

Texas State Affordable Housing Corporation

Los Ebanos Apartments

2133 Barnard Road Brownsville, TX 78520

Owner: RHAC-Ebanos, LLC

Date Built: 1981

Management Company: Capstone Real Estate Services

Property Manager: Frankie Gonzalez

Inspection Date & Time: 7.9.2014 at 8:00 a.m.

Inspector's Name: James M. Matias

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	99%
Number of Units: 65			
Number of One Bedrooms:	4	Number of Two Bedrooms:	23
Number of Three Bedrooms:	32	Number of Four Bedrooms:	6

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 landscaping around the office and throughout the community was well maintained and the grounds appeared to be in great condition. The common areas and amenities appeared clean and well kept. The buildings, roofs, stairs, and foundations appear to be in acceptable condition. However, some of buildings appeared to have stains and/or paint marks. (Pictures attached) The parking lots examined were found to be well kept with the handicap spaces clearly marked. The fences around the perimeter of the property and dumpsters were well preserved and did not have holes or missing pickets. On the day of the site visit there appeared to be some water pooled around the exterior of units 41 and 42.

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	1	Vehicle
Theft		
Criminal Mischief		
Personal Assault		
Drug Activity		
Gunfire		

Texas State Affordable Housing Corporation

Domestic Dispute	2	
Disturbance	1	Music
Other		
2) Does the property utilize a crime prevention agreement? ➤ The property has standard operating procedures from the management company to address crime on the property. An incident log is also kept at the property.		
3) What pro-active measures is the property taking to address crime on the property? ➤ The Brownsville Police department patrols the property regularly.		
4) How often is a light check conducted on the property? Who performs light checks on the property? ➤ Light checks are conducted daily.		
COMMENTS:		

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 stated that a risk assessment was completed by the insurance company in September 2013.			

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? ➤ The city of Brownsville does not require any permits or licenses.			
9) Where are vendor insurance records/binders maintained? ➤ Vendor insurance records are kept 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: The property uses the Blackhorse key control system.			

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		

Texas State Affordable Housing Corporation

4) On average, how many days does it take to complete a work order? ➤ On average it takes 1.2 days to complete work orders.			
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 completed every other month on all units.			
7) What is the policy for following up on completed service requests? ➤ Management stated that they follow up on about 25% of all completed work orders.			
8) What is the property's after hours emergency policy? ➤ Residents call the posted office number, and the answering service contacts the property manager in case of emergencies.			
9) What capital improvements have been scheduled or completed for this budget year? ➤ Capital improvements were not scheduled or completed for this budget year.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

10) Unit Interior and Appliance upgrades ➤ Interior upgrades were completed and appliances were replaced as needed.			
11) Building Exterior and Curb Appeal repairs ➤ No exterior repairs or curb appeal upgrades were completed in the last budget year.			
12) Amenity upgrades ➤ Amenity upgrades were not completed in 2013.			
13) Other repairs or replacements ➤ No other repairs or replacements were completed.			
Number of service requests received:	116		
Number of requests open from prior periods:	0		
Number of service requests completed:	116		
Number of service requests completed within 24 hours:	112		
Number of outstanding service requests:	0		

COMMENTS: The maintenance staff appears to be doing a remarkable job opening work orders and completing the majority of the maintenance request timely.

MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	35	13
Flyers	\$		
Resident Referral	\$		
Locator Service	\$		
Printed Advertising	\$		
Internet Advertising	\$		
Other Source (list)	\$		
TOTAL	\$	35	13

The rental activity reflected in the above table was from January 1, 2014 through July 3, 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		
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?	Current:	6 months:	12 months: 94%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	0%		

Texas State Affordable Housing Corporation

4) When are the lease renewal/rent increase notices sent to residents? ➤ Notices are sent on February 1st for May1st property-wide renewals. Follow up notices are sent at 90, 60, and 30 days.			
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 tracked in Onsite.			
7) Are rent increases being implemented?	X		
8) When was the last rent increase implemented? What was the average rent increase? ➤ The property renews all leases in the month of May. If gross rent changes are implemented, they take place on May 1 st .			
9) How many households are currently on month-to-month leases? ➤ All residents are on month to month lease, please see the comment below.			
10) What is the charge for month-to-month leases? ➤ NA			

COMMENTS: Due to the type of lease used at this property, all residents are on month to month leases that are renewed/recertified at the same time. The renewal percentage used for the purposes of this report is calculated based on the number of move outs in the last 12 months.

