

Texas State Affordable Housing Corporation

“Bringing Affordable Housing Closer to Home”

Champion Homes of Marshall Meadows

1803 Marshall Cross
San Antonio, TX 78214

Owner: Chicory Court XXV, L.P. Date Built: 2006

Management Company: ALT Affordable Housing Services, Inc. Property Manager: Lorine Ansotigue

INSPECTION DATE/ TIME: May 12, 2009 9:00AM

Inspector's Name: Mindy Green

Number of Units:	250	Occupancy at Time of Report:	93%	Average Occupancy Over Last 12 Months:	79%
Number of One Bedrooms:	50	Number of Two Bedrooms:	114	Number of Three Bedrooms:	86

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) Is the grounds and landscaping in acceptable condition?	X		
5) Are trees and shrubs properly trimmed?	X		
6) Are there signs of erosion, foot paths or tree root elevations?		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		
9) Are recreational/common areas clean, maintained and accessible?	X		
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? (Please use the comment section if there is rotted wood, peeling paint, missing or broken bricks, or other signs of deferred maintenance.)	X		
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		
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) Are there any major repairs on the property currently? (Please use the comment section if there are any water main repairs, boiler repairs, utility repair, other.)	X		
22) Have repairs or corrections recommended or required from the last physical inspection been satisfactorily completed?			
23) Are there any other health, fire or safety concerns that need to be addressed?		X	

COMMENTS: Management change happened on December 11 2008. The property is currently installing a new fence on the back of the property. During the property walk there was trash throughout the property. Management stated that the property is constantly working to keep all of the trash picked up; they are near an open field on the side the wind blows through so trash is constantly being blown onto the property.

Observation:

- The breezeways of most buildings the reviewer walked had stains on the concrete, buildings, and doors as well as dirt and other trash. This leads to poor curb appeal for potential residents. This may also affect retention of current residents. It is suggested that management keep breezeways clean and free of debris on a daily basis.

SECURITY PROGRAM Part I

1) In reviewing the police report the following incidents were noted and includes the number of times incidents occurred:		
Incident Type	# of Occurrences	Comments:
- Burglary?	6	
- Theft?	4	Vehicle Theft
- Criminal Mischief?	2	

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- Personal Assault?		
- Drug Activity?	3	Narcotics Law
- Gunfire?		
- Domestic Violence?		
- Disturbance	15	Disturbance Boy (2) Disturbance (11) Family Disturbance (2)
- Other?	3	Fire (1) Threats (2)
2) Does the property have a Crime Prevention Plan in effect to address criminal activity on the property? <input checked="" type="checkbox"/> The property does have a Crime Prevention Plan in effect.		
3) What pro-active measures is the property taking to address crime on the property? <input checked="" type="checkbox"/> Courtesy Officer, Crime Prevention Meetings, Security Patrol Service, both the security officer and the patrol service are available at Crime Prevention meetings.		
4) How often is a light check conducted on the property? (Please obtain a copy of the schedule.) <input checked="" type="checkbox"/> A light check is completed weekly, on Wednesday night.		
COMMENTS: The property sends a 3 day notice to vacate for any lease violations found on the 911 report.		
Observation:		
<ul style="list-style-type: none"> There are a high number of Disturbances as well as a few Theft and Narcotics Violations on the 911 report submitted to the reviewer. It is suggested that management closely follow 911 reports each month and begin issuing citations for residents who are in violation of their lease. 		

SECURITY PROGRAM Part II	YES	NO	N/A
1) Is the Staff trained in addressing crime on the property?	X		
2) Does the Management Policy or the Resident Services Program address any of the following activities responding to the needs of the community:			
- Violent Crime?	X		
- Drug Activity?	X		
- Family Violence?	X		
- Other?	X		
3) Are there other signs of vandalism on the property?	X		
4) Are criminal background checks being conducted on all residents over 18 years of age?	X		
5) Has a risk assessment been conducted to determine risk liabilities at the property?	X		
COMMENTS: A risk assessment was performed when new management took over.			
Observation:			
<ul style="list-style-type: none"> On the day of the site visit there were several instances of graffiti. Management immediately scrubbed down the stairs and power washed them to remove the graffiti. This is a deterrent to potential residents and current residents. It is suggested that in the future management walk the stairs of each building on a daily basis to ensure that stairs are not being tagged or covered with graffiti. 			

