

Texas State Affordable Housing Corporation

Jose Antonio Escajeda Apartments

204 Alicia Drive
El Paso, TX 79905

Owner: RHAC-JAE, LLC Date Built: 1983

Management Company: Capstone Real Estate Services, Inc. Property Manager: Juana Pineda

INSPECTION DATE/ TIME: May 17, 2011 at 8:00am

Inspector's Name: Sarah Schildmier Bloom

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	99%
Number of Units: 88			
Number of One Bedrooms:	18	Number of Two Bedrooms:	28
Number of Three Bedrooms:	34	Number of Four Bedrooms:	16

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 there signs of erosion, foot paths or tree root elevations?	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? (Please use the comment section if there is rotted wood, peeling paint, missing or broken bricks, or other signs of deferred maintenance.)	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) Are there any major repairs on the property currently? (Please use the comment section if there are any water main repairs, boiler repairs, utility repair, other.)		X	
22) Have repairs or corrections recommended or required from the last physical inspection been satisfactorily completed?			X
23) Are there any other health, fire or safety concerns that need to be addressed?		X	

COMMENTS: Management has continued to preserve the curb appeal for all property sites. On the day of the site visit, the property was clean and the landscaping appears to be maintained. The curb appeal may increase if ground cover options are available for some areas throughout the sites. Management is encouraged to research landscaping options to address the areas that are missing ground cover. The exterior of the buildings appear to be in good condition.

SECURITY PROGRAM Part I

1) In reviewing the police report the following incidents were noted and includes the number of times incidents occurred:		
Incident Type	# of Occurrences	Comments:
Burglary	1	Burglary-Habitat (1)
Theft		
Criminal Mischief		
Personal Assault	1	Assault (1)
Drug Activity		

Texas State Affordable Housing Corporation

Gunfire		
Domestic Violence	3	Domestic-Assault (1), Domestic-Verbal (2)
Disturbance	3	Disturbance-Gun (2), Disturbance-Drunk (1)
Other		
2) Does the property have a written plan to address criminal activity on the property? > Management has <i>House Rules</i> to address criminal activity on the property.		
3) What pro-active measures is the property taking to address crime on the property? > The pro-active measures the property is taking to address crime on the property include sending notifications to residents of recent criminal activity that has occurred on the property, police department patrol, and completing incident reports when criminal activity has occurred on the property. On the day of the site visit, management stated that crime watch meetings are going to be scheduled.		
4) How often is a light check conducted on the property? > A light check is conducted on Mondays and Fridays by the maintenance staff. Light checks are also conducted monthly during the preventive maintenance schedule.		
COMMENTS: The police reports that were submitted for the previous three months reflect a burglary, assaults, and disturbances. Management is encouraged to create and implement a Crime Prevention Plan. The Crime Prevention Plan should include management requesting and reviewing police reports monthly, conducting crime watch meetings, and implementing additional pro-active measures to address criminal activity on the property. Reviewing the police reports may assist in issuing lease violations when appropriate and monitor the types activity on the property in efforts to decrease the overall criminal activity.		

SECURITY PROGRAM Part II	YES	NO	N/A
1) Is the Staff trained in addressing crime on the property?	X		
2) Does the Management Policy or the Resident Services Program address any of the following activities responding to the needs of the community?			
> Violent Crime	X		
> Drug Activity	X		
> Family Violence	X		
> Other	X		
3) Are there signs of vandalism on the property?		X	
4) Are criminal background checks being conducted on all residents over 18 years of age?	X		
5) Has a risk assessment been conducted to determine risk liabilities at the property?	X		
COMMENTS: Centerline conducts annual inspections.			

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?			
> Fair Housing Poster	X		
> Occupancy Qualifications	X		
6) Are property licenses and permits on file and renewed on a timely basis?	X		
7) Are insurance binders maintained on vendors on-site and/or at the corporate office?	X		
8) Is there a compliance department that ensures the set aside and requirements are being maintained? (If no, please explain the current compliance procedures.)	X		
9) 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 (Pergola, Washer Connections)	X		
COMMENTS: The City of El Paso recently installed a bus stop near the property.			