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 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				
4	3x1.5, Occupied, light needed a fixture replaced				
12	2x1, Occupied				
42	4x2, Occupied, Two gas burners not working				
63	1x1, Occupied				
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? ➤ Onsite is utilized to manage the timely preparation of vacant units.					
6) How often are occupied units inspected? ➤ Occupied units are inspected twice annually.					
7) How often are vacant units inspected? ➤ Vacant units are inspected daily.					
8) How many vacant unready units are in progress of being made ready? ➤ The properties unit availability report does not have any vacant units at this time.					
9) What is the company policy on the number of days to turn vacant units? ➤ The company policy for turning vacant units is three to five business days.					
COMMENTS: Prior to the reviewer's departure from the site visit, management opened work orders, completed the work, and closed the work orders for the inoperable burners on the stove in unit 42 and the missing light fixture in unit 4. .					

Texas State Affordable Housing Corporation

BUDGET MANAGEMENT					YES	NO	N/A
1) How many bids are solicited in order to obtain materials, supplies, and services?							
➤ At least 3 bids are obtained for materials and services.							
2) Have there been any large unexpected repairs or purchases that have negatively affected the budget?							
➤ The property had gas and water line repairs for this budget year.							
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	
Salaries & Benefits		\$35,254	\$40,193	\$4,939	12.3%	Salaries-maintenance and Service Coordinator, Group Health Insurance	
Leasing Expenses		\$13	\$100	\$87	87.0%	Promotions and Entertainment	
Maintenance Expenses		\$4,536	\$5,938	\$1,402	23.6%	Drapes/Blinds, Glass/Screens, Landscaping, Uniform expenses	
Turnover Expenses		\$220	\$410	\$190	46.5%	Materials-Painting	
COMMENTS:							

REVENUE			
FOR THE MONTH OF MAY, 2014		YEAR TO DATE	
Gross Potential	\$43,391	Gross Potential	\$215,271
Budgeted Rental Income	\$42,957	Budgeted Rental Income	\$213,977
Actual Rental Income Collected	\$43,624	Actual Rental Income Collected	\$215,462
Variance + (-)	\$667	Variance + (-)	\$1,485
Other Revenue	\$866	Other Revenue	\$1,113
Total Collected	\$44,490	Total Collected	\$216,575
Budgeted	\$43,046	Budgeted	\$214,422
Variance + (-)	\$1,444	Variance + (-)	\$2,152
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 processed daily.						
COMMENTS: Management appears to be doing a great job paying its vendors timely.				0-30 Days:		\$126
				30-60 Days:		\$0
				60 Days and Over:		\$0
				TOTAL		\$126

DELINQUENCIES				YES	NO	N/A
1) Is the delinquency report up to date?				X		
2) What is the rent collection policy?						
➤ Rent is late after the 5 th . A 3 Day Notice to Vacate is given on the 10 th .						
3) When is legal action taken against delinquent accounts?						
➤ Evictions are filed by the 20 th of each month.						
4) Does the property currently have any resident(s) under eviction?					X	
5) Does Housing have any outstanding balances?					X	
COMMENTS: The property is 100% project based section 8.				0-30 Days:		\$382
				30-60 Days:		\$0
				60 Days and Over:		\$0

Texas State Affordable Housing Corporation

	TOTAL		\$382
--	-------	--	-------

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) 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 daily.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ The staff completed the following Grace Hill training: Standard Operating Procedures, Mold renovation, and conflict resolution.			

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? ➤ Every Friday the owner receives the delinquency and occupancy reports.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Any item over budget requires approval from the asset manager.			
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
No Observations or Findings.

Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation

