

Texas State Affordable Housing Corporation

Chaparral Village Apartments

1411 S. Grant Avenue, Odessa TX 79761

Owner: RHAC-Chaparral, LLC

Date Built: 1981

Mgmt Company: Capstone Real Estate Services

Property Manager:

Inspection Date & Time: 3.24.14 at 9:00 AM

Inspector's Name: Mindy Taylor

Occupancy at Time of Report:	99%	Average Occupancy Over Last 12 Months:	98%
Number of Units: 80			
Number of One Bedrooms:	NA	Number of Two Bedrooms:	70
Number of Three Bedrooms:	8	Number of Four Bedrooms:	2

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, the parking lots appeared to be in acceptable condition. The grass and landscaping were sparse and there was a lot of small broken glass throughout the property. The exterior of several units had decorations and other objects which can create poor curb appeal. The building foundations and roofs appeared to be in good condition. The exterior of the buildings have discolored paint because the paint tone used for touching up does not match the original color.

Finding:

- **On the day of the site visit, small pieces of glass were found on the ground throughout the property. This is a safety issue that must be resolved by May 11, 2014. Please submit evidence that the property has removed as much broken glass as possible, as well as a plan to decrease the amount of glass found in the future. Such as, bids to install trash cans throughout the property, fines for residents found to be breaking glass on the property, etc.**

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:
Burglary		
Theft		
Criminal Mischief		

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Personal Assault		
Drug Activity		
Gunfire		
Domestic Violence		
Disturbance	1	Suspicious activity
Other		

- 2) Does the property utilize a crime prevention agreement?
 The property uses their "house rules" to manage crime on the property.
- 3) What pro-active measures is the property taking to address crime on the property?
 Crime prevention flyers are being passed out to each resident.
- 4) How often is a light check conducted on the property? Who performs light checks on the property?
 A light check is conducted daily by the manager and maintenance staff.

COMMENTS:

SECURITY PROGRAM Part II	YES	NO	N/A
1) Is the Staff trained in addressing 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		
<input checked="" type="checkbox"/> 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: The last risk assessment was completed in June of 2013.

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?			
<input checked="" type="checkbox"/> Fair Housing Poster	X		
<input checked="" type="checkbox"/> 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?			
<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		X	

- 8) When are property licenses and permits renewed?
 The property does not have any facilities that require the property to maintain a permit.
- 9) Where are vendor insurance records/binders maintained?
 The Capstone vendor compliance department approves all vendors and maintains vendor insurance.

COMMENTS: The office appeared to be organized and management was prepared for the site visit.

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:

MAINTENANCE PROGRAM	YES	NO	N/A
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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? Ø On average, 44% of work orders were completed in more than 72 hours.			
5) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?		X	
6) How often are Pest Control services provided? Ø Pest control is provided monthly and as needed for any other issue.			
7) What is the policy for following up on completed service requests? Ø To ensure resident satisfaction, the manager calls every third work order and all requests for major issues.			
8) What is the property's after hours emergency policy? Ø Residents call a phone number that is answered by a live answering service; if necessary the manager is called.			
9) What capital improvements have been scheduled or completed for this budget year? Ø The only capital improvement scheduled for this budget year is to seal and stripe the parking lot and replace appliances as needed.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

10) Unit Interior and Appliance upgrades: Ø There were not any property wide unit interior upgrades.			
11) Building Exterior and Curb Appeal repairs: Ø In 2014 no exterior repairs were made.			
12) Amenity upgrades: Ø Amenity upgrades were not made in 2014.			
13) Other repairs or replacements: Ø No additional repairs or replacements were made.			
Number of service requests received:	32		
Number of requests open from prior periods:	0		
Number of service requests completed:	32		
Number of service requests completed within 24 hours:	12		
Number of outstanding service requests:	0		

COMMENTS:

MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0		
Flyers	\$0		
Resident Referral	\$0		
Locator Service	\$0		
Printed Advertising	\$0		
Internet Advertising	\$0		
Other Source – 26 Walk-in, 30 phone calls	\$0	56	0
TOTAL	\$0	56	0

The rental activity reflected in the above table was for the month of: February 24, 2014-March 24, 2014

	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: The only marketing done by the property is affirmative fair housing marketing. Management is not monitoring where traffic originated nor are they tracking if any leads turn into applications/waitlist.

Observation:

- **The property does not appear to be entering any walk-in or phone leads in the software system. Although the property has a high occupancy and has a waiting list, it is essential to know when and where traffic generates. It is suggested that management begin entering all traffic into the report and referencing a specific source, so management will know how to properly market the property if the future demands it.**

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LEASE RENEWAL	YES	NO	N/A
1) Does it appear that an effective lease renewal program in place?	X		
2) What percentage of residents renewed 12 months?	70%		
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	0%*		
4) When are the lease renewal/rent increase notices sent to residents? <input checked="" type="checkbox"/> Lease renewal notices are sent in July and all leases are renewed in November.			
5) Are individual files being reviewed to determine renewal/non-renewal status?	X		
6) How are renewals and re-certifications tracked and monitored? <input checked="" type="checkbox"/> The compliance department monitors the renewal process.			
7) Are rent increases being implemented?	X		
8) When was the last rent increase implemented? What was the average rent increase? <input checked="" type="checkbox"/> The most recent gross rent change occurred in November 2013.			
9) How many households are currently on month-to-month leases? <input checked="" type="checkbox"/> Due to the nature of the HUD lease, all residents utilize a month-to-month lease.			
10) What is the charge for month-to-month leases? <input checked="" type="checkbox"/> NA			
COMMENTS: Due to the type of lease used at this property, all residents are on month to month leases that are renewed/recertified at the same time. The renewal percentage used for the purposes of this report is calculated based on the number of move outs in the last 12 months.			
*The property does not appear to be tracking specific reasons for move-outs, therefore the percentage of units who were evicted for non-payment and/or skips is not accurate.			

