

Texas State Affordable Housing Corporation

Tealwood Place Apartments

5300 Professional Drive, Wichita Falls, Texas 76302

Owner: Elizabeth Property Group “EPG” LLC

Date Built: 2004

Management Company: Allied Orion Group

Property Manager: Shermeana Atkins

Inspection Date & Time: June 16, 2023, at 9:00 am

Inspector’s Name: Mercedes Dunmore

Occupancy at Time of Report:	93.33%	Average Occupancy Over Last 12 Months:	85.46%
Number of Units: 180			
Number of One Bedrooms:	36	Number of Two Bedrooms:	84
Number of Three Bedrooms:	60	Number of Four Bedrooms:	N/A

PHYSICAL INSPECTION	YES	NO	N/A
1) Are the access gates in operable condition?	X		
2) Is the community monument sign in acceptable condition?	X		
3) Is the perimeter fence surrounding the property in acceptable condition?	X		
4) Are the grounds and landscaping in acceptable condition?	X		
5) Are trees and shrubs properly trimmed?	X		
6) Are the grounds free of erosion, foot paths and tree root elevation?	X		
7) Are sidewalks clean and in good repair?	X		
8) Are parking lots clean, in good repair with handicap parking spaces clearly marked?	X		
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		
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: This year's review was conducted virtually. Based on the photos examined by the reviewer, it was determined that the property does not exhibit significant structural damage and its overall curb appeal is satisfactory. Management has informed us that numerous repairs are underway due to the recent sale and closing of the property in April 2023. Furthermore, management acknowledges the following deficiencies mentioned below and assures us that all listed items are either currently in progress or will be addressed within the next 30 to 90 days. TSAHC will review these matters during next year's review.

- The parking lot needs to be re-paved, and several parking spots have stains from fluid leaks and spilled paint. The driveway in the back of the property has many holes and cracks. The repairs are included in the capital improvements noted in the Maintenance section of this report.
- Building exterior paint has server discoloration (the siding is peeling and fading). The ceiling on the second floor appears to be damaged due to water damage.
- The stairs concert is severally damaged and can become a tripping hazard. Management is advised to have the stairs repaired to prevent further damage.

Observation:

- Several grills were noted throughout the property. TSAHC encourages management to follow their policy consistently and walk the property to issue violations when needed and in a timely manner.

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Finding:

- The bulk furniture near the waste receptacle is negatively impacting the curb appeal of the property. Management is strongly encouraged to issue lease violation notices to residents who are not complying with community and/or house rules regarding bulk trash removal and storage. Additionally, management is required to provide TSAHC with a written certification outlining the actions taken and proposed ongoing solutions to ensure proper disposal of bulk waste throughout the property. This certification must be submitted to TSAHC no later than 8/28/2023.

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	7	Noise Disturbance - 3 and Disturbance - 4
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		

COMMENTS: Based on the 911 call log from the Wichita Falls Police Department covering the past 90 days (8/1/22-10/31/22), there have been a total of 7 incidents related to the property, as mentioned above. Management advised regular meetings are conducted with tenants and lease violations are issued when necessary to address such violations. Management confirms there is an onsite courtesy officer who patrols the property on a daily basis and provides the manager with daily activity reports. Additionally, management continues to organize monthly community crime watch meetings. Lastly, management assures us that all surveillance cameras installed around the buildings are currently operational and functioning as intended.

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 last risk assessment was conducted in March 2023.

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, Fire, Water, and 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		
11) Which of the following community amenities are provided for resident use?			
➤ Playground	X		

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➤ 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		
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 an electronic system called HandyTrac Key system.			

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 for all call-ins and callbacks. Management states, at least one building is treated per month.			
5) What is the policy for following up on completed service requests? ➤ The management team follows up on completed work orders at random.			
6) What is the property's after-hours emergency policy? ➤ Management utilizes a third-party system called Site Plan to answer after-hours maintenance calls. The service will contact the appropriate staff members every 30 minutes until the call is answered.			
7) What capital improvements have been scheduled or completed for this budget year? ➤ The following capital expenses are in progress or have been scheduled for completion; building exteriors to be repainted, installation of a dog park, removal of the volleyball court and replacing it with a playground, restriping and sealing the pavement throughout, installation of lever door hardware, and updating the smoke detectors in each unit as needed. Additionally, management advised a water conservation program which included upgrading the kitchen and bathroom sinks, toilets, and showerheads in May 2023.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
8) Unit Interior and Appliance upgrades ➤ Appliances were replaced as needed.			
9) Building Exterior and Curb Appeal repairs ➤ Stair treads were replaced and roof patchwork was completed on several buildings.			
10) Amenity upgrades ➤ N/A			
11) Other repairs or replacements ➤ N/A			
Number of service requests received:	24		
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:	24		
12) On average, how many days does it take to complete a work order? ➤ The reviewer is unable to determine the average dates it takes to complete a service request due to the request not being completed in the property management software program.			
COMMENTS:			
Finding:			
<ul style="list-style-type: none"> The reviewer was unable to determine if management is completing work orders including those addressing health and safety 			

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concerns in a timely manner. Management must provide TSAHC with a copy of a completed work order for the report dated 5/13/2023 through 6/13/2023 no later than 8/28/2023. 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.

