

Texas State Affordable Housing Corporation

Chaparral Village Apartments

1411 S. Grant Avenue, Odessa TX 79761

Owner: RHAC-Chaparral, LLC

Date Built: 1981

Management Company: J. Allen Management Co., Inc

Property Manager: Celia Arenivas

Inspection Date & Time: 2.24.2017 at 8:00 AM

Inspector's Name: James Matias

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	%
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 property had acceptable curb appeal and appeared to be well maintained. The common areas appeared to be heavily used and well maintained. The exterior of the buildings remains in good condition, with no visible foundation, trim or stucco repairs needed. The following items were discussed with management:

- The condensation that drips from the Evaporative Coolers (Swamp coolers) appear to be taking a toll on the roof shingles on the majority of the buildings. (Pictures attached) Management stated the plan is for half the coolers to be replaced in this budget year. At this time the condensation drip has not caused any roof leaks, but it does look a little unsightly. The majority of the Evaporative Coolers appear to be nearing the end of their life. It seems unlikely that both the roofs and Evaporative Coolers will both hold up much longer and the reviewer is in favor of the decision to replace them.

Observation:

- On the day of the site visit the majority of the units had at least one window with broken blinds and many units had the majority of their blinds broken. In an effort to increase the properties curb appeal, it is recommended that the blinds be replaced as soon as possible. In addition, management may want to consider creating a policy for notifying residents that they will be charged for blinds that are broken because of negligence.

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	

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Theft		
Criminal Mischief		
Personal Assault	1	
Drug Related Activity	1	Drug use or possession (1)
Gun Related Activity	2	Shots fired (1), Gunshot victim (1)
Domestic Violence		
Disturbance	4	Noise (1), Disturbance (1), Physical (1), Verbal (1)
Other	1	Stalking (1)
2) Does the property utilize a crime prevention agreement?		
➤ Management has house rules and a community policy that accompany the lease to address criminal activity on the property.		
3) What pro-active measures is the property taking to address crime on the property?		
➤ Management stated that flyers about safety are sent out regularly by the Resident Services Coordinator.		
4) How often is a light check conducted on the property? Who performs light checks on the property?		
➤ Light check conducted weekly by the Property Manager.		
COMMENTS: Management stated that one of the units who appeared on the 911 reports repeatedly was evicted from their unit due to lease violations.		

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 does not recall when the last risk assessment was completed at the property.			

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?			
➤ Management stated that vendor insurance records/binders are maintained at the corporate office.			
COMMENTS: A new playground was installed in the Spring of 2016.			

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? ➤ On average work orders are completed the same day they are opened.			
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 for all units 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 all make readies and 20 - 25% 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 to contact and what course of action is needed.			
9)	What capital improvements have been scheduled or completed for this budget year? ➤ Management stated that half of the evaporator coolers (swamp coolers) are scheduled to be replaced. In addition, the parking lot will be sealed and re-stripped.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year				
10)	Unit Interior and Appliance upgrades ➤ Unit interior rehab and appliance upgrades are provided as needed.			
11)	Building Exterior and Curb Appeal repairs ➤ None.			
12)	Amenity upgrades ➤ The property had a new playground installed in 2016.			
13)	Other repairs or replacements ➤ No other repairs or replacements took place in 2016.			
Number of service requests received:		34		
Number of requests open from prior periods:		0		
Number of service requests completed:		34		
Number of service requests completed within 24 hours:		31		
Number of outstanding service requests:		0		
COMMENTS: The maintenance staff appears to be doing an amazing job completing work promptly and opening 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	0	0
Flyers	\$0	0	0
Resident Referral	\$0	0	0
Locator Service	\$0	0	0
Printed Advertising	\$0	0	0
Internet Advertising	\$0	0	0
Other Source (Waiting List)	\$0	4	0
TOTAL	\$0	4	0
The rental activity reflected in the above table is from 1/1/2017 through 2/28/2017.			
	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:			
Observation:			
<ul style="list-style-type: none"> The property does not appear to be entering much of the walk-in or phone lead traffic into the system. The Primary Advertising Source Evaluation Report shows 4 entries in the last 2 months and they are all have a source listed as "Other". Although the 			

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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.

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: N/A	6 months: N/A	12 months: 70%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	33.3%		
4) When are the lease renewal/rent increase notices sent to residents? <div style="margin-left: 20px;">➤ 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.</div>			
5) Are individual files being reviewed to determine renewal/non-renewal status?	X		
6) How are renewals and re-certifications tracked and monitored? <div style="margin-left: 20px;">➤ Renewals and re-certifications tracked and monitored through Onsite.</div>			
7) Are rent increases being implemented?	X		
8) When was the last rent increase implemented? What was the average rent increase? <div style="margin-left: 20px;">➤ The most recent gross rent change was effective on November 1st, 2016, however, notices were not sent to the residents until February 1st, 2017.</div>			
9) How many households are currently on month-to-month leases? <div style="margin-left: 20px;">➤ N/A</div>			
10) What is the charge for month-to-month leases? <div style="margin-left: 20px;">➤ N/A</div>			
COMMENTS: Due to the type of lease used at this property, all residents are on a lease that is renewed annually with HUD.			

VACANT/MAKE READY UNITS			
1) Number of vacant units at time of activity report:			0
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:			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, Large crack in the upstairs bedroom, broken kitchen cabinets, floor tile missing in the kitchen		
14	2x1, Occupied		
33	2x1, Occupied, Bathroom is missing flooring (see attached photos), broken kitchen counter, broken kitchen cabinet, hole in the wall in the downstairs hall, hole in the ceiling in the upstairs bedroom		
43	2x1, Occupied, A stair has broken lip causing a trip hazard		
57	2x1, Occupied, This unit has numerous broken blinds		
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	

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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 twice 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? ➤ No units are 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 finished work orders were provided for units 1, 33, 43 and 57.

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. ➤					
<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
Administrative Expenses	\$587	\$1,434	\$847	59.1%	Real Page, Professional Fees
Maintenance Expense	\$2,579	\$3,042	\$463	15.2%	Other Maintenance Expenses, Plumbing
Services Expense	\$1,432	\$3,137	\$1,705	54.4	Landscaping, Pest Control, Plumbing Contractor
Turnover Expense	\$648	\$850	\$202	23.8	Materials (Painting), Painting (Contract)
COMMENTS:					

REVENUE			
FOR THE MONTH ENDING JANUARY 31, 2017:		YEAR TO DATE AS OF JANUARY 31, 2017:	
Gross Potential	\$67,611	Gross Potential	\$67,611
Budgeted Rental Income	\$67,467	Budgeted Rental Income	\$67,467
Actual Rental Income Collected	\$67,371	Actual Rental Income Collected	\$67,371
Variance + (-)	(\$96)	Variance + (-)	(\$96)
Other Revenue	\$424	Other Revenue	\$424
Total Collected	\$67,795	Total Collected	\$67,795
Budgeted	\$67,825	Budgeted	\$67,825
Variance + (-)	(\$29)	Variance + (-)	(\$29)
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: The only item of concern is a \$2,138 charge for a consulting firm that is more than 90 days past due.	0-30 Days:		\$253
	30-60 Days:		(\$182)
	60 Days and Over:		\$1,739
	TOTAL		\$1,810

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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 and late on the 5 th of the month. Ten day notices are sent on the 6 th and three day notices to vacate are sent between the 16 th and 20 th of the month.			
3) When is legal action taken against delinquent accounts?	➤ Management stated that evictions are filed on or around the 20 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: Observation: <ul style="list-style-type: none"> Management stated that they have a delinquent balance much higher than most years because they are in the midst of a gross rent change. The gross rent change was released in November of 2016, but the residents were not notified until February 1st, 2017. With the notice going out on February 1st, the rent change cannot go in effect until March 1, 2017. The tenant ledgers currently reflect that each resident has a balance. Management is in the process of determining how to clean up the ledgers based on the rents. For example, the 3 bedroom rent went up \$18. The ledger is showing that the tenant is short \$18 for November, December, January, and February for a totality of \$72. This discrepancy is taking place for each unit and skewing the delinquent balance. 		0-30 Days:		\$11,799
		30-60 Days:		\$311
		60 Days and Over:		(\$274)
		TOTAL		\$11,836

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 every couple of days.			
10) Have personnel been trained in Fair Housing?		X		
11) List training staff has received in the past year.	➤ The manager is scheduled to take the fair housing webinar though TDHCA. No other trainings are scheduled at this time.			
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 owners can obtain reports from the system as they desire.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds?	➤ The regional manager can approve up to \$1,000 without 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:				

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SUMMARY OF OBSERVATIONS AND FINDINGS

No Findings.

Observations:

- On the day of the site visit the majority of the units had at least one window with broken blinds and many units had the majority of their blinds broken. In an effort to increase the properties curb appeal, it is recommended that the blinds be replaced as soon as possible. In addition, management may want to consider creating a policy for notifying residents that they will be charged for blinds that are broken because of negligence.
- The property does not appear to be entering much of the walk-in or phone lead traffic into the system. The Primary Advertising Source Evaluation Report shows 4 entries in the last 2 months and they are all have a source listed as "Other". 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.
- Management stated that they have a delinquent balance much higher than most years because they are in the midst of a gross rent change. The gross rent change was released in November of 2016, but the residents were not notified until February 1st, 2017. With the notice going out on February 1st, the rent change cannot go in effect until March 1, 2017. The tenant ledgers currently reflect that each resident has a balance. Management is in the process of determining how to clean up the ledgers based on the rents. For example, the 3 bedroom rent went up \$18. The ledger is showing that the tenant is short \$18 for November, December, January, and February for a totally of \$72. This discrepancy is taking place for each unit and skewing the delinquent balance.



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