VACANT/MAKE READY UNITS			
1) Number of vacant units at time of activity report:			1
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:			0
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 uncompleted made ready units at time of activity report:			1
7) Number of uncompleted one bedroom units at time of activity report:			1
8) Number of uncompleted two bedroom units at time of activity report:			0
9) Number of uncompleted three bedroom units at time of activity report:			0
Units Walked			
Unit #	Brief Description		
17	3x1 Occupied		
32	2x1 Occupied		
58	2x1 Skip--This unit had a pungent odor and appeared needed attention from pest control.		
64	2x1 Occupied		
79	4x1 Occupied		
Down Units Walked (units vacant and unready for extended period of time and all down units)			
Unit #	Brief Description		
NA			
	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?		X	
5) What system is used by management to monitor the timely preparation of units? <input checked="" type="checkbox"/> Manager and maintenance work together daily to ensure units are made ready according to policy.			
6) How often are occupied units inspected? <input checked="" type="checkbox"/> Occupied units are inspected at least twice annually.			

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7)	How often are vacant units inspected? <input type="checkbox"/> Vacant units are inspected each day until they are occupied.
8)	How many vacant unready units are in progress of being made ready? <input type="checkbox"/> There are not any units in the process of being made ready.
9)	What is the company policy on the number of days to turn vacant units? <input type="checkbox"/> Management has a policy to complete make readies in 5 days.
COMMENTS: On the day of the site visit one unit was vacant. The vacant unit was a skip that was found by management the morning of the site visit; therefore it had not been trashed out.	

BUDGET MANAGEMENT	YES	NO	N/A
1) How many bids are solicited in order to obtain materials, supplies, and services? <input type="checkbox"/> Three bids are collected for any major work that has to be completed.			
2) Have there been any large unexpected repairs or purchases that have negatively affected the budget? <input type="checkbox"/> Several water heaters had to be replaced around the same time; however management does not see this becoming a big issue in the budget.			
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 Expense	\$754	\$1,110	\$356	32%	Doors/Locks/Keys, Plumbing
Services Expense	\$3,825	\$1,901	-\$1,916	-100%	Plumbing contractor, Misc Other Contracts
Turnover Expense	\$867	\$65	-\$802	-1,233%	Painting
Administrative Expense	\$1,345	\$1,167	-\$178	-15%	Office Supplies

COMMENTS:

REVENUE			
FOR THE MONTH OF January, 2014		YEAR TO DATE	
Gross Potential	\$65,700	Gross Potential	\$65,700
Budgeted Rental Income	64,846	Budgeted Rental Income	64,846
Actual Rental Income Collected	64,039	Actual Rental Income Collected	64,039
Variance + (-)	-800	Variance + (-)	-800
Other Revenue	189	Other Revenue	189
Total Collected	64,228	Total Collected	64,228
Budgeted	65,199	Budgeted	65,199
Variance + (-)	-971	Variance + (-)	-971

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? <input type="checkbox"/> Invoices are processed weekly.			
COMMENTS:	0-30 Days:		\$61
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$61

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the rent collection policy? <input type="checkbox"/> Rent is due on the 1 st of the month and on the 5 th of the month a \$5 late fee is assessed. An additional late fee of \$1 is assessed per day			

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thereafter.			
3) When is legal action taken against delinquent accounts? <input checked="" type="checkbox"/> A 10 day notice to vacate is given on the 6 th of the month, if payment is not received a 3 day Notice to Vacate (NTV) is given on the 17 th . If no payment is made after the 3 day NTV is given, an eviction is filed on the 20 th .			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?		X	
COMMENTS:	0-30 Days:		\$3,063
	30-60 Days:		\$2,786
	60 Days and Over:		\$0
	TOTAL		\$5,849

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) Are name tags/photo IDs being worn by the maintenance personnel?	X		
7) Was management staff prepared for the site visit?	X		
8) Has staff turnover occurred since the last site review?		X	
9) How often are staff meetings held? <input checked="" type="checkbox"/> Staff meetings are held weekly.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. <input checked="" type="checkbox"/> Staff utilize the Grace Hill and Elizabeth Moreland training programs and have completed courses such as: conflict resolution, sexual harassment, fair housing, maintenance safety, leasing, curb appeal, etc.			
COMMENTS: Finding for MSDS			

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? <input checked="" type="checkbox"/> Reports are submitted to the owner weekly.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? <input checked="" type="checkbox"/> All unbudgeted expenses require approval from the owner.			
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
<p>Finding:</p> <ul style="list-style-type: none"> On the day of the site visit, small pieces of glass were found on the ground throughout the property. This is a safety issue that must be resolved by May 11, 2014. Please submit evidence that the property has removed as much broken glass as possible, as well as a plan to decrease the amount of glass found in the future. Such as, bids to install trash cans throughout the property, fines for residents found to be breaking glass on the property, etc. <p>Observation:</p> <ul style="list-style-type: none"> The property does not appear to be entering any walk-in or phone leads in the software system. Although the property has a high occupancy and has a waiting list, it is essential to know when and where traffic generates. It is suggested that management begin entering all traffic into the report and referencing a specific source, so management will know how to properly market the property if the future demands it.

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