

# Texas State Affordable Housing Corporation

## Asset Oversight Observation Report

**Sierra Vista**  
**10501 Montwood Drive**  
**El Paso, TX 79935**

**Owner: RHAC-Sierra, LLC**                      **Date Built: 1983**  
**Management Company: Capstone Real Estate Services, Inc.**                      **Property Manager: Lorena Escobar**

**INSPECTION DATE/ TIME: May 18, 2011 at 8:00am**  
**Inspector's Name: Sarah Schildmier Bloom**

<b>Occupancy at Time of Report:</b>	100%	<b>Average Occupancy Over Last 12 Months:</b>	99%
<b>Number of Units: 106</b>			
<b>Number of One Bedrooms:</b>	0	<b>Number of Two Bedrooms:</b>	66
<b>Number of Three Bedrooms:</b>	40	<b>Number of Four Bedrooms:</b>	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 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:** The property appeared to be clean on the day of the site visit and continues to have great curb appeal. Some litter was noticed on the far side of the property; however the maintenance staff was working on picking up the litter throughout the property during the physical inspection. The grass and landscaping was nicely trimmed. The paint on the exterior of the buildings appears to be in good condition. The items needing attention on the day of the site visit included broken roof tiles and an air conditioner leak. The roof tiles were broken on several of the unit storage closets. Management stated that new roof tiles are in the process of being ordered. The air conditioner for unit 7 appeared to be leaking during the physical inspection. Management repaired the leak on the day of the site visit. Management created a secured area for the previous resident files in response to the observation listed in the 2010 Asset Oversight Report.

SECURITY PROGRAM Part I		
1) In reviewing the police report the following incidents were noted and includes the number of times incidents occurred:		
<b>Incident Type</b>	<b># of Occurrences</b>	<b>Comments:</b>
Burglary	1	

# Texas State Affordable Housing Corporation

## Asset Oversight Observation Report

Theft	2	
Criminal Mischief	2	
Personal Assault	1	
Drug Activity	2	
Gunfire		
Domestic Violence	13	Domestic-Verbal (8), Domestic-ASLIP (3), Domestic-ASLJO (1), Domestic-CRIMIP (1)
Disturbance	10	Disturbance (2), Disturbance-Noise (2), Disturbance-Drunk (2), Disturbance-Fight (3), Disturbance-Gun (1)
Other		

- 2) Does the property have a written plan to address criminal activity on the property?  
 > Management has *House Rules* and a written crime prevention plan 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 reviewing the police reports monthly and having monthly crime watch meetings. The police department also patrols the property.
- 4) How often is a light check conducted on the property? (Please obtain a copy of the schedule.)  
 > A light check is conducted daily and monthly during the preventive maintenance schedule.

**COMMENTS:** The property has been submitting the monthly Crime Prevention Reports with monthly police reports and activities to TSAHC as required. The criminal activity in the police reports for the last three months has not significantly decreased since the 2010 Asset Oversight Report, therefore monthly reporting of criminal activity to TSAHC will continue.

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	X		

**COMMENTS:** On the day of the site visit the office was organized and inviting. The insurance binders are maintained on vendors and are located at the

# Texas State Affordable Housing Corporation

## Asset Oversight Observation Report

corporate office. The property submits certifications to the compliance department for approval.

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 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? ➢ Exterminator provides services quarterly.			
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly? ➢ The MSDS binder was easily accessible.			
5) What is the policy on follow ups for completed service request? ➢ Since the property manager is new and encouraging communication with the residents, she is asking residents to call her or come into the office to let her know if the service request was completed. The property manager may change the current policy and call the resident in the future.			
6) What is the property's after hour's 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 budget year include working on the fire hydrants and repairing 40 storage closets roofs.			

**Detail of Ongoing Repairs and Replacements Completed in Last Budget Year**

8) Unit Interior upgrades? ➢ The tile floors were changed in several units last year.			
9) Appliance Replacements? ➢ Management purchased two appliances each month.			
10) Building Exterior repairs? ➢ In response to the Uniform Physical Condition Standards review, fascia repairs, roof tile repairs, and stucco repairs were completed.			
11) Curb Appeal upgrades? ➢ The parking lot was re-stripped, the sprinkler system received repairs, and trees were trimmed.			
12) Amenity upgrades? ➢ The gazebo received repairs.			
13) Other major repairs? ➢ No other major repairs were completed last year.			