KEY CONTROL	YES	NO	N/A
1) Are all property keys properly coded?	X		

Texas State Affordable Housing Corporation

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 turnover of vacant units and turnover of staff?	X		

COMMENTS:

MAINTENANCE PROGRAM	YES	NO	N/A
1) Is the preventative maintenance schedule being implemented?	X		
2) Is the maintenance shop clean and organized?	X		
3) How often does the exterminator provide services? ➢ The exterminator provides services monthly and as requested.			
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly? ➢ The MSDS was available in the maintenance shop.			
5) What is the policy on follow ups for completed service requests? ➢ All completed service requests receive a follow up call.			
6) What is the property's after hours emergency policy? ➢ Calls to the emergency number are directed to the pager of the on-call maintenance personnel.			
7) What capital improvements have been scheduled for this budget year? ➢ Capital improvements scheduled for this year include roof repairs on certain buildings.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

8) Unit Interior upgrades ➢ There were not any interior upgrades completed last year.
9) Appliance Replacements ➢ Management purchased two appliances each month.
10) Building Exterior repairs ➢ Fascia repairs were made last year.
11) Curb Appeal upgrades ➢ The trees were trimmed last year to increase curb appeal.
12) Amenity upgrades ➢ No amenity upgrades were completed.
13) Other repairs or replacements ➢ No other repairs or replacements were completed.

The following information was reported for the dates 4-17-2011 to 5-17-2011:

Number of service requests received:	3		
Number of service requests completed:	3		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	0		

COMMENTS: The roofs are going to be repaired to address some leaking. Management stated that the leaks are not affecting the units. According to management, the new appliances that are being purchased are being tracked. Management is encouraged to refer to Rehabilitation Standards in Section 4 (a-j) of the Compliance Agreement when replacing doors, windows appliances, heat and cooling units, and other items to ensure compliance. Texas State Affordable Housing Corporation staff can be contacted for assistance.

Observation:

- **According to the Work Order Status Report, the service requests took almost a month to compete. Management stated that the report is not accurate. According to management, all service requests are completed in 24 hours. It is recommended that management update the Work Order Status Report on a regular basis or enter the actual completion dates to evaluate the maintenance program more accurately.**

MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth			
Flyers		1	1
Resident Referral			
Locator Service			
Printed Advertising			
Internet Advertising			

Texas State Affordable Housing Corporation

Preferred Employer			
Other Source (list)			
TOTAL	\$0	1	1

The rental activity reflected in the above table was for the dates 4-17-11 to 5-17-2011:

	YES	NO	N/A
2) Is the property doing bilingual advertising?	X		
3) Does the property have any competitors?		X	
4) How often are competitors shopped? ➤ Management stated that the property does not have any direct competitors. The Housing Authority provides housing, but is not considered a competitor.			
5) How often is a market survey completed? ➤ Market surveys are not completed.			

COMMENTS: Management is not currently spending any money on marketing. The property is 100% occupied and is working off a waiting list. Any material that management distributes to the residents is bilingual.

LEASE RENEWAL	YES	NO	N/A
1) Is an effective lease renewal program in place?	X		
2) What percentage of residents renewed in the past 12 months?	92%		
3) When are the lease renewal/rent increase notices sent to residents? ➤ Management starts sending lease renewals and rent increase notices are sent to residents 120 days before expiration			
4) Are individual files being reviewed to determine renewal/non-renewal status?	X		
5) How are renewals tracked and monitored? ➤ Renewals are tracked and monitored through Management Plus.			
6) Are rent increases being implemented?		X	
7) What is the number of month-to-month leases?			X
8) What is the month-to-month charge?			X

COMMENTS: The property currently recertifies all residents in March of each year. Due to the one month of recertification, the reports do not reflect renewal activity on a monthly basis. According to the Unit Activity Report, the property had 8 move outs from 4-1-2010 to 4-1-2011. All residents are on a month-to-month lease due to the project type.

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 completed four bedroom units at time of activity report:	0
7) Number of uncompleted made ready units at time of activity report:	0
8) Number of uncompleted one bedroom units at time of activity report:	0
9) Number of uncompleted two bedroom units at time of activity report:	0
10) Number of uncompleted three bedroom units at time of activity report:	0
11) Number of uncompleted four bedroom units at the time of activity report:	0

Units Walked (model and minimum of 3 make ready units)

Unit #	Brief Description (See Unit Inspection Sheet for details)
8	1 x 1 Occupied-Clean
21	2 x 1 Occupied-Clean
93	2 x 1 Occupied-Clean

Units Walked (units vacant and unready for extended period of time and all down units)

Unit #	Brief Description (See Unit Inspection Sheet for details)
N/A	On the day of the site visit, no units were down or vacant for an extended period of time.

