

# Texas State Affordable Housing Corporation

## Tealwood Apartments

5300 Professional Drive, Wichita Falls, Texas 76302

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

**Date Built:** 2004

**Management Company:** Dalcour Management

**Property Manager:** Deneice Keck

**Inspection Date & Time:** May 16, 2019 at 8:00am

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

<b>Occupancy at Time of Report:</b>	80%	<b>Average Occupancy Over Last 12 Months:</b>	80.7%
<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:** The overall visual observation of the property was great. The property's landscaping, signs, and banners were all nice and provide great curb appeal. The property grounds, building exteriors, and common areas all appeared to be well maintained. There were a few small pot holes but management said they are aware and plan to repair the parking lot during the next budget year. During the property walk the reviewer noticed the following issues; a damaged window screen (unit 501) and chalk was all over the door, hallway and stairwell (unit 603). Prior to the issuance of this report, Manamgnet submitted completed work orders for the items in units 501 and 603 mentioned above.

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	
Theft		
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		

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Domestic Violence		
Disturbance	3	
Other		

	YES	NO	N/A
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:** The call logs that were submitted for review, dated 1/4/2019 through 3/29/19, show a decrease in the total number of calls logged. Last year there were 60 calls logged as opposed to this year's total of 20 calls. Of the 20 calls only 4 are noted above. In order to maintain low criminal activity at the property, tenants are required to sign the property's crime prevention policy and lease addendums. In addition, site management monitors the security surveillance cameras that are placed throughout the community. Management uses the camera footage to follow-up with tenants and/or issue lease violations, when necessary. The property also employs a courtesy officer who walks the property each night and provides management with weekly property event reports.

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:** Maintenance staff conducts monthly exterior property walks to identify any risk liabilities.

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		
➤ (Describe)			
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		

**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		

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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? ➢ Pest control services a portion of the building weekly; 100% of the buildings are serviced every 4 months.			
6) What is the policy for following up on completed service requests? ➢ Management follows up on completed work orders on a random basis to ensure the work is completed to satisfaction.			
7) What is the property's after-hours emergency policy? ➢ The answering service takes all after-hour calls and transfers each call to the appropriate person(s), when necessary.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ According to the Property Manager, the property's pool was resurfaced during the current budget year. The property access gate is scheduled to be serviced and the parking lot is scheduled to be repaired then re-stripped.			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>			
9) Unit Interior and Appliance upgrades ➢ According to the property manager, there were a few appliances replaced in the last budget year. Unit interiors were completed as needed.			
10) Building Exterior and Curb Appeal repairs ➢ The roof and siding repairs were completed as needed.			
11) Amenity upgrades ➢ N/A			
12) Other repairs or replacements ➢ According to management, water heaters, exterior siding and stair steps/pavers were repaired or replaced.			
Number of service requests received:	77		
Number of requests open from prior periods:	0		
Number of service requests completed:	59		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	18		
13) How many days does it take to complete a work order? ➢ It appears to take maintenance staff about 3 days to complete work orders. Management confirmed that emergency work orders are responded to and completed within 24 hours.			
<b>COMMENTS:</b> There were 18 pending work order, 3 of which have been open for an average of 24 days. Based on conversation, it was due to items being back-ordered. Prior to the issuance of this report, management submitted completed work orders for the 3 pending work orders.			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth: Banners and Balloons (\$400 quarterly)	\$133	8	4
Flyers: \$25 monthly	\$25		
Resident Referral: \$100 per qualified move-in	\$100	2	1
Locator Service:	\$0		
Printed/Internet Advertising: Rent Path (\$383 monthly) Property Website, Craigslist and Facebook	\$383	4	
Other Source: Housing Authority, Returning Residents, Radio/TV, "N/A"	\$0	10	1
<b>TOTAL</b>	<b>\$641</b>	<b>24</b>	<b>6</b>
<b>The rental activity reflected in the above table was for the month of: 4/15/19 – 5/15/19</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		
<b>COMMENTS:</b> It is apparent that site staff ensures the property is properly marketed however there is still a lack of qualified applicants walking through the door. This inevitably affects the length of vacancy at the property. The reviewer suggests management select a 2 and 3 bedroom unit with the			

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longest vacancy and show case them on a bi-weekly basis. The selected units should be walked weekly to ensure lights are on, windows are open, and the unit is clean and ready for showings.

