

Texas State Affordable Housing Corporation

Saddlewood Apartments 3625 Welburn Rd., Bryan, Texas 77801

Owner: Dalcor Saddlewood LTD

Date Built: 1995

Management Company: Allied Orion Group

Property Manager: Caitlin Batten

Inspection Date & Time: June 30, 2023, at 8:00 A.M.

Inspector's Name: Mercedes Dunmore

Occupancy at Time of Report:	83.19%	Average Occupancy Over Last 12 Months:	84.17%
Number of Units: 232			
Number of One Bedrooms:	48	Number of Two Bedrooms:	112
Number of Three Bedrooms:	72	Number of Four Bedrooms:	N/A

PHYSICAL INSPECTION	YES	NO	N/A
1) Are the access gates in operable condition?		X – see comment	
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 – see comment		
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 – see comment	
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: The property's access gates are inoperable. Management states they are in discussion with the owner in regard to repairing or replacing the gates. Landscaping presents several drop-offs that present hazardous and tripping hazards. Management states they are currently working with the landscaping vendor to fill these drop-offs around the property. Photos are located at the end of this report.

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 sidewalks present multiple cracks and concrete damage. Management is strongly advised to assess the damage throughout the property and obtain bids to repair the sidewalks throughout the property to eliminate any liability or safety risk. Photos of the damage are located at the end of this report.
- The building's exterior around the entire site is starting to discolor and fade. Several buildings are in need of minor repair. Management is strongly encouraged to conduct a full walk to plan for building repairs.

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Findings:

- Building 1's exterior has a large hole surrounding the emergency drain line and hot water heater runoff. Management states the wood has dry rotted due to water damage and maintenance removed the remaining drywall. After removing the drywall and correcting the leak, management failed to replace the dry rotted wood and drywall. This issue is negatively affecting the curb appeal and can also cause further damage due to the emergency drain line being exposed. Management must complete the necessary repairs and provide TSAHC with the completed service request, invoice, and photos of the completed repairs no later than 9/25/2023. Photos of the damage are located at the end of this report.
- There was large bulk furniture, garbage, and other debris in the back of the property adjacent to the maintenance shop. Management advised the compactor has been an issue at the site, therefore management has initiated efforts for the waste management company to have dumpsters installed in each various places on site to replace the large compactor. Additionally, the locked gate around the bulk waste enclosure has been damaged. Management must update TSAHC with a written certification or signed contract for a waste management company detailing the services and solution to the waste issue within the property is due to TSAHC no later than 9/25/2023.
- The water sewage boxes caps were damaged or missing on multiple boxes. Management must contact the local water company to have these replaced as the missing caps and tops are a safety concern and tripping hazard. Management must complete the necessary repairs and provide TSAHC with the completed service request, invoice, and photos of the completed repairs no later than 9/25/2023. Photos of the damage are located at the end of this report.

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		
Theft		
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance	6	Noise complaints
Other		

	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 comment	

COMMENTS: Due to the minor issues noted on the property, management states they are currently working on obtaining bids from security camera cages to enclose the cameras onsite and prevent vandalism.

Observations:

- Management is not conducting light checks on the property. Management is strongly encouraged to implement a procedure for weekly light checks. TSAHC will review a policy for light checks during next year's review.
- Based on the call logs submitted from management, the reviewer is unable to determine the number of 911 calls received and a description of the calls. I reviewer was able to identify six noise complaints from the log submitted. The above chart shows these incidents for March 1, 2023 to May 1, 2023. Management must make additional efforts to obtain detailed 911 reports for an accurate representation of the criminal activity at the site.

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: Ownership conducted a risk assessment in May 2023.

OFFICE

	YES	NO	N/A
1) Is the office neat, the desk uncluttered?	X		

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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?		X	
➤ N/A			
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		
➤ Other: Volleyball Court, Fitness Center, and Pet Stations	X		
COMMENTS:			
Observation:			
<ul style="list-style-type: none"> The office hours displayed at the front of the office are inaccurate. It is recommended that management promptly revises the office hours on the signage to reflect the updated property hours. This adjustment will ensure that residents, guests, and vendors are well informed about when they can reach out to or visit the property. 			

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 to be completed in July 2023.			

