

Texas State Affordable Housing Corporation

Chaparral Village

1411 S Grant
Odessa, TX 79761

Owner: RHAC-Chaparral, LLC

Date Built: 1981

Management Company: Capstone Real Estate Services

Property Manager: Celia Arenivas

INSPECTION DATE/ TIME: June 14, 2011 at 11:00am

Inspector's Name: Sarah Schildmier Bloom

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	98%
Number of Units: 80			
Number of One Bedrooms:	70	Number of Two Bedrooms:	2
Number of Three Bedrooms:	8	Number of Four Bedrooms:	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) Are 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: Management has continued to preserve the curb appeal of the property. The buildings and parking lot also appear to be in good condition. Even though the maintenance position is vacant, the property maintained good curb appeal. Management has hired contractors to complete tasks until the position can be filled. Due to the weather and water restrictions, little grass remains throughout the property. Some residents have planted and maintained the flowers around their apartments.

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		
Theft		
Criminal Mischief		
Personal Assault	1	Assault Victim (1)
Drug Activity		

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Gunfire		
Domestic Violence		
Disturbance	13	Family Disturbance (2), Disturbance (6), Loud Music (4), Loud Party (1)
Other		
2) Does the property have a written plan to address criminal activity on the property? > Management has <i>House Rules</i> to address criminal activity on the property.		
3) What pro-active measures is the property taking to address crime on the property? > The pro-active measures the property is taking to address crime on the property include completing incident reports when criminal activity has occurred on the property, courtesy patrol, and regular communication with residents.		
4) How often is a light check conducted on the property? > A light check is conducted twice a week by the property manager. Light checks are also conducted monthly during the preventive maintenance schedule.		
COMMENTS: According to the police reports, the number of disturbances has increased since the 2010 Asset Oversight Report. Management is encouraged to review the police reports to issue lease violations when necessary and to monitor the types of activity on the property in efforts to decrease the overall criminal 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 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: Centerline conducts annual risk liability inspections.			

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) Which of the following community amenities are provided for resident use?			
> Playground	X		
> Community Room		X	
> BBQ/Picnic Area	X		
> Laundry Facility	X		
> Business Center		X	
> Pool		X	
> Other		X	
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		

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4) Are locks being changed during turnover of vacant units and turnover of staff?	X		
COMMENTS: On the day of the site visit, the keys were not properly coded. The code was easy to identify. Since the site visit, the property manager has created and submitted a new code list and has coded the keys. Management is informed of the importance of the importance to create and maintain new key codes.			

MAINTENANCE PROGRAM	YES	NO	N/A
1) Is the preventative maintenance schedule being implemented?	X		
2) Is the maintenance shop clean and organized?	X		
3) How often does the exterminator provide services? ➢ The exterminator provides services twice a month.			
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly? ➢ The MSDS binder was available in the maintenance shop.			
5) What is the policy on follow ups for completed service requests? ➢ The property manager calls many of the completed service requests. Residents also call to notify the manager if the request was completed.			
6) What is the property's after hours emergency policy? ➢ Calls to the emergency number are directed to the on-call maintenance personnel. The property manager was taking the after hours calls while the maintenance position was vacant.			
7) What capital improvements have been scheduled for this budget year? ➢ Capital improvements that have been completed this budget year include replacing all the AC pads on the roof and tree trimming. Other capital improvements that are scheduled to be completed include replacing appliances as needed and heaters will be serviced.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

8) Unit Interior upgrades ➢ Two units received new cabinets and four units received new flooring in the last budget year.
9) Appliance Replacements ➢ Appliances were replaced as needed in 2010.
10) Building Exterior repairs ➢ West Texas Opportunities installed insulation in the buildings at no cost to the property.
11) Curb Appeal upgrades ➢ No curb appeal upgrades were completed other than the normal landscaping repairs and maintenance in the last budget year.
12) Amenity upgrades ➢ No amenity upgrades were completed in the last budget year.
13) Other repairs or replacements ➢ No other repairs or replacements were completed in the last budget year.

The following information was reported for the dates 5-18-2011 to 6-13-2011:

Number of service requests received:	23		
Number of service requests completed:	22		
Number of service requests completed within 24 hours:	16		
Number of outstanding service requests:	1		

COMMENTS: During the site visit, service requests were made about the air conditioners. The property manager was quick to make the calls to the contractor to make repairs. According to management, the new appliances that are being purchased are being tracked. Management is encouraged to refer to Rehabilitation Standards in Section 4 (a-j) of the Compliance Agreement when replacing doors, windows appliances, heat and cooling units, and other items to ensure compliance. Texas State Affordable Housing Corporation staff can be contacted for assistance. The open service request is to repair a hole in the hallway. According to the property manager, the repair has been scheduled.

MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth		0	1
Flyers			
Resident Referral			
Locator Service			
Printed Advertising			
Internet Advertising			
Preferred Employer			
Other Source (list)			

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TOTAL	\$0	0	1
The rental activity reflected in the above table was for the dates 5-14-2011 to 6-14-2011:			
	YES	NO	N/A
2) Is the property doing bilingual advertising?	X		
3) Does the property have any competitors?		X	
4) How often are competitors shopped? > Management stated that the property does not have any direct competitors. The Housing Authority provides housing, but is not considered a competitor.			
5) How often is a market survey completed? > Market surveys are not completed.			
COMMENTS: According to the Traffic Report, there were not any calls, visits, or applications. However the report did show one rental in the last 30 days. The property manager documents the traffic on the waiting list instead of the Traffic Report. Management is not currently spending any money on marketing. The property is 100% occupied and is working off a waiting list. Any material that management distributes to the residents is bilingual.			

