

Texas State Affordable Housing Corporation

Marshall Meadows

1803 Marshall Cross, San Antonio, TX 78214

Owner: Chicory Court XXV, L.P

Date Built: 2000

Management Company: The Lynd Company

Property Manager: Melissa Ramos

Inspection Date & Time: June 6, 2017 at 10:30 a.m.

Inspector's Name: James Matias

Occupancy at Time of Report:	98%	Average Occupancy Over Last 12 Months:	97%
Number of Units: 250			
Number of One Bedrooms:	50	Number of Two Bedrooms:	114
Number of Three Bedrooms:	86	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 the grounds free of erosion, foot paths and tree root elevation?	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) Is Management addressing all health, fire or safety concerns on the property?	X		
22) Have repairs or corrections recommended or required from the last physical inspection been satisfactorily completed?	X		

COMMENTS: On the day of the site visit, grounds appeared to be in good condition and free of debris. The entrance, flags, and monument sign were visible and in good condition. The parking lot appeared to be well kept with handicapped parking spaces clearly marked. Building roofs gutters and fascia boards appear to be in good condition and working properly.

Observations:

- **On the day of the site visit a few bulk items, such as mattresses and couches, were found around the trash compactor and a dumpster located at the back of the community. It is strongly recommended that management make additional efforts to determine which residents are dumping bulk items in this area. If it is determined that residents are dumping these items lease violations should be issued. If it is determined that non-residents are dumping these items, it is recommended that code enforcement or the police are notified.**
- **The majority of the stairs and breezeways were found to be stained with oil, grease, and grime. During a previous site visit, management stated that quarterly power washing is scheduled for the breezeways. During this site visit management stated that semi-annually power washing is completed. It appears that the current power wash is not affective or it is not being done at all. It is strongly recommended that the stairs and hallways get scrubbed the next time they are power washed. In addition, if a regulation is not already in place, management is encouraged to create and enforce a house rule or lease addendum regarding lease violations for leaving trash outside the unit.**

SECURITY PROGRAM Part I

1) After review of the prior 3 months of police reports, the following incidents were noted and includes the number of times incidents occurred:		
Incident Type	# of Occurrences	Comments:

Texas State Affordable Housing Corporation

Burglary	21	Burglary (3), Burglary in progress (4), Burglary Alarm (6), Burglary of vehicle (8)
Theft	5	Theft of vehicle (2), Theft (3)
Criminal Mischief	4	
Personal Assault	8	Assault (2), Assault in Progress (6)
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance	37	Disturbance (25), Family (5), Loud Music (4), Neighbor (3)
Other	2	Family violence (1), Sexual offense – Child (1)

- 2) Does the property utilize a crime prevention agreement?
 - The Resident Handbook & Community Policies is handed to residents upon initial occupancy.
- 3) What pro-active measures is the property taking to address crime on the property?
 - Management has a contract with Code 3 Investigation who provides security services each day of the week. Code 3 provides patrol services from 10:00 pm to 6:00 am and contacts management with any issues, as well as provides daily reports. Management confirmed that the property has 5 security cameras operable at this time. Management also stated they pull TriTech call logs.
- 4) How often is a light check conducted on the property? Who performs light checks on the property?
 - Both Code 3 Investigations and management staff conduct daily light checks.

COMMENTS: A review of the weekly police department calls logs dated 2/1/2017 through 4/30/2017 indicate there were a total of 114 incidents logged. 79 of the 116 calls logged are listed above. Based on a review of the previous 2 Asset Oversight reports, the amount of incidents has increased for the 3rd straight year. Burglary and theft appear to be the primary incidents that led to the increase.

Finding:

- **On the previous year's report, the reviewer required management to create a plan of action to address crime at the property and start sending monthly crime reports to TSAHC. Last year's finding indicated that the property was to determine what will be done regarding the 4-5 stolen or damaged security cameras. There is no indication that the submitted plan of action is being followed because we do not see an increase in lease violations or additional contact with Code 3 or the San Antonio Police Department (SAPD) in an effort to determine how to get unit #'s on the Bexar County TriTech call logs. In order to deter crime at the property management must start a dialog with SAPD and Code 3 in an effort to match up unit numbers with the incidents being logged. Copies of that communication need to be sent to TSAHC within 30 days from the time this report is received. As indicated on last year's report, monthly crime reporting will be due to TSAHC on the 10th of each month for the previous month. Monthly crime reporting includes 911 call logs, incident reports, lease violations (regarding crime), and any written communication with SAPD or Code Three regarding incidents. The first report is due to us no later than July 10th, 2017 for the month of June. In addition to the crime reporting and communication request, TSAHC also must see some forward movement on what will be done with the missing security cameras. Please provide TSAHC with a plan on what will be done with the security cameras no later than July 19, 2017. TSAHC strongly recommends a wireless security surveillance system for the entire property, including most buildings, the dumpster areas, the mailboxes, and the common facilities.**

