

Texas State Affordable Housing Corporation

River Park Village

1309 Central Texas Expressway, Lampasas TX

Owner: RHAC-River Park Village, LLC

Date Built: 1983

Management Company: Capstone Real Estate Services

Property Manager: Jeff Burton

Inspection Date & Time: 5.20.14

Inspector's Name: James M. Matias

Occupancy at Time of Report:	95%	Average Occupancy Over Last 12 Months:	100%
Number of Units: 50			
Number of One Bedrooms:	NA	Number of Two Bedrooms:	30
Number of Three Bedrooms:	20	Number of Four Bedrooms:	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 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 grounds were well maintained and the landscaping was in great condition. The monument sign was clean and visible. All of the buildings, roofs and foundations appear to be in acceptable condition. During the site visit a few units had large unappealing items being stored on the front porch. (see attached) A hole was found in the fence at the northeast corner of the property. Management stated that the fence on that side of the property belongs to the adjacent neighbor and that he would talk with them about fixing the pickets. The buildings and amenities appeared to be functional and in good condition.

Observation:

- On the day of the site visit it was apparent that one of the enclosures where a dumpster should be did not have a dumpster. In addition to the enclosure not having a dumpster, it appears that residents are disposing of large unwanted items. It is suggested that if the property is in need of another dumpster that one be added. If the property is not in need of a dumpster, it is suggested that residents are notified that this enclosure is not to be used for trash or unwanted items.

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	1	

Texas State Affordable Housing Corporation

Personal Assault		
Drug Activity		
Gunfire		
Domestic Violence		
Disturbance		
Other	1	Harassment(1)
2) Does the property utilize a crime prevention agreement? ➤ The property has implemented a resident selection plan that outlines what type of criminal history is acceptable for prospective residents. In addition, the House Rules (part of the lease) mentions the repercussions for certain criminal behaviors that take place while as residents of the property.		
3) What pro-active measures is the property taking to address crime on the property? ➤ The Lampasas Police Department patrols every evening and residents are informed of any criminal activity that takes place on the property.		
4) How often is a light check conducted on the property? Who performs light checks on the property? ➤ Light checks are performed daily by the manager or the maintenance staff.		
COMMENTS: The crime at this property and in this area is very low according to the reports provided and no addition crime reporting is warranted.		

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? ➤ 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 provided a risk assessment that was completed on January 9 th .			

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 ➤ 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 ➤ Community Room ➤ BBQ/Picnic Area ➤ Laundry Facility ➤ Business Center ➤ Pool ➤ Other	X		
8) When are property licenses and permits renewed? ➤ The property has no licenses or permits that it must maintain.		X	
9) Where are vendor insurance records/binders maintained? ➤ Management stated that vendor insurance records are kept at the corporate office.		X	
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 turnover of vacant units and turnover of staff?	X		
COMMENTS: This property utilizes the Blackhorse key system to maintain key control.			

Texas State Affordable Housing Corporation

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? ➤ Sixty-two of the sixty-six work orders opened in the period requested were closed with the first 24 hours.			
5) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
6) How often are Pest Control services provided? ➤ Pest control services are completed once per month.			
7) What is the policy for following up on completed service requests? ➤ Management stated that he follows up on work orders that are for recurring or major items.			
8) What is the property's after hours emergency policy? ➤ Residents call an afterhours emergency phone that goes straight to the maintenance staff.			
9) What capital improvements have been scheduled or completed for this budget year? ➤ Resurfacing the parking lot is budgeted for the fall of 2014.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
10) Unit Interior and Appliance upgrades ➤ Interior upgrades and appliance replacements were completed as needed.			
11) Building Exterior and Curb Appeal repairs ➤ No exterior or curb appeal upgrades were completed in the last budget year.			
12) Amenity upgrades ➤ No amenity upgrades were completed in 2013.			
13) Other repairs or replacements ➤ Management stated that a few minor landscaping improvements were the only additional item completed in 2013.			
Number of service requests received:	66		
Number of requests open from prior periods:	0		
Number of service requests completed:	64		
Number of service requests completed within 24 hours:	62		
Number of outstanding service requests:	2		
COMMENTS: Management and the maintenance staff appear to be doing a terrific job with completing work orders promptly and properly documenting the work in the system.			

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			
Locator Service			
Printed Advertising			
Internet Advertising			
Other Source (walk –in)	\$0	10	4
TOTAL	\$0	10	4
The rental activity reflected in the above table was from April 1, 2014 to April 30, 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: Management stated that they do not have any competitors that are close. The Lampasas area, which is where this property is located, has a new affordable community, but it is geared towards seniors and does not impose a threat to the current high occupancy.			
Observation:			
<ul style="list-style-type: none"> The property does not appear to be entering all walk-in or phone leads into the traffic report. Although the property is 100% occupied and has a waiting list, it is essential to know when and where your traffic comes from. It is suggested that management start entering 			

Texas State Affordable Housing Corporation

all traffic onto the report so management will know how to properly market the property if the future demands it.

LEASE RENEWAL		YES	NO	N/A
1)	Does it appear that an effective lease renewal program is in place?	X		
2)	What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: NA	6 months: NA	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? ➤ All renewals notices are sent 90 days in advance. Follow ups to the renewal notices are sent at 60 and 30 days or until a renewal or recertification has been completed.			
5)	Are individual files being reviewed to determine renewal/non-renewal status?	X		
6)	How are renewals and re-certifications tracked and monitored? ➤ Renewals are tracked through the property software system (Onesite).			
7)	Are rent increases being implemented?	X		
8)	When was the last rent increase implemented? What was the average rent increase? ➤ Management stated that a 1.5% rent increase was implemented March 1 st according to the HUD regulated rent increases.			
9)	How many households are currently on month-to-month leases? ➤ All residents are on month to month lease, please see the comment below.			
10)	What is the charge for month-to-month leases? ➤ 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.

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:		0		
8) Number of uncompleted two bedroom units at time of activity report:		1		
9) Number of uncompleted three bedroom units at time of activity report:		0		
Units Walked				
Unit #	Brief Description			
2	3x2, Occupied			
8	2x1, Vacant, Full turn needed			
16	3x2, Occupied			
38	2x1, 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? ➤ Onsite is utilized to manage the timely preparation of vacant units.				
6) How often are occupied units inspected? ➤ Occupied units are inspected twice annually.				
7) How often are vacant units inspected? ➤ Vacant units are inspected daily.				

Texas State Affordable Housing Corporation

8) How many vacant unready units are in progress of being made ready? ➤ One recently vacated unit is in the process of being made ready.
9) What is the company policy on the number of days to turn vacant units? ➤ The company policy for turning vacant units is three to five business days.
COMMENTS:

BUDGET MANAGEMENT					YES	NO	N/A
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ At least 3 bids are obtained for materials and services.							
2) Have there been any large unexpected repairs or purchases that have negatively affected the budget? ➤ The property has not had any unexpected repairs that will negatively affect the budget.							
3) Explain YTD variances of 10% or greater.							
<u>Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending</u> (Please note that a positive variance is under budget and a negative variance is over budget.)							
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION		
Salaries & Benefits	\$16,366	\$18,632	\$2,266	12%	Assistant Manager Salary, Maintenance Salary, Housekeeping Salary		
Maintenance Expense	\$486	\$1,336	\$850	64%	Building Structures, Screens		
Turnover Expense	\$357	\$475	\$118	25%	Materials - Painting		
COMMENTS:							

REVENUE			
FOR THE MONTH ENDING <u>MARCH 31, 2014</u>		YEAR TO DATE	
Gross Potential	\$28,750	Gross Potential	\$86,250
Budgeted Rental Income	28,317	Budgeted Rental Income	84,950
Actual Rental Income Collected	29,190	Actual Rental Income Collected	86,513
Variance + (-)	873	Variance + (-)	1,563
Other Revenue	379	Other Revenue	1,176
Total Collected	29,569	Total Collected	87,689
Budgeted	28,920	Budgeted	86,659
Variance + (-)	650	Variance + (-)	1,030
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 daily.					
COMMENTS: On the day of the site visit, management provided a report that has outstanding balances greater than 60 days. Prior to the completion of the asset oversight report, management submitted an accounts payable report that reflects that the overdue balances have been paid.			0-30 Days:		\$1,216
			30-60 Days:		(\$32)
			60 Days and Over:		\$1,061
			TOTAL		\$2,244
DELINQUENCIES			YES	NO	N/A
1) Is the delinquency report up to date?			X		
2) What is the rent collection policy? ➤ Rent is due by the first of the month and late by the fifth. On the sixth a 10 day notice is sent and on the seventeenth a 3 day Notice to Vacate is sent.					
3) When is legal action taken against delinquent accounts? ➤ Evictions are started around the twentieth of each month.					
4) Does the property currently have any resident(s) under eviction?				X	
5) Does Housing have any outstanding balances?				X	

Texas State Affordable Housing Corporation

COMMENTS:	0-30 Days:		\$0
	30-60 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: If the property has a NSF, \$25 is the charge for the first offense and \$30 is the charge for the 2nd offense.			

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? ➤ Staff meetings are held daily.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ The staff completed the following Grace Hill training: mold awareness, drug free workplace, customer relations, conflict resolution, and sexual harassment.			
COMMENTS: The property has had one staff change since the last site review and that is the lease maintenance personnel.			

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 submitted to the owner three times each week.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ All expenses not in the budget must get approval.			
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
Observation: <ul style="list-style-type: none"> On the day of the site visit it was apparent that one of the enclosures where a dumpster should be did not have a dumpster. In addition to the enclosure not having a dumpster, it appears that residents are disposing of large unwanted items. It is suggested that if the property is in need of another dumpster that one be added. If the property is not in need of a dumpster, it is suggested that residents are notified that this enclosure is not to be used for trash or unwanted items. The property does not appear to be entering all walk-in or phone leads into the traffic report. Although the property is 100% occupied and has a waiting list, it is essential to know when and where your traffic comes from. It is suggested that management start entering all traffic onto the report so management will know how to properly market the property if the future demands it.



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation





