

Texas State Affordable Housing Corporation

Marshall Meadows

1803 Marshall Cross, San Antonio, Texas 78214

Owner: Chicory Court XXV, L.P.

Date Built: 2000

Management Company: The Lynd Company

Property Manager: Mabel Hernandez

Inspection Date & Time: June 6, 2019 at 10:30p.m.

Inspector's Name: James Matias

Occupancy at Time of Report:	97.6%	Average Occupancy Over Last 12 Months:	96.3%
Number of Units: 250			
Number of One Bedrooms:	50	Number of Two Bedrooms:	114
Number of Three Bedrooms:	86	Number of Four Bedrooms:	N/A

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 (see observation)	
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 (see observation)	
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 was in overall good condition based on the reviewer's visual observation. The property continues to have great curb appeal; the property grounds, recreational areas, laundry facility, and trash receptacle areas were clean, well maintained and free of debris. The majority of the building exteriors, including the roofs, foundations, and stucco appear to be in great condition. However, during the review two items of concern were noted. See observations below.

Observations:

- **Building 5 has a large black stain on the building behind the gutter systems downspout. Management is encouraged to check the gutters to make sure water is properly draining into the downspout. In addition, it is strongly suggested that the area behind the downspout is cleaned. Management stated they attempted to power wash the area, but the masonry was chipping away from the building. Other methods and attempts to clean the area are highly recommended.**
- **On the day of the site visit the majority of the breezeways walked were found to be very stained, dingy and dirty. This has been noted on past reports and management stated that regular power washing is completed by maintenance. It is apparent that either the regular power washing is not taking place or is not effective. Management is encouraged to follow up with the maintenance staff regarding the diligence of the regular scheduled cleanings.**

SECURITY PROGRAM Part I			YES	NO	N/A
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:			

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Burglary	3	Burglary (2), Burglary of residence (1)
Theft	2	Theft of Vehicle (2)
Criminal Mischief		
Personal Assault	4	Assault in Progress (2), Assault (1), Assault bodily injury (1)
Drug Related Activity		
Gun Related Activity		
Domestic Violence	1	Family Violence (1)
Disturbance	16	Disturbance (11), Family Disturbance (3), Loud Music (1) Fireworks (1)
Other	5	Threats (2), Harassment (1), Criminal Trespassing (1), Lewd Conduct (1)
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: Management continues to utilize the Resident Handbook and Community Polices to address crime at the property. Management stated they no longer use SAPD because they hired a courtesy patrol service (Texas Law Men). The courtesy patrol conducts daily drivebys at random 4-6 times per week. Management reviews and follows through on the activity noted in the reports. Management also stated that the 16 surveillance cameras (which provide surveillance for the interior and exterior of the management office) are operable. Thirty-one incidents are noted above from the San Antonio Police Department. The incidents occurred over a 3 month period from February 18, 2019 through May 19, 2019. This is a decrease from the previous year however management is still advised to follow up on all incident reports and courtesy patrol reports in order to address the criminal activity at this property.

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: According to management, the last risk assessment was conducted in October of 2018.

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) Does the property require licenses or permits?	X		
➤ Licenses are maintained for the pool fire system, plumbing and alarms.	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		
➤ Picnic Area	X		
➤ Laundry Facility	X		
➤ Business Center	X		
➤ Pool	X		
➤ Other: Sports Court and Resident Service Center	X		

COMMENTS:

KEY CONTROL	YES	NO	N/A
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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? ➢ Pest control services are provided for one building each month and resident can request service at any time.			
6) What is the policy for following up on completed service requests? ➢ As work orders are closed, automatic emails are generated and sent to the tenant to determine tenant satisfaction.			
7) What is the property's after-hours emergency policy? ➢ The property utilizes an after-hours answering service who will contact the responsible staff member to handle the emergency call.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ In July the stair and handicap railings are scheduled to be painted. New pool furniture was purchased in February of this year.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

9) Unit Interior and Appliance upgrades ➢ Appliance upgrades and/or unit interior upgrades are completed as needed.			
10) Building Exterior and Curb Appeal repairs ➢ No building exterior or curb appeal upgrades were completed in 2018.			
11) Amenity upgrades ➢ There were no amenity upgrades in the last budget year.			
12) Other repairs or replacements ➢ The parking lot was restriped during the previous year.			
Number of service requests received:	137		
Number of requests open from prior periods:	120		
Number of service requests completed:	191		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	66		

13) On average, how many days does it take to complete a work order? ➢ On average it took the maintenance staff more than a week to complete work orders. (see observation)			
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COMMENTS: A large amount of work orders seem to be getting opened. In the last month 137 work orders were opened.

Observation:

- The maintenance team does not appear to be diligent with completing the work order request timely and/or updating the software system (Onesite). The Maintenance Summary Report, with a period range from 5/6/2019 through 6/6/2019, indicates the following items which are a concern: 120 work orders opened from prior periods, 66 outstanding work orders, and zero work orders completed within 24 hours and 3 work orders completed within 48 hours. Management is strongly encouraged to take an in-depth look at why so many work orders are being opened and remain outstanding. In addition management should look to have the maintenance staff accomplish quicker turn times for work orders. Last, management should ensure that work orders are being closed timely in 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: Signage	\$0	1	1
Flyers/Brochures (\$99)	\$99		
Resident Referral; \$100 for approved move-ins	\$100	1	
Locator Service	\$0		
Printed/Internet Advertising: Corporate website, Craigslist Gosectoin8.com, and Apartment.com)	\$260	14	1

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Other Source	\$0	15	13
TOTAL	\$459	31	15

The rental activity reflected in the above table was for the month of: 05/06/2019 through 06/06/2019

	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: Management stated Apartments.com does the bilingual advertising on behalf of the property and market surveys are done once per month.

Observation:

- The majority of your new prospects and leases are derived from an advertising source that indicates "Other". In an effort to help the property better target its marketing, management is encouraged to get specific sources on what generated the traffic with "other" listed as the source.

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: 66.6%	6 months: 57.4%	12 months: 62.7%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	2.2% (2)		
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 lease 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., Yardi, 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 increase was due to a utility change on May 16, 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? ➢ N/A			

COMMENTS: Regarding item two above, the renewal percentage for those time frames (current, 6 months, and 12 months), when compared with the 2018 report, reflect a 10%-20% decrease in renewals. Management and the Reasons for Move Outs Report indicate residents are moving out because they are buying homes. The Report indicates that 22 non-renewals bought homes in the last year which is 23.7% of the total move outs.

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	6
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:	6
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:	3
9) Number of uncompleted three bedroom units at time of activity report:	3
Units Walked	
Unit #	Brief Description
327	(3x2) Vacant: Full turn needed.
733	(2x1) Vacant: Full turn needed. The unit has one smoke detector missing and one that needs a battery.
1115	(2x1) Vacant: Full turn needed. The unit is scheduled to have pest control completed for fleas. One smoke detector is needed for this unit.
1212	(3x2) Vacant: Full turn needed.

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Down Units Walked (units vacant and unready for extended period of time and all down units)			
Unit #	Brief Description		
NA			
		YES	NO
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 twice per year.		
7)	How often are vacant units inspected? ➤ Vacant units are inspected daily.		
8)	How many vacant units are in progress of being made ready? ➤ There are six units in the process of being made ready. (see comment)		
9)	What is the company policy on the number of days to turn vacant units? ➤ According to company policy units should be made-ready within 3-5 business days.		
COMMENTS: All 6 vacant units indicate that they have been vacant for 3 days.			

BUDGET MANAGEMENT					
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Three bids are required for the purchase of materials, supplies and services.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ The timers went out on the irrigation system which negatively affected the maintenance and operating expense line item on 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
Maintenance and Operating Expense	\$6,861	\$5,175	(\$1,686)	(32.6%)	Repairs/Supplies (Plumbing, contract, Janitor/Cleaning) and gate repairs
Make-Ready and Decorating	\$3,541	\$2,777	(\$764)	(27.5%)	Flooring Cleaning/Repairs, Painting Supplies
Advertising/Business Promo	\$627	\$840	\$213	25.3%	Printing cost/items, and Resident Functions
COMMENTS:					

REVENUE			
FOR THE MONTH ENDING: MARCH 2019		YEAR TO DATE AS OF: MARCH 2019	
Gross Potential	\$198,033	Gross Potential	\$595,335
Budgeted Rental Income	\$197,573	Budgeted Rental Income	\$589,076
Actual Rental Income Collected	\$197,615	Actual Rental Income Collected	\$598,542
Variance + (-)	\$42	Variance + (-)	\$9,466
Other Revenue	\$6,736	Other Revenue	\$30,295
Total Collected	\$204,351	Total Collected	\$628,837
Budgeted	\$204,155	Budgeted	\$608,138
Variance + (-)	\$196	Variance + (-)	\$20,699
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) Are invoices processed weekly? ➤ Invoices are processed weekly.	X		
COMMENTS: The majority of the balance (\$16,604) is for a balance due to the San Antonio Water System. The balance is less than 30 days old. The only balance of significance older than 30 days is the landscaping balance of \$1,932.	0-30 Days:		\$23,707
	30-60 Days:		\$2,198
	60 Days and Over:		\$0.00
	TOTAL		\$25,905

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 each month. Rent is late on the 5 th day of each month.			
3) When is legal action taken against delinquent accounts? ➤ Management takes legal action sometime around the 10 th - 15th day of each month.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
COMMENTS: Information is based on the review of the Delinquent and Prepaid report dated 06/18/2019. The majority of the delinquent balance is due to 5 units. Three of the 5 units have worked out payment plans or agreed to pay at a later date this month, one of the units lost the housing voucher upon move in and needs a week to move, and one unit is in the eviction process.	0-30 Days:		\$6,317
	30-60 Days:		\$1,106
	60 Days and Over:		\$0
	TOTAL		\$7,423

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 (see comment)		
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. ➤ Site staff has attended the following trainings that are offered through the San Antonio Apartment Association; leasing, housing tax credit, and various maintenance classes.			
COMMENTS: The assistant to the lead maintenance is new within the last year.			

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 sent to the owner weekly.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ For an unbudgeted or over budgeted expense the Property Manager has a limit of \$300 and the Regional Manager has a limit of \$1,000.			

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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		
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COMMENTS:

SUMMARY OF OBSERVATIONS AND FINDINGS

Observations:

- Building 5 has a large black stain on the building behind the gutter systems downspout. Management is encouraged to check the gutters to make sure water is properly draining into the downspout. In addition, it is strongly suggested that the area behind the downspout is cleaned. Management stated they attempted to power wash the area, but the masonry was chipping away from the building. Other methods and attempts to clean the area are highly recommended.
- On the day of the site visit the majority of the breezeways walked were found to be very stained, dingy and dirty. This has been noted on past reports and management stated that regular power washing is completed by maintenance. It is apparent that either the regular power washing is not taking place or is not effective. Management is encouraged to follow up with the maintenance staff regarding the diligence of the regular scheduled cleanings.
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Building 5 – Discoloration noted in Physical Inspection portion of the report



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