

Texas State Affordable Housing Corporation

Tealwood Apartments

5300 Professional Drive, Wichita Falls, Texas, 76302

Owner: Dalcor Affordable Housing I, LLC

Date Built: 2004

Management Company: Dalcor Management

Property Manager: Renatta Graham

Inspection Date & Time: November 16, 2022 at 8:00 am

Inspector's Name: Celina Stubbs

Occupancy at Time of Report:	93.88%	Average Occupancy Over Last 12 Months:	86.34 %
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?			
2) Is the community monument sign in acceptable condition?			
3) Is the perimeter fence surrounding the property in acceptable condition?			
4) Are the grounds and landscaping in acceptable condition?			
5) Are trees and shrubs properly trimmed?			
6) Are the grounds free of erosion, foot paths and tree root elevation?			
7) Are sidewalks clean and in good repair?			
8) Is parking lot clean and in good repair with handicap parking clearly marked?			
9) Are recreational/common areas clean, maintained and accessible?			
10) Are laundry facilities clean, maintained, and accessible?			X
11) Is facility equipment operable and in acceptable condition?			
12) Is the area around the waste receptacles clean and are the enclosures in good repair?			
13) Is the exterior of the buildings in acceptable condition?			
14) Are hallways clean and maintained?			X
15) Are storage/maintenance areas clean, maintained and organized?			
16) Are building foundations in good repair?			
17) Are the gutters, downspouts, and fascia boards on the buildings in good repair?			
18) Do the building roofs appear to be in good condition?			
19) Do balconies and upper level walkways appear to be in good condition?			
20) Do windows, blinds, doors, and trim appear to be in good condition?			
21) Is Management addressing all health, fire or safety concerns on the property?			
22) Have repairs or corrections recommended or required from the last physical inspection been satisfactorily completed?			

COMMENTS: The property is in overall good condition. There following items were noted during the site visit and discussed with management. See summary below.

- Trim Paint: There were a few areas of chipped white trim paint throughout the property. Management stated they added it to next year's budget.
- Breezeways: The breezeways appear to be dingy. Management stated there is little power washing will do at this time and hopes to paint breezeways during next budget.
- Trash enclosure: The dumpster enclosure is damaged, and the enclosure had bulk items that need to be removed. Management stated they had already scheduled a bulk item pick up with the city and stated maintenance will repairs enclosure damage.
- Stair treads: A few stairs treads have cracks in them. Management stated a stair tread pallet was purchased and is at the property. The maintenance team is in the process of replacing all damaged treads.
- Window Screens: There were a few window screens damaged (units 307 and 515). Management created work orders for these items.

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:
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Incident Type	# of Occurrences	Comments:
Burglary	1	
Theft	1	
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance	10	3 – Noise Disturbances and 7 – Disturbances
Other	3	1 – Criminal Trespass 1 – Suspicious Persons 1- Aggravated Assault

	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: According to the 911 call log from the Wichita Falls Police Department, for the past 90 days (8/1/22-10/31/220), there have been 15 incidents which are noted above. According to management, meeting are held with tenants and lease violation are issues when required. In addition, the onsite courtesy officer patrols the property daily and provides the manager with daily activity reports. Management continues to host community monthly crime watch meetings.

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 September 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		
➤ 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	X		
➤ Community Room	X		
➤ BBQ/Picnic Area	X		
➤ Laundry Facility			X
➤ Business Center	X		
➤ Pool	X		
➤ Other: Volleyball Court, Fitness Center and Pet Stations	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		

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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 HandyTrac 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 properly?	X		
5) How often are Pest Control services provided? ➢ Bi-weekly pest control services are offered.			
6) What is the policy for following up on completed service requests? ➢ The Property Manager follows up on all completed emergency work orders to ensure satisfaction.			
7) What is the property's after-hours emergency policy? ➢ The answer services, Call Max, received after-hour calls and directs them to the appropriate persons.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ The following capital improvements are in process and/or completed; stair tread replacement, power washing, added sand to the volleyball court, and completed roof patch work.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

9) Unit Interior and Appliance upgrades ➢ Vinyl floors and carpets are upgraded at the time of unit turn.			
10) Building Exterior and Curb Appeal repairs ➢ No building exterior and curb appeals were completed.			
11) Amenity upgrades ➢ No amenity upgrades were completed.			
12) Other repairs or replacements ➢ N/A			
Number of service requests received:	67		
Number of requests open from prior periods:	0		
Number of service requests completed:	67		
Number of service requests completed within 24 hours:	28		
Number of outstanding service requests:	0		

13) On average, how many days does it take to complete a work order?
➢ On average, it takes 3 days to complete work orders.

COMMENTS: The Work Order Directory dated 10/16/22 – 11/16/2022 was used to complete the above chart.

MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth (\$75 monthly)	\$300	46	7
Flyers			
Resident Referral \$200 (1 per quarter)	\$800	5	3
Locator Service: 50% of one month			
Printed/Internet Advertising: Apartment.com (\$687.60 per month), Facebook, Property Website	\$8,251	117	6
Other Source: Affordablehousing.com (\$306 monthly) and Housing Agencies	\$3,672	3	0
TOTAL	\$13,023	171	16

The rental activity reflected in the above table was for the month of: 8/16/2022 – 11/16/2022

	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		

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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: 93%	6 months: 79.3%	12 months: 90.1%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	12.7%		
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 last rent increase was implemented in May 2022. Increases were \$85 for 1-bedrooms, \$97 for two-bedrooms, and \$111 for three-bedrooms.			
10) How many households are currently on month-to-month leases? ➤ There are no month-to-month leases offered.			
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:		12		
2)	Number of completed made ready units at time of activity report:		1		
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:		1		
5)	Number of completed three bedroom units at time of activity report:		0		
6)	Number of uncompleted made ready units at time of activity report:		11		
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:		8		
9)	Number of uncompleted three bedroom units at time of activity report:		3		
Units Walked					
Unit #	Brief Description				
518	2x2 – Vacant for 109 days. Bathroom door has a crack, otherwise unit is made-ready.				
718	2x2 – Vacant for 169 days. Unit is made-ready.				
Down Units Walked (units vacant and unready for extended period of time and all down units)					
Unit #	Brief Description				
706	2x2 – Vacant for 645 days. Full turn required. See Finding.				
		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: Annually				

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7) How often are vacant units inspected? ➤ Vacant units are inspected: Ever two months
8) How many vacant units are in progress of being made ready? ➤ There are 11 vacant units 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 within 5 days.
COMMENTS: The property has 11 units that are in the process of being made-ready.
Observations: <ul style="list-style-type: none"> Management mentioned they inspect vacant units every two months. Management suggests vacant unit be inspected more frequent (i.e., weekly, or twice per week) to ensure the unit remains in good condition. Management policy is to turn vacant units within five days. The Unit Availability reports shows units are vacant and not made-ready with a vacancy length of 57 days. It is recommended that management follow the policy and continue to turn vacant units within the required time and/or evaluate and revise the current policy.
Finding: <ul style="list-style-type: none"> Unit 706 is considered down because it is not available for rental on a continuous basis to members of the general public. The owner must submit proof that the units are back on-line and available for rental to the public in the form of invoices, work orders, pictures, and/or Tenant Income Certifications to TSAHC.

BUDGET MANAGEMENT					YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Three bides are required, per Management policy.							
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? ➤ There has not been any large repairs or purchases during the current budget year.							
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		\$181,960	\$151,870	\$-30,090	19.81%	Bonuses	
Redecorating Expense		\$36,971	\$24,885	-\$12,086	48.57%	Contract Painting Labor and Paint and Supplies	
Repair and Maintenance Expense		\$32,910	\$24,165	\$-8,745	36.19%	Electrical, Plumbing, and Pool and Spa Maintenance	
Refurbishment Expense		\$97,830	\$120,625	\$22,795	18.90%	Cabinets and Countertops, Pool, Building Exterior and Structure, Asphalt Driveway & Parking Structures, Fire Protection Replacement, Cameras and Fences.	
COMMENTS:							

REVENUE			
FOR THE MONTH ENDING: <u>9/30/2022</u>		YEAR TO DATE AS OF: <u>9/30/2022</u>	
Gross Potential	\$135,633	Gross Potential	\$1,220,697
Budgeted Rental Income	\$118,244	Budgeted Rental Income	\$1,010,196
Actual Rental Income Collected	\$124,390	Actual Rental Income Collected	\$1,023,160
Variance + (-)	\$6,146	Variance + (-)	\$12,965
Other Revenue	\$1,631	Other Revenue	\$17,374
Total Collected	\$126,021	Total Collected	\$1,040,534
Budgeted	\$121,846	Budgeted	\$1,042,614
Variance + (-)	\$4,175	Variance + (-)	-\$2,079.86
COMMENTS:			

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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 utilizing the Payable Aging Report dated November 16, 2022. The balance listed in the 60 Days and Over column is due to 2 invoice that cannot be paid due to an expired certificate of insurance (COI). These balances will either be written off or paid if updated COIs are received.	0-30 Days:		\$31,279
	30-60 Days:		\$246
	60 Days and Over:		\$1,147
	TOTAL		\$32,672

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 6th. An initial late fee of \$60 plus a daily \$5 fee is assessed for a max of 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 utilizing the Affordable Aging Detail report dated November 2022.	0-30 Days:		\$7,780
	30-60 Days:		\$254
	60 Days and Over:		\$986
	TOTAL		\$9,020

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		2	
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.			
➤ Site staff has attended Grace Hill, TDHCA and local apartment association trainings.			
COMMENTS: Site has hired a leasing specialist and some maintenance staff.			

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 financials.			
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 expenses more than \$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		

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COMMENTS:

SUMMARY OF OBSERVATIONS AND FINDINGS

Observations:

- Management mentioned they inspect vacant units every two months. Management suggests vacant unit be inspected sooner more frequent (i.e., weekly, or bi-weekly) to ensure the unit remains in good condition.
- Management policy is to turn vacant units within five days. The Unit Availability reports shows units are vacant and not made-ready with a vacancy length of 57 days. It is recommended that management follow the policy and continue to turn vacant units within the required time and/or evaluate and revise the current policy.

Finding:

- Unit 706 is considered down because it is not available for rental on a continuous basis to members of the general public. The owner must submit proof that the units are back on-line and available for rental to the general public in the form of invoices, work orders, pictures, and/or Tenant Income Certifications to TSAHC.

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Unit 518



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