

Texas State Affordable Housing Corporation

“Bringing Affordable Housing Closer to Home”

Willowick

**6947 Everhart Road
Corpus Christi, TX 78413**

**Owner: South Texas Affordable Properties
Management Company: Orion Real Estate Services**

**Date Built: 1984
Property Manager: Helen Veal**

INSPECTION DATE/ TIME: March 11, 2009 at 1:00 pm

Inspector’s Name: Luceli Lopez

Number of Units:	250	Occupancy at Time of Report:	92%	Average Occupancy Over Last 12 Months:	91%
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 free of clutter. Office was organized and staff seems to be team oriented. There were a few missing boards from the perimeter fence. According to management, repairing the perimeter fence is in this year’s budget.

Observation:

- Laundry Room window was missing at the time of the site visit. There was no broken glass in the frame or on the ground. Management stated that the window is going to be replaced. It is recommended that replacement is done in a timely manner.

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 (2), Burglary of Vehicle (1)
- Theft?	2	
- Criminal Mischief?		
- Personal Assault?		
- Drug Activity?		

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- Gunfire?		
- Domestic Violence?		
- Disturbance	10	Disturbance (4), Loud Music (6)
- Other?	1	Inv-Fire
2) Does the property have a Crime Prevention Plan in effect to address criminal activity on the property? Ø None		
3) What pro-active measures is the property taking to address crime on the property? Ø The pro-active measures the property is taking to address crime on the property includes Crime Prevention Meetings and a Courtesy Officer.		
4) How often is a light check conducted on the property? (Please obtain a copy of the schedule.) Ø A light check is conducted on the property by the Courtesy Officer every two weeks.		
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:			

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 Community facilities available for resident use include two Pools, Fitness Center, Laundry Room, Sports Court, Business Center			
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 uses 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? Ø The exterminator provides services to all property buildings on a weekly basis.			
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly? Ø Yes			
5) What is the policy on follow ups for completed service request?			

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<input type="checkbox"/> Calls back a random selection.			
6) What is the property's after hour's emergency policy?			
<input type="checkbox"/> For after hours emergencies, the tenant will call the office and will be transferred to the Answering Service. Answering Service pages maintenance on call to address emergency.			
7) What capital improvements have been scheduled for this budget year?			
<input type="checkbox"/> Capital improvements for this year include the parking lot repairs, painting rails and metal work.			
8) Were capital improvements scheduled from last year conducted?			
<input type="checkbox"/> None			
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:	54		
Number of service requests completed within 24 hours:	48		
Number of outstanding service requests:	0		
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 By sign		17	8
Flyers Flyers and Brochures	\$115	2	2
Resident Referral	\$50		
Locator Service 50% Escort or Sent		4	1
Printed Advertising Apartment Guide	\$770	3	2
Internet Advertising Apartment Guide (included above), Property Web Site, Rent.com \$339 per lease	\$100	4	
Preferred Employer			
Other Source (list)			
TOTAL	\$1,150	30	13
(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"/> Competitors are shopped once a month.			
4) How often is a market survey completed?			
<input type="checkbox"/> A market survey is completed once a month.			
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?	72%	64%	61%
3) When are the lease renewal/rent increase notices sent to residents?			
<input type="checkbox"/> Notices are sent 90, 60 and 30 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"/> Lease renewals are tracked and monitored by the using the TSAHC report and lease expiration report.			
6) Are rate increases being implemented?	\$15		
7) What is the number of month-to-month leases?	5		
8) What is the month-to-month charge?	\$100		
COMMENTS: Excellent renewal program			

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	21

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2) Number of completed made ready units at time of activity report:	6
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:	5
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:	15
7) Number of uncompleted one bedroom units at time of activity report:	6
8) Number of uncompleted two bedroom units at time of activity report:	5
9) Number of uncompleted three bedroom units at time of activity report:	4

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

Unit #	Brief Description (See Unit Inspection Sheet for details)
3407	2X2 Good Make Ready
3604	3X2 Good Make Ready
2502	2X1 Excellent Make Ready
607	2X2 Beautiful Make Ready-Mini 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)
3606	3X2 Carpet replacement needed. Bathtub has been removed and will be replaced soon.
1602	1X1 Make ready needed. Did not find major issues in the unit.

	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 twice a year.			
9) What is the company policy on turning vacant units? Ø The company policy on turning vacant units is 2-3 days.			
10) How many vacant unready units are near completion? Ø 5 units are near completion.			

COMMENTS: According to management make ready for one of the units that have been vacant for an extended period of time is taking longer due to resident stay was over 25 years. The rest have been delayed to turn in leased units.

