

# Texas State Affordable Housing Corporation

## Tealwood Apartments

5300 Professional Drive, Wichita Falls, Texas 76302

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

**Date Built: 2004**

**Management Company: Dalcor Management**

**Compliance Director: Deneice Keck**

**Inspection Date & Time: April 18, 2018 at 8:00 a.m.**

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

<b>Occupancy at the Time of Report:</b>	75%	<b>Average Occupancy Over Last 12 Months:</b>	75.7%
<b>Number of Units: 180</b>			
<b>Number of One Bedrooms:</b>	36	<b>Number of Two Bedrooms:</b>	84
<b>Number of Three Bedrooms:</b>	60	<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:** Based on visual observation, the overall condition of Tealwood Apartments appears to be excellent. The buildings, landscaping and amenity areas were all clean and free of debris. The previous year's report indicated an issue with bulk items near the property dumpster area however this was not the case during this year's visit. In addition, last year's review indicated that several stairways had flaking or chipped paint. According to management, the re-painting of stairwells is in discussion however, no decisions have been made.

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	2	
Personal Assault	1	
Drug Related Activity	3	
Gun Related Activity		
Domestic Violence		
Disturbance	13	Disturbance – 9 and Disturbance for Noise - 4

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Other	1	Fire -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		

**COMMENTS:** 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 they have a courtesy officer who resides at the property and provides daily foot patrol. In addition, the property utilizes an all-day security surveillance monitoring company (for the 16 security cameras) to try to minimize criminal activity at the property. Management also stated that call logs, courtesy officer reports, and all activity obtained from the surveillance monitoring company are reviewed and appropriate action is taken by management when required. Incident call logs were not provided prior to the onsite visit however were submitted for review prior to the issuance of this report. The call log dated 1/4/18 through 4/17/18 listed a total of 60 calls. Of the 60 calls, 22 incidents were recorded in the chart above. Management is encourage to review and follow up on the incidents noted on the call log report and to take appropriate action, if 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? If yes, when?	X		

**COMMENTS:** According to management, the last risk assessment was completed in 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) 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	X		
➤ Community Room	X		
➤ BBQ/Picnic Area	X		
➤ Laundry Facility			X
➤ Business Center	X		
➤ Pool	X		
➤ Other – Fitness Center and Volleyball Court	X		

**COMMENTS:**

KEY CONTROL	YES	NO	N/A
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? <ul style="list-style-type: none"> <li>➢ 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.</li> </ul>			
6) What is the policy for following up on completed service requests? <ul style="list-style-type: none"> <li>➢ The Property Manager follows up on completed work orders at random.</li> </ul>			
7) What is the property's after-hours emergency policy? <ul style="list-style-type: none"> <li>➢ The property utilizes an answering service that will immediately relay the emergency to the staff member that is on call.</li> </ul>			
8) What capital improvements have been scheduled or completed for this budget year? <ul style="list-style-type: none"> <li>➢ The following capital improvements have been completed; restriping of parking lot, fire stoppers (above each stove) were added, water conservation toilets were installed in each unit, and wood trim replacement and paint was completed as needed. The following items are scheduled to be completed; repair of the front gate track and the pool will be resurfaced.</li> </ul>			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades <ul style="list-style-type: none"> <li>➢ Unit interiors and appliance upgrades/replacements are completed as needed.</li> </ul>			
10) Building Exterior and Curb Appeal repairs <ul style="list-style-type: none"> <li>➢ There were a few wood trim replacement and trim paint.</li> </ul>			
11) Amenity upgrades <ul style="list-style-type: none"> <li>➢ No amenity upgrades.</li> </ul>			
12) Other repairs or replacements <ul style="list-style-type: none"> <li>➢ N/A</li> </ul>			
Number of service requests received:	89		
Number of requests open from prior periods:	0		
Number of service requests completed:	85		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	4		
13) On average, how many days does it take to complete a work order? <ul style="list-style-type: none"> <li>➢ On average, it takes maintenance staff 4 days to complete a work order.</li> </ul>			
<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: New flags, Banner, and Balloons (\$150 a quarter)	\$50	22	8
Flyers: \$25 monthly	\$25	0	0
Resident Referral: \$50 resident referral fee	\$250	6	5
Locator Service: N/A	\$0	0	0
Printed/Internet Advertising: RentPath.com (apartment Finder/Apartment Guide/For Rent/Rent.com, Craigslist, and Property Website (\$383 annually)	\$32	25	2
Other Source: Housing Agency, Returning Residents, "N/A" and daily Facebook post	\$0	3	2
<b>TOTAL</b>	<b>\$357</b>	<b>56</b>	<b>17</b>
<b>The rental activity reflected in the above table was for the month of: 3/15/18 through 4/15/18.</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> The new Property Manager stated that she is heavily involved with the local Apartment Association. The association conducts market surveys and share the information with various participating Property Managers. Management has also created a new business list for flyer distribution and has met with the local Section 8 department in order to create a better business relationship in hopes of increasing the overall occupancy rate. In			