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)			
Locator Service			
Printed/Internet Advertising - (Apartments.com, GoSection8.com)	\$4,292	5	2
Other Source			
TOTAL	\$4,292	5	2

The rental activity reflected in the above table was for the month of: May 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:

LEASE RENEWAL

	YES	NO	N/A
1) Does it appear that an effective lease renewal program is in place? If no, please comment below.			
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: 98.89%	6 months: 93.43%	12 months: 85.46%
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?	0.56%		
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 implemented on 5/30/2023. The average increase was \$60.			
9) How many households are currently on month-to-month leases? ➢ There are currently 2 households who have not renewed resulting in a month-to-month status.			
10) What is the charge for month-to-month leases? ➢ Management does not charge for a month-to-month fee as there are no month-to-month leases utilized by the property.			

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:	8
3) Number of completed one-bedroom units at time of activity report:	1
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:	4
6) Number of uncompleted made ready units at time of activity report:	4
7) Number of uncompleted one-bedroom units at time of activity report:	1
8) Number of uncompleted two-bedroom units at time of activity report:	2
9) Number of uncompleted three-bedroom units at time of activity report:	1

Units Walked

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Unit #	Brief Description
108	Ready – The unit number missing at the front door.
112	Ready
321	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		
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	
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: Bi-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 4 vacant units in the make-ready process.			
9)	What is the company policy on the number of days to turn vacant units? ➤ The Company policy is to complete unit turns within 5-7 days.			

COMMENTS:

Finding:

- The unit number is missing from the front door. Management must add the unit number to the front door and provide TSAHC with a photo or a completed service request no later than 8/28/23.

BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited to obtain materials, supplies, and services?		X – see comment	
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? If so, comment below.		X	
3) Explain YTD variances of 10% of 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
Payroll	\$14,750	\$47,247	\$32,496.70	105%	Manager, Maintenance Supervisor, Asst. Maintenance, and Group Insurance
General and Administrative	\$3,617	\$9,803	\$6,183.94	92%	Telephone, Dues & Subscriptions, and Software Cost
Other Marketing	\$135	\$4,475	\$4,340	188%	Internet Advertising, Commissions
Contract Service	\$26	\$9,313	\$9,287	199%	Security, Landscaping, and Pest Control
Repairs & Maintenance	\$173	\$6,357	\$6,183	189%	Electrical, HVAC Setup, and Plumbing
Make Ready/Cleaning	\$0	\$8,320	\$8,320	100%	Apt. Paint, Paint/Sheet, Carpet Cleaning
Capital Expenditures	\$120,958	\$408,873	\$287,9715	109%	Building Repairs, Dog Park, Furniture, Fitness Equipment, and Landscaping

COMMENTS: Per management, only two bids are solicited to obtain materials, supplies, and services due to the lack of vendors in Wichita Falls.

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REVENUE			
FOR THE MONTH ENDING: June 2023		YEAR TO DATE AS OF: June 2023	
Gross Potential	\$150,087	Gross Potential	\$322,467
Budgeted Rental Income	\$137,249	Budgeted Rental Income	\$256,143
Actual Rental Income Collected	\$144,819	Actual Rental Income Collected	\$319,031
Variance + (-)	\$7570	Variance + (-)	\$14,218
Other Revenue	\$131,156	Other Revenue	\$298,567
Total Budgeted	\$125,990	Total Budgeted	\$282,357
Total Collected	\$131,156	Total Collected	\$298,567
Variance + (-)	\$5,166	Variance + (-)	\$16,210
COMMENTS:			

ACCOUNTS PAYABLE	YES	NO	N/A
1) Is the payable report up to date?	X		
2) Is the property in good standing with all vendors?	X		
3) Are invoices processed weekly?	X		
COMMENTS: This section of this report was completed by using the AP Aging Detail Report dated 5/31/2023.	0-30 Days:		\$234
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$234

