

Texas State Affordable Housing Corporation

Saddlewood Apartments 3625 Wellburn Rd., Bryan, Texas 77801

Owner: Dalcour Affordable Housing I, LLC

Date Built: 1995

Management Company: Dalcour Management

Property Manager: Nina Sanders

Inspection Date & Time: August 2, 2022 at 8:30 a.m.

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	84.9%	Average Occupancy Over Last 12 Months:	75.6%
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 – see comment	
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 – see comment		
9) Are recreational/common areas clean, maintained and accessible?	X – see comment		
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 – see comment		
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 – see comment	
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 is in overall good condition, the management office is clean and inviting, and common areas are accessible. However, there were several issues observed during the physical inspection of this property that are noted below. It appears the curb appeal has slowly declined based on a comparison of the previous couple of asset oversight review photos.

- Landscaping: There was a notable difference since most of the grassy areas are now more brown grass than green grass. The county has limited watering due to the severe drought. Both College Station and Bryan declared a state of disaster (for extreme drought) on August 12, 2022. No action is required. The reviewee also noted a hand full of dead bushes on the property. Management stated they are scheduled to be removed. No action required.
- Playground: There was standing water in the playground. Management confirmed it was an irrigation leak and made the repairs. **Corrective Action submitted**
- Building 9 and Back side of property: **Corrective Action submitted**
 - There was a corner in the parking lot that was filled with bulk items.
 - The reviewed noted what looked like mud thrown against a handicapped sign and the building's exterior siding.
- Building 3: There is a damaged window shutter. **Corrective Action submitted**

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- Between buildings 14-15: A cable box is damaged/broken. In addition, the fascia on the back side of the building (the side away from the street) has several areas with damage. **Corrective Action submitted**
- Window Screens: Damaged or missing window screens were noted on units 312, 1608, 1610 and 1813. **Corrective action was submitted.**

Finding: There were several items noted during the physical inspection of this property as noted above. Management must correct the items above and submit supporting documentation to TSAHC to show all items are completed. Prior to the issuance of this report management submitted corrective action to support all bulleted items above have been corrected. No further action is required.

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	1	Burglary Motor Vehicle – 1	
Theft	3	Theft Report - 3	
Criminal Mischief			
Personal Assault	1	Sexual Assault – 1	
Drug Related Activity			
Gun Related Activity			
Domestic Violence			
Disturbance	10	Disturbance – 6, Disturbance with Weapon – 4,	
Other	18	Noise – 7, Sexual Abuse – 1, Child Abuse -2, Criminal Trespassing – 2, , Criminal Mischief – 1, Assault with Injury – 1, Shots Fired – 1, Threat – 1 and Suspicious Vehicle - 1	
		YES	NO
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 security chart above was completed by using the local police department's call logs. The incidents on the chart are based on a review of 92 calls in a 3-month timeframe (5/14/22 – 7/14/22). Management continues to utilize the Third Eye to monitor the 25 surveillance cameras placed throughout the property.

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 completed in April 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	
➤ (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?			

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➤ Playground	X		
➤ Community Room	X		
➤ BBQ/Picnic Area	X		
➤ Laundry Facility			X
➤ Business Center	X		
➤ Pool	X		
➤ Other: Fitness Center and Volleyball court	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:

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 – see comment	
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? Services are provided every other week.			
6) What is the policy for following up on completed service requests? ➤ About 80% of completed service request are followed-up on by management staff.			
7) What is the property's after-hours emergency policy? ➤ Call Max answers all after-hours calls and forwards each call to the appropriate person.			
8) What capital improvements have been scheduled or completed for this budget year? ➤ The only capital improvements scheduled for this budget year are the vinyl floor replacements during unit turns.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

9) Unit Interior and Appliance upgrades ➤ Appliance and vinyl flooring installations during unit turn.			
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:	88		
Number of requests open from prior periods:	46		
Number of service requests completed:	134		
Number of service requests completed within 24 hours:	41		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➤ Based on the work order for the month of July, it takes maintenance 2 days on average to complete work orders.			

COMMENTS: There were 46 work orders that were requested in prior periods that were closed in the beginning of July. Management confirmed that the delay to enter and close work orders on the Work Order Directory was due to the lack of staff, both on the maintenance and property management team. The lack of permanent staffing also resulted in the delay of conducting regular preventive maintenance. One the maintenance team is fully staffed, management will ensure preventive maintenance duties are completed timely,

MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases

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Drive-By/Word of Mouth	\$0	1	0
Flyers	\$0	0	0
Resident Referral	\$0	1	0
Locator Service	\$0	0	0
Printed/Internet Advertising: Property Website, Craigslist, RENT Café.com, Housing Agency, Facebook, Apartments.com (\$467/month), Section 8 (\$310/annually), and LaVoz (\$60-\$150/month).	\$642	69	4
Other Source: Employee Referral	\$0	1	1
TOTAL	\$642	72	5

The rental activity reflected in the above table was for the month of: July 1, 2022 – July 31, 2022

	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: 77%	6 months: 77.7%	12 months: 76%
3) What percentage of move-outs in the last 12 months were due to eviction and non-payment of rent or "skip"?			29.1%
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 rent increased in April 2022; however increased rents were only implemented with new move-ins.			
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:	35
2) Number of completed made ready units at time of activity report:	7
3) Number of completed one-bedroom units at time of activity report:	2
4) Number of completed two-bedroom units at time of activity report:	3
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:	28
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:	23
9) Number of uncompleted three-bedroom units at time of activity report:	5
Units Walked	
Unit #	Brief Description
1504	(2x2) Vacant for 640 days. Ready- light cleaning needed.
Down Units Walked (units vacant and unready for extended period of time and all down units)	

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Unit #	Brief Description			
1301	(2x2) Vacant for 624 days. Not Ready. Smoke Detector not working and full cleaning needed.			
1316	(2x2) Vacant for 420 days. Not Ready. Needs to be made-ready.			
1407	(2x2) Vacant for 459 days. Not ready. Needs to be made-ready and pest control treatment is needed.			
1504	2x2) Vacant for 640 days. Light cleaning Needed			
1609	(2x2) Vacant for 354 days. Not ready Smoke Detector not working and full cleaning needed. See comment.			
1814	(2x2) Vacant for 418 days. Not Ready			
		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. See comment.			
8)	How many vacant units are in progress of being made ready? ➤ There are 28 units in the process of being made-ready.			
9)	What is the company policy on the number of days to turn vacant units? ➤ Company police is 7 days, however that is not being met due to staffing issues. See comment.			
COMMENTS: It is apparent that the company policy to turn vacant units is not being followed. As noted above, there are currently 35 units that have been vacant for an average of 228 days. In addition, 28 of the 35 vacant units have not been made-ready and available for rent within 180 days from the move-out date. Management stated the length of vacancy has grown due to the lack of maintenance staff and the high vacancy rate.				
Findings: <ul style="list-style-type: none"> The property has several units that have been vacant for an extended amount of time and are not made ready. The reviewer walked 6 units that have been vacant for an extended amount of time, and only one of them was made-ready (1316 - cleaning recommended prior to showings). The other 5 units needed several minor repairs before they are made available for occupancy. Management must take inventory of the remaining vacant units to determine what work needs to be completed to make the units ready. A make-ready list prioritizing units must be submitted to TSAHC that includes the unit number and an anticipated date the unit will be available for occupancy. The list must be submitted to TSHAC for review no later than 9/18/2022. Units 1301, 1316, 1407, 1609 and 1814 are considered Down Units as they are not made-ready and available for rental on a continuous basis to members of the general public and they have been vacant for more than 180 days. The unit's designation has been updated on the Unit Status Report (USR). To regain the low-income unit designation, management must submit documentation to support the units are made-ready for occupancy by submitting invoices, work orders, pictures, and/or Tenant Income Certification of an eligible tenant. Note: Prior to the issuance of this report, corrective action was submitted for units 1301, 1504; therefore, management must submit corrective action for the findings listed above for units 1316, 1407, 1609 and 1814 no later than 9/18/2022. 				

BUDGET MANAGEMENT					YES	NO	N/A
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? ➤ In June 2022, there was a major leak in building 13 that affected the budget. The leak was repaired.							
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	
Payroll Expenses		\$124,763	\$108,890	-\$15873	-14%	Employment Ads and 401k Match Accrual	
Redecorating Expenses		\$74,119	\$41,525	-\$32,594	-78%	Supplies Other, Paint and Supplies and Carpet Cleaning & Repair.	
Ground and Maintenance		\$11,886	\$14,250	\$2,363	16%	Miscellaneous Grounds	
Advertising Expense		\$7,452	\$9,325	\$1,872	20%	Resident Programs and Resident Retention	

