

# Texas State Affordable Housing Corporation

## Saddlewood Apartments 3625 Wellborn Rd., Bryan, Texas 77801

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

**Date Built: 1995**

**Management Company: Dalcour Management**

**Compliance Director: Lee Ann Rodgers**

**Inspection Date & Time: March 29, 2018 at 10:00 a.m.**

**Inspector's Name: Celina Mizcles Stubbs**

	92.2%	<b>Average Occupancy Over Last 12 Months:</b>	92.2%
<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 – 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		
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:** Based on visual observation, the overall physical condition of Saddlewood Apartments was great. The buildings, landscaping and amenity areas were all clean and free of debris. The reviewer noticed a small section of the wooden perimeter fence that was leaning. Management submitted a completed work order for the fence repairs prior to the issuance of this report.

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:		
<b>Incident Type</b>	<b># of Occurrences</b>	<b>Comments:</b>
Burglary		
Theft		
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance	3	

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Other	6	Suspicious Vehicle – 2, Disorderly Conduct -2, Stolen Vehicle -1, and Noise - 1			
			<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		

**COMMENTS:** Incident call logs were provided for review from December 2017 through February 2018. There were a total of 160 calls which is a slight increase in calls however the total number of incidents is unknown. The reviewer was only able to document the incidents listed for the month of February (see chart above) however not for the months of December and January due to a change in reporting. In an effort to control crime at the property, Management confirmed that they continue to require tenants to sign multiple lease addendums regarding crime prevention and a courtesy officer resides at the property and provides daily foot patrol. In addition, the property utilizes an all-day security surveillance monitoring company (for the 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 appropriate action is taken by management when required.

<b>SECURITY PROGRAM Part II</b>			<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		

**COMMENTS:** According to management, the last risk assessment was completed in March 2018.

<b>OFFICE</b>			<b>YES</b>	<b>NO</b>	<b>N/A</b>
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.				
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		X		
➤	Community Room		X		
➤	BBQ/Picnic Area		X		
➤	Laundry Facility				X
➤	Business Center		X		
➤	Pool		X		
➤	Other – Fitness Center and Volleyball Court		X		

**COMMENTS:**

<b>KEY CONTROL</b>			<b>YES</b>	<b>NO</b>	<b>N/A</b>
1)	Does the property use an electronic key tracking system? If not, answer questions 2-5.		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		

**COMMENTS:**

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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) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?		X		
5) How often are Pest Control services provided? <div style="margin-left: 20px;">➤ The pest control provider visits the property bi-weekly to service a quarter of the property. All pest control call-backs, if any, are treated during the bi-weekly visits.</div>				
6) What is the policy for following up on completed service requests? <div style="margin-left: 20px;">➤ The Property Manager follows up on completed work orders at random.</div>				
7) What is the property's after-hours emergency policy? <div style="margin-left: 20px;">➤ The property utilizes an answering service that will immediately relay the emergency to the staff member that is on call.</div>				
8) What capital improvements have been scheduled or completed for this budget year? <div style="margin-left: 20px;">➤ The following capital improvements have been completed; sidewalk trip hazards have been repaired, fire stoppers (above each stove) were added, and water conservation toilets have been installed in each unit at the property. The following items are scheduled to be completed; wood trim replacement, roof repairs and re-striping of the parking lot.</div>				
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>				
9) Unit Interior and Appliance upgrades <div style="margin-left: 20px;">➤ Unit interiors and appliance upgrades/replacements are completed as needed.</div>				
10) Building Exterior and Curb Appeal repairs <div style="margin-left: 20px;">➤ There were no building exterior or curb appeal repairs completed in the last budget year.</div>				
11) Amenity upgrades <div style="margin-left: 20px;">➤ No amenity upgrades.</div>				
12) Other repairs or replacements <div style="margin-left: 20px;">➤ N/A</div>				
Number of service requests received:		97		
Number of requests open from prior periods:		0		
Number of service requests completed:		74		
Number of service requests completed within 24 hours:		4		
Number of outstanding service requests:		24		
13) On average, how many days does it take to complete a work order? <div style="margin-left: 20px;">➤ On average, it takes maintenance staff 10 days to complete a work order.</div>				
<b>COMMENTS:</b>				

