

# Texas State Affordable Housing Corporation

## Chaparral Apartments 1411 S Grant Ave., Odessa, Texas 79761

**Owner:** RHAC – Chaparral, LLC

**Date Built:** 1981

**Management Company:** J. Allen Management

**Property Manager:** Belkys Sanabria

**Inspection Date & Time:** September 30, 2022 at 9:00 am

**Inspector's Name:** Celina Mizcles Stubbs

<b>Occupancy at Time of Report:</b>	100%	<b>Average Occupancy Over Last 12 Months:</b>	99%
<b>Number of Units: 80</b>			
<b>Number of One Bedrooms:</b>	0	<b>Number of Two Bedrooms:</b>	70
<b>Number of Three Bedrooms:</b>	8	<b>Number of Four Bedrooms:</b>	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:** Based on the property photos submitted by management, the property appears to be in overall good condition. There are still a handful of window units being utilized at the property. Management mentioned it is an ongoing battle with evaporative coolers and the extreme heat they experience during the summer months.

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		Auto Burglary – 1 and Burglary - 1
Theft		
Criminal Mischief		Criminal mischief – 1
Personal Assault		Assault victim - 1
Drug Related Activity		
Gun Related Activity		Shots - 1
Domestic Violence		
Disturbance		Disturbance - 5
Other		Suspicious vehicle -1

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	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:** The Odessa Police Department call logs reflected 31 calls received between April 2022 and June 2022. Of the 31 calls, 11 incidents are noted above. Management refers to the lease and house rules to address crime on property and issues lease violations when required.

<b>SECURITY PROGRAM Part II</b>	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:** On April 12, 2022, management completed a risk assessment on the property.

<b>OFFICE</b>	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	
➤ (Describe)			
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:**

<b>KEY CONTROL</b>	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:**

<b>MAINTENANCE PROGRAM</b>	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	X		

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property?			
5) How often are Pest Control services provided? ➤ Each month, units are provided with pest control services.			
6) What is the policy for following up on completed service requests? ➤ The Property Manager conducts call-backs for a random sample of completed work orders.			
7) What is the property's after-hours emergency policy? ➤ The on-call maintenance staff receives after-hours calls and directs them to the appropriate persons.			
8) What capital improvements have been scheduled or completed for this budget year? ➤ The following capital improvements were completed; parking lot was restriped, and a few AC evaporator coolers were replaced.			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>			
9) Unit Interior and Appliance upgrades ➤ Interior upgrades were completed as needed.			
10) Building Exterior and Curb Appeal repairs ➤ There were no building or curb appeal repairs.			
11) Amenity upgrades ➤ There were not amenity upgrades.			
12) Other repairs or replacements ➤ There were a few AC unit replacements.			
Number of service requests received:	9		
Number of requests open from prior periods:	0		
Number of service requests completed:	9		
Number of service requests completed within 24 hours:	7		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➤ Based on the Service Request Activity report, it takes maintenance an average of 6.5 days to complete work orders.			
<b>COMMENTS:</b> Management stated they were short a maintenance technician for a 3-month timeframe which resulted in a longer period to close work orders. They are working to shorten the time it takes to close a work order.			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth		3	2
Flyers			
Resident Referral		12	10
Locator Service			
Printed/Internet Advertising			
Other Source		42	36
<b>TOTAL</b>	<b>\$0</b>	<b>57</b>	<b>48</b>
<b>The rental activity reflected in the above table was for the month of: 9/1/2021 – 9/22/2022</b>			
	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	
<b>COMMENTS:</b> The property maintains high occupancy, therefore there are no marketing expenses. Management mentioned there is a new HUD property in the city. The reviewer suggests they shop their competitors.			

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: 61%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?			0%
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.			

