

Texas State Affordable Housing Corporation

One Westfield Lake Apartments

2800 Hirschfield
Spring, TX 77386

Owner: The American Opportunity Foundation, Inc. Date Built: 1985
Management Company: Asset Plus Companies Property Manager: Ruth E. Lopez

INSPECTION DATE/ TIME: October 5th, 2011 at 8:30 am

Inspector's Name: Mindy Green

Occupancy at Time of Report:	79%	Average Occupancy Over Last 12 Months:	82%
Number of Units: 246			
Number of One Bedrooms:	72	Number of Two Bedrooms:	126
Number of Three Bedrooms:	48	Number of Four Bedrooms:	NA

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?		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?	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 day of the site visit, there were construction crews working on the property. Old rotten wood was being replaced and repainted, new wooden walk ways were being installed throughout the property, and down/fire units were being rehabbed. The property was recently power washed which took off some old wood, the contractor was replacing those pieces during the site visit. Landscaping throughout the property was in poor condition. The property is experiencing a drought, therefore some of the areas of little to no growth are to be expected, however there are also several areas with erosion that should be addressed.

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	
Theft	2	
Criminal Mischief	1	
Personal Assault	4	
Drug Activity	0	

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Gunfire	0	
Domestic Violence	0	
Disturbance	14	
Other	1	Stolen Vehicle
2) Does the property have a written plan to address criminal activity on the property? <input type="checkbox"/> The property does not have a written crime prevention plan in place.		
3) What pro-active measures is the property taking to address crime on the property? <input type="checkbox"/> The property has four courtesy officers, holds crime watch meetings monthly, checks 911 reports monthly, performs registered sex offender checks, and has a good relationship with Police Department.		
4) How often is a light check conducted on the property? <input type="checkbox"/> Courtesy officers notify the Manager of any lights out, staff that live on-site also check periodically, and maintenance staff perform night checks regularly.		
COMMENTS: On the Asset Oversight report dated April 13, 2010, the property was required to submit monthly crime reports to TSAHC. Although the amount of activity has decreased slightly, TSAHC will continue to require the property to submit monthly crime reports.		

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?			
<input type="checkbox"/> Violent Crime	X		
<input type="checkbox"/> Drug Activity	X		
<input type="checkbox"/> Family Violence	X		
<input type="checkbox"/> 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: Management stated typical vandalism includes broken windows and graffiti.			

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?			
<input type="checkbox"/> Fair Housing Poster	X		
<input type="checkbox"/> 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?	X		
9) Which of the following community amenities are provided for resident use?			
<input type="checkbox"/> Playground		X	
<input type="checkbox"/> Community Room	X		
<input type="checkbox"/> BBQ/Picnic Area		X	
<input type="checkbox"/> Laundry Facility	X		
<input type="checkbox"/> Business Center	X		
<input type="checkbox"/> Pool	X		
<input type="checkbox"/> Other			X
COMMENTS: The property is currently considering installing an outdoor play area where the 2nd pool used to be.			

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		

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COMMENTS:

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? Ø Pest control is provided weekly. A building every other week so that each building gets serviced annually, and grounds are serviced quarterly.			
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly? Ø A binder full of MSDS information was found in the maintenance shop.			
5) What is the policy on follow ups for completed service requests? Ø A small percentage of work orders are called for follow up. Maintenance staff contacts residents if a part needs to be ordered, to ensure that residents are notified.			
6) What is the property's after hours emergency policy? Ø An answering service contacts the on call maintenance staff.			
7) What capital improvements have been scheduled for this budget year? Ø The following capital improvements have been completed or are scheduled for this budget year: Wood repairs, stair railing repairs and replacements, power washing the buildings, painting, installing new AC units, rehabbing fire units, carpet and vinyl replacements, and resurfacing countertops.			

The following information was reported for the month of September 4, 2011-October 5, 2011:

Number of service requests received:	169		
Number of service requests completed:	299		
Number of service requests completed within 24 hours:	8		
Number of outstanding service requests:	2		

COMMENTS: Management stated that the preventative maintenance program was just created and that the program will be implemented soon. The reviewer discussed the importance of preventative maintenance with the staff and explained that a binder full of preventative maintenance records would be expected at the next visit.

