

# Texas State Affordable Housing Corporation

“Bringing Affordable Housing Closer to Home”

## Summer Oaks

1400 Patricia

San Antonio, TX 78213

**Owner: South Texas State Affordable Housing Corporation Date Built: 1984**

**Management Company: Orion Real Estate Services, Inc. Property Manager: Michelle Rodriguez**

**INSPECTION DATE/ TIME: April 29, 2009 8:00AM**

**Inspector’s Name: Mindy Green**

<b>Number of Units:</b>	256	<b>Occupancy at Time of Report:</b>	96%	<b>Average Occupancy Over Last 12 Months:</b>	94%
<b>Number of One Bedrooms:</b>	184	<b>Number of Two Bedrooms:</b>	72	<b>Number of Three Bedrooms:</b>	0

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:** Grounds were well maintained and free from trash.

**Finding:**

- **On the day of the site visit, the reviewer found materials being stored in both boiler rooms. This is a fire hazard. Management must remove all materials from the boiler rooms. The boiler rooms should not be used for additional storage. Management must submit pictures and a written statement that materials were removed to TSAHC by June 14, 2009.**

**Observation:**

- **On the day of the site visit the property had broken asphalt in front of the garbage receptacles. Management stated that bids are currently being taken to repair the broken asphalt and install concrete pads.**

### 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:

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- Burglary?	0	
- Theft?	0	
- Criminal Mischief?	0	
- Personal Assault?	0	
- Drug Activity?	0	
- Gunfire?	0	
- Domestic Violence?	0	
- Disturbance	0	
- Other?	0	
2) Does the property have a Crime Prevention Plan in effect to address criminal activity on the property? Ø The property has a crime prevention plan.		
3) What pro-active measures is the property taking to address crime on the property? Ø Meet your neighbor monthly and Crime Prevention meetings quarterly.		
4) How often is a light check conducted on the property? (Please obtain a copy of the schedule.) Ø Courtesy officer does a light check nightly.		
<b>COMMENTS:</b> The police reports submitted by Management did not reflect any police activity.		

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	
<b>COMMENTS:</b>			

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? Ø Club Room, Fitness Center, Picnic Area, Laundry Rooms, Volleyball Courts, Intrusion Alarms, Covered Parking			
<b>COMMENTS:</b> The office was organized and clean. Office staff was dressed professionally and was friendly on the day of the site visit. Staff seemed to be team oriented and were working toward the common goal of ensuring resident satisfaction.			

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		
<b>COMMENTS:</b> The property utilizes the KeyTrak system			

MAINTENANCE PROGRAM	YES	NO	N/A
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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 The exterminator provides service weekly. Each apartment receives service quarterly.			
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly? Ø Materials are properly documented in the MSDS binder.			
5) What is the policy on follow ups for completed service request? Ø Perform warm calls and emails for completed service requests. The requests that are called back are selected randomly.			
6) What is the property's after hour's emergency policy? Ø 24 hour answering service; option to call maintenance, office, or courtesy officer.			
7) What capital improvements have been scheduled for this budget year? Ø Foundation repair, soffit repairs, parking lots, step replacements, and rail replacements, pool resurfacing, new drains (requirement.)			
8) Were capital improvements scheduled from last year conducted? Ø Foundation repairs, soffit repairs, parking lots, step replacement, and rail replacements.			
<b>The following information was reported for the month of <u>3/29/09-4/29/09</u> :</b>			
Number of service requests completed in the past 30 days:	91		
Number of service requests completed within 24 hours:	33		
Number of outstanding service requests:	15		
<b>COMMENTS:</b> Management stated that 5 work orders are for make readies and 4 work orders are for contract repairs.			

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	\$100	6	4
Flyers			
Resident Referral	\$50	1	1
Locator Service (Rarely receive locator referrals because of the low locator fee)	\$50		
Printed Advertising (For Rent)	\$595	2	1
Internet Advertising (Summer Oaks, Apts.com, Rent.com)	\$670	9	7
Preferred Employer (Military)	3%		
Other Source (list)			
<b>TOTAL</b>	<b>\$1,465</b>	<b>18</b>	<b>13</b>
<b>(The rental activity reflected in the above table was for the month of 3/29/09-4/29/09.)</b>			
	YES	NO	N/A
2) Is the property doing bilingual advertising?		X	
3) How often are competitors shopped? Ø Competitors are shopped monthly.			
4) How often is a market survey completed? Ø A Market Survey is completed monthly.			
<b>COMMENTS:</b>			

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?	81%	73%	72%
3) When are the lease renewal/rent increase notices sent to residents? Ø Notices are sent out 90 days in advance.			
4) Are individual files being reviewed to determine renewal/non-renewal status?	X		
5) How are renewals tracked and monitored? Ø Renewal/Recertification log book and OneSite Reminders			
6) Are rate increases being implemented?	\$20 Max		
7) What is the number of month-to-month leases?	0		

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8) What is the month-to-month charge?	\$150		
<b>COMMENTS:</b> The lease renewal program appears to be very effective.			

