

# Texas State Affordable Housing Corporation

## Ridgewood Apartments

2830 Lake Rd., Huntsville, Texas 77340

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

**Date Built: 1996**

**Management Company: Dalcor Management**

**Property Manager: Cathy Newvine**

**Inspection Date & Time: April 11, 2019 @ 12:30 p.m.**

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

<b>Occupancy at Time of Report:</b>	92.7%	<b>Average Occupancy Over Last 12 Months:</b>	82.9%
<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 overall good condition on the day of the onsite visit. The property's grounds were clean and free of debris. The parking lot and common areas were clean, maintained and accessible. The building exteriors also appeared to be in good condition, the building foundation and roofs did not appear to show any visual signs of distress. The building hallways/breezeways were in great condition as they appeared to be power washed more frequently. During the property walk, the reviewer noticed that a handful of stairwell has paint that was chipped and/or peeling. In addition, the building numbers were faded and peeling off. Management mentioned that the building numbers were ordered and had recently arrived and confirmed that they will be replaced in the next couple of weeks. Management is aware of the peeling paint on the stairwells. Management plans to repaint the stairwells in next year's budget.

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	1	Burglary of Vehicle
Theft	1	
Criminal Mischief		
Personal Assault	2	
Drug Related Activity		
Gun Related Activity		

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Domestic Violence				
Disturbance	4	2 – Domestic Disturbances and 2 - Disturbances		
Other	7	7 – Loud Noise		
			<b>YES</b>	<b>NO</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	
<p><b>COMMENTS:</b> A review of the call log dated 12/2/18 – 2/26/19 shows a decrease in calls and incidents from the previous year's report. Last year there were 86 calls logged as opposed to this year's total of 43 calls. Of the 43 calls, 15 are noted above. In order to keep criminal activity at a low, management informs all tenants of the crime prevention efforts and maintains policies and lease addendums that require tenant signature. In addition, site management monitor the security surveillance cameras that are placed through the community and use footage to follow-up with tenants and/or issue lease violation, if necessary. Management confirmed that there was not a courtesy office in place at the time of the onsite visit but mentioned they are currently looking to fill the position.</p>				

<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		
<p><b>COMMENTS:</b> The last risk assessment was conducted in March 2018.</p>					

<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		
➤ Annual licenses are required for the swimming pool.			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: Volleyball Court and Fitness Center			X		
<p><b>COMMENTS:</b></p>					

<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		

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**COMMENTS:**

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>➢ Pest control services a portion of the building weekly; 100% of the buildings are serviced every 4 months.</li> </ul>			
6) What is the policy for following up on completed service requests? <ul style="list-style-type: none"> <li>➢ Management follows up on completed work orders on a random basis to ensure the work is completed to satisfaction.</li> </ul>			
7) What is the property's after-hours emergency policy? <ul style="list-style-type: none"> <li>➢ The new Avaya answering service takes all after-hour calls and transfers each call to the appropriate person(s), if needed.</li> </ul>			
8) What capital improvements have been scheduled or completed for this budget year? <ul style="list-style-type: none"> <li>➢ Based on conversation, the property completed tree trimming and wood trim repairs. Manamgnet plans to complete the building number replacement and re-strip the parking lot during the current budget year.</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>➢ These items are repaired or replaced as needed.</li> </ul>			
10) Building Exterior and Curb Appeal repairs <ul style="list-style-type: none"> <li>➢ These items are repaired or replaced as needed.</li> </ul>			
11) Amenity upgrades <ul style="list-style-type: none"> <li>➢ N/A</li> </ul>			
12) Other repairs or replacements <ul style="list-style-type: none"> <li>➢ Tree trimming.</li> </ul>			
Number of service requests received:	128		
Number of requests open from prior periods:	0		
Number of service requests completed:	125		
Number of service requests completed within 24 hours:	28		
Number of outstanding service requests:	3		
13) On average, how many days does it take to complete a work order? <ul style="list-style-type: none"> <li>➢ Based on a review of the Work Order Directory dated 3/9/19 – 4/9/19 the maintenance team completed work order within 3.5 days.</li> </ul>			

