

Texas State Affordable Housing Corporation

Chaparral Village Apartments

1411 S. Grant Avenue, Odessa TX 79761

Owner: RHAC-Chaparral, LLC

Date Built: 1981

Management Company: Capstone Real Estate Services

Property Manager: Celia Arenivas

Inspection Date & Time: 2.11.2015 at 8:30 AM

Inspector's Name: James Matias

Occupancy at Time of Report:	98.7%	Average Occupancy Over Last 12 Months:	98.4%
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 grounds were well maintained and the majority of the glass mentioned in the 2014 report was cleaned up. The monument sign was clean and visible. All of the buildings, roofs and foundations appear to be in acceptable condition. A large portion of the window blinds appeared to be broken or damaged on the day of the site visit. The buildings and amenities appeared to be functional and in good condition.

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	1	
Theft	1	
Criminal Mischief	2	
Personal Assault	2	
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance	12	

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Other	4	Civil Problems (2), Harassment (1), Recovered Stolen (1)
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?		
➤ Management has an open communication with the Odessa Police Department (OPD) and residents regarding activities happening at the community.		
4) How often is a light check conducted on the property? Who performs light checks on the property?		
➤ A light check is conducted three times per week by the manager and/or maintenance staff.		

COMMENTS:

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: The last risk assessment was completed in October of 2014.

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	X		
➤ Laundry Facility	X		
➤ Business Center		X	
➤ Pool		X	
➤ 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 Management's vendor compliance department approves all vendors and maintains vendor insurance.			

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?			
➤ Fourteen of the sixteen work orders opened from 1/11/2015 to 2/11/2015 were completed in less than 72 hours (87.5%).			

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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 is provided monthly and as needed for any other issue.			
7) What is the policy for following up on completed service requests? ➤ To ensure resident satisfaction, management stated they follow up on major items and about 50% of all work orders.			
8) What is the property's after-hours emergency policy? ➤ All emergency calls go to the property manager and the manager determines who and what is needed.			
9) What capital improvements have been scheduled or completed for this budget year? ➤ Capital improvements scheduled for this budget year include the following: seal and stripe the parking lot, install new HVAC evaporative coolers for 14 units and erect a new playground.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
10) Unit Interior and Appliance upgrades ➤ In 2014 interior upgrades and appliances were completed as needed.			
11) Building Exterior and Curb Appeal repairs ➤ In 2014 no exterior repairs were made.			
12) Amenity upgrades ➤ No additional amenity upgrades completed			
13) Other repairs or replacements ➤ No additional repairs or replacements were made in 2014.			
Number of service requests received:	16		
Number of requests open from prior periods:	0		
Number of service requests completed:	16		
Number of service requests completed within 24 hours:	11		
Number of outstanding service requests:	0		
COMMENTS: An effective maintenance program appears to be in place and the staff is doing a good job entering in and closing work orders.			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	1	0
Flyers	\$0	0	0
Resident Referral	\$0	1	0
Locator Service	\$0	0	0
Printed Advertising	\$0	0	0
Internet Advertising	\$0	0	0
Other Source (Local Housing Authority, other property, Referral Companies/Merchants)	\$0	4	0
TOTAL	\$0	6	0
The rental activity reflected in the above table is from 1/11/2015 to 2/11/2015.			
	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 property appears to be obtaining most new leases from the current waiting list. The source of the traffic from the waiting list does not appear on the Primary Advertising Source Evaluation because the new prospect was put on the waiting list prior to the period of the report.			

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: 100%	6 months: 84%	12 months: 74%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	0%		

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4) When are the lease renewal/rent increase notices sent to residents? ➤ Lease renewal notices are sent 120 days in advance and reminder notices are sent at 90, 60 and 30 days. Rent increases are sent 30 days in advance.			
5) Are individual files being reviewed to determine renewal/non-renewal status?	X		
6) How are renewals and re-certifications tracked and monitored? ➤ Renewals and re-certifications are tracked and monitored using Onsite.			
7) Are rent increases being implemented?	X		
8) When was the last rent increase implemented? What was the average rent increase? ➤ The most recent gross rent change occurred in November 2014.			
9) How many households are currently on month-to-month leases? ➤ 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? ➤ NA			
COMMENTS: Due to the type of lease used at this property, all residents are on month to month leases that are renewed during a mass-recertification period.			