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 Expenses	\$1,501	\$2,108	\$606	29%	Washer/Dryer Rental, Employee Travel & Reimb.
Marketing & Retention	\$3,382	\$2,588	-\$794	-31%	Resident Retention, Promotions, Model Apt. Costs
Repairs/Maintenance-Site	\$2,908	\$3,688	\$780	21%	Garage/Gate Entry/Fences, Other Site R&M, Tools/Maintenance Equipment, Golf Cart Repairs, Paving

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Repairs/Maintenance-Bldg	\$6,592	\$4,347	-\$2,245	-51%	Safety Services, Heating/Air Conditioners, Glass/Screen Replacement/Repair, Plumbing Repairs/Supplies
Utilities	\$20,683	\$23,087	\$2,404	11%	Gas-House Meters, Sewer
COMMENTS:					

REVENUE			
FOR THE MONTH OF DECEMBER		YEAR TO DATE 2008	
Gross Potential	\$188,010	Gross Potential	\$188,010
Budgeted	178,290	Budgeted	178,290
Variance + (-)	9,720	Variance + (-)	9,720
Collected to Date	139,755	Collected to Date	139,755
Other Revenue	13,294	Other Revenue	13,294
Total Collected	153,049	Total Collected	153,049
Budgeted	166,443	Budgeted	166,443
Variance + (-)	-13,394	Variance + (-)	-13,394
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"/> None			
COMMENTS:	Current:		\$20,240
	30 Days:		\$15,617
	60 Days and Over:		\$17,202
	TOTAL		\$53,059

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"/> 3 days notice to vacate is sent on the 5 th .			
3) When is legal action taken against delinquent accounts? <input checked="" type="checkbox"/> Eviction is filed on the 6 th of the month.			
4) Does the property currently have any resident(s) under eviction? (If yes, how much?)	\$3,089		
5) Does housing have any outstanding balances? (If yes, how much?)		X	
COMMENTS:	Current:		\$15,434
	30 Days:		\$1,882
	60 Days and Over:		\$0
	TOTAL		\$17,316

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		6	
2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		

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COMMENTS:

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 once a week.			
10) Have personnel been trained in Fair Housing? CCAA Trainings	X		
11) List all training staff has received in the past three years. Ø HVCA, Human Resources			

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:

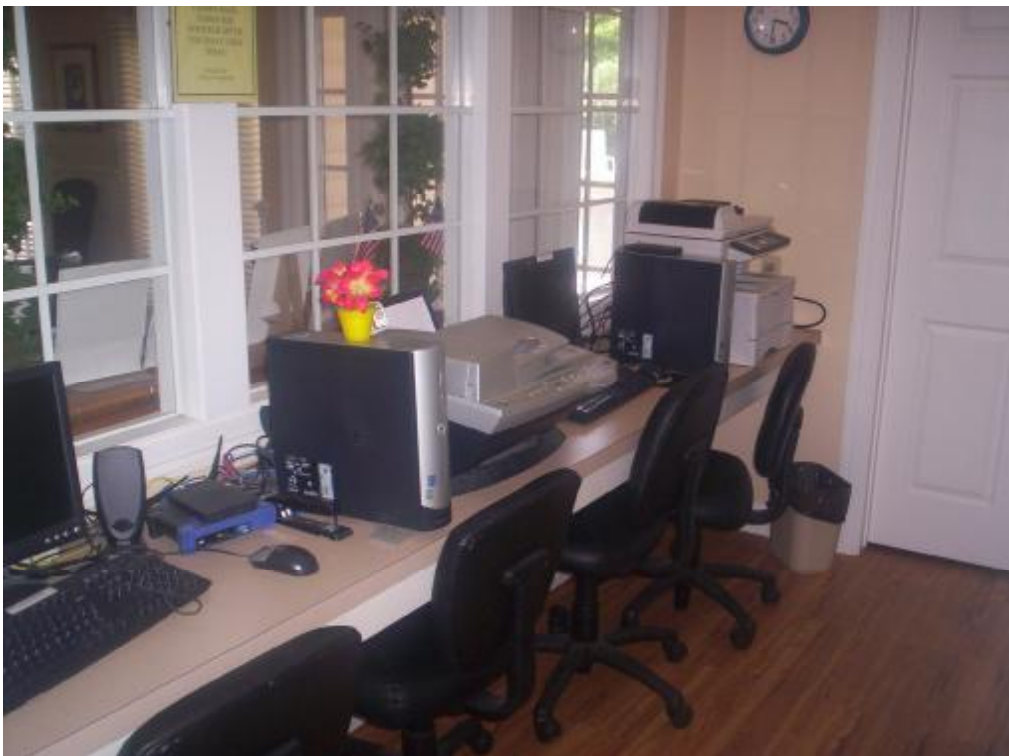
SUMMARY OF OBSERVATIONS AND FINDINGS

No Findings.

Observation:

- Laundry Room window was missing at the time of the site visit. There was no broken glass in the frame or on the ground. Management stated that the window is going to be replaced. It is recommended that replacement is done in a timely manner.

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