SECURITY PROGRAM Part II	YES	NO	N/A
1) Is the Staff trained to address crime on the property?	X		
2) Is the property free of graffiti and/or vandalism?	X		
3) Are criminal background checks being conducted on all residents over 18 years of age?	X		
➢ Are criminal background checks being conducted on residents as they age to be 18 while living in the unit?	X		
4) Has a risk assessment been conducted to determine risk liabilities at the property?	X		

COMMENTS: Management stated the last risk assessment was conducted in April 2017.

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 in the leasing office?			
➢ Fair Housing Poster	X		
➢ Occupancy Qualifications	X		
6) Is there a compliance department that ensures the set aside and eligibility requirements are being maintained?	X		
7) Which of the following community amenities are provided for resident use?			
➢ Playground	X		
➢ Community Room	X		
➢ BBQ/Picnic Area - The property only has picnic areas at this time.	X		

Texas State Affordable Housing Corporation

➤ Laundry Facility	X		
➤ Business Center	X		
➤ Pool	X		
➤ Other (Sports court and after school center)	X		
8) When are property licenses and permits renewed?			
➤ The property's plumbing, pool, fire system, electrical, and alarms renew their license and/or permits annually.			
9) Where are vendor insurance records/binders maintained?			
➤ Vendor insurance records are kept at the corporate office and on the Notivus System (web-based database).			
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		
4) Are locks being changed during unit turnovers?	X		
COMMENTS:			

MAINTENANCE PROGRAM	YES	NO	N/A
1) Does the property have a preventative maintenance program?	X		
2) Is the preventative maintenance schedule being implemented?		X	
3) Is the maintenance shop clean and organized?	X		
4) On average, how many days does it take to complete a work order?			
➤ On average it takes maintenance 3.2 days to complete work orders.			
5) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
6) How often are Pest Control services provided?			
➤ Building are treated every six weeks, however the actual pest control service takes place each Thursday.			
7) What is the policy for following up on completed service requests?			
➤ They property database system will automatically generate an email and send it to respective tenant to ensure work orders have been completed satisfactorily. If the resident does not have an email in the system, the staff will call them.			
8) What is the property's after-hours emergency policy?			
Management utilizes an on-call answering service system that will receive calls and immediately contact the appropriate management or patrol staff.			
9) What capital improvements have been scheduled or completed for this budget year?			
➤ Restriping the parking lot is the only capital improvement that has been completed so far this year. Picnic tables and BBQ grills are scheduled to be added in June of this year.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
10) Unit Interior and Appliance upgrades			
➤ Unit interior and appliance upgrades were completed as needed.			
11) Building Exterior and Curb Appeal repairs			
➤ No building exterior or curb appeal upgrades were completed last year.			
12) Amenity upgrades			
➤ No amenity upgrades were completed last year.			
13) Other repairs or replacements			
➤ No other repairs or replacements were completed in 2016.			
Number of service requests received:	111		
Number of requests open from prior periods:	0		
Number of service requests completed:	100		
Number of service requests completed within 24 hours:	54		
Number of outstanding service requests:	11		

COMMENTS: The maintenance program appears to be performing well.

Observation:

- On the day of the site visit, management and maintenance were not able to provide any documentation or spreadsheet showing that preventive maintenance was being completed. Management stated that they do change out the filters frequently when work orders are completed. It is imperative that preventive maintenance schedule be implemented in order to minimize maintenance expenses at the community. Many of the filters found in the vacant units were found to be very dirty and they were likely overdue for replacement. Management is strongly encouraged to implement a preventive maintenance plan for each unit and building and log that plan using computer spreadsheets or a preventive maintenance binder.

Texas State Affordable Housing Corporation

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	11	1
Flyers (\$99 per month)	\$99	0	0
Resident Referral (\$100 each)	\$100	1	0
Locator Service (N/A)	\$0	0	0
Printed Advertising	\$0	0	0
Internet Advertising (Property website, Craigslist, Gosection8.com, Rent.com, Apartmentfinder.com, and Apartments.com)	\$499	24	3
Other Source (Sister property, Facebook and Previous Resident)	\$0	2	0
TOTAL	\$698	38	4
The rental activity reflected in the above table was for the month of May, 2017.			
	YES	NO	N/A
2) Is the property doing bilingual advertising?		X	
3) Does the property have any competitors nearby?	X		
4) Does the property "shop" their competitors?	X		
5) Does the property complete a market survey at least monthly?	X		
COMMENTS: Management stated they have cancelled their printed advertisement and switched to internet based advertisement.			

