

# Texas State Affordable Housing Corporation

## Aguila Oaks

3270 Nacogdoches San Antonio, TX 78217

**Owner:** San Antonio Low Income Housing, LLC

**Date Built:** 1982

**Mgmt Company:** Cesar Chavez Foundation

**Property Manager:** Rocio Marquez

**Inspection Date & Time:** 4.14.14 at 9:00 A.M.

**Inspector's Name:** Mindy Taylor

<b>Occupancy at Time of Report:</b>	98%	<b>Average Occupancy Over Last 12 Months:</b>	96%
<b>Total Number of Units: 346</b>			
<b>Number of One Bedrooms:</b>	278	<b>Number of Two Bedrooms:</b>	68
<b>Number of Three Bedrooms:</b>	N/A	<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 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:** On the day of the site visit the property displayed good curb appeal. The landscaping appeared to be in acceptable condition. Several buildings throughout the property had missing shingles. The wood siding on building 10 was rotten and falling off, management repaired the siding and submitted documentation prior to completion of this report. The gutters appeared to be in good condition; however management noted that while no gutters are missing some need to be repaired.

**Finding:**

- On the day of the site visit the roof of several buildings had missing or damaged shingles. Management must inspect the roof of each building to determine how many roofs need to be repaired. Management must submit proof of inventory as well as documentation that the repairs have been made by May 22, 2014.

### 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	3	Burglary (1) Burglary of Vehicle (2)
Theft	5	
Criminal Mischief		

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Personal Assault	3	
Drug Activity		
Gunfire	1	Disturbance Gun Involved
Domestic Violence		
Disturbance	13	Disturbance (8) Disturbance Family (5)
Other		
2) Does the property utilize a crime prevention agreement? ➤ The property does not utilize a crime prevention plan.		
3) What pro-active measures is the property taking to address crime on the property? ➤ The property hired Cellular on Patrol, and they monitor the property 2-3 times every night.		
4) How often is a light check conducted on the property? Who performs light checks on the property? ➤ A light check is performed weekly by the courtesy patrol officers.		
<b>COMMENTS:</b>		

SECURITY PROGRAM Part II	YES	NO	N/A
1) Is the Staff trained in addressing 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?	X		
<b>COMMENTS:</b> A risk assessment was completed as a part of the refinancing that occurred this year.			

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) 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	
8) When are property licenses and permits renewed?			
➤ Licenses and permits are renewed annually.			
9) Where are vendor insurance records/binders maintained?			
➤ Vendor insurance is maintained by the Cesar Chavez Foundation corporate office.			
<b>COMMENTS:</b>			

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		
<b>COMMENTS:</b>			

MAINTENANCE PROGRAM	YES	NO	N/A
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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) On average, how many days does it take to complete a work order? ➤ Approximately 40% of work orders are closed within 24 hours of being opened.			
5) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?		X	
6) How often are Pest Control services provided? ➤ Pest control is provided weekly. All vacant units are treated as well as the exterior of each building.			
7) What is the policy for following up on completed service requests? ➤ The property does not utilize a work order follow up policy. However, the manager randomly calls residents to ensure satisfaction.			
8) What is the property's after hours emergency policy? ➤ Resident calls are answered by a live answering service. If an emergency has occurred the maintenance manager and the property manager are notified.			
9) What capital improvements have been scheduled or completed for this budget year? ➤ In 2014, the property plans to complete the following capital improvement projects: resurface the tennis court and turn it into an exercise area surrounded by a small track, repair all parking lots (resurface and restripe), add 3 BBQ pits with hot ash storage, re-facing cabinets (40% minimum), re-surfacing countertops, purchase concrete furniture for pool #2, gutter repair and replacement, remodel the leasing office to be ADA compliant, paint buildings 1-13 and 2-2, install new smoke detectors to each unit, landscaping (install root barrier and remove shrubs), handrail repairs in building 1-13 and 2-2			

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

10) Unit Interior and Appliance upgrades ➤ Appliances were replaced as needed.			
11) Building Exterior and Curb Appeal repairs ➤ Minor roof repairs were made on each building from damage incurred during a storm.			
12) Amenity upgrades ➤ No amenity upgrades were made in 2013.			
13) Other repairs or replacements ➤ No additional repairs were made in 2013.			
Number of service requests received:	221		
Number of requests open from prior periods:	0		
Number of service requests completed:	221		
Number of service requests completed within 24 hours:	89		
Number of outstanding service requests:	0		

### COMMENTS:

#### Finding:

- During the site visit, the Material Safety Data Sheets (MSDS) disc was located in the office and not in the maintenance area. It is essential to the protection of the staff and property for MSDS to be located in the area where the materials and chemicals are stored. The owner must create a MSDS binder and store it in the maintenance shop by May 22, 2014.

## MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$200	23	8
Flyers	\$0	0	0
Resident Referral	\$150	6	3
Locator Service	\$500	2	1
Printed Advertising	\$690	1	0
Internet Advertising	\$0	1	0
Other Source (word of mouth)	\$0	7	5
TOTAL	\$1,540	40	17
The rental activity reflected in the above table was for March 13, 2014 through April 13, 2014.			
	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		

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5) Does the property complete a market survey at least monthly?	X		
<b>COMMENTS:</b> The property has a contract with a company that completes market surveys and also shops the properties.			

