

Texas State Affordable Housing Corporation

The Remington

**1570 Thousand Oaks
San Antonio, TX 78232**

**Owner: South Texas Stated Affordable Housing Corporation Date Built: 1984
Management Company: Orion Real Estate Services, Inc. Property Manager: Kristina Pitts**

INSPECTION DATE/ TIME: April 20, 2011 at 8:30 AM

Inspector's Name: Mindy Green

Occupancy at Time of Report:	91%	Average Occupancy Over Last 12 Months:	95%
Number of Units: 158			
Number of One Bedrooms:	108	Number of Two Bedrooms:	50
Number of Three Bedrooms:	N/A	Number of Four Bedrooms:	N/A

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 continues to maintain excellent curb appeal. The landscaping from the front of the property is in great condition; however throughout the property there are areas of erosion, foot paths, and areas that appear to have a lack of irrigation. Although the reviewer did not notice any areas in the parking lot that needed immediate repairs, the parking lot is in need of minor repairs throughout the property.

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? ➤ The property has a crime prevention plan that it follows.		
3) What pro-active measures is the property taking to address crime on the property? ➤ The property holds monthly town hall meetings where safety topics are discussed on a monthly basis.		
4) How often is a light check conducted on the property? (Please obtain a copy of the schedule.) ➤ A light check is performed weekly by the courtesy patrol officers.		
COMMENTS: The San Antonio Police Department's online call retrieval system has been changed in the recent months and the property is no longer able to gather police call logs as they had previously done. The property recently switched Courtesy Patrol company's, the company now visits the property several times each night and provides detailed logs of any 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: The insurance company performs a risk assessment.			

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 Covered Parking, Fitness Center	X		
COMMENTS: Insurance binders are maintained vendors and located at the corporate office. The property manager reviews the resident files for final compliance approval.			

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: The property utilizes the KeyTrak system.

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 to the property every Monday.			
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly? ➢ There was an MSDS binder in the maintenance shop on the day of the site visit.			
5) What is the policy on follow ups for completed service requests? ➢ Each work order is called to verify completion and those calls are logged in a binder.			
6) What is the property's after hours emergency policy? ➢ All after hours calls are forwarded to a call center, if an emergency is happening the call center forwards the call to the appropriate person.			
7) What capital improvements have been scheduled for this budget year? ➢ Asphalt repairs and underground piping repairs are scheduled for this budget year. CoinMach will install new laundry equipment in Laundry rooms this year.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

8) Unit Interior upgrades ➢ All first floor units are receiving vinyl flooring throughout the unit. In addition, units are getting two tone paint upgrades and new dining room light fixtures.
9) Appliance Replacements ➢ Appliances were replaced as needed last year.
10) Building Exterior repairs ➢ Siding and roof repairs were completed as needed.
11) Curb Appeal upgrades ➢ A flower garden was installed by the pool and shrubbery was installed where needed.
12) Amenity upgrades ➢ New pool furniture and umbrellas were purchased in 2010. The fitness bike was also installed in the fitness center.
13) Other repairs or replacements ➢ NA

The following information was reported for the month of March 20, 2011-April 20, 2011:

Number of service requests received:	88		
Number of service requests completed:	88		
Number of service requests completed within 24 hours:	73		
Number of outstanding service requests:	1		

COMMENTS:

MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$150	41	6
Flyers	\$50		
Resident Referral \$50/referral	\$50	9	2
Locator Service (\$50 flat fee)			
Printed Advertising (Brochures \$500/yr)		1	0
Internet Advertising Rent.com (\$369/lease)	\$369	14	0
Preferred Employer (5%)			
Other Source (sister property)		5	0
TOTAL	\$619	75	9

The rental activity reflected in the above table was for the month of March 20, 2011-April 20, 2011:

	YES	NO	N/A
2) Is the property doing bilingual advertising?		X	
3) Does the property have any competitors?	X		

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4) How often are competitors shopped? ➤ Competitors are shopped randomly throughout the year, but not on a schedule.
5) How often is a market survey completed? ➤ 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?	83%	61%	62%
3) When are the lease renewal/rent increase notices sent to residents? ➤ Lease renewal 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? ➤ Renewals are tracked in Onsite.			
6) Are rent increases being implemented?	\$10-\$15		
7) What is the number of month-to-month leases?	1		
8) What is the month-to-month charge?	MKT + \$100		