Texas State Affordable Housing Corporation

	YES	NO	N/A
1) Were inspected units in acceptable condition?	X		
2) Does the Unit Availability Report match the make ready board?			X
3) Are units being turned in a timely manner?	X		
4) Are there any down units?		X	
5) Are there vacant units that have been vacant for an extended period of time? (If yes, specify the reason below.)		X	
6) Does management have a system to monitor timely preparation of vacant units?	X		
7) Are units inspected after being made ready?	X		
8) How often are occupied units inspected? ➢ Occupied units are occupied semi-annually. Ten units are walked each month.			
9) How often are vacant units inspected? ➢ Vacant units are inspected at move out, make ready, and at move in.			
10) What is the company policy on turning vacant units? ➢ The company policy on turning units is 2-3 business days.			
11) How many vacant unready units are near completion? ➢ All units were made ready.			
COMMENTS:			

BUDGET MANAGEMENT		YES	NO	N/A	
1) Is management using the current budget to monitor and control operating expenses?		X			
2) How many bids are solicited in order to obtain materials, supplies, and services? ➢ Three bids are solicited to obtain materials, supplies, and services.					
3) Have there been any large unexpected repairs or purchases that have negatively affected the budget? ➢ Management stated that there have not been any large unexpected repairs.					
4) Explain variance of 10% or greater YTD.					
<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	\$7,227	\$3,683	-\$3,544	-96%	Audit Expense
COMMENTS:					

REVENUE					
FOR THE MONTH OF MARCH			YEAR TO DATE 2011		
Gross Potential		\$57,386	Gross Potential		\$172,158
Budgeted		57,982	Budgeted		172,754
Variance + (-)		-596	Variance + (-)		-596
Collected to Date		56,914	Collected to Date		172,786
Other Revenue		34	Other Revenue		148
Total Collected		56,948	Total Collected		172,934
Budgeted		57,608	Budgeted		171,644
Variance + (-)		-660	Variance + (-)		1,290
COMMENTS:					

Texas State Affordable Housing Corporation

ACCOUNTS PAYABLE	YES	NO	N/A
1) Is the payable report up to date?	X		
2) Do the invoices reflect late charges due to late payments?		X	
3) Have any property accounts been closed in the past 30 days?		X	
4) Is debt being controlled?	X		
5) How often are invoices processed? ➤ Invoices are processed daily.			
6) If payments are a problem, what is management doing to correct the problem? ➤ Payments do not appear to be a problem.			
COMMENTS:	Current:		\$ 514
	30 Days:		\$ 0
	60 Days and Over:		\$ 205
	TOTAL		\$ 719

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?			
2) What is the collection policy for outstanding rents? ➤ Notices are sent on the 7 th -9 th of the month. Management continues to follow up with residents with calls and by sending notices.			
3) When is legal action taken against delinquent accounts? ➤ Eviction is file on the first of the month following the month in which the household became delinquent.			
4) Does the property currently have any resident(s) under eviction? (If yes, how much is outstanding?)		X	
5) Does Housing have any outstanding balances? (If yes, how much is outstanding?)		X	
COMMENTS:	Current:		\$ 0
	30 Days:		\$ 0
	60 Days and Over:		\$ 0
	TOTAL		\$ 0

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) Do personnel appear to be dressed appropriately?	X		
7) Are name tags/photo IDs being worn by the maintenance personnel?	X		
8) Was management staff prepared for the site visit?	X		
9) How often are staff meetings held? ➤ Staff meetings are held on Friday.			
10) Have personnel been trained in Fair Housing?	X		
11) List all training staff has received in the past three years. ➤ Staff has received the following training: Elizabeth Moreland (Tax Credit Training), Southwest Housing Training, EPA training, Grace Hill, Webcasts with Capstone, HVAC, Electrical, and Preventive Maintenance.			
COMMENTS:			

OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to computer generated reports?	X		

Texas State Affordable Housing Corporation

2) If owner does not have computer access to the reports, what reports are submitted to the owner? ➤ Not Applicable			
3) How often are the reports submitted to the owner? ➤ Reports are submitted to the owner weekly.			
4) What is the amount that requires owner approval for the release of funds? ➤ Approval is needed for all funds over the budget.			
5) Are the funds for needed capital improvement items, turning of units, marketing campaigns released by the owner according to what has been budgeted?	X		

COMMENTS:

SUMMARY OF OBSERVATIONS AND FINDINGS

No Findings.

Observation:

- According to the Work Order Status Report, the service requests took almost a month to compete. Management stated that the report is not accurate. According to management, all service requests are completed in 24 hours. It is recommended that management update the Work Order Status Report on a regular basis or enter the actual completion dates to evaluate the maintenance program more accurately.

Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation

