

# Texas State Affordable Housing Corporation

## White Rock

**3110 Thousand Oaks  
San Antonio, TX 78247**

**Owner: Commonwealth Multifamily Date Built: 2002**

**Management Company: Orion Real Estate Services, Inc. Property Manager: Donna Carraghan**

**INSPECTION DATE/ TIME: April 12, 2011 at 9:30 am**

**Inspector's Name: Sarah Schildmier Bloom**

<b>Occupancy at Time of Report:</b>	97%	<b>Average Occupancy Over Last 12 Months:</b>	92%
<b>Number of Units: 336</b>			
<b>Number of One Bedrooms:</b>	176	<b>Number of Two Bedrooms:</b>	148
<b>Number of Three Bedrooms:</b>	12	<b>Number of Four Bedrooms:</b>	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? (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:** According to the occupancy report, the occupancy steadily increased each month during the last year. Management has continued to maintain the curb appeal of the property. The property appeared to be free of trash and the landscaping appeared to be maintained on the day of the site visit. Management stated that several trees have been planted in the last year to replace the dead trees. The exterior of the buildings appear to be in good condition. Management completed painting the wood trim 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	5	Burglary-Vehicle (4), Burglary (1)
Theft	3	Theft-Vehicle (1), Theft (2)
Criminal Mischief	1	
Personal Assault		
Drug Activity		

# Texas State Affordable Housing Corporation

Gunfire		
Domestic Violence		
Disturbance	12	Disturbance (11), Disturbance-Loud Noise (1)
Other		
2) Does the property have a written plan to address criminal activity on the property? > Management follows company policy when addressing criminal activity. Management also completes an Incident Report for any criminal activity that is reported to the office.		
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 criminal activity on the property include having crime watch meetings, having a courtesy officer on the property, having management staff living on the property, and having alarms in the apartments. Management may look into the San Antonio's Cellular on Patrol program as another pro-active measure to address criminal activity on the property.		
4) How often is a light check conducted on the property? (Please obtain a copy of the schedule.) > The courtesy officer checks the lights weekly. The maintenance staff also checks the lights each month when completing the preventative maintenance schedule.		
<b>COMMENTS:</b> Management stated that there have been car break-ins, but nothing was stolen.		

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		
<b>COMMENTS:</b> There were not any signs of vandalism on the property on the day of the site visit.			

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?		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 (Fitness Room, DVD Library)	X		
<b>COMMENTS:</b> Insurance binders are maintained for vendors and located at the corporate office. The property manager reviews the resident files for final compliance approval. Management has discussed adding a dog park on the property as another community amenity.			

# Texas State Affordable Housing Corporation

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		
<b>COMMENTS:</b> The property uses the KeyTrak system to secure the keys.			

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 weekly.			
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly? ➢ A copy of the MSDS binder is maintained in the maintenance office.			
5) What is the policy on follow ups for completed service requests? ➢ Management follows up with approximately 60% of the completed services requests each week.			
6) What is the property's after hours emergency policy? ➢ The answering service directs the call to the appropriate person.			
7) What capital improvements have been scheduled for this budget year? ➢ Capital improvements scheduled for this year include adding a dog park on the property and re-stripping the parking lot.			

### Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

8) Unit Interior upgrades ➢ Carpet was replaced as needed.
9) Appliance Replacements ➢ Appliances were replaced as needed.
10) Building Exterior repairs ➢ The wood trim and railings were painted.
11) Curb Appeal upgrades ➢ River rock and grass were added by building 13. Management had 20 trees removed, and added 40 trees to the property to increase curb appeal.
12) Amenity upgrades ➢ No major upgrades were completed.
13) Other repairs or replacements ➢ No other repairs or replacements were completed.

#### The following information was reported for the dates 3-12-2011 to 4-12-2011:

Number of service requests received:	246		
Number of service requests completed:	238		
Number of service requests completed within 24 hours:	145		
Number of outstanding service requests:	9		

**COMMENTS:** According to management, six of the outstanding service requests were recently opened and three of the outstanding service requests are scheduled to be completed by vendors.

### MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$50	37	6
Flyers	\$40		
Resident Referral (\$50/Referral, 1-2 Resident Referrals/Month)		22	9
Locator Service		1	0
Printed Advertising (For Rent)	\$799	8	0
Internet Advertising (Forrent.com, 365 Connect, Property Website)	\$300	56	8
Preferred Employer			
Other Source (list)		2	0

# Texas State Affordable Housing Corporation

TOTAL	\$1,189	126	23
<b>The rental activity reflected in the above table was for the dates 3-12-2011 to 4-12-2011:</b>			
	<b>YES</b>	<b>NO</b>	<b>N/A</b>
2) Is the property doing bilingual advertising?		X	
3) Does the property have any competitors?	X		
4) How often are competitors shopped? ➢ Competitors are called monthly and shopped quarterly.			
5) How often is a market survey completed? ➢ A market survey is completed monthly or more often if needed.			
<b>COMMENTS:</b> In addition to the marketing costs listed above, management spends money for refreshments, key chains, reusable bags, and other items to advertise the property,			

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?	55%	64%	67%
3) When are the lease renewal/rent increase notices sent to residents? ➢ 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 OneSite and the Unit Status Report			
6) Are rent increases being implemented?	\$10-\$20		
7) What is the number of month-to-month leases?	8		
8) What is the month-to-month charge?	\$150 + MKT		
<b>COMMENTS:</b> Management has done a great job implementing the lease renewal program. Four of eight the month-to-month leases have scheduled move outs for April and May. According to management, residents were on month-to-month leases due to purchasing homes and for financial reasons.			