**COMMENTS:**

### MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By (3) Word of Mouth (3)	\$0	3	2
Flyers			
Resident Referral: \$50 referral fee	\$250	12	5
Locator Service			
Printed/Internet Advertising: Rent Path \$294 monthly and local newspaper \$320 quarterly = \$400 month. All other social media: \$396 annually (\$33 monthly). Social Media (24), Property Website (16), Website (6)	\$433	46	1
Other Source: Apartment Finder (1), Employment Referral (1), Housing Agency (24),		26	
<b>TOTAL</b>	<b>\$683</b>	<b>87</b>	<b>8</b>
<b>The rental activity reflected in the above table was for the month of: 3/9/19 – 4/9/19</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		

**COMMENTS:**

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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: 70%	12 months: 84%
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 in April 2018 with at rent increase of about \$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			
<b>COMMENTS:</b>			

VACANT/MAKE READY UNITS			
1) Number of vacant units at time of activity report:			16
2) Number of completed made ready units at time of activity report:			9
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:			9
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:			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:			4
9) Number of uncompleted three bedroom units at time of activity report:			2
<b>Units Walked</b>			
<b>Unit #</b>	<b>Brief Description</b>		
305	(2x2) Vacant for 292 days: Ready. Smoke alarm battery chirping		
624	(2x2) Vacant for 346 days: Ready		
815	(2x2) Vacant for 223 days: Ready		
908	(2x2) Vacant for 278 days: Ready		
1013	(2x2) Vacant for 267 days: Ready		
1115	(2x2) Vacant for 278 days: Needs a thorough cleaning.		
<b>Down Units Walked (units vacant and unready for extended period of time and all down units)</b>			
<b>Unit #</b>	<b>Brief Description</b>		
N/A			
	<b>YES</b>	<b>NO</b>	<b>N/A</b>
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			

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8) How many vacant units are in progress of being made ready? ➤ There are 16 vacant units, 7 of which are in the make-ready process.
9) What is the company policy on the number of days to turn vacant units? ➤ The company policy is 7-10 business days.
<b>COMMENTS:</b> On the day of the site visit, the reviewer walked several units that have been vacant for an extended amount of time. With the exception of one unit, they are all made ready and available for occupancy. Based on conversation with management and review of their traffic reports, management is taking the steps needed to help the occupancy rate. The review recommends management continue their efforts in marketing the property. Management is also encouraged to continue to walk the units weekly to ensure that they are ready to be shown to prospective applicant(s) at any day or time.

<b>BUDGET MANAGEMENT</b>					
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Three bids are required to obtain supplies or services.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ The current budget has not been negatively affected.					
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 Expenses	\$19,056	\$21,723	\$2,666	12%	Payroll and Health Insurance
Repairs and Maintenance	\$6,236	\$5,526	-\$710	-12%	Pet Control, Misc. Maintenance and Equipment, Heating and Air Conditioner
<b>COMMENTS:</b>					

<b>REVENUE</b>					
FOR THE MONTH ENDING: February 2019			YEAR TO DATE AS OF: February 2019		
Gross Potential		\$161,348	Gross Potential		\$322,954
Budgeted Rental Income		\$161,074	Budgeted Rental Income		\$322,148
Actual Rental Income Collected		\$156,723	Actual Rental Income Collected		\$310,046
Variance + (-)		\$4,827	Variance + (-)		\$6,554
Other Revenue		\$7,388	Other Revenue		\$12,498
Total Collected		\$164,111	Total Collected		\$322,544
Budgeted		\$157,018	Budgeted		\$313,736
Variance + (-)		\$7,093	Variance + (-)		\$8,808
<b>COMMENTS:</b>					

<b>ACCOUNTS PAYABLE</b>			
	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?	X		
<b>COMMENTS:</b>			
	0-30 Days:		\$14,359
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$14,359

<b>DELINQUENCIES</b>			
	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> and late on the 6 <sup>th</sup> .			
3) When is legal action taken against delinquent accounts? ➤ Legal action is taken around the 20 <sup>th</sup> unless a repayment agreement has been signed.			
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:		\$5,042
	30-60 Days:		\$231
	60 Days and Over:		\$0
	TOTAL		\$5,273

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		3	
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. <ul style="list-style-type: none"> <li>➤ All staff members are required to participate in various trainings provided through the local apartment association. Staff also attends tax credit and Grace Hill courses.</li> </ul>			
<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? <ul style="list-style-type: none"> <li>➤ The owner has access and reviews or pulls reports when needed.</li> </ul>			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? <ul style="list-style-type: none"> <li>➤ The Property Manager must seek approval for amounts over \$100.</li> </ul>			
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 Observations or Findings.</b>

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