### VACANT/MAKE READY UNITS

1) Number of vacant units at time of activity report:	11
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:	1
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:	NA
6) Number of uncompleted made ready units at time of activity report:	9
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:	4
9) Number of uncompleted three bedroom units at time of activity report:	NA

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

Unit #	Brief Description (See Unit Inspection Sheet for details)
1807	Need vent covers and electrical face plates 2x2
510	Model

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

Unit #	Brief Description (See Unit Inspection Sheet for details)
1305	Vacant 438 days; unit is made ready and is pre-leased for move in. 2x2
1306	Vacant 323 days; unit is made ready 2x2
1806	Vacant 179 days; unit is near completion, needs touch up clean. 2x2

	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 annually.			
9) What is the company policy on turning vacant units? Ø Policy is to turn vacant units within two weeks. Pre-lease units are rented to units that are recent move outs. Longer vacant units are made available for immediate move ins.			
10) How many vacant unready units are near completion? Ø Three units are near completion.			

**COMMENTS:** Management stated that there are a low number of available (made ready) units due to a high number of move-ins recently. Units 1305 and 1306 were vacant for an extended amount of time while management fixed a mysterious leak problem. The problem appears to be fixed and the units are now ready for move in. Unit 1806 and 1807 were vacant due to foundation problems which have been fixed and maintenance is working to make these units ready for lease.

### 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 to obtain materials.			
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.)

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EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION
Marketing and Retention	\$7,216	\$8,624	\$1,408	16%	Locator Services, Promotions, Voluntary Resident Services
Repairs and Maintenance	\$4,795	\$6,242	\$1,447	23%	Landscape
Repairs and Maintenance –Units	\$17,036	\$14,615	-\$2,421	-17%	Painting, Interior Rehab Repairs

**COMMENTS:** Management explained that the variance is due to a higher than expected vacancy.

REVENUE			
FOR THE MONTH OF FEBRUARY		YEAR TO DATE 2009	
Gross Potential	\$155,297	Gross Potential	\$310,594
Budgeted	155,297	Budgeted	310,594
Variance + (-)	0	Variance + (-)	0
Collected to Date	130,897	Collected to Date	259,006
Other Revenue	10,138	Other Revenue	20,157
Total Collected	141,035	Total Collected	279,164
Budgeted	150,846	Budgeted	302,568
Variance + (-)	-9,810	Variance + (-)	-23,404

**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			
<b>COMMENTS:</b> Management stated that there is a higher than normal 31-60 day Outstanding Accounts Payable due to capital improvements. There has been a requisition requested from the trustee to make payments to those vendors. Management expects those payments soon.	Current:		\$34,540
	30 Days:		\$20,727
	60 Days and Over:		\$742
	TOTAL		\$56,009

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 3 <sup>rd</sup> of the month, Eviction is filed on the 10 <sup>th</sup> of the month.			
3) When is legal action taken against delinquent accounts? Ø File on the 10 <sup>th</sup> . Court dates are typically a week or two later.			
4) Does the property currently have any resident(s) under eviction? (If yes, how much?)		X	
5) Does housing have any outstanding balances? (If yes, how much?)		X	
<b>COMMENTS:</b> Management has done a good job collecting outstanding rents.	Current:		\$1,572
	30 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$1,572

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		6	

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2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		
<b>COMMENTS:</b> Unit 216 was charged a \$30 fee, the other 5 units were charged a \$35 fee. Management quickly responded to the error and corrected the ledger and submitted a new resident ledger to the reviewer.			

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 Free-on Training, Pool School, Electrical, Safety, Fair Housing, Leasing, Phone Techniques, Follow-ups, etc.			
<b>COMMENTS:</b>			

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		
<b>COMMENTS:</b>			

SUMMARY OF OBSERVATIONS AND FINDINGS
<p><b>Finding:</b></p> <ul style="list-style-type: none"> <li>On the day of the site visit, the reviewer found materials being stored in both boiler rooms. This is a fire hazard. Management must remove all materials from the boiler rooms. The boiler rooms should not be used for additional storage. Management must submit pictures and a written statement that materials were removed to TSAHC by <u>June 14, 2009</u>.</li> </ul> <p><b>Observation:</b></p> <ul style="list-style-type: none"> <li>On the day of the site visit the property had broken asphalt in front of the garbage receptacles. Management stated that bids are currently being taken to repair the broken asphalt and install concrete pads.</li> </ul>

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