Texas State Affordable Housing Corporation

Chaparral Village Apartments
1411 S. Grant Avenue, Odessa, Texas 79761

Owner: RHAC- Chaparral, LLC
Management Company: J. Allen Management Co., Inc.
Inspection Date & Time: April 18, 2019 at 10:00 a.m.

Date Built: 1981
Property Manager: Nichole Lewis
Inspector's Name: James Matias

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	99%

Number of Units: 80			
Number of One Bedrooms:	0	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: The property grounds and landscaping were well kept and very clean. The management office, common areas, and amenities were clean and accessible to the public. The building exterior and building roofs also appeared to be in good condition. The grass at the community, which has historically been nonexistent, appears to be growing well and may need to be cut soon. The community signs were visible and clean. On the day of the site visit a few trash receptacles needed to be dumped. Management stated that the City of Odessa is notorious for not picking up on time and missed periodically. The property has the materials purchased for a new pergola and it will be erected with the next week or two.

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	3	
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		

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Disturbance	1	
Other		

	YES	NO	N/A
2) Does the property utilize a crime prevention agreement?	X		
3) Does the property take pro-active measures to address crime on property? If so, add comment	X		
4) Are light checks conducted by management staff on a weekly basis? If not, add comment.	X		
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? If yes, when?	X		
COMMENTS: The risk assessment was conducted by the Regional Property Manager last year.			

OFFICE	YES	NO	N/A
1) Is the office neat, the desk uncluttered?	X		
2) Are accurate office hours posted?	X (see observation)		
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) Does the property require licenses or permits? ➢ (Describe)		X	
8) Are property licenses and permits renewed as required?		X	
9) Are vendor insurance records/binders properly maintained?	X		
10) Are vendors properly screened to ensure proper insurance documents are being maintained?	X		
11) 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 (describe)			X
COMMENTS: Management stated they have been improved for an office renovation. The plan for the renovation is to make the office more inviting and create room for the Manager to host resident services and activities. **Observation:** • **Currently the office hours are located in the laundry room. It is recommended that the office hours get posted on or near the front door.**			

KEY CONTROL	YES	NO	N/A
1) Does the property use an electronic key tracking system? If not, answer questions 2-5.		X	
2) Are all property keys properly coded?	X		
3) Is key box locked and secured?	X		
4) Is the key code list kept separate from the key box?	X		
5) 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) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
5) How often are Pest Control services provided? ➤ Monthly pest control services are provided. All units are treated every other month.			
6) What is the policy for following up on completed service requests? ➤ Once work order have been completed, the Property Manager will call the tenant to ensure the work order was completed satisfactorily.			
7) What is the property's after-hours emergency policy? ➤ The maintenance staff rotate who is on call and field all emergency work.			
8) What capital improvements have been scheduled or completed for this budget year? ➤ Capital improvements scheduled for this year include a pavilion for the BBQ picnic area and the remodeling of the interior for the office.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➤ Appliance, blinds, and cabinets were completed as needed. In addition the subflooring was replaced when it was found to be unrepairable.			
10) Building Exterior and Curb Appeal repairs ➤ Various window replacements were completed throughout the year.			
11) Amenity upgrades ➤ N/A – There were no repairs or replacements made to the amenities.			
12) Other repairs or replacements ➤ Some plank flooring was installed for a few units based on what was budgeted. In addition, HVAC Replacement were completed on systems that failed.			
Number of service requests received:	48		
Number of requests open from prior periods:	0		
Number of service requests completed:	48		
Number of service requests completed within 24 hours:	44		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➤ On average it takes less than 1 day to complete a work order.			
COMMENTS: The maintenance staff appears to be doing a great job completing work orders timely and updating the software 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/Internet Advertising			
Other Source	$0	45	4
TOTAL	**$0**	**45**	**4**

The rental activity reflected in the above table was for the following time period: 4/1/2018 – 4/30/2019.			
	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:

- **All 45 of the new prospects are listed as "other" and contact type is listed as phone call. It is very unlikely that not a single prospect over the course of a year was a walk in. The property continues to use the source "Other" to document traffic. Management is strongly encourage to find a better way to describe the source of traffic. If "other" means the applicant was taken from the waiting list, then please list how the applicant first got on the waiting list (i.e., phone call, drive by, internet etc.). Knowing the proper source for your traffic will strongly benefit the community in the event that it has more vacancy. This is the second**

observation regarding this 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.	X		
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: 80%	6 months: 82.5%	12 months: 82.5%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	13.3%		
4) Are lease renewal/rent increase notices sent to residents at the 120-day, 90-day, 60-day and 30-day timeframes prior the end of the lese contract? If not, comment below.	X		
5) Are rent increase notices sent to residents at least 30-days prior to the rent increase implementation?	X		
6) Are individual files being reviewed to determine renewal/non-renewal status?	X		
7) Are renewals and re-certifications tracked and monitored with property management software? I.e., Yadri, Onesite, or Owner/Agent created software?	X		
8) Are rent increases being implemented?	X		

9) When was the last rent increase implemented? What was the average rent increase?
 ➤ The last rent change was effective November 2018.
10) How many households are currently on month-to-month leases?
 ➤ There are no month-to-month leases.
11) What is the charge for month-to-month leases?
 ➤ This is not applicable to the HUD lease.

COMMENTS:

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
11	(2x1) Occupied: The unit is in good condition.
21	(3x1) Occupied: The unit has a loose toilet seat and loose cabinet door in the bathroom.
38	(2x1) Occupied: The unit is in good condition.
80	(4x1) Occupied: The bathtub faucet was found to be loose.

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		
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) Is management utilizing property software (i.e., Yardi, Onesite, or an owner/agent created) to monitor the timely preparation of units? If not, comment.	X		

6) How often are occupied units inspected?
 ➤ Occupied units are inspected: Quarterly

7)	How often are vacant units inspected?
	➤ Vacant units are inspected: Daily

8)	How many vacant units are in progress of being made ready?
	➤ None, all units were occupied.

9)	What is the company policy on the number of days to turn vacant units?
	➤ The company policy is to turn vacant units within 3-5 business days.

COMMENTS: Prior to the completion of this report completed work orders were provided for units 21 and 80.

BUDGET MANAGEMENT
1) Are three bids solicited in order to obtain materials, supplies, and services?
➤ Three bids are required to be obtained and reviewed prior to moving forward with purchases or services.
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget?
➤ There have not been any large repairs or purchases 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
Administrative Expenses	$3,173	$4,797	$1,623	33.8%	Seminars/Staff Training, Real Page
Turnover Expenses	$1,324	$1,200	$124	(10.4%)	Cleaning (Contract)
Service Expenses	$1,123	$5,589	$4,466	79.9%	Landscaping, Plumbing Contractor
Maintenance Expenses	$4,961	$4,270	($691)	(16.2%)	Doors/Locks/Keys, Electrical/Lights

COMMENTS:

REVENUE			
FOR THE MONTH ENDING: FEBRUARY 2019		**YEAR TO DATE AS OF: FEBRUARY 2019**	
Gross Potential	$70,880	Gross Potential	$141,747
Budgeted Rental Income	$69,921	Budgeted Rental Income	$140,715
Actual Rental Income Collected	$69,565	Actual Rental Income Collected	$140,093
Variance + (-)	($356)	Variance + (-)	($622)
Other Revenue	$172	Other Revenue	$570
Total Collected	$69,737	Total Collected	$140,663
Budgeted	$70,605	Budgeted	$142,083
Variance + (-)	($868)	Variance + (-)	($1,420)

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) Are invoices processed weekly?	X (Daily in many cases)		

COMMENTS:		
0-30 Days:	$1,995
30-60 Days:	$0
60 Days and Over:	(1,469)
TOTAL	$526

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 1st and considered late on the 6th day. An initial late fee of $5 is incurred at that time and an additional daily fee of $1 is accrued until rent is paid. Late fees will not exceed $30.			

		YES	NO	N/A
3)	When is legal action taken against delinquent accounts? ➢ According to management, legal action against delinquent accounts is taken around the 22nd of each month.			
4)	Does the property currently have any resident(s) under eviction?		X	
5)	Does Housing have any outstanding balances?	X		

COMMENTS: Management is in the process of collecting late rent at the time. The Delinquent and Prepaid Report was provided on 04/17/2019.		
0-30 Days:		$2,556
30-60 Days:		$1,170
60 Days and Over:		$765
TOTAL		$4,491

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) Are weekly staff meetings held?	X		
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➢ Onsite staff has completed Grace Hill and On Site training. The Manager is going to National Affordable Housing Management Association (NAHMA) conference in Ft Worth next week.			
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? ➢ Reports are requested and/or pulled from the Onsite system at the Owner's discretion.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➢ The Property Manager is required to get the owner's approval for any dollar amount on expenses that are not budgeted. The Regional Manager is required to get owner approval for amounts over $1,000.			
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

Observations:

- **Currently the office hours are located in the laundry room. It is recommended that the office hours get posted on or near the front door.**
- **All 45 of the new prospects are listed as "other" and contact type is listed as phone call. It is very unlikely that not a single prospect over the course of a year was a walk in. The property continues to use the source "Other" to document traffic. Management is strongly encourage to find a better way to describe the source of traffic. If "other" means the applicant was taken from the waiting list, then please list how the applicant first got on the waiting list (i.e., phone call, drive by, internet etc.). Knowing the proper source for your traffic will strongly benefit the community in the event that it has more vacancy. This is the second observation regarding this item.**