

Texas State Affordable Housing Corporation

“Bringing Affordable Housing Closer to Home”

<u>Peppertree Acres</u>			
6555 Sheridan Circle			
Fort Worth, TX 76134			
Owner: RHAC-Peppertree, LLC		Date Built: 1982	
Management Company: Capstone Real Estate Services		Property Manager: Sandra Gail Broad	
INSPECTION DATE/ TIME: May 20, 2009 at 12:30pm			
Inspector’s Name: Sarah B Schildmier-Bloom			
Number of Units:	144	Occupancy at Time of Report:	96%
Number of Two Bedrooms:	126	Number of Three Bedrooms:	18
		Average Occupancy Over Last 12 Months:	91%
		Number of Four Bedrooms:	4

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?			X
23) Are there any other health, fire or safety concerns that need to be addressed?		X	

COMMENTS: The property has recently undergone rehabilitation and upgrades. Management has done a good job keeping up the curb appeal and the grounds free of trash at all four locations.

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?	3	Burglary (3)
- Theft?		
- Criminal Mischief?	3	Destruction, Damage, Vandalism (3)
- Personal Assault?	4	Simple Assault (3), Agg. Assault (1)
- Drug Activity?	1	Drugs, Narcotic Violations (1)
- Gunfire?		
- Domestic Violence?		
- Disturbance?		

Texas State Affordable Housing Corporation

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- Other?	4	Robbery (1), Disorderly Conduct (1), Fight/Stab (1), Rape (1)
2) Does the property have a Crime Prevention Plan in effect to address criminal activity on the property? <input checked="" type="checkbox"/> Management stated that the current plan is written in the House Rules.		
3) What pro-active measures is the property taking to address crime on the property? <input checked="" type="checkbox"/> The pro-active measures the property is taking to address crime on the property include security patrol, resident identification cards, parking stickers, and quarterly crime watch 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 conducted nightly by the courtesy officer and monthly by the maintenance personnel.		
COMMENTS: According to the police reports for the last three months and the “Loss Incident Report Forms” that were submitted, management may want to request police reports monthly to monitor criminal activity. Management addressed the incidents in the “Loss Incident Report Forms” and stated lease violations are issued when warranted.		

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: The vandalism that occurred on the property was on dumpsters and enclosures and retaining walls. The property has recently undergone a REAC inspection.			

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"/> The community facilities and amenities provided for resident use include a playground, sports court, picnic areas, and swings.			
COMMENTS:			

KEY CONTROL	YES	NO	N/A
1) Are all property keys properly coded?	X		
2) Is key box locked and secured?	X		
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 property will be implementing the Key Trak system in June to assist in entering and monitoring work orders.			

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? <input checked="" type="checkbox"/> The exterminator provides services weekly. Pest control for 100 percent of the property will be done in May.			
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly? <input checked="" type="checkbox"/> The MSDS binder was available.			
5) What is the policy on follow ups for completed service request? <input checked="" type="checkbox"/> A random fifty percent of the completed service requests receive a follow up call.			

Texas State Affordable Housing Corporation

“Bringing Affordable Housing Closer to Home”

6)	What is the property's after hour's emergency policy? <input checked="" type="checkbox"/> The answering service contacts the appropriate person.
7)	What capital improvements have been scheduled for this budget year? <input checked="" type="checkbox"/> Capital improvements scheduled for this year include replacing appliances, parking lot repairs, 25% of the condensers will be replaced, refinishing the sports court, and adding a side walk from the office to the playground and picnic area. The completed capital improvements include blinds, screens, flooring, painting, and 50% of the condensers were replaced.
8)	Were capital improvements scheduled from last year conducted? <input checked="" type="checkbox"/> Capital improvements scheduled from last year include new roofs, new windows, toilets, water heaters, fans, cabinets, and parking lot repairs.
The following information was reported for the month of May 2009:	
Number of service requests completed in the past 30 days:	54
Number of service requests completed within 24 hours:	13
Number of outstanding service requests:	23
COMMENTS: The outstanding work orders include units and buildings that were inspected for deficiencies. Each unit is not complete until each item on the list was addressed.	
Observation:	
<ul style="list-style-type: none"> • The work orders that were submitted on the day of the site visit were not complete. Many work orders did not have request dates or completion dates. The missing request dates and completion dates does not reflect the accurate work of the maintenance personnel. It is recommended that management include the request dates and completion dates on all work orders to monitor and evaluate the maintenance program. 	

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Source of traffic:		8	12
Drive-By/Word of Mouth			
Flyers			
Resident Referral		4	1
Locator Service		6	0
Printed Advertising			
Internet Advertising			
Preferred Employer			
Other Source (list)		14	5
TOTAL	\$0	32	18
(The rental activity reflected in the above table was from the year to date information ending May 19, 2009.)			
	YES	NO	N/A
2) Is the property doing bilingual advertising?		X	
3) How often are competitors shopped? <input checked="" type="checkbox"/> Competitors have not been shopped.			
4) How often is a market survey completed? <input checked="" type="checkbox"/> A market survey is completed annually.			
COMMENTS: The property currently has a waiting list of 27 people.			

