

Texas State Affordable Housing Corporation

White Rock

3110 Thousand Oaks, San Antonio, TX 78247

Owner: Commonwealth Multifamily

Date Built: 2003

Management Company: Orion Real Estate, Inc.

Property Manager: Donna Carraghan

Inspection Date & Time: April 21, 2015 at 8:00 a.m.

Inspector's Name: Celina Mizcles and James Matias

Occupancy at Time of Report:	95%	Average Occupancy Over Last 12 Months:	95.3%
Number of Units: 336			
Number of One Bedrooms:	175	Number of Two Bedrooms:	149
Number of Three Bedrooms:	12	Number of Four Bedrooms:	0

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: Based on a visual observations made on the day of the onsite visit, the property appears to be in exceptional condition. The grounds were clean and free of debris, and the landscape gave the property great curb appeal. However as noted in the previous Asset Oversight report, small areas of exposed tree root are visible near building 10 and 13, and the lower portion of the exterior stones remain stained (pictures attached). During the exterior review, management confirmed they have contracted power washing services; services include power washing the exterior building stone and hallways (one building per month). Management is advised to create a plan of action to address the areas where the exposed tree roots are visible (pictures attached).

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	5	1 – Burglary, 1 – Burglary of Vehicle, 3 – Burglary Alarm
Theft	3	2 – Theft, 1 – Theft in Progress
Criminal Mischief	2	1 – Criminal Mischief, 1 – Criminal Mischief in Progress
Personal Assault	3	3 – Assault in Progress
Drug Related Activity		
Gun Related Activity		
Domestic Violence		

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Disturbance	16	9 – Disturbance, 3 – Loud Music, 1 – Neighbor with gun, 1 – Barking dog, and 2 – Family
Other	1	1 – Suspicious Person
2) Does the property utilize a crime prevention agreement? ➤ The Property manager confirmed that a crime prevention plan is utilized.		
3) What pro-active measures is the property taking to address crime on the property? ➤ In an effort to deter crime, the property requests and reviews monthly police department call logs, the property has an onsite courtesy office that conducts nightly property walks, holds quarterly meetings, and reports any activity to the Property Manager via email. The property also utilizes limited access gating (gates are closed from 6:30 p.m. to 6:30 a.m.) and utilizes security cameras (located in the fitness areas, pool, and office areas) to monitor the property. Management will review the surveillance tapes, as needed.		
4) How often is a light check conducted on the property? Who performs light checks on the property? ➤ The courtesy officer conducts light checks nightly and submits reports when issues are noted.		
COMMENTS: The information noted above was based on a review of the San Antonio Police Department's incidence call log dated 12/15/2014 through 2/11/2015. Thirty of the forty total incident calls are noted above. Based on the amount of security measures taken, TSAHC suggests management continue to review all sources and address any and all issues with those responsible. In addition, management should properly note tenant files with details of any discussions and/or meetings that take place.		

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? ➤ 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 property staff completed Grace Hill's Crisis Management: Preventions and Preparations. Management has applied their knowledge to the White Rock Apartments. A risk assessment was conducted in early 2015.			

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 (DVD and library are located in the business center) ➤ Pool ➤ Other (Nature walk, fitness room, and a designated car wash area)		X	
8) When are property licenses and permits renewed? ➤ Property licenses and permits are renewed annually and maintained in the corporate office.			
9) Where are vendor insurance records/binders maintained? ➤ All vendor records are maintained in the corporate office.			
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:			

