

# Texas State Affordable Housing Corporation

## Saddlewood Apartments

3625 Wellborn Rd., Bryan, Texas 77801

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

**Date Built:** 1995

**Management Company:** Dalcor Management

**Property Manager:** Lee Ann Rodgers

**Inspection Date & Time:** November 19, 2021, at 2:00 p.m.

**Inspector's Name:** Estefania Linares

<b>Occupancy at Time of Report:</b>	75%	<b>Average Occupancy Over Last 12 Months:</b>	71.58%
<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>	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:** Based on the pictures provided by management, the property is in overall in good condition. The monument sign is visible, the parking lot is clean, the exterior of the buildings is in an acceptable condition, and the windows and blinds are in good condition as well.

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	0	
Theft	1	Alarm Robbery (1)
Criminal Mischief	0	
Personal Assault	0	
Drug Related Activity	0	
Gun Related Activity	1	Subject Weapon (1)
Domestic Violence	0	
Disturbance	6	Disturbance (5) Disturbance Weapon (1)
Other	4	Threat (2) Stolen Vehicle (1) Warrant Service (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:** Based on the 911 call log dated from August 1, 2021, to October 31, 2021, there were a total of 54 calls. Out of the 54 calls, only 12 were logged above. Lights checks are conducted by lead maintenance.

<b>SECURITY PROGRAM Part II</b>	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 in March 2020 by an insurance company.

<b>OFFICE</b>	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		
➤ Fire alarm permit.			
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:**

<b>KEY CONTROL</b>	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 key system.

<b>MAINTENANCE PROGRAM</b>	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	X		

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properly?			
5) How often are Pest Control services provided? ➢ Pest control services are provided every Friday.			
6) What is the policy for following up on completed service requests? ➢ Once a service request has been completed, the property manager calls the resident to follow up.			
7) What is the property's after-hours emergency policy? ➢ When an emergency call is placed, the answering service company (Call Max) receives the call and transfers the call to maintenance.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ Saddlewood completed the following improvements during this budget year; the flooring was upgraded, carpets were replaced with the vinyl flooring, pool furniture was replaced, trees were trimmed, and some appliances were replaced.			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>			
9) Unit Interior and Appliance upgrades ➢ N/A			
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:	100		
Number of requests open from prior periods:	0		
Number of service requests completed:	64		
Number of service requests completed within 24 hours:	17		
Number of outstanding service requests:	36		
13) On average, how many days does it take to complete a work order? ➢ According to management, it takes 3 days to complete a work order.			
<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	0	4	-
Flyers/Banners	\$150	2	-
Resident Referral	0	11	-
Locator Service	0	0	-
Printed/Internet Advertising –(Property Website) (Apartments.com) (RENTCafe.com)	\$451	53	-
Other Source – (LaVoz, Rentalbeals, and Section8.com) (Facebook) (Radio Advertisement)	\$393	4	-
<b>TOTAL</b>	<b>\$994</b>	<b>74</b>	<b>0</b>
<b>The rental activity reflected in the above table was for the month of:</b> 10/01/2021 – 10/31/2021			
	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 section above was completed using the Traffic Report. The report submitted by management did not have the sufficient information to complete the total leases this property had.			

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: 81.29%	6 months: 84%	12 months: 100%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or “skip”?	30.30%		
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 lese 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 June 2020. The average rent increase for the 1-bedroom was \$3, for the 2-bedrooms was \$5 and for the 3-bedrooms was \$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			
<b>COMMENTS:</b>			

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	49
2) Number of completed made ready units at time of activity report:	8
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:	5
5) Number of completed three bedroom units at time of activity report:	2
6) Number of uncompleted made ready units at time of activity report:	41
7) Number of uncompleted one bedroom units at time of activity report:	4
8) Number of uncompleted two bedroom units at time of activity report:	21
9) Number of uncompleted three bedroom units at time of activity report:	16

Units Walked	
Unit #	Brief Description
Unit 1706	(1x1) Vacant - Ready
Unit 1411	(1x1) Vacant - Ready
Unit 914	(2x2) Vacant – Not Ready
Unit 713	(3x2) Vacant – Not 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 – see comment		
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? > Eight units are in the progress of being made ready.			
9) What is the company policy on the number of days to turn vacant units? > The company policy to turn vacant units is 7 business days.			

**COMMENTS:** Saddlewood Apartments has a total of 56 vacant units, 34 of them have been vacant for over 180 days and approximately 8 out of the 34 units are made ready. Management is aware that vacancy is higher than expected and management is reminded that vacant units that have been vacant the longest have to be leased before any other unit.

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BUDGET MANAGEMENT	YES	NO	N/A
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? ➤ N/A			
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
Payroll Expense	\$184,264	\$207,924	\$23,659	11.38%	Payroll and bonuses.
Redecorating Expense	\$61,044	\$77,706	\$16,661	21.44%	Carpet Cleaning and Repair
Repairs and Maintenance	\$59,377	\$53,514	-\$5,863	-10.96%	Carpet Wet Vacs
Grounds and Maintenance	\$24,230	\$21,821	-\$2,409	-11.04%	Annual Flowers and Miscellaneous Grounds
Advertising Expense	\$14,193	\$16,236	\$2,132	13.05%	Promotional Expenses, Social Recreation and Resident Retention
Administrative Expense	\$42,832	\$50,013	\$7,180	14.36%	Copier Costs, Computer Costs, Telephone and Internet, Eviction and Legal, Patrol and Alarm Service
Refurbishment Expense	\$146,470	\$73,428	-\$73,042	-99.47%	Appliance Replacement, Carpet Replacement, Exterior Doors Windows, Landscape and Irrigation, Asphalt Driveway & Parking Structures, and Vinyl Replacement.

**COMMENTS:** The budget for "Refurbishment Expense" was exceeded due to the following improvements that were completed which includes upgraded flooring, carpet replacements, new pool furniture, tree trimming and some appliances replacements.

REVENUE			
FOR THE MONTH ENDING: SEPTEMBER 2021		YEAR TO DATE AS OF: SEPTEMBER 2021	
Gross Potential	\$191,550	Gross Potential	\$1,304,774
Budgeted Rental Income	\$148,208	Budgeted Rental Income	\$1,333,872
Actual Rental Income Collected	\$136,182	Actual Rental Income Collected	\$1,207,912
Variance + (-)	\$2,422	Variance + (-)	\$125,960
Other Revenue	\$4,155	Other Revenue	\$65,593
Total Collected	\$140,337	Total Collected	\$1,273,505
Budgeted	\$148,178	Budgeted	\$1,315,871
Variance + (-)	\$7,841	Variance + (-)	\$42,366

**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		
<b>COMMENTS:</b> This section was completed using the Payables Aging Report dated 11/17/2021. Management confirmed that the high balances are due to the previous property manager not submitting invoices on time. Balances dated from July 2021 - October 2021 are scheduled to be paid within a week from the date of this report.	0-30 Days:		\$39,154.68
	30-60 Days:		\$8,972.00
	60 Days and Over:		\$5,110.37
	TOTAL		\$53,237.05

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 1st and late on the 6 <sup>th</sup> of every month. 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	

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5) Does Housing have any outstanding balances?	X-see comment		
<b>COMMENTS:</b> This section was completed using the Receivable Aging Summary report dated 11/2021. Management confirmed Housing has a \$3,000 outstanding balance for new move-ins. According to Management, it takes approximately 60 days from move in date for the payment to be sent to the property. In addition, management confirmed that Texas Rent Relief has approved \$6,000 and they are waiting to receive the funds to credit the accounts.	0-30 Days:		\$68,291.83
	30-60 Days:		\$13,883.79
	60 Days and Over:		\$4,898.68
	TOTAL		\$87,074.30

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

**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		
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. ➤ Grace Hill, TSHCA training, Fair housing, Local Apartment Association and TAA trainings.			

**COMMENTS:** Property had several staff turnover from last year to this year's review: a new Lead Maintenance started on October 1, 2021, a Made Ready Maintenance started on November 3, 2021, a New Porter started on November 1, 2021, an Assistant Manager started on August, 20, 2021 and a Leasing Consultant started on August 1, 2021.

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? ➤ Management does not submit reports since the owners have access to the software system.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Management requires the owner's approval for 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:**

<b>SUMMARY OF OBSERVATIONS AND FINDINGS</b>
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**No Observations.**

**No Findings.**



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