**The following information was reported for the dates 4-1-2011 to 5-25-2011:**

Number of service requests received:	22		
Number of service requests completed:	22		
Number of service requests completed within 24 hours:	21		
Number of outstanding service requests:	0		

**COMMENTS:** Even though the management software allows the actual scheduled and completion dates to be entered on the Work Order Status Report, the property manager stated that the report will be updated daily in the future.

**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 Advertising			

# Texas State Affordable Housing Corporation

## Asset Oversight Observation Report

Internet Advertising			
Preferred Employer			
Other Source (list)			
TOTAL	\$0	0	0

**The rental activity reflected in the above table was for the month of May 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? <ul style="list-style-type: none"> <li>➢ Management stated that the property does not have any competitors. The Housing Authority provides housing, but is not considered a competitor.</li> </ul>			
5) How often is a market survey completed? <ul style="list-style-type: none"> <li>➢ Market surveys are not completed.</li> </ul>			

**COMMENTS:** Management is not currently spending any money on marketing. The property is 100% occupied and is working off a waiting list.

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?	84%		
3) When are the lease renewal/rent increase notices sent to residents? <ul style="list-style-type: none"> <li>➢ Management sends lease renewals and rent increase notices to residents 120 days before expiration.</li> </ul>			
4) Are individual files being reviewed to determine renewal/non-renewal status?	X		
5) How are renewals tracked and monitored? <ul style="list-style-type: none"> <li>➢ Renewals are tracked and monitored through Management Plus and a manual recertification log.</li> </ul>			
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 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 17 move outs from 4-1-2010 to 4-1-2011. All resident 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:	N/A
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:	N/A
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:	N/A
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:	N/A

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

Unit #	Brief Description (See Unit Inspection Sheet for details)
62	2x1 Occupied-Clean
80	3x2 Occupied-Clean
95	2x1 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

## Asset Oversight Observation Report

	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 inspected semi-annually.			
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? ➢ There were not any vacant units to be made ready.			
<b>COMMENTS:</b>			

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.							
<b><u>Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending</u></b>							
(Please note that a positive variance is under budget and a negative variance is over budget.)							
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION		
Payroll	\$24,969	\$29,372	\$4,403	15%	Manager Salaries		
Administrative	\$7,643	\$4,386	-\$3,256	-74%	Audit Expense		
<b>COMMENTS:</b>							

REVENUE					
FOR THE MONTH OF MARCH			YEAR TO DATE 2011		
Gross Potential		\$61,984	Gross Potential		\$184,316
Budgeted		61,910	Budgeted		184,166
Variance + (-)		74	Variance + (-)		150
Collected to Date		60,565	Collected to Date		182,093
Other Revenue		1,256	Other Revenue		2,346
Total Collected		61,821	Total Collected		184,439
Budgeted		62,044	Budgeted		184,688
Variance + (-)		-223	Variance + (-)		-249
<b>COMMENTS:</b>					

# Texas State Affordable Housing Corporation

## Asset Oversight Observation Report

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.			
<b>COMMENTS:</b>	Current:		\$ 0
	30 Days:		\$ 0
	60 Days and Over:		\$ 0
	TOTAL		\$ 0

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the collection policy for outstanding rents? ➤ A ten day notice is sent on the 6 <sup>th</sup> of the month and a three day notice is sent on the 17 <sup>th</sup> of the month.			
3) When is legal action taken against delinquent accounts? ➤ Eviction is filed on the 20 <sup>th</sup> of the month.			
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	
<b>COMMENTS:</b> Management also follows up with residents and will make payment arrangements to collect rent. Management also will refer residents to organizations that may be able to provide rent and/or utility assistance.	Current:		\$ 232
	30 Days:		\$ 0
	60 Days and Over:		\$ 0
	TOTAL		\$ 232

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
<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) 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 daily.			
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), Grace Hill, Webcasts with Capstone, HVAC, Electrical, and Preventive Maintenance.			

**COMMENTS:** The property manager has recently started working at Sierra Vista. The regional manager was unable to be at the property on the day of the site visit, however the assistant manager from a sister community came to the property for the review. The property manager was able to answer many of the questions and appeared to be familiar with both the residents and the property even though she had only been there one month.

# Texas State Affordable Housing Corporation

## Asset Oversight Observation Report

Both the property manager and the assistant manager from the sister community were friendly and helpful in completing the Asset Oversight review.

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

Texas State Affordable Housing Corporation  
Asset Oversight Observation Report



Texas State Affordable Housing Corporation  
Asset Oversight Observation Report



# Texas State Affordable Housing Corporation Asset Oversight Observation Report



Texas State Affordable Housing Corporation  
Asset Oversight Observation Report