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?	0%	91%	78%
3) When are the lease renewal/rent increase notices sent to residents? <input checked="" type="checkbox"/> Lease renewals and rent increase notices are sent 120 days, 90 days, 60 days, 45 days, and 30 days before expiration.			
4) Are individual files being reviewed to determine renewal/non-renewal status?	X		
5) How are renewals tracked and monitored? <input checked="" type="checkbox"/> Renewals are tracked and monitored by an excel spreadsheet and the Unit Status Report.			
6) Are rate increases being implemented?	\$15		
7) What is the number of month-to-month leases?			X
8) What is the month-to-month charge?			X

Texas State Affordable Housing Corporation
 “Bringing Affordable Housing Closer to Home”

COMMENTS:

VACANT/MAKE READY UNITS

1) Number of vacant units at time of activity report:	8
2) Number of completed made ready units at time of activity report:	4
3) Number of completed two bedroom units at time of activity report:	3
4) Number of completed three bedroom units at time of activity report:	1
5) Number of completed four bedroom units at time of activity report:	0
6) Number of uncompleted made ready units at time of activity report:	4
7) Number of uncompleted two bedroom units at time of activity report:	3
8) Number of uncompleted three bedroom units at time of activity report:	0
9) Number of uncompleted four bedroom units at time of activity report:	1

Units Walked (model and minimum of 3 make ready units)

Unit #	Brief Description (See Unit Inspection Sheet for details)
922	2x2 80% Made Ready (According management, someone broke into unit to sleep the night before the inspection)
5225	2x2 Good Made Ready
6510	3x1.5 Good Made Ready

Units Walked (units vacant and unready for extended period of time and all down units)

Unit #	Brief Description (See Unit Inspection Sheet for details)
N/A	

	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? Ø Occupied units are inspected monthly.			
9) What is the company policy on turning vacant units? Ø The company policy on turning vacant units is 4-5 days.			
10) How many vacant unready units are near completion? Ø Three units are near completion.			

COMMENTS:

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 in order to obtain materials, supplies, and 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
Administrative	\$19,246	\$7,994	-\$11,432	-143%	Higher Resident Screening and Audit Expense
Utilities	\$37,182	\$42,251	\$5,069	12%	Water and Sewer Reduction
Operating and Maintenance	\$45,795	\$23,550	-\$22,245	-95%	Courtesy Patrol, Painting, Electrical, Sewer Backup

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COMMENTS:

REVENUE			
FOR THE MONTH OF MARCH		YEAR TO DATE 2009	
Gross Potential	\$90,036	Gross Potential	\$270,768
Budgeted	90,402	Budgeted	271,205
Variance + (-)	-366	Variance + (-)	-437
Collected to Date	90,015	Collected to Date	270,747
Other Revenue	765	Other Revenue	3,034
Total Collected	88,219	Total Collected	268,347
Budgeted	89,119	Budgeted	267,356
Variance + (-)	-900	Variance + (-)	991

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? <input checked="" type="checkbox"/> Invoices are processed weekly.			
6) If payments are a problem, what is management doing to correct the problem? <input checked="" type="checkbox"/> N/A			
COMMENTS:	Current:		\$ 0
	30 Days:		\$ 0
	60 Days and Over:		\$ 0
	TOTAL		\$ 0

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the collection policy for outstanding rents? <input checked="" type="checkbox"/> A 10 day notice is sent on the 7 th of the month. A three day notice is sent on the 18 th or 19 th of the month.			
3) When is legal action taken against delinquent accounts? <input checked="" type="checkbox"/> Eviction is filed on the 19 th to the 21 st of the month.			
4) Does the property currently have any resident(s) under eviction? (If yes, how much?)	\$2,310		
5) Does housing have any outstanding balances? (If yes, how much?)		X	
COMMENTS:	Current:		\$ 1,784
	30 Days:		\$ 3,404
	60 Days and Over:		\$ 453
	TOTAL		\$ 5,641

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: The property does not receive checks.

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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		
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? <input checked="" type="checkbox"/> Staff meetings are held daily, weekly, and monthly.			
10) Have personnel been trained in Fair Housing?	X		
11) List all training staff has received in the past three years. <input checked="" type="checkbox"/> Staff has received the following training: Grace Hill, sexual harassment, resident services, fair housing 1 and 2, mold prevention, and HVAC.			
COMMENTS: The current staff members appear to work well together and did an excellent job in assisting each other to make the review go smoothly.			

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? <input checked="" type="checkbox"/> N/A			
3) How often are the reports submitted to the owner? <input checked="" type="checkbox"/> Reports are submitted to the owner weekly.			
4) What is the approval amount that the owner requires for the release of funds? <input checked="" type="checkbox"/> \$200			
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
No Findings.
Observation:
<ul style="list-style-type: none"> The work orders that were submitted on the day of the site visit were not complete. Many work orders did not have request dates or completion dates. The missing request dates and completion dates does not reflect the accurate work of the maintenance personnel. It is recommended that management include the request dates and completion dates on all work orders to monitor and evaluate the maintenance program.

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