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:			
- Fair Housing Poster?	X		
- Occupancy Qualifications?	X		
6) Are property licenses and permits on file and renewed on a timely basis?	X		
7) Are insurance binders maintained on vendors on-site and/or at the corporate office?	X		
8) Is there a compliance department that ensures the set aside and requirements are being maintained? (If no, please explain the current compliance procedures.)	X		
9) What community facilities and amenities are provided for resident use? <input checked="" type="checkbox"/> Business center, swimming pool, sports court, community garden, fitness center, club room, resident services, laundry room			
COMMENTS:			

KEY CONTROL	YES	NO	N/A
1) Are all property keys properly coded?	X		
2) Is key box locked and secured?	X		

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3) Is the key code list kept separate from the key box?	X		
4) Are locks being changed during turnover of vacant units and turnover of staff?	X		
COMMENTS: The key box is locked at all times and is located in the utility room in the leasing office.			

MAINTENANCE PROGRAM	YES	NO	N/A
1) Is there a schedule for preventive maintenance/servicing? (Please include a copy of the schedule)	X		
2) Is the maintenance shop clean and organized?	X		
3) How often does the exterminator provide services? Ø Exterminator services are provided weekly.			
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly? Ø The maintenance area contains an MSDS book.			
5) What is the policy on follow ups for completed service request? Ø Call backs are performed 2-3 times per week.			
6) What is the property's after hour's emergency policy? Ø Answering Service will call maintenance and the manager in case of emergency.			
7) What capital improvements have been scheduled for this budget year? Ø Fence, lighting upgrade, sprinkler system upgrade, monument upgrade			
8) Were capital improvements scheduled from last year conducted? Ø NA			

The following information was reported for the month of 4/13/09-5/12/09 :

Number of service requests completed in the past 30 days:	23		
Number of service requests completed within 24 hours:	2		
Number of outstanding service requests:	38		

COMMENTS:

Finding:

- The Summary Work Order Report submitted on the day of the site visit reflects that 38 work orders are currently open. It appears that work orders are not being completed or closed on a daily basis. The reviewer is unable to effectively review the maintenance program. Management must complete and close all work orders in the system and submit an accurate Summary Work Order Report to TSAHC by **June 27, 2009**. Management must also be completing and closing work orders on a daily basis to accurately manage the maintenance program.

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Source of traffic:			
Drive-By/Word of Mouth	\$250	31	8
Flyers	\$100		
Resident Referral	\$150	12	4
Locator Service	\$975	4	1
Printed Advertising (For Rent full page w/internet advertising)	\$1200	18	0
Internet Advertising (forrent.com, Craigslist, gosection8.com)		4	0
Preferred Employer (Toyota, Southside ISD, Calavers Power Plant)	\$200		
Other Source (Competitor, Sister Community)		4	2
TOTAL	\$2,875	73	15

(The rental activity reflected in the above table was for the month of 4/12/09-5/12/09.)

	YES	NO	N/A
2) Is the property doing bilingual advertising?	X		
3) How often are competitors shopped? Ø Competitors are shopped twice monthly.			
4) How often is a market survey completed? Ø A market survey is completed twice monthly.			

COMMENTS:

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LEASE RENEWAL	YES	NO	N/A
1) Is an effective lease renewal program in place?	X		
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	66%	46%	59%
3) When are the lease renewal/rent increase notices sent to residents? <input type="checkbox"/> Renewal notices are sent 120 days in advance.			
4) Are individual files being reviewed to determine renewal/non-renewal status?	X		
5) How are renewals tracked and monitored? <input type="checkbox"/> Working renewal binder.			
6) Are rate increases being implemented?	\$7		
7) What is the number of month-to-month leases?	8		
8) What is the month-to-month charge?			X
COMMENTS: Management stated that all month to month units are Market.			

VACANT/MAKE READY UNITS			
1) Number of vacant units at time of activity report:			13
2) Number of completed made ready units at time of activity report:			3
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:			2
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:			10
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:			2
9) Number of uncompleted three bedroom units at time of activity report:			8
Units Walked (model and minimum of 3 make ready units)			
Unit #	Brief Description (See Unit Inspection Sheet for details)		
134	2x2 needs touch up clean		
416	3x2 Model		
Units Walked (units vacant and unready for extended period of time and all down units)			
Unit #	Brief Description (See Unit Inspection Sheet for details)		
1233	2x2 dead bugs Vacant 64 days		
322	3x2 hard turn Vacant 73 days.		
1133	3x2 dead bugs not trashed out rancid smell Vacant 52 days.		
	YES	NO	N/A
1) Is the make ready product acceptable?	X		
2) Does the Unit Availability Report match the make ready board?		X	
3) Are there any down units?	X		
4) Are units being turned in a timely manner?		X	
5) Are there vacant units that have been vacant for an extended period of time? (If yes, specify the reason below.)		X	
6) Does management have a system to monitor timely preparation of vacant units?	X		
7) Does the property manager walk vacant units after they are made ready?	X		
8) How often are occupied units inspected? <input type="checkbox"/> Occupied units are inspected monthly.			
9) What is the company policy on turning vacant units? <input type="checkbox"/> Move outs are turned within 3-5 days.			
10) How many vacant unready units are near completion? <input type="checkbox"/> Five units are near completion.			
COMMENTS: Unit 713 is down due to mold and contractors were onsite to complete work. Management stated that there has been a high turnover			

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rate and lease rate, which has lead to a small number of “vacant available” units.

Observation:

- The availability report was not up to date on the day of the site visit. The reviewer was unable to determine which units were made ready and which units were not made ready. It is suggested in the future that management update the availability report on a daily basis so that the make ready program can be properly monitored.
- It appears that management is not following the company policy of 3-5 days to turn a vacant unit. It is suggested that Management begin following company policy or create a policy that more accurately reflects management practice.
- On the day of the site visit there was not a unit made ready of each unit type to view. It is suggested that management always have at least one of each unit type made ready so that prospective residents are able to view all options.

BUDGET MANAGEMENT	YES	NO	N/A
1) Is management using the current budget to monitor and control operating expenses?	X		

2) How many bids are solicited in order to obtain materials, supplies, and services? Ø Three bids are solicited for services.			
3) Explain variance of 10% or greater YTD.			

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
Repairs and Maintenance	\$4,416	\$1,965	-\$2,451	-125%	Carpet Contract Clean/Repair, Plumbing, Electrical
Building and Maintenance Exterior	\$23,432	\$20,486	-\$2,946	-14%	Lighting, Heating and Air Conditioning, Contract Security
Marketing	\$9,855	\$11,288	\$1,433	13%	Miscellaneous Marketing Expense
General and Administrative	\$6,482	\$7,443	\$961	13%	Dues and Subscriptions, License & Permits

COMMENTS:

REVENUE			
FOR THE MONTH OF MARCH		YEAR TO DATE 2009	
Gross Potential	\$167,583	Gross Potential	\$504,001
Budgeted	166,030	Budgeted	497,785
Variance + (-)	1,553	Variance + (-)	6,216
Collected to Date	120,479	Collected to Date	348,272
Other Revenue	1,984	Other Revenue	9,836
Total Collected	122,463	Total Collected	358,109
Budgeted	131,403	Budgeted	390,372
Variance + (-)	-8,940	Variance + (-)	-32,263

COMMENTS:

ACCOUNTS PAYABLE	YES	NO	N/A
1) Is the payable report up to date?	X		
2) Do the invoices reflect late charges due to late payments?		X	
3) Have any property accounts been closed in the past 30 days?		X	
4) Is debt being controlled?		X	
5) How often are invoices processed? Ø Invoices are processed weekly.			
6) If payments are a problem, what is management doing to correct the problem? Ø NA			

COMMENTS: Accounts payable is high due to work not being completed yet. As well as invoices being billed to the wrong management company. \$60,000 for work not yet completed and \$20,614 for legal fees that management is determining who will pay.	Current:		\$10,230
	30 Days:		\$64,512
	60 Days and Over:		\$28,591
	TOTAL		\$103,333

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DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the collection policy for outstanding rents? Ø Notice to vacate is sent on the 6 th of the month.			
3) When is legal action taken against delinquent accounts? Ø Eviction is filed on the 10 th of the month.			
4) Does the property currently have any resident(s) under eviction? (If yes, how much?)	\$1,232		
5) Does housing have any outstanding balances? (If yes, how much?)	\$1,938		
COMMENTS: Finding: <ul style="list-style-type: none"> According to the Aged Delinquency Detail there are several residents with outstanding balances from 60-90 days out. Management must submit a plan of action to reduce the 30 and 60+ day delinquent amount by <u>June 27, 2009</u>. 	Current:		\$15,225
	30 Days:		\$960
	60 Days and Over:		\$811
	TOTAL		\$16,996

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: One resident was charged an NSF fee while the other resident used a “get out of jail free” card and NSF fees were waived.			

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) Do personnel appear to be dressed appropriately?	X		
7) Are name tags/photo IDs being worn by the maintenance personnel?	X		
8) Was management staff prepared for the site visit?	X		
9) How often are staff meetings held? Ø Staff meetings are held weekly.			
10) Have personnel been trained in Fair Housing?	X		
11) List all training staff has received in the past three years. Ø Grace Hill Training, Leasing, Resident Retention, Fair Housing, Maintenance, Compliance, Monthly Safety Meetings, Golf Cart Safety			
COMMENTS:			

OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to computer generated reports?	X		
2) If owner does not have computer access to the reports, what reports are submitted to the owner? Ø NA			
3) How often are the reports submitted to the owner? Ø Reports are submitted to the owner on a weekly basis.			
4) What is the approval amount that the owner requires for the release of funds? Ø \$500			
5) Are the funds for needed capital improvement items, turning of units, marketing campaigns released by the owner according to what has been budgeted?	X		
COMMENTS:			

SUMMARY OF OBSERVATIONS AND FINDINGS
Finding: <ul style="list-style-type: none"> The Summary Work Order Report submitted on the day of the site visit reflects that 38 work orders are currently open. It appears that work orders are not being completed or closed on a daily basis. The reviewer is unable to effectively review the maintenance program. Management must complete and close all work orders in the system and submit an accurate Summary Work Order Report to TSAHC by <u>June 27, 2009</u>. Management must also be completing and closing work orders on a daily basis to accurately manage the maintenance program. According to the Aged Delinquency Detail there are several residents with outstanding balances from 60-90 days out.

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Management must submit a plan of action to reduce the 30 and 60+ day delinquent amount to TSAHC by June 27, 2009.

Observation:

- The breezeways of most buildings the reviewer walked had stains on the concrete, buildings, and doors as well as dirt and other trash. This leads to poor curb appeal for potential residents. This may also affect retention of current residents. It is suggested that management keep breezeways clean and free of debris on a daily basis.
- There are a high number of Disturbances as well as a few Theft and Narcotics Violations on the 911 report submitted to the reviewer. It is suggested that management closely follow 911 reports each month and begin issuing citations for residents who are in violation of their lease.
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