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Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
8) Unit Interior and Appliance upgrades			
➤ Vinyl floors were replaced during unit turns. The number of units with replaced vinyl flooring is unknown due to management take over.			
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:	77		
Number of requests open from prior periods:	0		
Number of service requests completed:	6		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	71		
12) On average, how many days does it take to complete a work order?			
➤ See finding below.			
COMMENTS: Management is strongly encouraged to implement a policy for completing service requests in their software management system timely to ensure resident satisfaction with successfully completing service request.			
Finding:			
<ul style="list-style-type: none"> The reviewer is unable to determine the number of days it takes to complete a service request due to the service request not being properly closed in the system. Management must submit a summary work order report dated 9/25/2023. 			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	3	3
Resident Referral (Current/Prior)	\$200	1	1
Locator Service			
Printed/Internet Advertising - (Property Website, Housing Agency, Apartments.com)	\$0	21	1
Other Source			
TOTAL	\$200	25	5
The rental activity reflected in the above table was for the month of: 5/29/2023 through 6/29/2023			
	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 due to the recent purchase of the property, the budget for marketing has yet to be determined.			

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: See finding below	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"?	100%		
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		

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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 took place early June 2023. The average increase was \$50.			
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: <ul style="list-style-type: none"> The reviewer is unable to determine the percentage of current, six-month, and twelve-month renewals based on the reports provided. Management is required to submit a completed monthly lease expiration report from July 2022 through June 2023 to detail the number of renewals to TSAHC no later than 9/25/2023. See attached report. 			

VACANT/MAKE READY UNITS					
1) Number of vacant units at time of activity report:			33		
2) Number of completed made ready units at time of activity report:			2		
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:			1		
6) Number of uncompleted made ready units at time of activity report:			31		
7) Number of uncompleted one-bedroom units at time of activity report:			5		
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:			7		
Units Walked					
Unit #	Brief Description				
1310	149 days vacant - Rent Ready				
1414	Days vacant - unknown				
Down Units Walked (units vacant and unready for extended period and all down units)					
Unit #	Brief Description				
1201	Days vacant – unknown – Excessive mold				
			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? 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? ➤ There are currently 32 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 four days.					
COMMENTS:					

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Observations:

- The Available Unit report doesn't accurately reflect the unit's make-ready status. Management is encouraged to review the entire report and update the unit status to reflect accurately. Additionally, the company policy on turning vacant units is four days. There are currently 32 units that are not made ready for lease. The company policy is clearly not being followed. TSAHC suggest management implement a Make Ready Plan to help the maintenance staff be able to complete make timely.

Findings:

- The Available Unit report doesn't accurately report the days vacant. Management is encouraged to review the report and update the move-out dates in order to accurately reflect the days a unit was left vacant. Management must provide TSAHC with an updated report to reflect the corrected move-out dates and/or days vacant no later than 9/25/2023.
- During the physical assessment of the unit, the inspector identified a significant presence of black mold. Considering the health and safety of neighboring units, it is imperative for management to conduct a comprehensive inspection of all units connected to Unit 1201. Management must complete the necessary repairs and provide TSAHC with the completed service request, invoice, and photos of the completed repairs no later than 9/25/2023. Photos of the damage are located at the end of this report.

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 below.					

COMMENTS: Management states there were eight HVAC units that were replaced, which negatively affected the budget.

Finding:

- The reviewer was unable to determine budget expense items that varied more than 10% , due to management not providing an up-to-date report for May 2023. Due to the purchasing and closing of the property 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 variance report for July 2023 no later than 9/25/2023.

REVENUE			
FOR THE MONTH ENDING: May 2023		YEAR TO DATE AS OF: May 2023	
Gross Potential	See finding below.	Gross Potential	
Budgeted Rental Income		Budgeted Rental Income	
Actual Rental Income Collected		Actual Rental Income Collected	
Variance + (-)		Variance + (-)	
Other Revenue		Other Revenue	
Total Budgeted		Total Budgeted	
Total Collected		Total Collected	
Variance + (-)		Variance + (-)	

COMMENTS:

Finding:

- The reviewer was unable to determine the month-end and year-to-date revenues, due to management not providing an up to date report for May 2023. Management must provide TSAHC with an updated budget variance report for July 2023 no later than 9/25/2023.

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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 of this report was completed by using the AP Aging Detail Report dated 06-29-2023.	0-30 Days:		\$4,444
	30-60 Days:		\$3,684
	60 Days and Over:		\$760
	TOTAL		\$8,888

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 st day of the month and late on the 5 th . On the 5 th a 10% late charge is applied to all delinquent accounts.			
3) When is legal action taken against delinquent accounts?			
➤ Legal action is taken on the 15 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: This section of the report was completed by using the Delinquency report dated 06-29-2023.	0-30 Days:		\$35,358
	30-60 Days:		\$18,064
	60 Days and Over:		\$28,437
	TOTAL		\$81,859

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 – 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.			
COMMENTS: Although most of the pre-audit reports were submitted on time, several reports were re-requested during the site visit due to the software program and management changes. A new property manager was hired in May 2023 and an assistant property manager was hired in June 2023.			