REHABILITATION DETAIL	YES	NO	N/A
1) Has rehab been completed according to the schedule?	X		
2) Were materials and repairs completed according to the detail provided during the application process?	X		
	DATE	AMOUNT	LOCATION
3) Were unit interior upgrades performed? Ø Funds were dispersed for Carpet and Tile, Hot Water Heaters, Vanity, Sinks & Fixtures.	Through 10.31.11	\$25,295	
4) Were appliances purchased/replaced? Ø Dishwashers, Refrigerators, and Stoves were purchased.	Through 10.31.11	\$11,296	
5) Were building exteriors repaired? Ø Exterior repairs have not been drawn as of report date.	Through 10.31.11	\$	
5) Were amenities upgraded/repared? Ø NA		\$	
6) Were HVAC systems installed or repaired? Ø Some HVAC repairs have been performed.	Through 10.31.11	\$4,267	
7) Were plumbing or electrical repairs made? Ø NA		\$	
8) Were any repairs made to the parking area, including carports? Ø NA		\$	
8) Were any additional repairs made? Ø Foundation/Structural repairs were performed.	Through 10.31.11	\$321,895	

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth (\$600 billboard, \$75 bandit signs, \$100 balloons)	\$775	21	3
Flyers	\$25		
Resident Referral (\$50/referral x2 /month)	\$100	8	3
Locator Service	\$1,200	6	4
Printed Advertising (Apartment Finder (\$690), Flyers in Greensheet (\$133))	\$823	17	0
Internet Advertising (Property Website, Apartment Finder (included in print ad pricing), Asset Plus, Facebook, Craigslist, Postlets, GoSecion8)		6	1
Preferred Employer			

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Other Source (outreach materials)	\$50	4	3
TOTAL	\$2,973	62	14

The rental activity reflected in the above table was for the month of: September 4, 2011- October 5, 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? Ø Competitors are shopped twice annually.			
5) How often is a market survey completed? Ø A market survey is completed monthly.			

COMMENTS: The property does not currently market in Spanish, however they intend to in the future.

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?	Last Month 67%	6 Months 36%	12+ Months 46%
3) When are the lease renewal/rent increase notices sent to residents? Ø Renewal/Recertification notices are sent up to 120 days in advance of lease expiration and then every 30 days thereafter.			
4) Are individual files being reviewed to determine renewal/non-renewal status?	X		
5) How are renewals tracked and monitored? Ø Renewals are tracked in Onsite.			
6) Are rent increases being implemented?		X	
7) What is the number of month-to-month leases?	30		
8) What is the month-to-month charge?	\$50		

COMMENTS: Management stated that the increase in renewals is due to resident excitement regarding the rehab, and overall better attitude on property. Management also stated that the high number of residents with month to month leases is due to residents hesitant to renew based on potential job transfers or job instability.

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	61
2) Number of completed made ready units at time of activity report:	7
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:	1
5) Number of completed three bedroom units at time of activity report:	3
6) Number of completed four bedroom units at time of activity report:	NA
7) Number of uncompleted made ready units at time of activity report:	54
8) Number of uncompleted one bedroom units at time of activity report:	8
9) Number of uncompleted two bedroom units at time of activity report:	41
10) Number of uncompleted three bedroom units at time of activity report:	5
11) Number of uncompleted four bedroom units at the time of activity report:	NA

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

Unit #	Brief Description
1-45	3x2 Made Ready
6-3	3x2 Made Ready - Model

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

Unit #	Brief Description
7-53	2x2 (Vacant 122 days) Very strong odor, need cabinets
7-64	2x2 (Vacant 122 days) Very strong odor, needs trashed out
9-89	3x2 (Vacant 162 days) Dryer vent is open to outside, need HVAC unit, need full turn
11-244	2x2 (Vacant 26 days) Needs carpet and clean
15-166	1x1 (Vacant 377 days) Needs appliances, needs cleaned, previous leak in unit, no electricity

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15-170	1x1 (Vacant more than 365 days) Need appliances, HVAC unit & cabinets, no electricity			
17-141	1x1 (Vacant 35 days) Needs full turn			
		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? Ø Occupied units are inspected quarterly.			
9)	How often are vacant units inspected? Ø Vacant units are inspected monthly.			
10)	What is the company policy on turning vacant units? Ø Company policy is turn a vacant unit in 3-5 days.			
11)	How many vacant unready units are near completion? Ø Three units are nearly made ready.			
COMMENTS: Management stated that some units have been vacant for an extended amount of time due to previous funding issues and fire units. Fire units are 15-166, 15-169, and 15-171.				
Finding:				
<ul style="list-style-type: none"> • The stair landing near unit 88 was broken. This appeared to be potentially structurally unsound. Management must have a contractor inspect the stair landing, and make the necessary repairs to ensure the safety of residents. A copy of the inspection report and proof of any work done must be submitted to TSAHC by December 1, 2011. • Units 15-166 and 15-170 are considered down because they are not available for rental on a continuous basis to members of the general public. The units must be deleted from the November 2011 Unit Status Report due December 10, 2011. The unit designation must be market until a qualified household occupies the unit. In response to this review, the owner must submit proof that the units are back on-line and available for rental to the general public in the form of invoices, work orders, pictures, and/or Tenant Income Certifications to TSAHC. 				
Observation:				
<ul style="list-style-type: none"> • Management shared that the property has a pest control issue due to the property's wooded surroundings. While walking the property, there were areas found that exposed units to the out doors. Management is encouraged to walk the property to take inventory of all possible entry points for unwanted pests and to then verify that those entry points are closed. • On the day of the site visit, only two units were made ready. It is suggested that in the future Management have a least one unit of each floor plan made ready to show and possibly for immediate occupancy. 				