LEASE RENEWAL	YES	NO	N/A
1) Does it appear that an effective lease renewal program is in place? If no, please comment below.	X		
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: Unable to determine	6 months: 72.6%	12 months: 74%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	Unable to determine (see comment)		
4) When are the lease renewal/rent increase notices sent to residents? > Management issues lease renewal and rent increase notices at the 120, 90, 60 and 30 day time periods prior to the lease end date.			
5) Are individual files being reviewed to determine renewal/non-renewal status?	X		
6) How are renewals and re-certifications tracked and monitored? > Management utilizes an Annual Recertification List and the AMSI software system. A new software system is being implemented at this time.			
7) Are rent increases being implemented?	X		
8) When was the last rent increase implemented? What was the average rent increase? > The last rent increase was in April 2017 with the release of the new HUD income and rent limits.			
9) How many households are currently on month-to-month leases? > There are no households on a month-to-month list.			
10) What is the charge for month-to-month leases? > N/A			
COMMENTS: Management uses the Weekly Boxscore report to keep track of move-outs and reasons for move-outs. Management did not provide enough information to determine the current or 6 month renewal percentage.			
Observation:			
<ul style="list-style-type: none"> • Management stated they are currently not tracking the reasons for move out. Management said they are hopeful that the new software system that is getting implemented will track this easily. Retaining residents and decreasing turnover is almost always extremely beneficial to the overall stability of the community, it is strongly recommended that he property start to inquire was residents are leaving and track those reasons using the software system or spreadsheets. 			

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	8
2) Number of completed made ready units at time of activity report:	1
3) Number of completed one bedroom units at time of activity report:	1
4) Number of completed two bedroom units at time of activity report:	0

Texas State Affordable Housing Corporation

5) Number of completed three bedroom units at time of activity report:	0
6) Number of uncompleted made ready units at time of activity report:	7
7) Number of uncompleted one bedroom units at time of activity report:	2
8) Number of uncompleted two bedroom units at time of activity report:	4
9) Number of uncompleted three bedroom units at time of activity report:	1

Units Walked

Unit #	Brief Description
334	(2x1) Full turn needed.
427	(1x1) Full turn needed.
627	(1x1) Unit is almost ready for occupancy.
712	(3x2) Occupied. Master bath sink drains very slowly and the kitchen light did not have a cover.
825	(2x2) Full turn needed.

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

Unit #	Brief Description
N/A	

	YES	NO	N/A
1) Does the Unit Availability Report match the make ready board?	X		
2) Are units being turned in a timely manner?	X		
3) Are there any down units?		X	
4) Are there vacant units that have been vacant for an extended period of time? If so, please comment below.		X	
5) What system is used by management to monitor the timely preparation of units? > Management utilizes the make-ready board and their Occupancy Status report.			
6) How often are occupied units inspected? > Management stated that occupied units are inspected twice a year.			
7) How often are vacant units inspected? > Management said they are in the vacant units daily.			
8) How many vacant units are in progress of being made ready? > Seven units are in the process of being made ready.			
9) What is the company policy on the number of days to turn vacant units? > Vacant units should be turned within 3-5 business days, per company policy.			

COMMENTS:

BUDGET MANAGEMENT

1) How many bids are solicited in order to obtain materials, supplies, and services? > Management is required to obtain three bids for materials, supplies, and services.
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? > Management stated that major irrigation repairs have negative affected the budget along with one roof leak.
3) Explain YTD variances of 10% or greater.