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Administrative Expenses	\$31,090	\$25,365	-\$5,725	-22%	Copier Cost and Travel and Lodging
Refurbishing Expense	\$165,791	\$123,295	-\$42,496	-34%	Major Plumbing, Appliance Replacements and Vinyl Flooring

COMMENTS:

REVENUE			
FOR THE MONTH ENDING: May 2022		YEAR TO DATE AS OF: May 2022	
Gross Potential	\$145,786	Gross Potential	\$729,771
Budgeted Rental Income	\$154,604	Budgeted Rental Income	\$751,101
Actual Rental Income Collected	\$150,085	Actual Rental Income Collected	\$729,420
Variance + (-)	-\$4,519	Variance + (-)	-\$21,681
Other Revenue	-\$1,884	Other Revenue	-\$17,120
Total Collected	\$148,200	Total Collected	\$712,299
Budgeted	\$158,321	Budgeted	\$769,686
Variance + (-)	-\$10,120	Variance + (-)	-\$57,386

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: The Payables Aging Report dated 8/1/2022 was used to complete this section. The 60 Days and Over balances is due to two vendors, one with an expired COI and the other due to the invoice being received late.	0-30 Days:		\$34,744
	30-60 Days:		\$3,735
	60 Days and Over:		\$2,503
	TOTAL		\$40,983

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 first and late on the 6 th . An initial late fee of \$60 is assessed followed by a \$5 daily fee for a maximum of 15 days.			
3) When is legal action taken against delinquent accounts?			
➤ Unless a repayment agreement is signed, legal action will be pursued around the 20 th of the month.			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?	X		
COMMENTS: The Affordable Aging Report dated 7/2022 was used to complete this section. Based on this report, the majority of the 60 Day and Over balance is due to two tenants with housing assistance payment balances. The 30 – 60 Day balance is due to housing assistance payments and one late renter. There are 6 evictions pending for rent.	0-30 Days:		\$15,856
	30-60 Days:		\$5,741
	60 Days and Over:		\$11,031
	TOTAL		\$32,628

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		

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 – see comment	
3) Is overtime being controlled?	X		
4) Were requested pre-audit reports submitted on time?	X		

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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. ➤ Site staff is required to take monthly Grace Hill trainings. Staff also attends local apartment association trainings and TDHCA trainings.			
COMMENTS: According to management, the property has not had a full staff over the last 12 months. All positions, including the Property Manager position has been vacant at one point or another and in some cases more than once this past year. The current site staff has been in their positions for property manager 7 months, 2 leasing agents (one for 4 months and the other for 2 weeks), the lead maintenance for 10 months and the two maintenance positions that are currently vacant and have been for about 5.5 months. Not having a full site staff has played a large role in the daily activities (i.e., unit make-ready units, extended turn times, uncompleted preventive maintenance schedule, etc.). Management is actively trying to fill the vacant positions.			

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? ➤ Occupancy and delinquency reports are provided to the owner on a daily, weekly, and monthly basis.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Owner approval is required for any amount 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.
Findings: <ul style="list-style-type: none"> There were several items noted during the physical inspection of this property as noted above. Management must correct the items above and submit supporting documentation to TSAHC to show all items are completed. Prior to the issuance of this report management submitted corrective action to support all bulleted items above have been corrected. No further action is required. The property has several units that have been vacant for an extended amount of time and are not made ready. The reviewer walked 6 units that have been vacant for an extended amount of time, and only one of them was made-ready (1316 - cleaning recommended prior to showings). The other 5 units needed several minor repairs before they are made available for occupancy. Management must take inventory of the remaining vacant units to determine what work needs to be completed to make the units ready. A make-ready list prioritizing units must be submitted to TSAHC that includes the unit number and an anticipated date the unit will be available for occupancy. The list must be submitted to TSHAC for review no later than 9/18/2022. Units 1301, 1316, 1407, 1609 and 1814 are considered Down Units as they are not made-ready and available for rental on a continuous basis to members of the general public and they have been vacant for more than 180 days. The unit's designation has been updated on the Unit Status Report (USR). To regain the low-income unit designation, management must submit documentation to support the units are made-ready for occupancy by submitting invoices, work orders, pictures, and/or Tenant Income Certification of an eligible tenant. Note: Prior to the issuance of this report, corrective action was submitted for units 1301, 1504; therefore, management must submit corrective action for the findings listed above for units 1316, 1407, 1609 and 1814 no later than 9/18/2022.

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Unit 1504



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