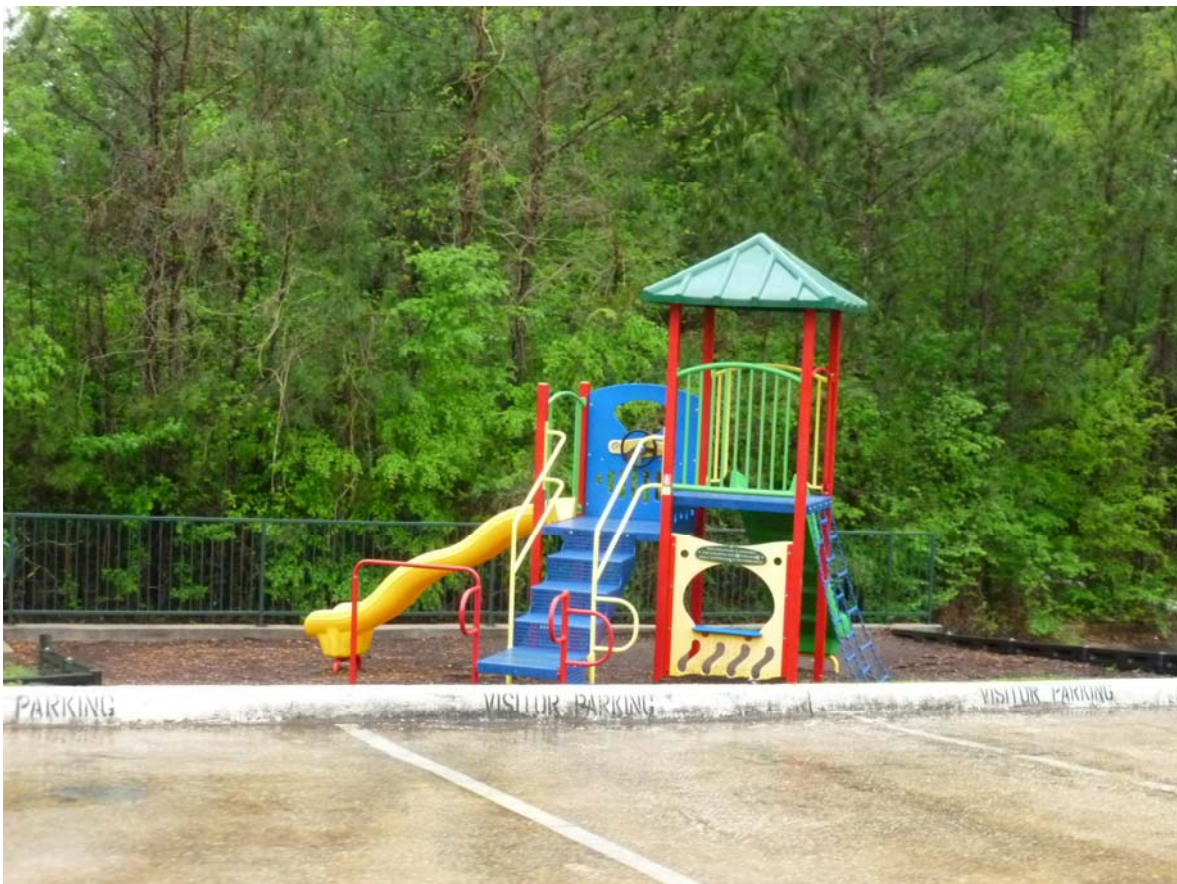
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