

Texas State Affordable Housing Corporation

“Bringing Affordable Housing Closer to Home”

The Rafters

11325 IH 37

Corpus Christi, TX 78410

Owner: South Texas Affordable Properties

Date Built: 1984

Management Company: Orion Real Estate Services

Property Manager: Cindy Boston

INSPECTION DATE/ TIME: March 11, 2009 at 8:00am

Inspector's Name: Sarah Schildmier-Bloom and Luceli Lopez

Number of Units:	250	Occupancy at Time of Report:	90%	Average Occupancy Over Last 12 Months:	92%
Number of One Bedrooms:	74	Number of Two Bedrooms:	132	Number of Three Bedrooms:	44

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: Property grounds and common areas were clean and well maintained. While walking the property we noticed areas that need landscaping upgrades. Siding was in need of power washing and replacement in some areas. Management stated that landscaping has been included in this year's budget for repair. They were also looking for siding to match. Some balconies were in need of painting and repair. Management stated balcony repairs are being done in sections, and contractors were working on balconies on the day of the site visit.

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?	4	Burglary (3), Burglary of Vehicle (1)
- Theft?	1	
- Criminal Mischief?	2	Destruction or Criminal Mischief
- Personal Assault?	4	
- Drug Activity?		
- Gunfire?		
- Domestic Violence?		

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- Disturbance	16	Disturbance (13), Loud Music (3)
- Other?	1	Fire-Building
2) Does the property have a Crime Prevention Plan in effect to address criminal activity on the property? <input type="checkbox"/> None		
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 Courtesy Officer. Manager indicates she has close relationship with police department. They will make her aware of any crime activity on property by calling her directly.		
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 once a week on the property by the Courtesy Officer.		
COMMENTS:		

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: Management indicates there hasn't been recent vandalism on property except for an electrical meter that got stolen. No graffiti or vandalism was seen on property at the time of the site visit. A risk assessment has been conducted on property by an Insurance Agent.			

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"/> Community facilities available for resident use include two Pools, Sports Court, Business Center, and 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		
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: Property utilizes Key Track.			

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 once a week.			
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly? <input checked="" type="checkbox"/> Yes			
5) What is the policy on follow ups for completed service request? <input checked="" type="checkbox"/> Property staff follows up for completed service request by calling back the residents to ensure completion.			

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6) What is the property's after hour's emergency policy? <input type="checkbox"/> The Answering Service calls the Property Manager so that she can determine if the call is due to a real emergency before she calls the maintenance on call to provide emergency services.			
7) What capital improvements have been scheduled for this budget year? <input type="checkbox"/> Capital improvements scheduled for this budget year include balconies repair, carpet, vinyl, pool enhancement, replacing some sidings, paint hand rails, and wood work.			
8) Were capital improvements scheduled from last year conducted? <input type="checkbox"/> Capital improvements scheduled to be completed last year include balconies.			
The following information was reported for the month of February 11, 2009 to March 11, 2009:			
Number of service requests completed in the past 30 days:	74		
Number of service requests completed within 24 hours:	37		
Number of outstanding service requests:	5		
COMMENTS:			

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	Balloons	\$20	19	10
Flyers	Brochures & Flyers	\$115	5	4
Resident Referral		\$50	10	8
Locator Service	\$500 per lease	\$500	1	1
Printed Advertising	Apartment Guide \$784, Alice News \$261	\$1,045	3	1
Internet Advertising	Property Website, For Rent.com, Apartment Guide.com	\$100	17	4
Preferred Employer				
Other Source (list)	Local competition referral-Pizza for staff after 5 referrals		2	2
TOTAL		\$1,830	57	30
(The rental activity reflected in the above table was for the month of February 11, 2009 to March 11, 2009.)				
		YES	NO	N/A
2) Is the property doing bilingual advertising?			X	
3) How often are competitors shopped? <input type="checkbox"/> According to management, competitors are shopped once a quarter as needed.				
4) How often is a market survey completed? <input type="checkbox"/> A market survey is completed once a month.				
COMMENTS: Management appears to be doing an excellent job on marketing and leasing.				

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?	56%	68%	67%
3) When are the lease renewal/rent increase notices sent to residents? <input type="checkbox"/> Lease renewal and rent increase notices are sent to the residents 90 days, 60 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 type="checkbox"/> Renewals are tracked and monitored through the TSAHC report and the lease expiration report.			
6) Are rate increases being implemented?	X		
7) What is the number of month-to-month leases?	8		
8) What is the month-to-month charge?	\$50		
COMMENTS: Management is doing a great job with the renewal program.			

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	28

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2) Number of completed made ready units at time of activity report:	10
3) Number of completed one bedroom units at time of activity report:	2
4) Number of completed two bedroom units at time of activity report:	6
5) Number of completed three bedroom units at time of activity report:	2
6) Number of uncompleted made ready units at time of activity report:	18
7) Number of uncompleted one bedroom units at time of activity report:	7
8) Number of uncompleted two bedroom units at time of activity report:	8
9) Number of uncompleted three bedroom units at time of activity report:	3

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

Unit #	Brief Description (See Unit Inspection Sheet for details)
906	2X1 Mini model-Good make ready
2604	2X1 Good make ready/Vacant for an extended period of time. Unit looks good.
3106	3X2 Good make 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	No down units

	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 once a year. Quarterly for preventive maintenance.			
9) What is the company policy on turning vacant units? Ø The company policy on turning vacant units is 3-5 days.			
10) How many vacant unready units are near completion? Ø 3 units are near completion.			

