

Texas State Affordable Housing Corporation

Jose Antonio Escajeda Apartments

204 Alicia Drive, El Paso, Texas 79905

Owner: RHAC – JAE, LLC

Date Built: 1983

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

Inspection Date & Time: September 24, 2014

Inspector's Name: James Matias and Celina Mizcles

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	99.73%
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 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: Jose Antonio Escajeda Apartments is a multi-site development located on 5 different streets of El Paso's second ward district. Based on visual observation, the property is in overall good condition.

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		
Theft		
Criminal Mischief		
Personal Assault		
Drug Activity		
Gunfire		
Domestic Violence		
Disturbance		
Other		

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2) Does the property utilize a crime prevention agreement?	
➤ The property uses a lease addendum agreement to address criminal activity.	
3) What pro-active measures is the property taking to address crime on the property?	
➤ The property is not taking any pro-active measures at this time.	
4) How often is a light check conducted on the property? Who performs light checks on the property?	
➤ Maintenance conducts a light checks once every two weeks.	

COMMENTS:

Finding:

- **TSAHC is unable to answer the Security Program section as police reports have not been provided. On the day of the site visit, management confirmed that requested the police reports however had not received them. Prior to the issuance of this report, management informed TSAHC that they still have not received the police reports. Management is required to submit police reports to TSAHC no later than November 19, 2014.**

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		

COMMENTS: Management confirmed that criminal background checks are not conducted for those turning 18 while living in the unit.

Management stated a risk assessment was conducted last 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?			
➤ Property licenses and permits are renewed annually.			
9) Where are vendor insurance records/binders maintained?			
➤ Vendor insurance records/binders are maintained at the corporate office.			

COMMENTS:

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: During the physical inspection of units, management was unable to locate the keys to unit 84. Based on a conversation with the Property Manager, the key was borrowed by the household and had not been returned the key to the office. TSAHC discourages this practice. Management must always maintain a key to each unit. Prior to the issuance of this report, management provided TSAHC with documentation to support the key has been returned.

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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)	On average, how many days does it take to complete a work order? ➤ Based on conversation, management wants work orders to be completed within 3-5 days and within 24 hours for emergency work orders. However, TSAHC is unable to determine the average time it takes as the Service Request Report is not properly completed by staff.			
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 services are provided monthly and as needed.			
7)	What is the policy for following up on completed service requests? ➤ All major items and emergencies will received a follow up call from management.			
8)	What is the property's after hours emergency policy? ➤ All residents are provided with the emergency maintenance phone number. Maintenance staff rotates on-call duties on a weekly basis.			
9)	What capital improvements have been scheduled or completed for this budget year? ➤ Based on a conversation with management, improvements were made to the property's parking lot, the exterior of the maintenance shop was painted, and the playgrounds were improved.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

10)	Unit Interior and Appliance upgrades ➤ These items are completed as needed.			
11)	Building Exterior and Curb Appeal repairs ➤ There were no building exterior and curb appeal upgrades in 2013.			
12)	Amenity upgrades ➤ There were no amenity upgrades completed in 2013.			
13)	Other repairs or replacements ➤ There were no amenity upgrades completed in 2013.			
Number of service requests received:		7		
Number of requests open from prior periods:		0		
Number of service requests completed:		7		
Number of service requests completed within 24 hours:		See comment		
Number of outstanding service requests:		0		

COMMENTS:

Observation: Based on a review of the Service Request report provided for review, for the timeframe 9/03/2014 – 9/18/2014, there were 7 service requests created and completed. TSAHC is unable to determine the number of service requests that were completed within 24 hours as completion date and times are not entered into Onsite. Management is reminded that entering completion dates and times will allow management to ensure work orders are being completed within a reasonable timeframe.

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	\$		
Internet Advertising	\$		
Other Source (list)	\$		
TOTAL	\$		
The rental activity reflected in the above table was for the month of: The Property Manager confirmed that there are no marketing effort expenses for this property. The property maintains and utilizes an extensive waiting list to fill vacant units.			
	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	
COMMENTS:			

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? <i>(For Rainbow Properties USE: What percentage of residents renewed in the past 12 months?)</i>	Current: 93%	6 months: N/A	12 months: N/A
3)	What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	0%		
4)	When are the lease renewal/rent increase notices sent to residents? ➤ Management provides all residents with a 120 day recertification notice and follows up with a 90, 60, and 30 day notice when necessary.			
5)	Are individual files being reviewed to determine renewal/non-renewal status?	X		
6)	How are renewals and re-certifications tracked and monitored? ➤ The property utilizes Onsite to track renewals			
7)	Are rent increases being implemented?	X		
8)	When was the last rent increase implemented? What was the average rent increase? ➤ The last gross rent increase was 6/01/14.			
9)	How many households are currently on month-to-month leases? ➤ Due to the type of lease utilized at this property, everyone is on a month-to-month lease.			
10)	What is the charge for month-to-month leases? ➤ Due to the type of lease utilized at this property, there is no up-charge for month-to month leases.			
COMMENTS:				