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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 took effect in 11/01/2022 with an average increase of about \$12 per unit.			
10) How many households are currently on month-to-month leases? > The development utilized the HUD model lease.			
11) What is the charge for month-to-month leases? > N/A			
<b>COMMENTS:</b> The percentage of tenants that renewed in the last 12 months appear to be low. Management mentioned that a new HUD property opened and therefore lost a lot of their current tenants at the time of renewal to the new development.			

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:			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:			1
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:			1
9) Number of uncompleted three bedroom units at time of activity report:			0
Units Walked			
Unit #	Brief Description		
72	(Vacant, 2x2) This unit was vacant at the time of the desk review but was occupied on 6/29/2022.		
Down Units Walked (units vacant and unready for extended period of time and all down units)			
Unit #	Brief Description		
N/A			
	<b>YES</b>	<b>NO</b>	<b>N/A</b>
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: Weekly			
8) How many vacant units are in progress of being made ready? > There was one unit vacant at the time of the desk review; however, it was occupied shortly after( 6/29/2022).			
9) What is the company policy on the number of days to turn vacant units? > Units are to be turned within 3-5 business days.			
<b>COMMENTS:</b>			

BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? > Three bids are required.			
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? > No, there were no large or unexpected expenses.			

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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	\$18,641	\$12,531	(\$6,109)	(48%)	Bank fees, Office Supplies, Employee – reimbursements, and Hotel travel.
Turnover Expense	\$11,796	\$4,960	(\$6,836)	(\$137)	Materials - Repairs
Leasing Expenses	\$226	\$200	(\$26)	(13%)	Promotions and Entertainment
Maintenance Expenses	\$19,365	\$10,250	(\$9,115)	(88%)	Interiors, Tools/Equipment, Cleaning Supplies, Pest Control services
Repairs/Replacements Under \$5,000	\$37,456	\$45,225	\$7,768	\$17	Vinyl + Window Screens

**COMMENTS:** The high variances in Turnover Expense and Maintenance Expenses are due to the property having more unit turns than expected.

### REVENUE

FOR THE MONTH ENDING: August 2022		YEAR TO DATE AS OF: August 2022	
Gross Potential	\$75,858	Gross Potential	\$598,864
Budgeted Rental Income	\$72,756	Budgeted Rental Income	\$582,050
Actual Rental Income Collected	\$71,185	Actual Rental Income Collected	\$572,289
Variance + (-)	(\$1,571)	Variance + (-)	(\$9,761)
Other Revenue	\$933	Other Revenue	\$6671
Total Collected	\$71,120	Total Collected	\$578,960
Budgeted	\$73,196	Budgeted	\$585,745
Variance + (-)	(\$1,075)	Variance + (-)	(\$6,784)

**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		
<b>COMMENTS:</b> This section was completed using the Aged Payable Report dated 9/22/2022.	0-30 Days:		\$5,855
	30-60 Days:		(\$594)
	60 Days and Over:		(\$930)
	TOTAL		\$4,331

### 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 <sup>st</sup> of the month. A \$5 late fee is assessed on the 6 <sup>th</sup> day along with a \$1 daily fee until rent is paid.			
3) When is legal action taken against delinquent accounts? ➤ Legal action is taken after a 30-day notice is served on delinquent accounts.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?		X	
<b>COMMENTS:</b> This section was completed using the Delinquency and Prepaid Report dated 9/22/2022.	0-30 Days:		\$1,130
	30-60 Days:		\$623
	60 Days and Over:		(\$1,527)
	TOTAL		\$226

### RETURNED CHECKS

	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		0	

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2) Has the manager collected and deposited all returned checks?			X
3) Is the manager following company policy on returned checks?			X
<b>COMMENTS:</b>			

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. ➤ Staff is required to take various virtual trainings via Grace Hill management courses.			

**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? ➤ Owner has access to property management software.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Any dollar amount requires the property manager to request approval for the release of funds.			
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?			

**COMMENTS:**

SUMMARY OF OBSERVATIONS AND FINDINGS
<p><b>No Observation or Findings.</b></p>



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