

# Texas State Affordable Housing Corporation

## Residence at the Oaks

2740 Duncanville Rd. Dallas, Texas 75211

**Owner:** Residential Los Robles LTD

**Date Built:** 1999

**Management Company:** Pace Realty Corporation

**Property Manager:** Sandra Martin

**Inspection Date & Time:** August 26, 2014 at 9:00 a.m.

**Inspector's Name:** James Matias

<b>Occupancy at Time of Report:</b>	98%	<b>Average Occupancy Over Last 12 Months:</b>	96.8%
<b>Number of Units: 212</b>			
<b>Number of One Bedrooms:</b>	124	<b>Number of Two Bedrooms:</b>	88
<b>Number of Three Bedrooms:</b>	NA	<b>Number of Four Bedrooms:</b>	NA

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 was well maintained and the grounds appeared to be in great condition. The monument and office signs were in good condition and visible. The common areas and amenities appeared clean and well kept. The buildings, roofs and foundations appear to be in acceptable condition. Most of the parking lots examined were in good condition with the handicap spaces clearly marked. On the day of the site visit a construction crew was working on replacing and repainting the trim on a couple of the buildings. Management stated that the contractors are doing a few buildings each week and the total project should be done in a couple of months.

### 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	1	
Personal Assault		
Drug Activity		
Gunfire		
Domestic Violence		

# Texas State Affordable Housing Corporation

Disturbance		
Other		
2) Does the property utilize a crime prevention agreement? ➤ The plan to address criminal activity on the property is held in the standard operating procedures for Pace Realty Corporation. The Texas Apartment Association (TAA) lease addresses the community's expectations regarding crime.		
3) What pro-active measures is the property taking to address crime on the property? ➤ The pro-active measures taken to address crime include monthly/voluntary crime watch meetings and a courtesy officer.		
4) How often is a light check conducted on the property? Who performs light checks on the property? ➤ Light checks are completed at least once per week by the maintenance staff.		
<b>COMMENTS:</b> The police reports obtained reflected just one incident at the property in the last three months. All other incidents involve death by natural causes.		

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? ➤ Are criminal background checks being conducted on residents as they age to be 18 while living in the unit?	X		X
4) Has a risk assessment been conducted to determine (risk) liabilities at the property?	X		
<b>COMMENTS:</b> Management stated that the next risk assessment was set to be completed on August 27, 2014.			

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 (9 hole golf course, horseshoe pit, and a fitness center)	X		
8) When are property licenses and permits renewed? ➤ The property's licenses and permits for the pool and access gates are renewed annually.			
9) Where are vendor insurance records/binders maintained? ➤ Vendor insurance records/binders are maintained at the 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> The property utilizes the HandyTrack key 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, work orders are completed in one day.			
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 every other week.			
7) What is the policy for following up on completed service requests? ➤ The property does not have a policy regarding work order follow up. Residents are very good about notifying management of any concerns or dissatisfaction.			
8) What is the property's after hours emergency policy? ➤ Residents call the posted emergency phone number and leave a message with the answering service. The answering service sends the message to the on-call maintenance staff.			
9) What capital improvements have been scheduled or completed for this budget year? ➤ Capital improvements completed and/or scheduled for the current budget year include; pool and hot tub resurfacing, exterior carpentry repairs and paint on the trim of all buildings, and new sod and signage on the nine hole golf course.			

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

10) Unit Interior and Appliance upgrades ➤ Interior and appliance upgrades were completed as needed.			
11) Building Exterior and Curb Appeal repairs ➤ No exterior upgrades were completed in the last budget year. Minor landscaping improvements were done throughout the community.			
12) Amenity upgrades ➤ No amenity upgrades were completed in 2013.			
13) Other repairs or replacements ➤ Management stated that she was unaware of any other repairs or replacements completed in 2013.			

Number of service requests received:	190		
Number of requests open from prior periods:	190		
Number of service requests completed:	189		
Number of service requests completed within 24 hours:	96		
Number of outstanding service requests:	1		

**COMMENTS:** The maintenance staff appears to be doing a great job. The service request activity report reflects that fifty percent of the work orders are closed on the same day they are opened and that the maintenance staff takes on average about 1.4 hours to complete a work order. The work order process appears to be diligently followed and work orders are opened and closed in the software system in a timely manner.

## MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$35	3	0
Flyers	\$0	0	0
Resident Referral	\$50	12	3
Locator Service	\$180	0	0
Printed Advertising	\$250	0	0
Internet Advertising (google.com, rent.com, and the property website)	\$150	9	0
Other Source (Green sheet, section 8 housing, other site)	\$0	3	1
<b>TOTAL</b>	<b>\$665</b>	<b>27</b>	<b>4</b>

**The rental activity reflected in the above table was for the month of:**

	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:** Management stated that ALN Apartment Data Incorporated is a service that is outsourced for market data in the area. A market survey is completed monthly by ALN.

