

Texas State Affordable Housing Corporation

Ridgewood Apartments 2830 Lake Rd., Huntsville, Texas 77340

Owner: Dalcot Affordable Housing I, LLC

Date Built: 1996

Management Company: Dalcot Management

Property Manager: Lee Ann Rodgers

Inspection Date & Time: November 1, 2021, at 2:00 p.m.

Inspector's Name: Estefania Linares

Occupancy at Time of Report:	83%	Average Occupancy Over Last 12 Months:	87.78%
Number of Units: 232			
Number of One Bedrooms:	48	Number of Two Bedrooms:	112
Number of Three Bedrooms:	72	Number of Four Bedrooms:	0

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:

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	-	
Criminal Mischief	-	
Personal Assault	-	
Drug Related Activity	1	Drug (1)
Gun Related Activity	-	
Domestic Violence	1	Domestic (1)
Disturbance	-	
Other	3	Loud Music (1), Suspicious (1), Harassment (1)

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	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: Lights checks are conducted by Maintenance staff every week. Management confirmed that the property still has surveillance cameras and all of them are working.

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: The last risk assessment was conducted April 2020. Management confirmed the next risk assessment will get completed at the beginning of 2022.

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		
➤ 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 (2)	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		

COMMENTS: The property uses the HandyTrack system to track their keys.

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		

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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 are provided every week.			
6) What is the policy for following up on completed service requests? ➤ Assistant manager follows up with completed service request.			
7) What is the property's after-hours emergency policy? ➤ The Call Max answering service receives all after hours emergency calls and then they will reach out to maintenance.			
8) What capital improvements have been scheduled or completed for this budget year? ➤ Management replaced all exterior lights with new LED lights, replaced pool furniture, completed a full landscaping and they replaced plumbing lines for building three.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➤ Replaced Appliances as needed.			
10) Building Exterior and Curb Appeal repairs ➤ N/A			
11) Amenity upgrades ➤ N/A			
12) Other repairs or replacements ➤ N/A			
Number of service requests received:	113		
Number of requests open from prior periods:	0		
Number of service requests completed:	85		
Number of service requests completed within 24 hours:	28		
Number of outstanding service requests:	8		
13) On average, how many days does it take to complete a work order? ➤ On average it takes 2 days to complete a service request.			
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	12	0
Flyers/Banners	\$200	0	0
Resident Referral	\$200	2	1
Locator Service	\$0	0	0
Printed/Internet Advertising (Apartments.com – \$465.10) (Property Website) (RENTCafe.com) Moveinink.com \$66.50) (Section 8 \$310/year)	\$841.60	36	2
Other Source	\$0	0	0
TOTAL	\$1241.60	50	3
The rental activity reflected in the above table was for the month of: 09/15/2021-10/15/2021			
	YES	NO	N/A
2) Is the property doing bilingual advertising?	X		
3) Does the property have any competitors nearby?	X - see comment		
4) Does the property "shop" their competitors?			X
5) Does the property complete a market survey at least monthly?	X		
COMMENTS: The majority of the properties are conventional.			

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: 38.09%	6 months: 76.92%	12 months: 85.90%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?			17.74%
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		

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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 2020.			
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:			36		
2) Number of completed made ready units at time of activity report:			18		
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:			13		
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:			18		
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:			17		
9) Number of uncompleted three bedroom units at time of activity report:			1		
Units Walked					
Unit #	Brief Description				
107	(Vacant – 2 bedroom) Made ready - Moved out 2-28-2021				
313	(Vacant – 2 bedroom) Made ready - Moved out 6-30-2021				
614	(Vacant – 2 bedroom) Made ready - Moved out 6-30-2021				
1017	(Vacant – 2 bedroom) Made ready - Moved out 3-07-2021				
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					
7) How often are vacant units inspected? ➤ Vacant units are inspected: Weekly					
8) How many vacant units are in progress of being made ready? ➤ 18 units are in the process of being made ready.					
9) What is the company policy on the number of days to turn vacant units? ➤ The company policy is to turn units in less than 7 business days.					
COMMENTS: Management confirmed that unit 107 (moved out 2/28/21) is made ready and management will lease it as soon as possible and unit 1017 (moved out 3/7/2021) was leased on 11/1/2021.					

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BUDGET MANAGEMENT					
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Yes, three bids are solicited in order to obtain materials, supplies and services.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ Yes, there were plumbing repairs in building 10 that negatively affected the 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
Operating Expense	\$158,365	\$208,516	\$50,150	24.05%	Payroll, Temporary Labor and Health Insurance.
Redecorating Expense	\$38,877	\$44,325	\$5,447	12.29%	Sheetrock Repairs, Paint and Supplies, Appliance Parts and Repairs and Int Doors Locks and Hardware.
Repairs and Maintenance	\$27,799	\$40,833	\$13,033	31.92%	Carpet Wet Vacs, Heating and Air Conditioning, Interior Repairs, Plumbing, Pest Control and Fire Protection.
Advertising Expense	\$12,226	\$15,885	\$3,658	23.03%	Advertising, Promotional Expenses and Resident Referrals.
Management Fees	\$51,934	\$61,461	\$9,526	15.50%	Property Management Fee
Refurbishment Expense	\$70,779	\$56,770	-\$14,009	-24.68%	Appliance Replacement, Electrical Fans Lighting, Building Exterior and Structure and Landscape and Irrigation.
COMMENTS:					

REVENUE			
FOR THE MONTH ENDING: September 2021		YEAR TO DATE AS OF: September 2021	
Gross Potential	\$175,576	Gross Potential	\$1,589,625
Budgeted Rental Income	\$168,815	Budgeted Rental Income	\$2,011,038
Actual Rental Income Collected	\$153,617	Actual Rental Income Collected	\$1,418,456
Variance + (-)	\$15,198	Variance + (-)	\$592,582
Other Revenue	\$3,763	Other Revenue	\$75,269
Total Collected	\$157,380	Total Collected	\$1,493,726
Budgeted	\$172,689	Budgeted	\$2,057,526
Variance + (-)	\$15,309	Variance + (-)	\$563,800
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?	X		
COMMENTS: This report was completed using the Payables Aging Report dated 10/15/2021.	0-30 Days:		\$11,788.63
	30-60 Days:		\$189.33
	60 Days and Over:		\$799
	TOTAL		\$12,776.96

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 of every month and late on the 6 th . There is a \$60 initial late fee and a \$5 daily fee for up to 15 days.			
3) When is legal action taken against delinquent accounts? ➤ Legal action is taken around the 20th 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	

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COMMENTS: According to management, there is a total of \$11,805.34 pending from Texas Rent Relief.	0-30 Days:		\$9,006.42
	30-60 Days:		\$3,705.08
	60 Days and Over:		\$2,454.67
	TOTAL		\$15,166.17

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 – see comment		
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. ➤ Management attended trainings with Grace Hill, Texas Apartments Association trainings, Texas Department of Housing and Community Affairs and NIHM Tax Credit specialist.			
COMMENTS: A new manager just started in November. In addition, management will be adding a leasing agent soon.			

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? ➤ Reports are not submitted to the owners since they have access to the software system, Yardi.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ The amount of an unbudgeted or over budget expense that requires owner approval for the release of funds is anything 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		
COMMENTS:			

SUMMARY OF OBSERVATIONS AND FINDINGS
No Observations.
No Findings.

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