LEASE RENEWAL	YES	NO	N/A
1) Is an effective lease renewal program in place?	X		
2) What percentage of residents renewed in the past 12 months?	83%		
3) When are the lease renewal/rent increase notices sent to residents? > Management begins sending lease renewals and rent increase notices are sent to residents 120 days before expiration.			
4) Are individual files being reviewed to determine renewal/non-renewal status?	X		
5) How are renewals tracked and monitored? > Renewals are tracked and monitored through Management Plus.			
6) Are rent increases being implemented?	\$25-\$33		
7) What is the number of month-to-month leases?			X
8) What is the month-to-month charge?			X
COMMENTS: Rate increases were implemented in November 2010. Due to the decrease in utility allowances, the tenant paid rent increased. The property currently recertifies all residents in November of each year. Due to the one month of recertification, the reports do not reflect renewal activity on a monthly basis. According to the Unit Activity Report, the property had 14 move outs from May 2010 to May 2011. All residents are on a month-to-month lease due to the project type.			

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	0
2) Number of completed made ready units at time of activity report:	0
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:	0
5) Number of completed three bedroom units at time of activity report:	0
6) Number of completed four bedroom units at time of activity report:	N/A
7) Number of uncompleted made ready units at time of activity report:	0
8) Number of uncompleted one bedroom units at time of activity report:	0
9) Number of uncompleted two bedroom units at time of activity report:	0
10) Number of uncompleted three bedroom units at time of activity report:	0
11) Number of uncompleted four bedroom units at the time of activity report:	N/A
Units Walked (model and minimum of 3 make ready units)	
Unit #	Brief Description (See Unit Inspection Sheet for details)
6	2 x 1 Occupied-Clean
11	2 x 1 (Handicap Accessible) Occupied-Clean
80	4 x 1 (Handicap Accessible) Occupied-Clean
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	On the day of the site visit, no units were down or vacant for an extended period of time.

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	YES	NO	N/A
1) Were inspected units in acceptable condition?	X		
2) Does the Unit Availability Report match the make ready board?	X		
3) Are units being turned in a timely manner?	X		
4) Are there any down units?		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) Are units inspected after being made ready?	X		
8) How often are occupied units inspected? ➢ Occupied units are occupied semi-annually.			
9) How often are vacant units inspected? ➢ Vacant units are inspected at move out, make ready, and at move in.			
10) What is the company policy on turning vacant units? ➢ The company policy on turning units is five business days.			
11) How many vacant unready units are near completion? ➢ All units were occupied.			

COMMENTS: A contractor is hired to turn a vacant unit when needed.

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? ➢ Three bids are solicited in order to obtain materials, supplies, and services.			
3) Have there been any large unexpected repairs or purchases that have negatively affected the budget? ➢ The AC pads that were installed were more expensive than budgeted, but the extra expense did not negatively affect the budget.			
4) 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	\$17,041	\$4,824	-\$12,217	-253%	Audit Expense

COMMENTS:

REVENUE					
FOR THE MONTH OF APRIL			YEAR TO DATE 2011		
Gross Potential		\$63,718	Gross Potential		\$254,872
Budgeted		63,718	Budgeted		254,872
Variance + (-)		0	Variance + (-)		0
Collected to Date		63,057	Collected to Date		255,544
Other Revenue		284	Other Revenue		765
Total Collected		63,340	Total Collected		256,309
Budgeted		63,019	Budgeted		252,076
Variance + (-)		321	Variance + (-)		4,233

COMMENTS:

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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? ➤ Invoices are processed weekly.			
6) If payments are a problem, what is management doing to correct the problem? ➤ Payments do not appear to be a problem.			
COMMENTS:	Current:		\$ 0
	30 Days:		\$ 1,191
	60 Days and Over:		\$ 119
	TOTAL		\$ 1,310

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the collection policy for outstanding rents? ➤ Notices are sent on the 6 th of the month. Management continues to follow up with residents with calls and by sending notices.			
3) When is legal action taken against delinquent accounts? ➤ Eviction is filed on the 10 th of the month.			
4) Does the property currently have any resident(s) under eviction? (If yes, how much is outstanding?)	\$1,623		
5) Does Housing have any outstanding balances? (If yes, how much is outstanding?)	\$62,163		
COMMENTS: According to management, the current balance is high because the Delinquency Report is dated 7-5-2011. According to the property manager, the subsidy payment is received between the 10 th and the 15 th of the month. Management directs resident to Rainbow Housing to find rental assistance and will make payment arrangements when residents are having difficulty paying rent.	Current:		\$ 64,576
	30 Days:		\$ 3,889
	60 Days and Over:		\$ 1,533
	TOTAL		\$ 69,998

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		1	
2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		
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? ➤ Staff meetings are held daily.			
10) Have personnel been trained in Fair Housing?	X		
11) List all training staff has received in the past three years. ➤ Staff has received the following training: Elizabeth Moreland (Tax Credit Training), Southwest Housing Training, EPA training, Grace Hill, Webcasts with Capstone, HVAC, Electrical, and Preventive Maintenance.			
COMMENTS: On the day of the site visit, the maintenance position was vacant. Management stated on June 30, 2011 that the position has been filled.			

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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? ➤ Not Applicable			
3) How often are the reports submitted to the owner? ➤ Reports are submitted to the owner weekly.			
4) What is the amount that requires owner approval for the release of funds? ➤ Approval is needed for all funds over the budget.			
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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