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addition, the property had a leasing special promotion for resident referral (\$300 per approved applicants).

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: 29%	12 months: 52%
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 2017 with an average rent increase of \$6.			
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:	40
2) Number of completed made ready units at time of activity report:	30
3) Number of completed one bedroom units at time of activity report:	0
4) Number of completed two bedroom units at time of activity report:	16
5) Number of completed three bedroom units at time of activity report:	14
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:	5
9) Number of uncompleted three bedroom units at time of activity report:	4

**Units Walked**

Unit #	Brief Description
103	(3x2) Vacant for 336 days: This unit is made-ready.
315	(1x1) Vacant for 334 days: This unit is made-ready.
623	(3x2) Vacant for 250 days: This unit is made-ready.
709	(3x2) Vacant for 314 days: This unit is made-ready.
712	(3x2) Vacant for 390 days: 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 - 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.			

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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 40 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> According to the March USR there were a total of 41 vacant units with an average vacancy length of 175 days. The reviewer walked the 5 vacant units that had the longest vacancy length and confirmed that all of the units were ready for occupancy. Vacancy length is an existing issue at this property and the reviewer confirmed their continued efforts in marketing the property. The community has a new Property Manager and since her hire date, there has been a slight increase in occupancy. TSAHC recommends management continue their efforts.	

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 expense that has 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
Redecorating Expense	\$7,291	\$8,650	\$1,358	15%	Sheetrock Repairs and Vinyl and Tile Repair
Advertising Expenses	\$2,496	\$3,020	\$523	17%	Promotional Expenses and Resident Referrals
Repairs and Maintenance	\$4,617	\$5,660	\$1,043	18%	Carpet Wet Vac, Interior Repairs, Pool and Spa Maintenance
<b>COMMENTS:</b>					

REVENUE					
FOR THE MONTH ENDING: FEBRUARY			YEAR TO DATE AS OF: FEBRUARY 2018		
Gross Potential		\$126,434	Gross Potential		\$253,034
Budgeted Rental Income		\$92,937	Budgeted Rental Income		\$184,533
Actual Rental Income Collected		\$83,434	Actual Rental Income Collected		\$169,744
Variance + (-)		-\$9,502	Variance + (-)		-\$14,788
Other Revenue		\$11,331	Other Revenue		\$14,506
Total Collected		\$94,766	Total Collected		\$186,644
Budgeted		\$100,190	Budgeted		\$199,039
Variance + (-)		-\$5,434	Variance + (-)		-\$12,394
<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> There are two invoices listed in the 90+ day balance for a total of \$122,110. According to management, the Rent Path invoice for \$1,532 is due to the Rent Path company name change which resulted in Tealwood receiving duplicate invoices. The Landmark Rehab Group for \$120,578 will be paid as soon as funds from the Replacement Reserve account are received. Management confirmed that both invoice will be paid.	0-30 Days:		\$5,320
	30-60 Days:		\$1,599
	60 Days and Over:		\$123,259
	TOTAL		\$130,178

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			

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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	
5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b> The balances were taken from the Affordable Aging details report for April 2018. According to management, the current balance is due to late rent payments. Management confirmed that tenants had made verbal agreements to pay their rent no later than April 26 <sup>th</sup> .	0-30 Days:		\$9,512
	30-60 Days:		\$266
	60 Days and Over:		\$129
	TOTAL		\$9,907

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		1	
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 Grace Hills training (customer service and compliance courses), local Apartment Association trainings, Fair Housing training, and Housing Tax Credit classes.			
<b>COMMENTS:</b> The property has a new Property Manager.			

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
<b>No Findings or Observations.</b>

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