

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: Misty Blottiaux

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

Inspector's Name: Estefania Linares

Occupancy at Time of Report:	84%	Average Occupancy Over Last 12 Months:	73.83%
Number of Units: 180			
Number of One Bedrooms:	36	Number of Two Bedrooms:	84
Number of Three Bedrooms:	60	Number of Four Bedrooms:	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 the pictures provided by management, Tealwood Apartments is in good condition. The monument sign is visible and clear of debris, the perimeter fence looks steady, sidewalks are clean, and the exterior of the buildings look to be in acceptable condition. Management stated they hope to upgrade the access gates in 2022.

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	0	
Criminal Mischief	5	
Personal Assault	0	
Drug Related Activity	0	
Gun Related Activity	0	
Domestic Violence	0	
Disturbance	4	
Other	0	

Texas State Affordable Housing Corporation

	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 logs from September 2021 – November 2021, there were a total of 19 incident calls. Nine of them are noted above. Light checks are conducted by property staff.

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 in January 2020. Management confirmed a risk assessment will be scheduled in 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		
➤ The property does require a permit for the pool.			
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, 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 key system.

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	X		

Texas State Affordable Housing Corporation

properly?			
5) How often are Pest Control services provided?			
➤ Pest control services are provided every 2 weeks.			
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?			
➤ The Call Max answering service receives all after-hours emergency calls and contacts the on-call maintenance staff.			
8) What capital improvements have been scheduled or completed for this budget year?			
➤ Tealwood completed the following improvements this budget year; stairs were repaired, new building signage was installed, and new landscaping was planted.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades			
➤ Flooring was replaced with planking hard wood, as needed.			
10) Building Exterior and Curb Appeal repairs			
➤ The parking potholes and the property fence were replaced and fixed.			
11) Amenity upgrades			
➤ The computers in the business center were upgraded.			
12) Other repairs or replacements			
➤ N/A			
Number of service requests received:	88		
Number of requests open from prior periods:	0		
Number of service requests completed:	72		
Number of service requests completed within 24 hours:	50		
Number of outstanding service requests:	16		
13) On average, how many days does it take to complete a work order?			
➤ Typically, work orders are completed within 24 hours of receiving the request.			
COMMENTS: This section was completed using the Work Order Directory dated 10/16/2021 – 11/16/2021. Management confirmed that out of the 16 outstanding service requests, none of them are emergency 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	\$0	23	0
Flyers – Newsletter	\$148	0	0
Resident Referral	\$50	5	0
Locator Service	0	0	0
Printed/Internet Advertising: Apartments.com – ForRent.com - GoSection8 - RentCafe– Craigslist – Facebook – Housing Agency – Property Website -	\$944	78	3
Other Source	\$0	0	0
TOTAL	\$1,142	106	3
The rental activity reflected in the above table was for the month of: 10/16/2021 - 11/17/2021			
	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		
COMMENTS:			

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: 99.44%	6 months: 92.22%	12 months: 81.67%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or “skip”?	18.18%		
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		

Texas State Affordable Housing Corporation

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. A \$36 increase was implemented for the 1-bedroom, a \$44 increase for the 2-bedrooms and a \$50 increase for the 3-bedrooms.			
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:			23		
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:			2		
5) Number of completed three bedroom units at time of activity report:			8		
6) Number of uncompleted made ready units at time of activity report:			13		
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:			7		
9) Number of uncompleted three bedroom units at time of activity report:			6		
Units Walked					
Unit #	Brief Description				
115	Vacant 3X2 – Made Ready				
122	Vacant 3X2 – Made Ready				
315	Vacant 3X2 – Made Ready				
712	Vacant 3X2 – Made Ready				
724	Vacant 3X2 – 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: Quarterly					
7) How often are vacant units inspected? ➤ Vacant units are inspected: Weekly					
8) How many vacant units are in progress of being made ready? ➤ Approximately 5 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 5 business days.					
COMMENTS: Based on last year's review, vacancy has decreased by 60%. Although the vacancy has decreased, management is reminded to lease units with the longest vacancy first. Out of the 10 made-ready units, 2 have a schedule move-in and 4 of them are pre-leased with a pending move-in date.					

Texas State Affordable Housing Corporation

BUDGET MANAGEMENT					YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services?							
➤ Yes, three bids 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.							
<u>Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending</u>							
(Please note that a positive variance is under budget and a negative variance is over budget.)							
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION		
Redecorating Expense	\$24,212	\$44,514	\$20,301	45.61%	Contract Painting Labor		
Repairs and Maintenance	\$20,888	\$37,080	\$16,191	43.67%	Electrical, Plumbing and Pool/Spa Maintenance		
Grounds and Maintenance	\$17,558	\$21,025	\$3,466	16.49%	Grounds Contract, Annual Flowers and Miscellaneous Grounds.		
Advertising Expense	\$12,791	\$18,288	\$5,496	30.06%	Social Recreation		
Administrative Expense	\$34,901	\$40,365	\$5,463	13.53%	Office Supplies, Copier Costs, Credit Investigation, Travel and Lodging.		
Refurbishment Expense	\$75,913	\$55,980	-\$19,933	-35.61%	Major Plumbing, Pool Resurface / Furniture /Equipment, Vinyl Replacement, Prior Period Operating Expense.		
COMMENTS:							

REVENUE			
FOR THE MONTH ENDING: SEPTEMBER 2021		YEAR TO DATE AS OF: SEPTEMBER 2021	
Gross Potential	\$153,475	Gross Potential	\$1,537,388
Budgeted Rental Income	\$92,703	Budgeted Rental Income	\$785,788
Actual Rental Income Collected	\$108,754	Actual Rental Income Collected	\$796,089
Variance + (-)	-\$16,051	Variance + (-)	-\$10,301
Other Revenue	-\$6,473	Other Revenue	\$46,096
Total Collected	\$102,280	Total Collected	\$842,186
Budgeted	\$96,918	Budgeted	\$823,723
Variance + (-)	-\$6000	Variance + (-)	-\$18,463
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 section was completed using the Payables Aging report dated 11/17/2021.		0-30 Days:	\$13,364.35
		30-60 Days:	\$0
		60 Days and Over:	\$4,952.33
		TOTAL	\$18,316.68

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 of every month and late on the 6th. 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	
COMMENTS: This section was completed using the Receivable Aging Summary report dated 11/2021.		0-30 Days:	\$13,051.09
		30-60 Days:	\$6,588.27

Texas State Affordable Housing Corporation

Management confirmed that out of the total delinquency balance of \$40,632.18, \$13,718 has been approved by Texas Rent Relief, \$22,000 is pending and not yet approved by Texas Rent Relief, and \$1,445 is for Housing payments for move ins.

60 Days and Over:		\$20,992.82
TOTAL		40,632.18

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		
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. ➤ Management attended trainings with Grace Hill, Texas Apartments Association trainings, Texas Department of Housing and Community Affairs and NIHM Tax Credit specialist trainings.			
COMMENTS:			

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 submitted to the owner every Friday. The reports include, occupancy, lease status, delinquency, aged receivables, and financial reports.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Owner's approval is required of unbudgeted or over budget for expenses over \$150.			
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.

Texas State Affordable Housing Corporation



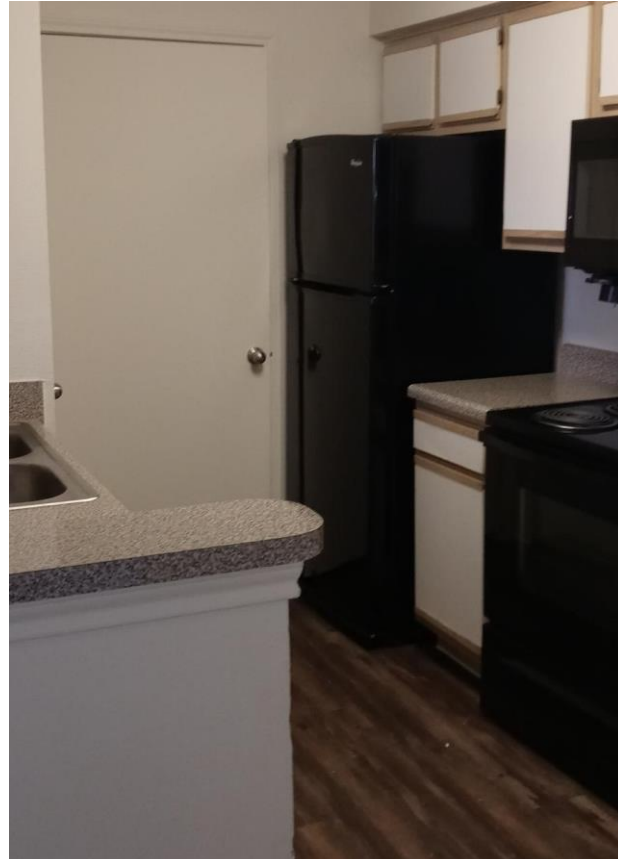
Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation