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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? <div style="margin-left: 20px;">➤ The Maintenance Summary Report dated 3/21/2015 - 4/21/2015 reflected a total of 217 work orders. 196 of the 217 work orders were closed within the reported period and were completed within 3 days, on average.</div>				
5) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?		X		
6) How often are Pest Control services provided? <div style="margin-left: 20px;">➤ Pest Control services are provided on a weekly basis. Services are provided on the exteriors of the buildings and in the interiors, as needed.</div>				
7) What is the policy for following up on completed service requests? <div style="margin-left: 20px;">➤ The Property Manager confirmed that about 60% of work orders generated for a particular month are followed up on to ensure maintenance issues have been completed to satisfaction.</div>				
8) What is the property's after-hours emergency policy? <div style="margin-left: 20px;">➤ Residents are instructed to call the property phone number which is answered by an answering service. The answering service immediately contacts the Maintenance Manager or the Courtesy Officer and the Property Manager, if needed.</div>				
9) What capital improvements have been scheduled or completed for this budget year? <div style="margin-left: 20px;">➤ In 2015, the Property Manager confirmed that the exterior paint on the trim and dead-tree removal has been completed. Trim-siding has been painted and/or replaced as mentioned, and most of the dead trees have been removed and replaced.</div>				
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year				
10) Unit Interior and Appliance upgrades <div style="margin-left: 20px;">➤ There were no unit interior upgrades, however, appliance replacements are completed as needed.</div>				
11) Building Exterior and Curb Appeal repairs <div style="margin-left: 20px;">➤ There were no building exterior and curb repairs, however, management has almost removed and replaced all of the dead trees.</div>				
12) Amenity upgrades <div style="margin-left: 20px;">➤ There were no amenity upgrades completed in the last budget year.</div>				
13) Other repairs or replacements <div style="margin-left: 20px;">➤ There were no other repairs or replacements in 2014.</div>				
Number of service requests received:		202		
Number of requests open from prior periods:		15		
Number of service requests completed:		196		
Number of service requests completed within 24 hours:		27		
Number of outstanding service requests:		21		
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	31	10
Flyers	\$50	2	0
Resident Referral	\$0		
Locator Service (\$369 per quarter)	\$123	0	0
Printed Advertising (Newspaper)	\$0	3	0
Internet Advertising (Rent.com, Property website, craigslist.com, Google.com, Move.com and Backdoor.com)	\$125/monthly	25	
Other Source (Current Resident, Prior Resident, 1Other, Other, Other Property, Site Sign)	\$0	46	4
TOTAL	\$298	107	14
<p>The rental activity reflected in the above table was taken from the Primary Advertising Source Evaluation report dated 3/21/2015 - 4/21/2015. The Marketing and Retention section of the 2015 Budget Detail report was utilized to generate cost expense estimates (noted in the "Cost" column) for each source type. As noted in the previous year's Asset Oversight report, if Locator Services are not being paid, TSAHC suggest the budget line item be allocated to a more appropriate line item.</p>			
	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		

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5) Does the property complete a market survey at least monthly?	X		
COMMENTS: Management confirmed that they “shop” their competitors via telephone and in-person on a quarterly basis.			
Observation:			
<ul style="list-style-type: none"> The Primary Advertising Source Evaluation report provides a list of traffic methods which include “1Other” with 17 prospects and “Other” with 13 prospects. As noted in the previous year’s Asset and Oversight report, TSAHC suggests that management edit the report and create more specific line item titles to appropriately categorize a source of traffic. In addition and as noted in the previous year’s Asset Oversight report, if Locator Services are not being paid, TSAHC suggest the budget line item be allocated to a more appropriate line item. 			

LEASE RENEWAL	YES	NO	N/A
1) Does it appear that an effective lease renewal program is in place? If no, please comment below.			
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: 83.3%	6 months: 76.7%	12 months: 69.5%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or “skip”?	3%		
4) When are the lease renewal/rent increase notices sent to residents? ➢ The first lease renewal notice is sent out 120 days prior to the move-in anniversary date. If the resident fails to respond to the 120 day notice, a 90 day notice will be sent, followed by a 60 day notice, and finally a 30 day notice is sent should there still be no response.			
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 through Onesite, and management constantly reviews the Unit Status Report (USR) via TSAHC’s Compliance system to determine which households are due to recertify.			
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 implemented in April 2015. \$20 rent increases are implemented at the time of lease renewal.			
9) How many households are currently on month-to-month leases? ➢ There is one household on a month-to-month lease.			
10) What is the charge for month-to-month leases? ➢ There are no additional fees for month-to-month leases.			
COMMENTS:			

VACANT/MAKE READY UNITS					
1) Number of vacant units at time of activity report:			16		
2) Number of completed made ready units at time of activity report:			11		
3) Number of completed one bedroom units at time of activity report:			4		
4) Number of completed two bedroom units at time of activity report:			7		
5) Number of completed three bedroom units at time of activity report:			N/A		
6) Number of uncompleted made ready units at time of activity report:			5		
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:			3		
9) Number of uncompleted three bedroom units at time of activity report:			N/A		
Units Walked					
Unit #	Brief Description				
131	(2x2) Vacant – Ready (mini-model)				
335	(1x1) Vacant – Ready				
417	(2x1) Vacant – Not Ready (the unit needs a full turn) the unit was vacated on 3/28/2015				
827	(2x1) Vacant – Ready				
1228	(2x2) Vacant – Ready				
1523	(1x1) Vacant - Not Ready (the unit needs a full turn) the unit was vacated on 3/30/2015				
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		

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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? ➤ The Property Manager confirmed Onesite reports are utilized to monitor make ready progress.			
6) How often are occupied units inspected? ➤ Occupied units are inspected annually by management.			
7) How often are vacant units inspected? ➤ Vacant units are inspected weekly by maintenance staff.			
8) How many vacant units are in progress of being made ready? ➤ There are 5 uncompleted vacant units; all five are in the beginning stages of being made ready.			
9) What is the company policy on the number of days to turn vacant units? ➤ Management's policy is to turn vacant units in 5 business days or less.			

COMMENTS:

BUDGET MANAGEMENT			
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Three bids must be solicited in order to obtain material, supplies, and services.			
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ There have been a number of unexpected window repairs that have negatively affected 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
Payroll Expenses	\$60,380	\$77,927	\$17,546	22%	Salaries, Bonuses, Payroll Burden
Repairs and Maintenance	\$14,856	\$21,294	\$6,437	30%	Safety & Fire Supplies, Licenses/Fee/Permits, Small tools & Equipment, Appliance Repairs, Common Area Repairs, HVAC Supplies/Repairs
Make Ready/Redecorating	\$28,105	\$23,114	-\$4,991	-21%	Cleaning Supplies, Painting Expense – Exterior, Resurfacing – Fixture/Counters
Recreational Actives	\$296	\$,471	\$1,174	79%	Exercise/Weight Room and Pool Supplies/Maintenance

COMMENTS:

REVENUE			
FOR THE MONTH ENDING: February 2015		YEAR TO DATE 2015	
Gross Potential	\$294,700	Gross Potential	\$589,400
Budgeted Rental Income	\$298,250	Budgeted Rental Income	\$593,550
Actual Rental Income Collected	\$267,870	Actual Rental Income Collected	\$502,645
Variance + (-)	-\$6,467	Variance + (-)	-\$13,215
Other Revenue	\$21,078	Other Revenue	\$40,139
Total Collected	\$274,252	Total Collected	\$542,784
Budgeted	\$280,707	Budgeted	\$557,982
Variance + (-)	-\$6,455	Variance + (-)	-\$15,198

COMMENTS:

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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 on a daily basis.			
COMMENTS: The Vendor Aging Report as of 4/21/2015 reflected high outstanding balances. However, during the onsite visit, management confirmed that there are higher balances due to a few changes. In the beginning of the year, the Lender replaced the services of the escrow account for the company and did not notify management of the change. The owner/management agent were notified late which in turn slowed the process of submitting invoices as there were new policies, new submission forms, and new reports to submit which created a very lengthy process and thus made reimbursement of payments very late. Because of the issue this process has caused, management has contacted all vendors to advise of late payments. Management stated all vendors are working with them.	0-30 Days:	\$30,881	
	30-60 Days:	\$52,126	
	60 Days and Over:	\$17,741	
	TOTAL	\$100,748	
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 or before the 1 st of the month and considered late on the 3 rd day of the month. Management issues balance due letters on the 3 rd and issues 3-day notice to vacate letters on or around the 8 th of each month.			
3) When is legal action taken against delinquent accounts? ➤ Legal action is taken around the 11 th against all delinquent amounts.			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?		X	
COMMENTS: The property currently has one household under eviction; judgement was scheduled on 5/22/2015. The property currently has a delinquent balance of \$10,602 which was due to a recent issue involving the night drop box (located on the exterior of the management office) being compromised. Management explained that in February 2015 several communities in the area were vandalized as several night drop boxes were stolen. Management confirmed both the police and money order providers are investigating the issue. Until further resolution, residents are paying current rent plus an additional \$100 a month to pay for February's rent.	0-30 Days:	\$10,602	
	30-60 Days:	\$1,302	
	60 Days and Over:	\$0	
	TOTAL	\$11,904	
RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		35	
2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		
COMMENTS: The property's NSF Policy states, when a resident has a returned check the property receives notice from the corporate office via email. The returned check is entered in Onsite the day it is received and a \$45 NSF fee will be charged along with all appropriate late fees. Certified funds are required after two returned checks have been received. For PSN – Online payments, the same procedure is used however the PSN charges the resident \$30 and management will charge the difference of \$15 to the resident. A review of the Bank Deposit Summary confirms that management follows the written NSF Policy.			
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 weekly.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ In the last 12 months, management has attended and completed the following trainings, Fair Housing, Time Management, Sexual Harassment, Pod training, HR training, and Real Page trainings.			
COMMENTS: In the last 12 months, management has hired a new leasing consultant.			

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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 submits reports to the owner on a weekly basis.			
3)	What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Owner approval is required for unbudgeted and/or over budget items above \$750 for the Property Manager and \$5,000 for the Senior Financial Analyst.			
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:

- The Primary Advertising Source Evaluation report provides a list of traffic methods which include “1Other” with 17 prospects and “Other” with 13 prospects. As noted in the previous year’s Asset and Oversight report, TSAHC suggests that management edit the report and create more specific line item titles to appropriately categorize a source of traffic. In addition and as noted in the previous year’s Asset Oversight report, if Locator Services are not being paid, TSAHC suggest the budget line item be allocated to a more appropriate line item.

No Findings.

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