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	X		

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released by the owner according to what has been budgeted?			
4) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ The property manager is required to submit any amount over \$1000 for ownership approval. The regional manager is required to submit any amounts over \$2500 for ownership approval.			
COMMENTS: A transfer of ownership took place on April 24, 2023. The new owner, Elizabeth Property Group, LLC informed TSAHC that they hired Allied Orion Group to manage the property's day-to-day operations and compliance requirements.			

SUMMARY OF OBSERVATIONS AND FINDINGS

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 sidewalks present multiple cracks and concrete damage. Management is strongly advised to assess the damage throughout the property and obtain bids to repair the sidewalks throughout the property to eliminate any liability or safety risk. Photos of the damage are located at the end of this report.
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Findings:

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photos of the completed repairs no later than 9/25/2023. Photos of the damage are located at the end of this report.

- The reviewer was unable to determine budget expense items that varied more than 10% , due to management not providing an up-to-date report for May 2023. Due to the purchasing and closing of the property 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 variance report for July 2023 no later than 9/25/2023.
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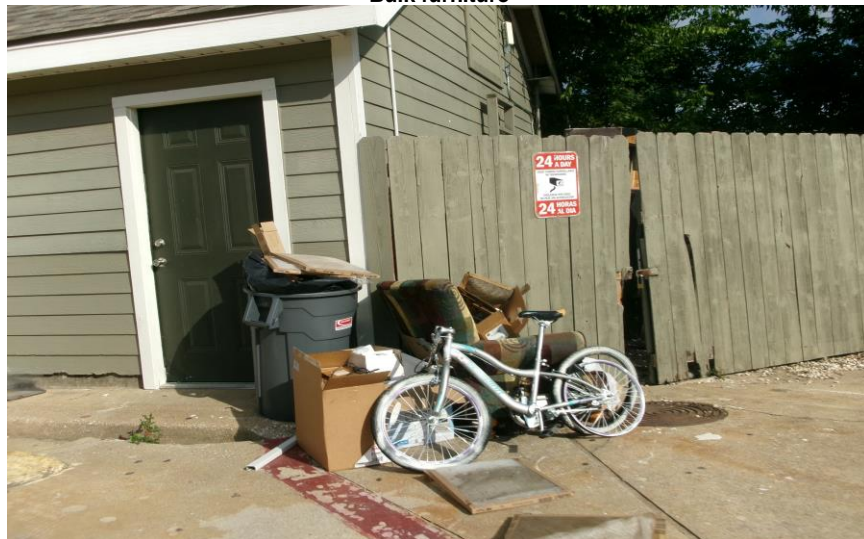
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Bulk furniture



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water sewage damage

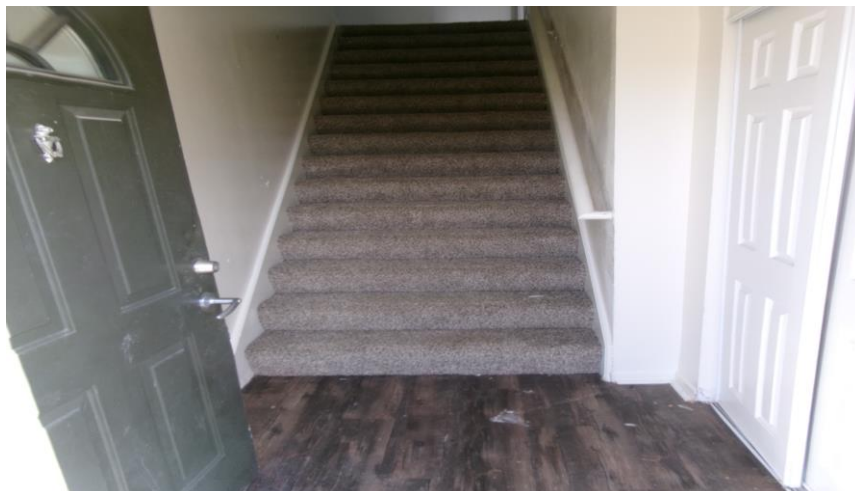


Exterior damage



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Building 1 drywall damage



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