

Texas State Affordable Housing Corporation

<u>River Park Village</u>			
1309 Central Texas Expressway			
Lampasas, TX			
Owner: RHAC-River Park, LLC		Date Built: 1983	
Management Company: Capstone Real Estate Services		Property Manager: Jeff Burton	
INSPECTION DATE/ TIME: March 16, 2011			
Inspector's Name: Mindy Green			

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	100%
Number of Units: 50			
Number of One Bedrooms:	0	Number of Two Bedrooms:	30
Number of Three Bedrooms:	20	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: The property was in good condition on the day of the site visit. Although there were some areas of erosion, the grounds were in good condition and there was minimal debris throughout the property. Overall the exterior of the buildings appeared to be in good condition. The reviewer did not notice any areas with foundation issues and the stucco was in good condition as well.

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		
Drug Activity		

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Gunfire		
Domestic Violence		
Disturbance		
Other		
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.		
3) What pro-active measures is the property taking to address crime on the property? <input checked="" type="checkbox"/> The property has a courtesy patrol officer.		
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 performed once a week by the Property Manager.		
COMMENTS: The police reports that were submitted for the last three months did not reflect any 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?			
<input checked="" type="checkbox"/> Violent Crime	X		
<input checked="" type="checkbox"/> Drug Activity	X		
<input checked="" type="checkbox"/> Family Violence	X		
<input checked="" 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: The Property Manager stated that a few light covers on the property have been damaged but light covers have been ordered. A risk assessment was performed in December.

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 checked="" type="checkbox"/> Fair Housing Poster	X		
<input checked="" 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? (If no, please explain the current compliance procedures.)	X		
9) Which of the following community amenities are provided for resident use?			
<input checked="" type="checkbox"/> Playground	X		
<input checked="" type="checkbox"/> Community Room		X	
<input checked="" type="checkbox"/> BBQ/Picnic Area	X		
<input checked="" type="checkbox"/> Laundry Facility	X		
<input checked="" type="checkbox"/> Business Center		X	
<input checked="" type="checkbox"/> Pool		X	
<input checked="" type="checkbox"/> Other (Basketball court)	X		

COMMENTS: The office was neat and clean on the day of the site visit. Management was prepared for the review and was very informative.

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 uses a key code system that is not recognizable without knowledge of the code.

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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 The exterminator visits the property on the 2 nd and 4 th Tuesday of the month.			
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly? Ø The maintenance area does not have a MSDS binder because the property does not keep chemicals that require MSDS information be kept.			
5) What is the policy on follow ups for completed service requests? Ø The property manager follows up on all work orders.			
6) What is the property's after hours emergency policy? Ø The property has all calls forwarded to the property cell phone and the manager responds to all emergencies.			
7) What capital improvements have been scheduled for this budget year? Ø No capital improvements have been scheduled for this budget year.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

8) Unit Interior upgrades Ø There were not any interior unit upgrades in the last budget year.
9) Appliance Replacements Ø 4 ranges and refrigerators were replaced. The property manager stated that the refrigerators were energy star rated and that the ranges were gas.
10) Building Exterior repairs Ø There were not any building exterior repairs in the last budget year.
11) Curb Appeal upgrades Ø There were not any curb appeal upgrades in the last budget year.
12) Amenity upgrades Ø There were not any amenity upgrades in the last budget year.
13) Other repairs or replacements Ø The sidewalk between buildings 2 and 3 was replaced in the last budget year.

The following information was reported for the dates of 2/15/11-3/16/11:

Number of service requests received:	4		
Number of service requests completed:	4		
Number of service requests completed within 24 hours:	4		
Number of outstanding service requests:	0		

COMMENTS: The property uses the REAC inspection forms as a form of Preventative Maintenance before inspections.

MARKETING

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

The rental activity reflected in the above table was for the dates of: 2/16/11-3/16/11

	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 The property does not have any competitors.			

