

Texas State Affordable Housing Corporation

“Bringing Affordable Housing Closer to Home”

<u>White Rock</u>			
3110 Thousand Oaks			
San Antonio, TX 78247			
Owner: Commonwealth Multifamily Date Built: 2002			
Management Company: Orion Real Estate Services, Inc. Property Manager: Donna Carraghan			
INSPECTION DATE/ TIME: April 29, 2009			
Inspector's Name: Mindy Green			
Number of Units:	336	Occupancy at Time of Report:	93%
		Average Occupancy Over Last 12 Months:	94%
Number of One Bedrooms:	176	Number of Two Bedrooms:	148
		Number of Three Bedrooms:	12

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: On the 2008 report the reviewer noted that building trim needs to be re-painted and was budgeted for 2009. Management stated again that the painting will be completed in 2009. On the day of the site visit the property displayed good curb appeal. Grounds were free of trash and the landscaping was well kept.

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 Vehicle (2) Robbery Individual (2)
- Theft?	3	Theft (2) Theft Vehicle (1)
- Criminal Mischief?	2	
- Personal Assault?	1	
- Drug Activity?		
- Gunfire?		
- Domestic Violence?		
- Disturbance	19	Disturbance (17) Disturbance Family (2)

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- Other?	1	Sexual Offense
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 currently have a Crime Prevention Plan.		
3) What pro-active measures is the property taking to address crime on the property? <input checked="" type="checkbox"/> Monthly Crime Meetings with handouts with “tips” on them.		
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 weekly.		

COMMENTS:

Observation:

- There are a high number of Disturbances accompanied by Theft, Burglary, and a Sexual Offense on the 911 reports submitted to the reviewer. Management stated that the answering service was not previously directing noise complaints to the courtesy officer but has begun doing so recently, which accounts for several disturbances. It is suggested that management continue monitoring criminal activity on the property and distributing lease violations when necessary.

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:

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"/> Fitness Center, DVD Library, Business Center, Walking Trail, Recreation Area, Laundry Facilities, Pool			

COMMENTS: The office was clean and well organized. On the day of the site visit, the staff was professionally dressed and friendly.

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 is currently using the KeyTrak system.

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 on a weekly basis.			

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4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly? <input checked="" type="checkbox"/> The maintenance area has properly documented MSDS materials.			
5) What is the policy on follow ups for completed service request? <input checked="" type="checkbox"/> 75% of work orders are called back at the end of the month.			
6) What is the property's after hour's emergency policy? <input checked="" type="checkbox"/> Live Call Center determines whether to call Management, Courtesy Officer, or Maintenance.			
7) What capital improvements have been scheduled for this budget year? <input checked="" type="checkbox"/> Painting the building trim.			
8) Were capital improvements scheduled from last year conducted? <input checked="" type="checkbox"/> Speed Bumps (additions and repairs), Painted Hand Rails, Repair Rock Columns.			
The following information was reported for the month of <u>3/29/09-4/30/09</u> :			
Number of service requests completed in the past 30 days:	249		
Number of service requests completed within 24 hours:	112		
Number of outstanding service requests:	22		
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	\$150	88	17
Flyers	\$30		
Resident Referral (one per quarter)	\$50	13	1
Locator Service			
Printed Advertising (For Rent)	799	5	1
Internet Advertising (ForRent.com, Rent.com, property website)	369	27	2
Preferred Employer			
Other Source (other property)		2	0
TOTAL	\$1,389	135	21
(The rental activity reflected in the above table was for the month of 3/29/09-4/29/09.)			
	YES	NO	N/A
2) Is the property doing bilingual advertising?		X	
3) How often are competitors shopped? <input checked="" type="checkbox"/> Competitors are shopped monthly.			
4) How often is a market survey completed? <input checked="" type="checkbox"/> A market survey is completed monthly.			
COMMENTS:			

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?	63%	64%	64%
3) When are the lease renewal/rent increase notices sent to residents? <input checked="" type="checkbox"/> The Maintenance Supervisor performs warm calls 120 days before lease end, a renewal notice is posted on the resident's door 90 days in advance, and then a final notice is sent 75 days in advance.			
4) Are individual files being reviewed to determine renewal/non-renewal status?	X		
5) How are renewals tracked and monitored? <input checked="" type="checkbox"/> Lease renewals are tracked through OneSite software.			
6) Are rate increases being implemented?	\$15-\$30		
7) What is the number of month-to-month leases?	3		
8) What is the month-to-month charge?	\$150		
COMMENTS: Management has done a good job of implementing an effective renewal program.			