LEASE RENEWAL	YES	NO	N/A
1) Does it appear that an effective lease renewal program in place?	X		
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: 68%	6 months: 70%	12 months: 70%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	38%		
4) When are the lease renewal/rent increase notices sent to residents? ➤ Lease renewal notices are sent 120 days prior to lease expiration.			
5) Are individual files being reviewed to determine renewal/non-renewal status?	X		
6) How are renewals and re-certifications tracked and monitored? ➤ Renewals are currently being tracked through Yardi.			
7) Are rent increases being implemented?	5%		
8) When was the last rent increase implemented? What was the average rent increase? ➤ Rent increases are implemented at renewal.			
9) How many households are currently on month-to-month leases? ➤ Seven households (2%) are currently on month to month leases.			
10) What is the charge for month-to-month leases? ➤ The property charges \$40 per month for leases that are not renewed.			

**COMMENTS:**

VACANT/MAKE READY UNITS					
1) Number of vacant units at time of activity report:			5		
2) Number of completed made ready units at time of activity report:			5		
3) Number of completed one bedroom units at time of activity report:			5		
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				
1-1010	1x1 Made Ready				
2-214	1x1 Made Ready				
2-211	1x1 Made Ready				
2-303	1x1 Made Ready				
2-708	1x1 Made Ready				
Down Units Walked (units vacant and unready for extended period of time and all down units)					
Unit #	Brief Description				
NA					
			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?			X		
5) What system is used by management to monitor the timely preparation of units? ➤ The property manager meets with the staff person responsible for make-readies every Monday.					
6) How often are occupied units inspected? ➤ Units are inspected one time annually.					

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7) How often are vacant units inspected? ➤ Units are inspected 5 times after the make ready and each day during the make ready process.
8) How many vacant unready units are in progress of being made ready? ➤ There are three units in the process of being made ready.
9) What is the company policy on the number of days to turn vacant units? ➤ Company policy is to complete make ready's in 30 days. However, the property manager has a policy of two weeks.
<b>COMMENTS:</b> The property has one unit that was vacant for an extended period of time. However, the unit is now made ready and pre-leased.

BUDGET MANAGEMENT						YES	NO	N/A
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Three bids are collected to obtain supplies and services.								
2) Have there been any large unexpected repairs or purchases that have negatively affected the budget? ➤ There have not been any unexpected expenses this budget year.								
3) Explain YTD variances of 10% or greater.								
<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		
Advertising & Marketing		\$3,047	\$4,036	\$989	25%	Rental Guides		
Contracts		\$13,040	\$15,302	\$2,262	15%	Heating and Cooling Repairs		
COMMENTS:								

REVENUE					
FOR THE MONTH OF January, 2014			YEAR TO DATE		
Gross Potential		\$387,953	Gross Potential		\$387,953
Budgeted Rental Income		376,316	Budgeted Rental Income		376,316
Actual Rental Income Collected		364,119	Actual Rental Income Collected		364,119
Variance + (-)		-12,197	Variance + (-)		-12,197
Other Revenue		26,752	Other Revenue		26,752
Total Collected		390,910	Total Collected		390,910
Budgeted		405,316	Budgeted		405,316
Variance + (-)		-14,406	Variance + (-)		-14,406
<b>COMMENTS:</b>					

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) How often are invoices processed? ➤ Invoices are processed monthly.			
<b>COMMENTS:</b> In 2013 the aging payables totaled \$1,598,627. The property was refinanced which alleviated the debt from the property.	0-30 Days:		\$272.49
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$272.49

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 first of the month. A three day notice to vacate is given on the 4 <sup>th</sup> of the month.			
3) When is legal action taken against delinquent accounts? ➤ Eviction is typically filed on the 15 <sup>th</sup> of the month.			
4) Does the property currently have any resident(s) under eviction?	2		

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5) Does Housing have any outstanding balances?		X	
<b>COMMENTS:</b>	0-30 Days:		\$27,847
	30-60 Days:		\$1978
	60 Days and Over:		\$230
	TOTAL		\$30,055

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:	3		
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) How often are staff meetings held? ➤ Staff meetings are held weekly.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ Management attended the following training: Housing Tax Credit, UPCS, maintenance, sexual harassment, fair housing, leasing, pool, red book update.			
<b>COMMENTS:</b> The property has two new leasing agents since the prior visit.			

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? ➤ A report is submitted to the owner weekly and also monthly.			
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 need approval for any unbudgeted or over budget expense of \$500, the regional manager needs approval over \$2,500.			
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		
<b>COMMENTS:</b>			

SUMMARY OF OBSERVATIONS AND FINDINGS
<b>Findings:</b> <ul style="list-style-type: none"> <li>On the day of the site visit the roof of several buildings had missing or damaged shingles. Management must inspect the roof of each building to determine how many roofs need to be repaired. Management must submit proof of inventory as well as documentation that the repairs have been made by <u>May 22, 2014</u>.</li> <li>During the site visit, the Material Safety Data Sheets (MSDS) disc was located in the office and not in the maintenance area. It is essential to the protection of the staff and property for MSDS to be located in the area where the materials and chemicals are stored. The owner must create a MSDS binder and store it in the maintenance shop by <u>May 22, 2014</u>.</li> </ul>



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