

# Texas State Affordable Housing Corporation

## Ridgewood West Apartments

2830 Lake Rd., Huntsville, Texas 77340

**Owner:** Ridgewood West Apartments LP

**Date Built:** 1996

**Management Company:** Allied Orion Group

**Property Manager:** Ridiya Wright

**Inspection Date & Time:** June 29, 2023, at 8:00 A.M.

**Inspector's Name:** Mercedes Dunmore

<b>Occupancy at Time of Report:</b>	78.45%	<b>Average Occupancy Over Last 12 Months:</b>	84.75%
<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>	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 – see comment		
6) Are the grounds free of erosion, foot paths and tree root elevation?	X		
7) Are sidewalks clean and in good repair?	X		
8) Are parking lots clean, in good repair with handicap parking spaces clearly marked?		X - see comment	
9) Are all recreational, common areas and amenity areas clean, maintained, and accessible?	X		
10) Is facility equipment operable and in acceptable condition?			X
11) Is the area around the waste receptacles clean and are the enclosures in good repair?	X		
12) Is the exterior of the buildings in acceptable condition?	X – see comment		
14) Are hallways/breezeways 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:** On the day of the site visit, the grounds and landscaping were in good condition with the exception of the excess tree limbs that were recently cut down. They are located in front of building 8 in the back of the property. The roofs appear to be in good condition although the building exterior paint has discoloration, and the building siding is fading. Lastly, the concrete is stained and cracked throughout the property which is starting to negatively affect the curb appeal to the property. TSAHC will review during next year's site visit.

**Observations:**

- The parking lot is not in good repair. The parking lot, fire lanes, and speed bumps need to be re-stripped and repainted. Several parking spots have stains from fluid leaks. It is recommended that management repair the parking lot to increase curb appeal and decrease the risk of safety issues. Photos of the damage are located at the end of this report.
- The stair railings are peeling and rusting in several buildings. Management is encouraged to obtain bids to plan for the repair and/or replacement of the stair railings to prevent any property or physical damage.

### 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:		
<b>Incident Type</b>	<b># of Occurrences</b>	<b>Comments:</b>
Burglary	2	
Theft		

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Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity	1	
Domestic Violence	3	Assault
Disturbance	17	Noise Complaints – 9, Disturbances – 7, and Dispute – 1
Other	2	Suspicious Person – 1 and Suicide – 1

	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 – see comments		

**COMMENTS:** Based on the Huntsville Police Department call log report submitted from 03-01-2023 through 05-31-2023, the number of the calls have significantly increased. Management advised the site staff has increased their presence on the property by walking the site more frequently, in addition to the presence of the onsite courtesy officer who patrols the property nightly along with a third-party security vendor who patrols nightly. Additionally, management confirms the light checks are being conducted biweekly.

**Observations:**

- Management advised the security vendor has not provided and submitted the weekly reports according to the contract. Management is advised to contact the security vendor to review the details of the contract and update accordingly to ensure the services are being rendered according to the contract.
- It is suggested that management make additional efforts to obtain 911 reports activity code sheet so management can accurately determine criminal activity at the sites, and lease violations for specific units/residents can be issued, if needed.

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		
4) Are criminal background checks being conducted on residents as they age to be 18 while living in the unit?	X		
5) Has a risk assessment been conducted to determine risk liabilities at the property? If yes, when?	X		

**COMMENTS:** The most recent risk assessment was conducted in January 2023.

OFFICE	YES	NO	N/A
1) Is the office neat, the desk uncluttered?	X		
2) Are accurate office hours posted?		X – see comment	
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? ➤ (Pool, Fire Sprinklers, Fire Extinguisher)	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		
➤ Playground	X		
➤ Community Room	X		
➤ BBQ/Picnic Area	X		
➤ Laundry Facility			X
➤ Business Center	X		
➤ Pool	X		

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➤ Other: Volleyball Court and Fitness Center	X		
<b>COMMENTS:</b>  <b>Finding:</b> <ul style="list-style-type: none"> <li>The office hours displayed in front of the clubhouse reflect differently than the actual business hours of the property. Management is required to update the office hours to reflect accurately and provide TSAHC with a photo showing correct office hours no later than 09/25/2023.</li> </ul>			