COMMENTS:

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	14
2) Number of completed made ready units at time of activity report:	10
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:	7
5) Number of completed three bedroom units at time of activity report:	NA
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:	4
8) Number of uncompleted one bedroom units at time of activity report:	2
9) Number of uncompleted two bedroom units at time of activity report:	2
10) Number of uncompleted three bedroom units at time of activity report:	NA
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)
706	2x1 Made Ready Good
409	2x1 Made Ready Good
121	1x1 Not Made Ready Vacant 79 Days
118	1x1 Needs Carpet

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?		X	
6) Does management have a system to monitor timely preparation of vacant units?	X		
7) Are units inspected after being made ready?	X		

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8) How often are occupied units inspected? ➤ Occupied units are inspected at minimum annually.
9) How often are vacant units inspected? ➤ Vacant units are inspected at least weekly.
10) What is the company policy on turning vacant units? ➤ The property turns vacant units in 5-7 days.
11) How many vacant unready units are near completion? ➤ Three vacant not made ready units are near completion.
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? ➤ 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? ➤ There have not been any unexpected expenses so far in 2011.			
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
Marketing & Retention	\$1,437	\$2,983	\$1,545	52%	Advertising
Resident Services	\$1,565	\$2,180	\$615	28%	Business Centers
Repair/Maintenance – Buildings	\$3,600	\$4,596	\$995	22%	Safety Services
Repair/Maintenance- Units	\$5,140	\$7,7713	\$2,573	33%	Interior Rehab/Repairs, Carpet Cleaning/Repair, Cleaning Fees/Supplies
Payroll	\$28,009	\$31,693	\$3,684	12%	Salaries, Commission

COMMENTS:

REVENUE					
FOR THE MONTH OF FEBRUARY			YEAR TO DATE 2011		
Gross Potential		\$95,516	Gross Potential		\$190,567
Budgeted		95,189	Budgeted		190,378
Variance + (-)		327	Variance + (-)		189
Collected to Date		83,110	Collected to Date		168,775
Other Revenue		8,033	Other Revenue		15,530
Total Collected		91,143	Total Collected		184,305
Budgeted		94,347	Budgeted		187,405
Variance + (-)		-3,203	Variance + (-)		-3,101

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? ➤ Invoices are processed weekly.			
6) If payments are a problem, what is management doing to correct the problem? ➤ NA			

COMMENTS: Management closed their account at Home Depot because of the accounting problems that were occurring at Home Depot after the property had made payments.	Current:	\$9,165
	30 Days:	\$10,764
	60 Days	\$12,780
	and Over:	5
	TOTAL	\$32,709

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DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?			
2) What is the collection policy for outstanding rents? ➤ Rent is due by the 3 rd day of the month, a 3 day NTV is issued on the 5 th . Small balance notices are given until approximately the 15 th of the month.			
3) When is legal action taken against delinquent accounts? ➤ Eviction is typically filed between the 15 th and 30 th .			
4) Does the property currently have any resident(s) under eviction? (If yes, how much is outstanding?)	\$673		
5) Does Housing have any outstanding balances? (If yes, how much is outstanding?)		X	
COMMENTS:	Current:		\$1,612
	30 Days:		\$
	60 Days and Over:		\$212
	TOTAL		\$1,824

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: Residents are charged a \$25 NSF for all returned checks.			

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 being held as needed, at minimum once monthly.			
10) Have personnel been trained in Fair Housing?		X	
11) List all training staff has received in the past three years. ➤ Staff receives Grace Hill training annually----Customer Service, Curb appeal, Fair Housing, Resident Retention, Business Etiquette, Financials, etc.			
COMMENTS: Although the staff was aware that there was an audit being performed on the day of the site visit, it was delayed by 30 minutes while the office was being opened. A new leasing agent was recently hired and has not been able to complete Fair Housing training yet. Management stated that the training is scheduled for the second week of May.			

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? ➤ NA			
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? ➤ All expenses over budget require approval from the Regional Vice President.			
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:			

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SUMMARY OF OBSERVATIONS AND FINDINGS

No Findings or Observations.



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