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:			1		
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:			0		
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:			0		
9) Number of uncompleted three bedroom units at time of activity report:			0		
Units Walked					
Unit #	Brief Description				
1	2x1, Occupied				
21	3x1, Occupied, Infestation (roaches) and three inoperable smoke detectors				
36	2x1, Vacant, Nearly ready (one small counter top repair is needed).				
56	2x1, Occupied				
80	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? If so, please comment below.				X	
5) What system is used by management to monitor the timely preparation of units? ➤ Management uses the Onsite system to ensure units are made ready according to policy.					
6) How often are occupied units inspected? ➤ Occupied units are inspected at least once annually.					
7) How often are vacant units inspected? ➤ Vacant units are inspected each day until they are occupied.					
8) How many vacant units are in progress of being made ready? ➤ 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? ➤ Management has a policy to complete make readies in 5 business days.					
COMMENTS: Prior to the completion of this report, management provided TSHAC with completed work orders on all maintenance item mentioned					

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above for units 21 and 36.

BUDGET MANAGEMENT					
1) 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.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ There have not been any large unexpected repairs or purchases that have negatively affected the current budget.					
3) Explain YTD variances of 10% or greater. ➤ See comments below					
<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	\$104,885	\$82,904	\$21,981	20.9%	Salaries – Maintenance, Group Health Insurance
Leasing Expenses	\$181	\$605	\$424	70.1%	Promotions & Entertainment
Maintenance Expense	\$30,736	\$15,867	(\$14,869)	-93.7%	Doors/Locks/Keys, Electrical/Lights, HVAC, Painting, Plumbing
Services Expense	\$30,050	\$23,558	(\$6,492)	-27.6%	Plumbing contractor, Electrical, Trash removal
Turnover Expense	\$13,279	\$1,405	(\$11,874)	-845%	Materials – Cleaning, Materials – Painting, Painting Contractor
COMMENTS: Management stated that the large budget variances for the Salaries and Benefits Expense is due to the property not having a maintenance staff when the budget was created. At the time the budget was created the property was contracting out all maintenance. The large variance for the Turnover Expense is because the community is experiencing a much higher than expected turnover percentage. In addition, the majority of the painting and repairs associated with turnovers was completed by contractors.					

REVENUE			
FOR THE MONTH ENDING: December 31, 2014		YEAR TO DATE AS OF: December 31, 2014	
Gross Potential	\$66,540	Gross Potential	\$794,461
Budgeted Rental Income	\$66,149	Budgeted Rental Income	\$780,758
Actual Rental Income Collected	\$66,338	Actual Rental Income Collected	\$776,239
Variance + (-)	\$189	Variance + (-)	(\$4,519)
Other Revenue	\$627	Other Revenue	\$5,611
Total Collected	\$66,956	Total Collected	\$781,850
Budgeted	\$66,486	Budgeted	\$784,879
Variance + (-)	\$479	Variance + (-)	(\$3,029)
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:	0-30 Days:		\$348.39
	30-60 Days:		0
	60 Days and Over:		0
	TOTAL		\$348.39

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 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 thereafter. A 3 Day Notice to Vacate (NTV) is sent around the 17 th of each month.			
3) When is legal action taken against delinquent accounts? ➤ Evictions are filled around the 20 th of each month.			
4) Does the property currently have any resident(s) under eviction?		X	

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5) Does Housing have any outstanding balances?	X		
COMMENTS: The Delinquent and Prepaid Report provided as of February 18, 2015 reflects a total of \$9,296 in delinquent rent. Housing subsidies account for \$7,606 (81.8%) of the delinquent rent. Management stated that new move-ins and interim certifications with the local Housing Authority account for the majority of the delinquent rent for subsidy.	0-30 Days:		\$7,409
	30-60 Days:		\$1,846
	60 Days and Over:		\$41
	TOTAL		\$9,296

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? ➤ Staff meetings are held daily.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ In the past year staff has completed a series of Grace Hill and Elizabeth Moreland training. These include conflict resolution, sexual harassment, resident retention, and hostile work environment.			
COMMENTS:			

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? ➤ Management stated that reports are submitted weekly, monthly, and annually depending on the type of report.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Anything that is over budget or not in the budget needs owner 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
No Observations or Findings

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