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 that is being followed?	X		
2) Is the maintenance shop clean and organized?	X		
3) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
4) How often are Pest Control services provided? ➤ Pest control services are provided weekly.			
5) What is the policy for following up on completed service requests? ➤ Management follows up with residents on completed service requests at random.			
6) What is the property's after-hours emergency policy? ➤ After-hours emergency calls are routed to the after-hours emergency call center which contacts the on-call maintenance staff or Property Manager.			
7) What capital improvements have been scheduled or completed for this budget year? ➤ A water conversion program was completed in June 2023. The toilets, faucets, shower heads, and sinks were replaced. A new gate system and retention wall are scheduled to be replaced prior to the end of this calendar year.			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>			
8) Unit Interior and Appliance upgrades ➤ N/A			
9) Building Exterior and Curb Appeal repairs ➤ N/A			
10) Amenity upgrades ➤ N/A			
11) Other repairs or replacements ➤ N/A			
Number of service requests received:	6		
Number of requests open from prior periods:	0		
Number of service requests completed:	0		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	6		
12) On average, how many days does it take to complete a work order? ➤ See comment.			
<b>COMMENTS:</b> The reviewer is unable to determine the average number of days it takes to complete a service request due to the request not being completed in the property management software program.  <b>Finding:</b> <ul style="list-style-type: none"> <li>The reviewer was unable to determine if management is completing work orders including those addressing health and safety concerns in a timely manner. Management must provide TSAHC with a copy of a revised work order report dated 5/13/2023 through 6/13/2023 no later than 9/25/2023. Management is reminded of the importance of completing service requests in a timely</li> </ul>			

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manner and keeping accurate reporting. Failure to complete service requests timely can negatively affect resident retention.

## MARKETING

1) Complete the table below with the most recent information available.

SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth			
Resident Referral (Current/Prior) – 1 <sup>st</sup> referral \$400 2 <sup>nd</sup> referral \$300 and 3 <sup>rd</sup> referral \$200	\$400	0	0
Locator Service -			
Printed/Internet Advertising -			
Other Source -			
<b>TOTAL</b>	<b>\$400</b>	<b>0</b>	<b>0</b>

The rental activity reflected in the above table was for the month of: 5/29/23 – 6/29/23

	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:** Management states the property receives roughly 20 resident referrals a year, however, due to the recent management takeover there has not been any resident referrals to date.

## 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: <b>See finding</b>	6 months:	12 months:
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?	10.34%		
4) Are lease renewal 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) When was the last rent increase implemented? What was the average rent increase? ➢ The most recent rental increase was in December 2022, with an average increase of \$100.			
9) How many households are currently on month-to-month leases? ➢ N/A			
10) What is the charge for month-to-month leases? ➢ N/A			

**COMMENTS:**

**Finding:**

- The reviewer is unable to determine the percentage of residents renewing at the current, six-month, and twelve-month timeframes based on the report provided. Management is required to submit to TSAHC a completed monthly lease expiration report from July 2022 through June 2023 to detail the number of renewals for each period as outlined above. The corrective actions are due to TSAHC no later than 9/25/2023.

## VACANT/MAKE READY UNITS

1) Number of vacant units at time of activity report:	50
2) Number of completed made ready units at time of activity report:	15
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:	6
5) Number of completed three-bedroom units at time of activity report:	9
6) Number of uncompleted made ready units at time of activity report:	35
7) Number of uncompleted one-bedroom units at time of activity report:	5

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8) Number of uncompleted two-bedroom units at time of activity report:	19
9) Number of uncompleted three-bedroom units at time of activity report:	11

Units Walked	
Unit #	Brief Description
818	53 days vacant – Rent Ready
905	29 days vacant – Not Ready
501	53 days vacant – Not Ready

Down Units Walked (units vacant and unready for extended period 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 – see comment	
3) Are there any down units?		X	
4) Are there vacant units that have been vacant for an extended period? 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-annually			
7) How often are vacant units inspected? ➤ Vacant units are inspected: Weekly			
8) How many vacant units are in progress of being made ready? ➤ There are currently 35 units in the process of being made ready.			
9) What is the company policy on the number of days to turn vacant units? ➤ Company policy is to have units turned in within 3 to 7 days.			

**COMMENTS:** It is apparent units are not being turned according to the company policy. Management states flooring in a make-ready unit is not completed until the unit is leased and the move-in date is scheduled.

BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited to obtain materials, supplies, and services?	X		
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? If so, comment below.	X – see comment		
3) Explain YTD variances of 10% or greater in the chart below.			

## 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
See Finding					

**COMMENTS:** Management states there were eight a/c units that were replaced, which negatively affected the budget.

**Finding:**

- Management did not provide a current budget comparison; therefore, the reviewer was unable to determine the expense items that varied more than 10% for the Year-to-Date Operations. The new owner took ownership in April 2023, the report has presented a favorable variance for each line item for the property. Management must provide TSAHC with an updated budget comparison

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report for July 2023 no later than 9/25/2023.

REVENUE			
FOR THE MONTH ENDING: April 2023		YEAR TO DATE AS OF: April 2023	
Gross Potential	\$24,314	Gross Potential	\$24,314
Budgeted Rental Income	\$220,528	Budgeted Rental Income	\$220,528
Actual Rental Income Collected	\$28,176	Actual Rental Income Collected	\$28,176
Variance + (-)	(\$168,352)	Variance + (-)	(\$168,352)
Other Revenue	\$257	Other Revenue	\$257
Total Budgeted	\$170,244	Total Budgeted	\$170,244
Total Collected	\$47,432	Total Collected	\$47,433
Variance + (-)	(\$122,811)	Variance + (-)	(\$122,811)

## COMMENTS:

### Finding:

- The reviewer was unable to determine the month end and year to date revenue, due to management not providing the most up to date report for May 2023. Due to the purchasing and closing of the property in April 2023 the report does not accurately reflect the budge variance. Management must provide TSAHC with an updated budget comparison report for July 2023 no later than 9/25/2023.

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 of this report was completed by using the AP Aging Detail Report dated 6/29/2023.	0-30 Days:		\$3,146
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$3,146

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 <sup>st</sup> of the month and late on the 6 <sup>th</sup> . A late fee of \$5 per day is charged after the 6 <sup>th</sup> of the month.			
3) When is legal action taken against delinquent accounts?			
➤ Legal action is pursued on the 10 <sup>th</sup> day of the month for all delinquent accounts.			
4) Does the property currently have any resident(s) under eviction?	X – see comment		
5) Does Housing have any outstanding balances?		X	
COMMENTS: This section of the report was completed by using the Delinquency report dated 6/29/2023. Management states there are currently five residents currently under eviction.  Observation: <ul style="list-style-type: none"> <li>Management advised the high 60-day balance is attributed to ledger corrections and unapplied payments. TSAHC strongly recommends management complete a thorough audit of each tenant's ledger to correct all tenant accounts within the next 30 days. This will ensure Management is accurately reporting the property's delinquency.</li> </ul>	0-30 Days:		\$42,656
	30-60 Days:		\$18,720
	60 Days and Over:		\$41,621
	TOTAL		\$102,997

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

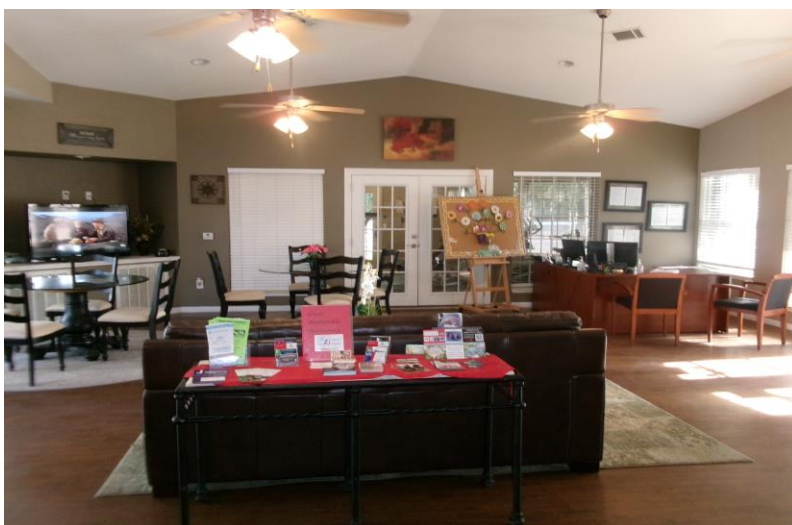
## COMMENTS:

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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 – see comment		
5) Does it appear that personnel are team oriented?	X		
6) Was management staff prepared for the site visit?	X		
7) Has staff turnover occurred since the last site review?	X		
8) Are weekly staff meetings held?	X		
9) Have personnel been trained in Fair Housing?	X		
10) List training staff has received in the past year. ➤ Site staff is required to take monthly Grace Hill training courses. The trainings include Tax credit income determinations and sexual harassment courses.			
<b>COMMENTS:</b> Although the majority of the pre-audit reports were submitted on time, the reports were not accurate due to the software program and management changes. Because of this, several reports were requested again during the site visit and/or being requested as part of a finding.			
OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to the software system utilized to manage the property?	X		
2) Is site management required to submit weekly reports to the owner?	X		
3) 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		
4) 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 \$2000.			
<b>COMMENTS:</b> A transfer of ownership took place on April 24, 2023. The new owner, Elizabeth Property Group, LLC informed TSHAC that they hired Allied Orion Group to manage the property's day-to-day operations and compliance requirements.			
SUMMARY OF OBSERVATIONS AND FINDINGS			
<b>Observations:</b> <ul style="list-style-type: none"> <li>The parking lot is not in good repair. The parking lot, fire lanes, and speed bumps need to be re-stripped and repainted. Several parking spots have stains from fluid leaks. It is recommended that management repair the parking lot to increase curb appeal and decrease the risk of safety issues. Photos of the damage are located at the end of this report.</li> <li>The stair railings are peeling and rusting in several buildings. Management is encouraged to obtain bids to plan for the repair and/or replacement of the stair railings to prevent any property or physical damage.</li> <li>Management advised the security vendor has not provided and submitted the weekly reports according to the contract. Management is advised to contact the security vendor to review the details of the contract and update accordingly to ensure the services are being rendered according to the contract.</li> <li>It is suggested that management make additional efforts to obtain 911 reports activity code sheet so management can accurately determine criminal activity at the sites, and lease violations for specific units/residents can be issued, if needed.</li> <li>Management advised the high 60-day balance is attributed to ledger corrections and unapplied payments. TSAHC strongly recommends management complete a thorough audit of each tenant's ledger to correct all tenant accounts within the next 30 days. This will ensure Management is accurately reporting the property's delinquency.</li> </ul>			
<b>Findings:</b> <ul style="list-style-type: none"> <li>The office hours displayed in front of the clubhouse reflect differently than the actual business hours of the property. Management is required to update the office hours to reflect accurately and provide TSAHC with a photo showing correct office hours no later than 09/25/2023.</li> <li>The reviewer was unable to determine if management is completing work orders including those addressing health and safety concerns in a timely manner. Management must provide TSAHC with a copy of a revised work order report dated 5/13/2023 through 6/13/2023 no later than 9/25/2023. Management is reminded of the importance of completing service requests in a timely manner and keeping accurate reporting. Failure to complete service requests timely can negatively affect resident retention.</li> <li>The reviewer is unable to determine the percentage of residents renewing at the current, six-month, and twelve-month timeframes based on the report provided. Management is required to submit to TSAHC a completed monthly lease expiration report from July 2022 through June 2023 to detail the number of renewals for each period as outlined above. The corrective actions are due to TSAHC no later than 9/25/2023.</li> <li>Management did not provide a current budget comparison; therefore, the reviewer was unable to determine the expense items that varied more than 10% for the Year-to-Date Operations. The new owner took ownership in April 2023, the report has presented a favorable variance for each line item for the property. Management must provide TSAHC with an updated budget comparison report for July 2023 no later than 9/25/2023.</li> <li>The reviewer was unable to determine the month end and year to date revenue, due to management not providing the most up to date report for May 2023. Due to the purchasing and closing of the property in April 2023 the report does not accurately reflect the budget variance. Management must provide TSAHC with an updated budget comparison report for July 2023 no later than 9/25/2023.</li> </ul>			



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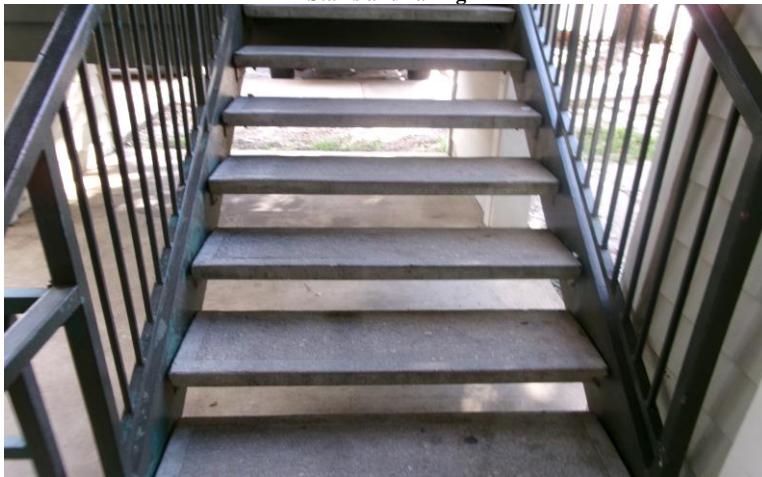
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Stairs and railing



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sidewalks



**Building discolorations**



parking





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