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 and late on the 6 th a late fee of 9.99% is charged to all delinquent accounts.			
3) When is legal action taken against delinquent accounts?			
➤ Unresponsive tenants are given a 30-day notice which is posted on the inside of the door after one month of delinquency.			
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 June 2023. Based on the report reviewed the reviewer was unable to determine the 30, 60, and over 60-day balances. The total delinquency reflects tenant delinquency of \$29,767.82 and housing assistance payments \$1,696.00. Management states the housing balance is due to unapplied payments and confirms all payments have been received by the housing agency.	0-30 Days:		\$12,019
	30-60 Days:		\$19,445
	60 Days and Over:		\$0
	TOTAL		\$31,464

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		
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 – see comment		

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8) Are weekly staff meetings held?	X – see comment		
9) Have personnel been trained in Fair Housing?	X		
10) List training staff has received in the past year. ➤ Management stated site staff is required to attend various online training courses via Grace Hill. The trainings include sexual harassment, active shooter, and reasonable accommodations. Additionally, the property manager holds staff meetings daily.			
COMMENTS: A new property manager joined the property in May 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 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 \$3,000.			

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

Observation:

- Several grills were noted throughout the property. TSAHC encourages management to follow their policy consistently and walk the property to issue violations when needed and in a timely manner.

Findings:

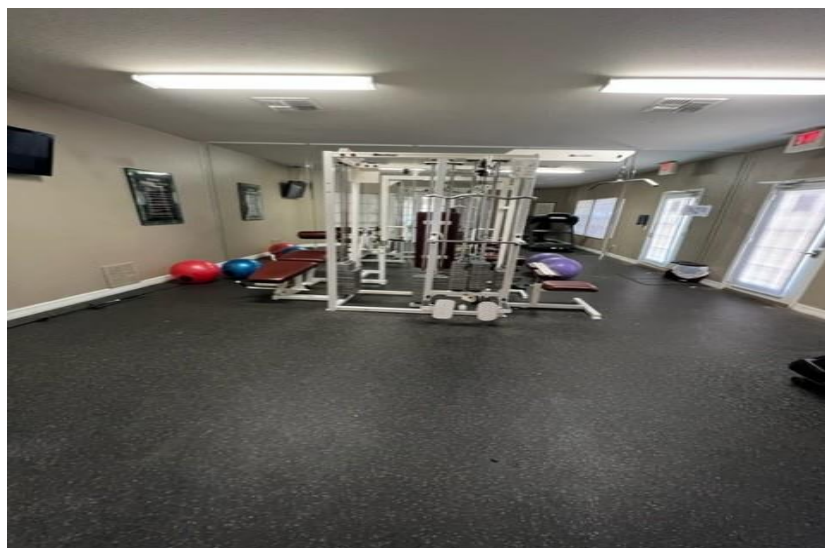
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- The reviewer was unable to determine if management is completing work orders including those addressing health and safety concerns in a timely manner. Management must provide TSAHC with a copy of a completed work order for the report dated 5/13/2023 through 6/13/2023 no later than 8/28/2023. 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.
- The unit number is missing from the front door. Management must add the unit number to the front door and provide TSAHC with a photo or a completed service request no later than 8/28/23.



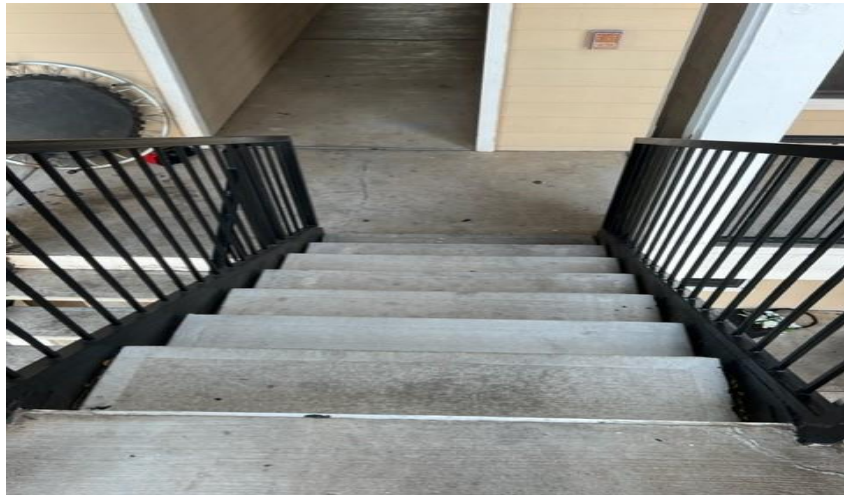
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