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:			N/A
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:			N/A
5)	Number of completed three bedroom units at time of activity report:			N/A
6)	Number of uncompleted made ready units at time of activity report:			N/A
7)	Number of uncompleted one bedroom units at time of activity report:			N/A
8)	Number of uncompleted two bedroom units at time of activity report:			N/A
9)	Number of uncompleted three bedroom units at time of activity report:			N/A
Units Walked				
Unit #	Brief Description			
7	Occupied			
20	Occupied			
31	Occupied			
57	Occupied			
83	Occupied			
84	Occupied – Inoperable smoke detector.			
Down Units Walked (units vacant and unready for extended period of time and all down units)				
Unit #	Brief Description			
		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 uses a make ready spreadsheet and Onesite.			

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6) How often are occupied units inspected? ➤ Occupied units are inspected at least annually if not more due to required program inspections.
7) How often are vacant units inspected? ➤ Vacant units are inspected every other day, at a minimum.
8) How many vacant unready units are in progress of being made ready? ➤ The property is 100% occupied at this time.
9) What is the company policy on the number of days to turn vacant units? ➤ Vacant units should be turned in 3 - 5 business days, per company policy.
COMMENTS: Management provide TSAHC with a copy of the completed work order to support that the smoke alarms were replaced in unit 83.

BUDGET MANAGEMENT				YES	NO	N/A
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Three bids must be solicited in order to obtain materials.						
2) Have there been any large unexpected repairs or purchases that have negatively affected the budget? ➤ None						
3) Explain YTD variances of 10% or greater.						
<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	
Leasing Expenses	\$31.93	\$545.03	\$513.07	94.14%	Promotions and Entertainment	
Maintenance Expense	\$2,100.90	\$2,698.00	\$597.10	22.13%	Glass/Screens, Plumbing and Pest Control Supplies	
Turnover Expenses	\$805.64	\$400.00	\$-405.64	-101.41%	Turnover materials/painting	
COMMENTS:						

REVENUE			
FOR THE MONTH OF July 31, 2014		YEAR TO DATE	
Gross Potential	\$75,082.00	Gross Potential	\$20,426.00
Budgeted Rental Income	\$74,046.00	Budgeted Rental Income	\$18,322.00
Actual Rental Income Collected	\$75,082.00	Actual Rental Income Collected	\$519,508.00
Variance + (-)	\$1,827.83	Variance + (-)	\$6,728.81
Other Revenue	\$434.14	Other Revenue	\$1,529.61
Total Collected	\$75,516.14	Total Collected	\$521,037.61
Budgeted	\$73,910.96	Budgeted	\$517,200.72
Variance + (-)	\$1,605.18	Variance + (-)	\$3,836.89
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) How often are invoices processed? ➤ Invoices are usually processed every Friday and sometimes daily.				
COMMENTS: <hr style="width: 50%; margin-left: 0;"/>		0-30 Days:		\$179
		30-60 Days:		\$
		60 Days and Over:		\$
		TOTAL		\$179

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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 and late on the 5 th . On the 6 th residents will be charged \$5 and \$1 a day thereafter. On the 6 th a 10 day notice to vacate (NTV) is sent and on the 17 th a 3 day NTV is sent.			
3) When is legal action taken against delinquent accounts? ➤ Legal action is taken on or around the 20 th of the month.			
4) Does the property currently have any resident(s) under eviction?		x	
5) Does Housing have any outstanding balances?	x		
COMMENTS: During the site visit, the Property Manager explained that the outstanding balance is mainly due to Housing Assistance Payments (HAP) amounts not being received in a timely manner. These instances include new move-ins and HAP amount changes. Based on a review of the Property Manager's comments entered on the Delinquent and Prepaid report, this information appears to be accurate.	0-30 Days:		\$2,655
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$2,655

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: TSAHC was informed that residents now have the ability to pay rent using ConService, a utility and billing service.			

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 conducted on Mondays and Fridays of every week.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. Staff has taking the following courses via Grace Hill trainings: Fair Housing, Sexual Harassment, and Curb Appeal.			
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? ➤			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Management submits the Delinquent and Prepaid and the make-ready report to the owner on a weekly basis.			
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		
COMMENTS:			

SUMMARY OF OBSERVATIONS AND FINDINGS
Observation: <ul style="list-style-type: none"> Based on a review of the Service Request report provided for review, for the timeframe 9/03/2014 – 9/18/2014, there were 7 service requests created and completed. TSAHC is unable to determine the number of service requests that were completed within 24 hours as completion date and times are not entered into Onesite. Management is reminded that entering completion dates and times will allow management to ensure work orders are being completed within a reasonable timeframe.

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