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
Maintenance and Operating Expenses	\$5,603	\$4,592	(\$1,001)	(22.0%)	Had to order Freon change (R22), Irrigation Clock repairs, Roof repair
Contract Services	\$5,899	\$4,964	(\$935)	(18.8%)	Enhanced pool landscaping
Make-ready and Decorating	\$1,549	\$3,440	\$1,891	54.9%	High occupancy led to low make ready expenses
Advertising/Business Promotion	\$1,187	\$1,562	\$375	24.0%	Brochures were ordered in February & budgeted in April
Administrative Expenses	\$3,334	\$4,207	\$873	20.7%	Maintaining staff Mileage & low software expenses

COMMENTS:

Texas State Affordable Housing Corporation

REVENUE			
FOR THE MONTH ENDING APRIL 2017		YEAR TO DATE AS OF APRIL 2017	
Gross Potential	N/A	Gross Potential	N/A
Budgeted Rental Income	\$189,220	Budgeted Rental Income	\$751,325
Actual Rental Income Collected	\$192,954	Actual Rental Income Collected	\$748,107
Variance + (-)	\$3,734	Variance + (-)	(\$3,218)
Other Revenue	\$3,643	Other Revenue	\$22,157
Total Collected	\$196,597	Total Collected	\$770,265
Budgeted	\$194,831	Budgeted	\$774,740
Variance + (-)	\$1,766	Variance + (-)	(\$4,475)
COMMENTS:			

ACCOUNTS PAYABLE	YES	NO	N/A
1) Is the payable report up to date?	X		
2) Is the property in good standing with all vendors?		X	
3) How often are invoices processed? ➤ Invoices are processed weekly.			
COMMENTS: Almost half of the current outstanding balance is for a May bill for the San Antonio Water System. The Accounts Payable Report provided has 17 different vendors or former residents with small outstanding balances. Accounting is encouraged to try to get these security deposits returned and these small balances settled with vendors.	0-30 Days:		\$38,688.72
	30-60 Days:		\$0
	60 Days and Over:		\$2,158.51
	TOTAL		\$40,847.23

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the rent collection policy? ➤ Rent is due on the 1st day of each month and considered late on 5 th day.			
3) When is legal action taken against delinquent accounts? ➤ Action against delinquent accounts is taken around the 10-15 th of each month.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
COMMENTS: Management appears to be doing a terrific job collecting rent.	0-30 Days:		\$2,415
	30-60 Days:		\$1,023
	60 Days and Over:		\$214
	TOTAL		\$3,652

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		4	
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) Are name tags/photo IDs being worn by the maintenance personnel?	X		
7) Was management staff prepared for the site visit?	X		

Texas State Affordable Housing Corporation

8) Has staff turnover occurred since the last site review?	X (see comment)		
9) How often are staff meetings held? ➤ Meetings are held weekly.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ Grace Hill (LMS) courses are held monthly for all staff members. Sexual discrimination and sexual harassment are courses that all employees complete annually.			
COMMENTS: A new leasing agent was hired in the last year.			

OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to the software system utilized to manage the property?	X		
2) How often are reports submitted to the owner? ➤ Reports are sent to the owner every 2 weeks.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ The Property Manager must get owner approval for items that are unbudgeted or for any over budget expense over \$250.			
4) Are the funds for needed capital improvement items, turning of units, and marketing campaigns released by the owner according to what has been budgeted?	X		
COMMENTS:			

SUMMARY OF OBSERVATIONS AND FINDINGS

Observations:

- On the day of the site visit a few bulk items, such as mattresses and couches, were found around the trash compactor and a dumpster located at the back of the community. It is strongly recommended that management make additional efforts to determine which residents are dumping bulk items in this area. If it is determined that residents are dumping these items lease violations should be issued. If it is determined that non-residents are dumping these items, it is recommended that code enforcement or the police are notified.
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Finding:

- On the previous year's report, the reviewer required management to create a plan of action to address crime at the property and start sending monthly crime reports to TSAHC. Last year's finding indicated that the property was to determine what will be done regarding the 4-5 stolen or damaged security cameras. There is no indication that the submitted plan of action is being followed because we do not see an increase in lease violations or additional contact with Code 3 or the San Antonio Police Department (SAPD) in an effort to determine how to get unit #'s on the Bexar County TriTech call logs. In order to deter crime at the property management must start a dialog with SAPD and Code 3 in an effort to match up unit numbers with the incidents being logged. Copies of that communication need to be sent to TSAHC within 30 days from the time this report is received. As indicated on last year's report, monthly crime reporting will be due to TSAHC on the 10th of each month for the previous month. Monthly crime reporting includes 911 call logs, incident reports, lease violations (regarding crime), and any written communication with SAPD or Code Three regarding incidents. The first report is due to us no later than July 10th, 2017 for the month of June. In addition to the crime reporting and communication request, TSAHC also must see some forward movement on what will be done with the missing security cameras. Please provide TSAHC with a plan on what will be done with the security cameras no later than July 19, 2017. TSAHC strongly recommends a wireless security surveillance system for the entire property, including most buildings, the dumpster areas, the mailboxes, and the common facilities.

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