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: 53%	12 months: 57.86%
3)	What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	29%		
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? ➢ There was a recent rent increase (April 2019) that resulted in an average increase of about \$30 per bedroom.			
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> The percentage of move-outs due to eviction, non-payment of rent, or skips is high however it was a slight decrease from the previous year's report. This will be monitored during the next onsite visit.				

VACANT/MAKE READY UNITS					
1) Number of vacant units at time of activity report:				35	
2) Number of completed made ready units at time of activity report:				10	
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:				5	
5) Number of completed three bedroom units at time of activity report:				5	
6) Number of uncompleted made ready units at time of activity report:				25	
7) Number of uncompleted one bedroom units at time of activity report:				3	
8) Number of uncompleted two bedroom units at time of activity report:				10	
9) Number of uncompleted three bedroom units at time of activity report:				12	
Units Walked					
Unit #	Brief Description				
115	(3x2) 165 Days Vacant: Unit is made ready but needs a light and thorough cleaning prior to showing or move-in. Stained p-traps in both toilets.				
117	(2x2) 256 Days Vacant: Unit is made ready but needs a light and thorough cleaning prior to showing or move-in. Stained p-traps in both toilets and the unit smells a bit stale.				
314	(3x2) 331 Days Vacant: Unit is made-ready				
503	(3x2) 639 Days Vacant: Unit made ready but needs a light and thorough cleaning. Dusty entry door, dirty window screen, re-set kitchen cabinet drawer, clean p-traps, and repair/replace the kitchen sink cabinet subfloor.				
524	(3x2) 173 Days Vacant: Unit has not started the make-ready process. See comment.				
624	(3x2) 134 Days Vacant: Unit is made ready but needs a light and thorough cleaning prior to showing or move-in. The kitchen cabinet drawers were dusty and repair/replace the kitchen sink cabinet subfloor.				
703	(2x2) 134 Days Vacant: Unit is 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		

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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: Quarterly			
7) How often are vacant units inspected? ➤ Vacant units are inspected: Quarterly See observation			
8) How many vacant units are in progress of being made ready? ➤ There were 35 vacant units on the day of the onsite visit.			
9) What is the company policy on the number of days to turn vacant units? ➤ According to company policy, vacant units should be turned within 7-10 business days. See observation.			
<p><b>COMMENTS:</b> Based on the April 2019 USR, there were 35 vacant units with a total average vacancy length of 108 days. The reviewer chose to walk the units with the longest vacancy (see units listed above). With the exception of one unit, most were found to be “made-ready.” However, there were a few units that would benefit from a light but thorough cleaning. The following observations were made:</p> <p><b>Observations:</b></p> <ul style="list-style-type: none"> <li><b>Unit 524:</b> This unit has been vacant for 173 days and management has not started the make ready process. According to Manamgnet, there was an issue with getting the utilities put in their name. This, in addition to the list of other make-readies, delayed the unit even more. Management was reminded that a Down Unit is defined by a unit that has been vacant for 180 days or more, that has not been made ready and the unit is uninhabitable. It is imperative that staff begin the make-ready process on this unit.</li> <li>During the vacant unit inspections the reviewer noticed that a few of the units could use a thorough cleaning since they have been sitting vacant for so long. See notes above for units 115, 117, 503, and 624. Items like this should have been addressed during the management or maintenance vacant unit inspection. During the exit interview, management stated vacant units are inspected quarterly. TSAHC recommends vacant units be inspection weekly or bi-weekly to ensure the unit is in the best condition to show prospective applicants and there is no maintenance needed (i.e. inoperable smoke detector).</li> <li>Management is strongly encouraged to take inventory of all vacant units to determine what work is left to be done in each units. A detailed schedule should be made with the information to ensure that the units with the longest vacancy are targeted and shown to prospective applicants.</li> <li>Company policy is to turn vacant units within 7-10 days which does not appear to be taking place. There are currently 24 units listed as “Vacant Not Ready” on the Unit Available report that have been vacant for more than 10 days. The company policy is clearly not being followed. It is suggested that Management implement a Make Ready Plan that supports the vacant unit inventory list (mentioned above). The list will help the Maintenance staff be able to complete make readies in accordance with the company policy.</li> </ul> <p><b>Note:</b> Prior to the issuance of this report, management provided TSAHC with completed work orders to address the issues noted above. Management is reminded to conduct a spot check prior to showing the vacant units.</p>			

BUDGET MANAGEMENT					
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Three bids are required.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ Management placed several stair steps and rails, the cost exceeded the budget (budgeted \$551, actual spent \$1822).					
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
Operating Expenses	\$17,914	\$21,100	\$3,185	15%	Payroll Taxes and Health Insurance
Redecorating Expenses	\$8,862	\$4,045	-\$4,817	-119%	General Cleaning Supplies, Contract cleaning, and Contract Painting Labor
Repairs and maintenance	\$4,913	\$4,133	-\$780	-18%	Electrical, Heating and Air Conditioning, Building Structures, Pest Control and Misc Maintenance and Equipment
Ground and maintenance	\$5,400	\$1,701	-\$3,699	-217%	Annual Flowers
<b>COMMENTS:</b>					

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REVENUE			
FOR THE MONTH ENDING: April 2019		YEAR TO DATE AS OF: April 2019	
Gross Potential	\$129,711	Gross Potential	\$518,844
Budgeted Rental Income	\$105,633	Budgeted Rental Income	\$418,572
Actual Rental Income Collected	\$96,863	Actual Rental Income Collected	\$404,894
Variance + (-)	-\$8,769	Variance + (-)	-\$13,677
Other Revenue	\$3,593	Other Revenue	\$27,529
Total Collected	\$100,456	Total Collected	\$432,423
Budgeted	\$111,204	Budgeted	\$440,856
Variance + (-)	-\$10,747	Variance + (-)	-\$8,432
<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?	X		
<b>COMMENTS:</b>	0-30 Days:		\$30,850
	30-60 Days:		\$3,343
	60 Days and Over:		\$963
	TOTAL		\$35,156

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> and considered late on the 6 <sup>th</sup> day of each month.			
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	
5) Does Housing have any outstanding balances?		X	
<b>COMMENTS:</b> According to the Property Manager, there are six household that singed a repayment agreements. Once the monies are collected, the property will close the month with a balance of \$1,073.	0-30 Days:		\$4,052
	30-60 Days:		-\$467
	60 Days and Over:		-\$220
	TOTAL		\$4,052

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		0	
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		

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10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ 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. Site Manamgnet staff conducts monthly preventative maintenance and safety meetings.			
<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 and reviews or pulls reports when needed.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ The Property Manager must seek approval for amounts over \$100.			
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
<p><b>No Findings.</b></p> <p><b>Observations:</b></p> <ul style="list-style-type: none"> <li>Unit 524: This unit has been vacant for 173 days and management has not started the make ready process. According to Manamgnet, there was an issue with getting the utilities put in their name. This, in addition to the list of other make-readies, delayed the unit even more. Management was reminded that a Down Unit is defined by a unit that has been vacant for 180 days or more, that has not been made ready and the unit is uninhabitable. It is imperative that staff begin the make-ready process on this unit.</li> <li>During the vacant unit inspections the reviewer noticed that a few of the units could use a thorough cleaning since they have been sitting vacant for so long. See notes above for units 115, 117, 503, and 624. Items like this should have been addressed during the management or maintenance vacant unit inspection. During the exit interview, management stated vacant units are inspected quarterly. TSAHC recommends vacant units be inspection weekly or bi-weekly to ensure the unit is in the best condition to show prospective applicants and there is no maintenance needed (i.e. inoperable smoke detector).</li> <li>Management is strongly encouraged to take inventory of all vacant units to determine what work is left to be done in each units. A detailed schedule should be made with the information to ensure that the units with the longest vacancy are targeted and shown to prospective applicants.</li> <li>Company policy is to turn vacant units within 7-10 days which does not appear to be taking place. There are currently 24 units listed as "Vacant Not Ready" on the Unit Available report that have been vacant for more than 10 days. The company policy is clearly not being followed. It is suggested that Management implement a Make Ready Plan that supports the vacant unit inventory list (mentioned above). The list will help the Maintenance staff be able to complete make readies in accordance with the company policy.</li> </ul>



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