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	11
2) Number of completed made ready units at time of activity report:	4
3) Number of completed one bedroom units at time of activity report:	2
4) Number of completed two bedroom units at time of activity report:	2
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:	7
8) Number of uncompleted one bedroom units at time of activity report:	4
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:	1
11) Number of uncompleted four bedroom units at the time of activity report:	N/A
<b>Units Walked (model and minimum of 3 make ready units)</b>	
<b>Unit #</b>	<b>Brief Description (See Unit Inspection Sheet for details)</b>
126	Model 1x1
128	Model 2x2
122	2x1 Good Made Ready
1423	1x1 Good Made Ready
1534	1x1 Make Ready in Progress
1812	1x1 Make Ready in Progress
<b>Units Walked (units vacant and unready for extended period of time and all down units)</b>	
<b>Unit #</b>	<b>Brief Description (See Unit Inspection Sheet for details)</b>
N/A	On the day of the site visit, no units were down or vacant for an extended period of time.

# Texas State Affordable Housing Corporation

	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 inspected annually.			
9) How often are vacant units inspected? ➢ Vacant units are inspected at move out, make ready, and if vacant over 30 days.			
10) What is the company policy on turning vacant units? ➢ The company policy on turning vacant units is 5 business days.			
11) How many vacant unready units are near completion? ➢ Two units were near completion on the day of the site visit.			
<b>COMMENTS:</b> According to the Availability Report, seven units are leased and are in the process of being made ready. Management is encouraged to walk vacant units at least weekly to check for leaks, unauthorized occupants, infestations, etc.			

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? ➢ Management stated that since the electric company has not had to reduce the rates, the electric bills are higher than expected. The electric company was decreasing the rates the last couple years, but did not decrease the rates this year like management expected.			
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
Repairs and Maintenance	\$15,139	\$11,161	-\$3,978	-36%	Plumbing Supplies/Repairs, Safety and Fire Supplies/Maintenance
Make Ready/Redecorating	\$24,389	\$9,773	-\$14,616	-150%	Paint Contractor, Painting Expense-Interior, Resurfacing-Fixtures/Counters
Recreational Amenities	\$346	\$835	\$489	59%	Exercise/Weight Room
Contract Services	\$10,742	\$8,922	-\$1,820	-20%	Landscape Maintenance, Trash Removal Contract
Marketing and Retention	\$8,070	\$9,975	\$1,905	19%	Voluntary Resident Services
Other General and Administration	\$4,686	\$3,336	-\$1,350	-41%	Bookkeeping expense
Utilities	\$22,614	\$19,125	-\$3,489	-18%	Electric-Common Areas
Management Fees	\$11,783	\$18,041	\$6,259	35%	Management Fees

**COMMENTS:**

REVENUE			
FOR THE MONTH OF FEBRUARY		YEAR TO DATE 2011	
Gross Potential	\$269,148	Gross Potential	\$538,296
Budgeted	266,748	Budgeted	533,496
Variance + (-)	2,400	Variance + (-)	4,800
Collected to Date	226,538	Collected to Date	454,924
Other Revenue	18,995	Other Revenue	36,561
Total Collected	245,534	Total Collected	491,486
Budgeted	237,176	Budgeted	470,969

# Texas State Affordable Housing Corporation

Variance + (-)	8,358	Variance + (-)	20,516
<b>COMMENTS:</b>			

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 daily.			
6) If payments are a problem, what is management doing to correct the problem? ➤ Management stated that cash flow is getting better and has made arrangements with vendors to pay balances.			

<b>COMMENTS:</b> The accounts payable total balance has decreased over forty-nine thousand dollars since the 2010 Asset Oversight Report. Management submitted a plan of action to decrease the accounts payables to TSAHC on April 29, 2011 to address the outstanding finding from 2010 Asset Oversight Report and the current accounts payable balance. According to management, the \$10,860 due to one vendor will remain a pending payment until agreement is made. Management also stated that payment arrangements have been made with two vendors to address outstanding balances. With an increase of revenue in 2011, management expects payments to improve.	Current:		\$ 14,167
	30 Days:		\$ 15,698
	60 Days and Over:		\$ 28,005
	TOTAL		\$ 57,870

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the collection policy for outstanding rents? ➤ A notice is sent on the 5 <sup>th</sup> of the month. Management continues to follow up with calls and notices. Management also makes payment arrangements.			
3) When is legal action taken against delinquent accounts? ➤ Eviction is filed on the 10 <sup>th</sup> of the month.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?		X	

<b>COMMENTS:</b>	Current:		\$ 14,249
	30 Days:		\$ 119
	60 Days and Over:		\$ 0
	TOTAL		\$ 14,369

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		9	
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 communicates daily. Staff meetings are held quarterly. Safety meetings are held monthly.			
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: Grace Hill, HVAC, Electrical, Pool, and Compliance. Grace Hill training includes but is not limited to the following topics: Human Resources, Fair Housing, Bed Bugs, Mold Awareness, and Resident Retention.

# Texas State Affordable Housing Corporation

**COMMENTS:** Management is in the process of hiring a make ready/grounds keeper.

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? ➤ N/A			
3) How often are the reports submitted to the owner? ➤ Reports are submitted to the owner weekly and monthly.			
4) What is the amount that requires owner approval for the release of funds? ➤ The property manager needs approval for the release of funds for expenses \$750 or more over the budget. The regional manager needs approval for the release of funds for expenses \$5,000 or more 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><b>No Findings or Observations.</b></p>

Texas State Affordable Housing Corporation



# Texas State Affordable Housing Corporation



# Texas State Affordable Housing Corporation



# Texas State Affordable Housing Corporation