COMMENTS: According to management competition is currently running specials that they are not. Units that have been vacant for an extended period of time, have not been vacant for over 120 days.

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 3 bids are solicited before obtaining 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 Expense	\$2,192	\$3,608	\$1,415	39%	Other Employee Costs, Employee Education and Events, Washer Dryer Rental
Marketing and Retention	\$3,893	\$5,695	\$1,802	32%	Locator Services, Model Apartment Costs, Referral Allowances
Repairs/Maint.-Site	\$2,729	\$3,310	\$518	16%	Paving & Walkways, Garage/Gate Entry/Fences, Pool/SPA Maint/Furniture
Repairs/Maint.-Bldg.	\$4,080	\$2,869	-\$1,211	-42%	Plumbing Repairs and Supplies
Repairs/Maint.-Units	\$1,767	\$2,633	\$866	33%	Key & Lock, Other

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COMMENTS:

REVENUE			
FOR THE MONTH OF JANUARY		YEAR TO DATE 2009	
Gross Potential	\$171,568	Gross Potential	\$171,568
Budgeted	170,480	Budgeted	170,480
Variance + (-)	1,088	Variance + (-)	1,088
Collected to Date	163,325	Collected to Date	163,325
Other Revenue	16,292	Other Revenue	16,292
Total Collected	155,839	Total Collected	155,839
Budgeted	159,477	Budgeted	159,477
Variance + (-)	-3,838	Variance + (-)	-3,838

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 on a daily basis.			
6) If payments are a problem, what is management doing to correct the problem? <input checked="" type="checkbox"/> N/A			
COMMENTS:	Current:		\$28,864
	30 Days:		\$1,269
	60 Days and Over:		\$6,426
	TOTAL		\$36,559

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 3 days notice to vacate is sent on the 5 th . Residents are called weekly.			
3) When is legal action taken against delinquent accounts? <input checked="" type="checkbox"/> Eviction is filed on the 10 th .			
4) Does the property currently have any resident(s) under eviction? (If yes, how much?)	\$2,272		
5) Does housing have any outstanding balances? (If yes, how much?)		X	
COMMENTS:	Current:		\$20,236
	30 Days:		\$1,678
	60 Days and Over:		\$356
	TOTAL		\$22,270

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		3	
2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		

COMMENTS:

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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? Leasing Agent currently on maternity leave.	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 Daily with Lead Maintenance. Weekly with entire staff.			
10) Have personnel been trained in Fair Housing?	X		
11) List all training staff has received in the past three years. Ø Pool safety, HVAC, Pool Chemicals			

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 N/A			
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 \$750			
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
<p>No Findings or Observations.</p>

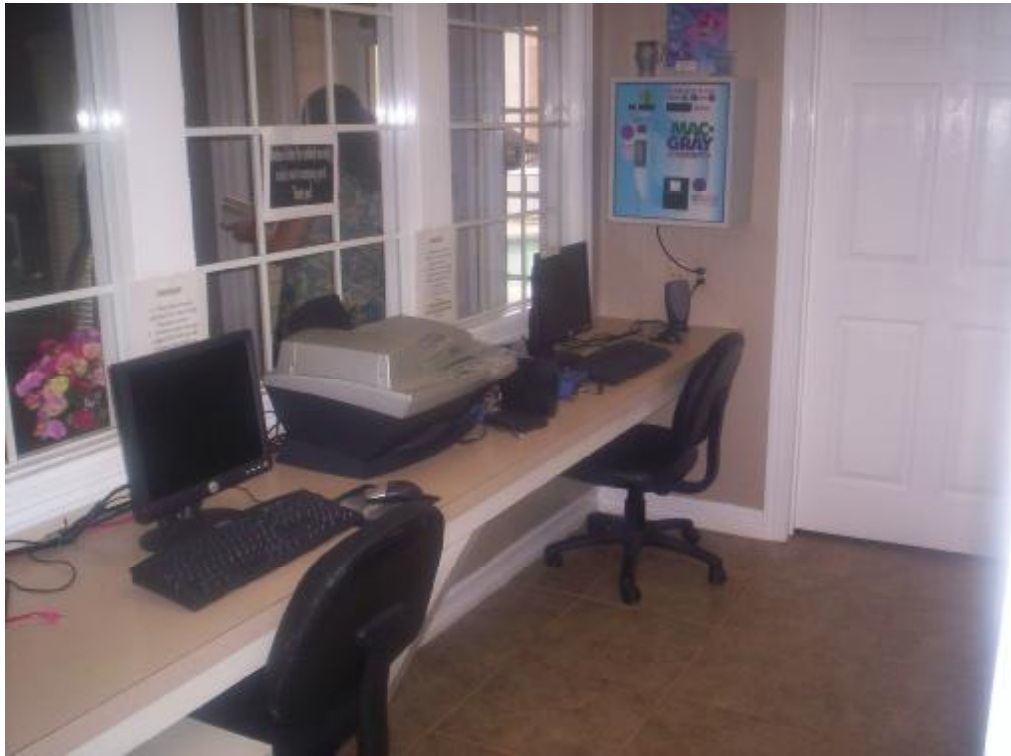
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