# Texas State Affordable Housing Corporation

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: 88%	6 months: 91.5%	12 months: 92%
3)	What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or “skip”?	7.7%		
4)	When are the lease renewal/rent increase notices sent to residents? ➤ Lease renewal notices are sent no less than 65 days in advance. Follow up notices are sent 30 days in advance.			
5)	Are individual files being reviewed to determine renewal/non-renewal status?	X		
6)	How are renewals and re-certifications tracked and monitored? ➤ Renewals/Re-certifications 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? ➤ Rent increases are generally implemented at renewal and the average rent increase is around 2%.			
9)	How many households are currently on month-to-month leases? ➤ The community currently has no month to month leases.			
10)	What is the charge for month-to-month leases? ➤ If the community has a month to month lease, maximum rent will be charged..			
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:			4		
3) Number of completed one bedroom units at time of activity report:			3		
4) Number of completed two bedroom units at time of activity report:			1		
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:			1		
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:			1		
9) Number of uncompleted three bedroom units at time of activity report:			0		
Units Walked					
Unit #	Brief Description				
216	1x1, Vacant, ready				
622	1x1, Vacant, ready				
1015	1x1, Vacant, ready				
1111	2x2, Vacant, ready				
1428	2x2, Vacant, Carpets need cleaning				
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? ➤ Management monitors the make ready process by using the make ready board and onsite reports.					
6) How often are occupied units inspected? ➤ Occupied units are inspected at least once per year.					
7) How often are vacant units inspected? ➤ Vacant units are inspected at least once per week.					

# Texas State Affordable Housing Corporation

8) How many vacant unready units are in progress of being made ready? ➤ One vacant unit (1428) is near completion.
9) What is the company policy on the number of days to turn vacant units? ➤ The company policy for turning vacant units is 5 business days.
<b>COMMENTS:</b>

BUDGET MANAGEMENT					
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Three bids are solicited for materials and services.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the budget? ➤ There have not been any large unexpected repairs.					
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	\$4,783	\$6,194	\$1,411	22.8%	Newspaper and Internet
Other Marketing	\$10,762	\$14,921	\$4,159	27.9%	Leasing expenses, Training and Education
<b>COMMENTS:</b>					

REVENUE			
FOR THE MONTH OF July, 2014		YEAR TO DATE	
Gross Potential	\$143,745	Gross Potential	\$862,470
Budgeted Rental Income	\$145,055	Budgeted Rental Income	\$863,805
Actual Rental Income Collected	\$144,221	Actual Rental Income Collected	\$864,510
Variance + (-)	\$332	Variance + (-)	\$1,489
Other Revenue	\$4,015.33	Other Revenue	\$21,223.31
Total Collected	\$141,702.72	Total Collected	\$844,644.75
Budgeted	\$138,960	Budgeted	\$831,072
Variance + (-)	\$2,743	Variance + (-)	\$13,573
<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? ➤ Payments are processed weekly.			
<b>COMMENTS:</b>	0-30 Days:		\$0.00
	30-60 Days:		\$0.00
	60 Days and Over:		\$0.00
	TOTAL		\$0.00

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 forth of the month and late on the fifth of the month. A three day Notice To Vacate (NTV) is sent around the sixth or seventh. After a \$35 initial late fee is charged a \$10 daily penalty is administered.			
3) When is legal action taken against delinquent accounts? ➤ Management stated that evictions are filled after payment arrangement promises are broken.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		

# Texas State Affordable Housing Corporation

<b>COMMENTS:</b> According to the aged receivable and delinquency reports provided, rent delinquency does not appear to be a problem. The small amounts noted on the delinquency report, including the \$167 for subsidy, have been accounted for by the property manager.	0-30 Days:		\$0
	30-60 Days:		\$1096.73
	60 Days and Over:		\$36.50
	TOTAL		\$1,133.23

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> Management stated that after two NSF's the residents are no longer available to pay by personal check.			

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. ➤ The following in house and Grace Hill trainings have been completed: Mentor Assignment, Fair Housing, Manager Meeting, Assistant Manager Meeting, and Employee Motivation.			
<b>COMMENTS:</b> The property manager has changed since the prior visit. The new manager has been on site for about six months. Management provided a detailed report of training received for all employees.			

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? ➤ The occupancy reports are submitted weekly.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ The manager stated that she has a \$750 limit for an unbudgeted item or any item that is over budget.			
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
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





# Texas State Affordable Housing Corporation



# Texas State Affordable Housing Corporation