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VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	20
2) Number of completed made ready units at time of activity report:	11
3) Number of completed one bedroom units at time of activity report:	3
4) Number of completed two bedroom units at time of activity report:	8
5) Number of completed three bedroom units at time of activity report:	0
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:	2
8) Number of uncompleted two bedroom units at time of activity report:	6
9) Number of uncompleted three 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)
425	1x1 Made Ready.
128	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)
923	Vacant 155 days Made Ready, Leased. 2x2
922	Vacant 101 days Made Ready 2x2
927	Vacant 162 days Needs touch up clean 2x2
1231	Vacant 116 days Made Ready 2x2
1237	Vacant 259 days Made Ready 2x2
1238	Vacant 118 days Made Ready 2x2
1422	Vacant 118 days Made Ready 2x2
1431	Vacant 148 days Made Ready 2x2
131	Vacant 137 days Made Ready 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 Company Policy is to turn a vacant unit in 4-5 days.			
10) How many vacant unready units are near completion? Ø 5 units are near completion.			

COMMENTS: Units have been vacant for an extended amount of time due to lack of interest in the floor plan. The make ready product is clean and move in ready.

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 to obtain 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.)

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EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION
Repairs and Maintenance	\$6,978	\$11,493	\$4,515	40%	Safety and Fire Supplies/Maintenance, Window/Glass Repair
Recreational Amenities	\$465	\$835	\$370	44%	Exercise/Weight Room
Marketing and Retention	\$8,296	\$10,335	\$2,039	20%	Voluntary Resident Services, Model Expense
Administrative Expense	\$5,296	\$6,130	\$834	14%	Credit Bureau, Office Supplies, Postage & Delivery
General and Administrative	\$6,207	\$3,102	-\$3,105	-100%	Miscellaneous General and Administrative, Bookkeeping Expense

COMMENTS: Leasing Incentives (Wheel Spin) are going into General and Administrative not Payroll, which explains the overage in the miscellaneous general and administrative expense.

REVENUE			
FOR THE MONTH OF FEBRUARY		YEAR TO DATE 2009	
Gross Potential	\$262,128	Gross Potential	\$524,517
Budgeted	262,768	Budgeted	525,536
Variance + (-)	-640	Variance + (-)	-1,019
Collected to Date	208,838	Collected to Date	419,818
Other Revenue	12,962	Other Revenue	29,637
Total Collected	221,800	Total Collected	449,455
Budgeted	241,427	Budgeted	478,494
Variance + (-)	-19,627	Variance + (-)	-29,039

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: Management stated that the primary balance 60+ days outstanding is owed to the asset management and resident services company. Management also stated that the large balance due past 30 days is due in capital improvements primarily to Rasa Floors which management said they always pay at least 60 days after the invoice is received.	Current:		\$24,996
	30 Days:		\$10,309
	60 Days and Over:		\$29,700
	TOTAL		\$65,005

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the collection policy for outstanding rents? Ø A three day notice to vacate is sent on the 4 th , the assistant manager then makes phone calls.			
3) When is legal action taken against delinquent accounts? Ø Evictions are files on the 10 th .			
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
COMMENTS: The property does not have any residents on housing.	Current:		\$1,445
	30 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$1,445

RETURNED CHECKS	YES	NO	N/A

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1) Total number of returned checks in the past 3 months:		10	
2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		

COMMENTS: All residents are charged a \$45 NSF fee.

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 bi weekly.			
10) Have personnel been trained in Fair Housing?	X		
11) List all training staff has received in the past three years. Ø Customer Service, Fair Housing, Electrical, Pool School, Compliance, OSHA			

COMMENTS: Staff is team oriented and appears to be working well together.

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

No Findings.

Observation:

There are a high number of Disturbances accompanied by Theft, Burglary, and a Sexual Offense on the 911 reports submitted to the reviewer. Management stated that the answering service was not previously directing noise complaints to the courtesy officer but has begun doing so recently, which accounts for several disturbances. It is suggested that management continue monitoring criminal activity on the property and distributing lease violations when necessary.

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