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth		17	2
Flyers			0
Resident Referral: \$50 resident referral free	\$150	9	3
Locator Service			0
Printed/Internet Advertising: Rent Path (\$383 monthly) and Local Newspaper (\$135 monthly) For Internet: Apartments.com, Craigslist, Property Website, and Section 8 (\$396 annually), totaling \$33 monthly.	\$551	15	2
Other Source: Housing Agency, Returning Resident	\$0	21	7
<b>TOTAL</b>	<b>\$701</b>	<b>62</b>	<b>14</b>
<b>The rental activity reflected in the above table was for the month of: 2/28/18 – 3/29/18.</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		
<b>COMMENTS:</b>			

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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: 100%	6 months: 73.1%	12 months: 80.7%
3)	What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	40%		
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 \$30.			
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			
<b>COMMENTS:</b> There was a 14% increase in move-outs due to skips on non-payment of rent.				

VACANT/MAKE READY UNITS					
1) Number of vacant units at time of activity report:			17		
2) Number of completed made ready units at time of activity report:			3		
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:			1		
6) Number of uncompleted made ready units at time of activity report:			14		
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:			8		
9) Number of uncompleted three bedroom units at time of activity report:			6		
Units Walked					
Unit #	Brief Description				
401	(3x2) Vacant: This unit is made-ready. The dead-bolt needs to be replaced.				
707	(2x2) Vacant: This unit is made-ready.				
913	(1x1) Vacant: This units is made-ready. The dead-bolt needs to be replaced.				
1301	(2x2) Vacant: This units is in the process of being made-ready.				
Down Units Walked (units vacant and unready for extended period of time and all down units)					
Unit #	Brief Description				
NA					
			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-annual.					
7) How often are vacant units inspected? ➤ Vacant units are inspected: Weekly.					

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8) How many vacant units are in progress of being made ready? ➤ At the time of the onsite visit there were 17 vacant units.
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.
<b>COMMENTS:</b> Completed work orders for the dead-bolts noted for units 401 and 1301 were submitted prior to the issuance of this report. Prior to the visit, the reviewer made note of several vacant units that had extended vacancy length. On the day of the onsite visit, some of the units had been leased and the others have been pre-leased.

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 negatively affected the current budget.							
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	
Payroll Expense		\$19,403	\$17,147	-\$2,256	-13%	Health Insurance and Admin Payroll Fees	
Redecorating Expense		\$5,617	\$5,090	-\$527	-10%	Carpet Cleaning & Repairs and Int. Door Locks and Hardware.	
Advertising Expense		\$1,628	\$1,305	-\$323	-24%	Advertisng and Promotion Expense	
COMMENTS:							

REVENUE					
FOR THE MONTH ENDING: JANUARY			YEAR TO DATE AS OF: JANUARY 2018		
Gross Potential		\$146,443	Gross Potential		\$146,443
Budgeted Rental Income		\$145,686	Budgeted Rental Income		\$145,686
Actual Rental Income Collected		\$146,628	Actual Rental Income Collected		\$146,628
Variance + (-)		\$942	Variance + (-)		\$942
Other Revenue		\$13,089	Other Revenue		\$13,089
Total Collected		\$159,717	Total Collected		\$159,717
Budgeted		\$155,008	Budgeted		\$155,008
Variance + (-)		\$4,709	Variance + (-)		\$4,709
<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) Are invoices processed weekly? ➤ Management processes invoices on a weekly basis.							
<b>COMMENTS:</b> According to management, the 90+ day balances listed on the Aging Summary report dated 3/29/18 are invalid and will be removed.					0-30 Days:		\$18,764
					30-60 Days:		\$93
					60 Days and Over:		\$405
					TOTAL		\$19,262

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 <sup>st</sup> day of each month and considered late on the 6 <sup>th</sup> day. Three-Day Notices are sent to everyone that has not paid 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 <sup>th</sup> 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	

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5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b>	0-30 Days:		\$3,582
	30-60 Days:		-\$208
	60 Days and Over:		-35\$
	TOTAL		\$3,339

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		
<b>COMMENTS:</b>			

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.			
➤ In the last 12 months staff attended a legal seminar thru Apartment Association, Fair Housing and Housing Tax Credit classes.			
<b>COMMENTS:</b>			

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 the property management system and 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 Manager 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		
<b>COMMENTS:</b>			

SUMMARY OF OBSERVATIONS AND FINDINGS
No Findings or Observations.



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