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 Typically, three bids are solicited in order to obtain materials and services.				
3)	Have there been any large unexpected repairs or purchases that have negatively affected the budget? Ø NA				
4)	Explain variance of 10% or greater YTD.				
<u>Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending</u>					
(Please note that a positive variance is under budget and a negative variance is over budget.)					
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION
Repairs and Maintenance	29,447.03	25,681.00	-3,766.03	-14.66	HVAC, Plumbing, Carpentry
Make Ready	69,286.07	62,800.00	-6,486.07	-10.33	Resurfacing, Painting, Sheetrock
Advertising	5,615.76	7,7013.00	1,397.24	19.92	Internet Ads
Other Advertising	10,352.14	12,949.00	2,596.86	20.05	Locator Fees
Communications	1,007.29	688.00	-319.29	-46.41	Other Communication

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COMMENTS:

REVENUE			
FOR THE MONTH OF July 2011		YEAR TO DATE	
Gross Potential	\$168,290	Gross Potential	\$1,168,240
Budgeted	171,488	Budgeted	1,175,642
Variance + (-)	-3,197	Variance + (-)	-7,402
Collected to Date	101,303	Collected to Date	739,282
Other Revenue	9,827	Other Revenue	88,804
Total Collected	111,131	Total Collected	828,087
Budgeted	138,816	Budgeted	874,131
Variance + (-)	-27,685	Variance + (-)	-46,044

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:	Current:			\$17,909
	30 Days:			\$12,577
	60 Days and Over:			\$6,336
	TOTAL			\$36,822

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the collection policy for outstanding rents? Ø Rent is late on the 4 th and 3 day notices are given on the 4 th .			
3) When is legal action taken against delinquent accounts? Ø Eviction is typically filed by the 15 th .			
4) Does the property currently have any resident(s) under eviction?	\$1,087		
5) Does Housing have any outstanding balances?		X	

COMMENTS:	Current:			\$7,504
	30 Days:			\$1,021
	60 Days and Over:			\$37
	TOTAL			\$8,558

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		7	
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		

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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 The property manager meets with the maintenance staff daily. Safety meetings are held with the full staff monthly.			
10) Have personnel been trained in Fair Housing?	X		
11) List all training staff has received in the past three years. Ø Staff has received Fair Housing, OneSite, Compliance, Marketing, Call Source, ConService, and Sexual Harassment training.			
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 NA			
3) How often are the reports submitted to the owner? Ø Reports are submitted to the owner weekly and monthly.			
4) What is the amount that requires owner approval for the release of funds? Ø Any expenses that are unbudgeted or over budget by \$500 require approval from the Regional Manager.			
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>Finding:</p> <ul style="list-style-type: none"> • The stair landing near unit 88 was broken. This appeared to be potentially structurally unsound. Management must have a contractor inspect the stair landing, and make the necessary repairs to ensure the safety of residents. A copy of the inspection report and proof of any work done must be submitted to TSAHC by <u>December 1, 2011</u>. • Units 15-166 and 15-170 are considered down because they are not available for rental on a continuous basis to members of the general public. The units must be deleted from the November 2011 Unit Status Report due December 10, 2011. The unit designation must be market until a qualified household occupies the unit. In response to this review, the owner must submit proof that the units are back on-line and available for rental to the general public in the form of invoices, work orders, pictures, and/or Tenant Income Certifications to TSAHC. <p>Observation:</p> <ul style="list-style-type: none"> • Management shared that the property has a pest control issue due to the property's wooded surroundings. While walking the property, there were areas found that exposed units to the out doors. Management is encouraged to walk the property to take inventory of all possible entry points for unwanted pests and to then verify that those entry points are closed. • On the day of the site visit, only two units were made ready. It is suggested that in the future Management have a least one unit of each floor plan made ready to show and possibly for immediate occupancy.

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