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5) How often is a market survey completed? <input checked="" type="checkbox"/> A market survey is not being completed because the property does not have any competition.
COMMENTS: The current waiting list is between 12-18 months.

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?	70%		
3) When are the lease renewal/rent increase notices sent to residents? <input checked="" type="checkbox"/> Renewal notices are being sent residents in April for a July 1 renewal date.			
4) Are individual files being reviewed to determine renewal/non-renewal status?		X	
5) How are renewals tracked and monitored? <input checked="" type="checkbox"/> Renewals are tracked in Management Plus and also in a renewal binder.			
6) Are rent increases being implemented?	5%		
7) What is the number of month-to-month leases?			X
8) What is the month-to-month charge?			X

COMMENTS: The property had a larger number of move outs in the last 12 months than what is typical due to death, nursing home transfers, and job transfers. Management stated that resident files are not being reviewed to determine renewal status due to HUD guidelines. The rent increase went into effect in March.

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:	NA
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:	NA
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:	NA
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:	NA

Units Walked (model and minimum of 3 make ready units)	
Unit #	Brief Description (See Unit Inspection Sheet for details)
42	2x1 Good
33	2x1 Good
17	3x2 Good

Units Walked (units vacant and unready for extended period of time and all down units)	
Unit #	Brief Description (See Unit Inspection Sheet for details)
NA	

	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? <input checked="" type="checkbox"/> Occupied units are inspected at least semi-annually.			

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9) How often are vacant units inspected? <input type="checkbox"/> Units are not vacant long enough for them to need to be inspected.
10) What is the company policy on turning vacant units? <input type="checkbox"/> Company policy on number of days to turn vacant units is 3-5 days.
11) How many vacant unready units are near completion? <input type="checkbox"/> NA

COMMENTS:

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? <input type="checkbox"/> Three bids are solicited to obtain materials and services.			
3) Have there been any large unexpected repairs or purchases that have negatively affected the budget? <input type="checkbox"/> Management stated that there have not been any major unexpected expenses in this budget year.			
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
Payroll	\$2,093	\$4,738	\$2,645	56%	Bonuses, Manager Salary, Maintenance Salary
Operating & Maintenance	\$2,794	\$2,064	-\$730	-35%	Cleaning supplies, Electrical repairs/supplies

COMMENTS:

REVENUE			
FOR THE MONTH OF JANUARY		YEAR TO DATE 2011	
Gross Potential	\$27,720	Gross Potential	\$27,720
Budgeted	27,720	Budgeted	27,720
Variance + (-)	0	Variance + (-)	0
Collected to Date	27,720	Collected to Date	27,720
Other Revenue	339	Other Revenue	339
Total Collected	28,058	Total Collected	28,058
Budgeted	27,750	Budgeted	27,750
Variance + (-)	308	Variance + (-)	308

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 type="checkbox"/> Invoices are processed daily.			
6) If payments are a problem, what is management doing to correct the problem? <input type="checkbox"/> The property does not have a problem with making payments.			

COMMENTS: Of the outstanding accounts payable, \$127 is to a resident that did not leave a forwarding address. Management stated that another \$927 appears to be coded to the wrong vendor and they will be looking into to make payment to the correct vendor.

Current:	\$964
30 Days:	\$0
60 Days and Over:	\$1,054
TOTAL	\$2,018

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		

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2) What is the collection policy for outstanding rents? Ø Rent is due on the 1 st and is late on the 6 th and late fees of \$1/day begin at that time.			
3) When is legal action taken against delinquent accounts? Ø Legal action begins on the 6 th .			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?		X	
COMMENTS:	Current:		\$0
	30 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$0

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		0	
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? Ø The property only has one staff person.			
10) Have personnel been trained in Fair Housing?	X		
11) List all training staff has received in the past three years. Ø Staff have received the following training: Grace Hill, Elizabeth Mooreland training, Mold and Lead Abatement, and EIV			
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 over budget require approval. Any unbudgeted expenses require approval from the owner.			
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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