

Texas State Affordable Housing Corporation

Sierra Vista Apartments 10501 Montwood El Paso, TX 79935

Owner: RHAC – Sierra, LLC

Date Built: 1983

Management Company: Capstone Real Estate Services

Property Manager: Marie Martinez

Inspection Date & Time: September 24, 2014 8:30 AM

Inspector's Name: James Matias Celina Mizcles

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	98.8%
Number of Units: 106			
Number of One Bedrooms:	NA	Number of Two Bedrooms:	66
Number of Three Bedrooms:	40	Number of Four Bedrooms:	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?			
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: Based on observation, the condition of the property's buildings, roofs, and foundation appear to be in good condition. However, during the physical inspection of the exterior and grounds, the following items were noted: exposed electrical/cable wires, trash and shopping carts throughout the community, and a bed frame near the dumpster. Additionally, the property side walk and perimeter rock wall appear to be deteriorating as many rocks were found in the road in the back of the community.

Finding:

- During the exterior review of the property, electrical and/or cable wires were found exposed on the site grounds. Provide TSAHC with supporting documentation to support that the exposed electrical wires and/or cables wires have been properly covered. Corrective action must be completed no later than November 19, 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	2	
Theft		
Criminal Mischief	1	
Personal Assault	1	

Texas State Affordable Housing Corporation

Drug Activity		
Gunfire		
Domestic Violence	16	
Disturbance	12	
Other	17	3 – Suspicious activity, 1 – Animal, 13 – On-view (OV) stops
2) Does the property utilize a crime prevention agreement? ➤ The property utilizes a lease addendum agreement to address criminal activity. In addition, all new households must execute the property's House Rules which discusses criminal activity.		
3) What pro-active measures is the property taking to address crime on the property? ➤ Based on conversation, management reviews monthly police reports, meets and discussed calls with the local police department and issues lease violations, when needed.		
4) How often is a light check conducted on the property? Who performs light checks on the property? ➤ Maintenance staff conducts light checks once a week.		
COMMENTS: The property provided TSAHC with copies of the El Paso Police Department police reports for a 3 month period (July through September of 2014). There were a total of 60 calls, 49 of the 60 calls are listed above.		
Observation: <ul style="list-style-type: none"> The 2011 Asset Oversight Report required Sierra Vista to submit monthly police reports and implement a plan of action to pro-actively minimizes the number of criminal activity taking place at the property. Since then, Sierra Vista has continually provided TSAHC with copies of police reports and has scheduled crime watch meetings with local police department officers for the residents. Based on conversation with the Property Manager and a review of the crime watch meeting sign in sheets, it is clear that the meetings are not beneficial as there has been no attendance. Therefore, Sierra Vista may stop scheduling crime watch meetings but will still be required to submit monthly police reports. Along with the police reports, management must submit supporting documentation of actions taken with each call listed on the reports. The newly implemented criminal reporting requirements will be assessed during next year's Asset Oversight review. 		

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 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			
8) When are property licenses and permits renewed?			
➤ The property does not have any licenses or permits that need renewal.			
9) Where are vendor insurance records/binders maintained?			
➤ Vendor insurance records/binders are maintained at the corporate office.			

Texas State Affordable Housing Corporation

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:

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 Maintenance Summary 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 twice a month and as needed.			
7) What is the policy for following up on completed service requests? ➢ All major items and emergencies receive 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.			
9) What capital improvements have been scheduled or completed for this budget year? ➢ Based on conversation with the Property Manager, kitchen and bath cabinet upgrades were completed in February and September, asphalt repairs were completed in February, and plumbing repairs were completed in March and September.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

10) Unit Interior and Appliance upgrades ➢ Unit and appliance upgrades are completed as needed.			
11) Building Exterior and Curb Appeal repairs ➢ Asphalt repairs began in September 2013.			
12) Amenity upgrades ➢ There were no amenity upgrades completed in 2013.			
13) Other repairs or replacements ➢ No other repairs or replacements were conducted in 2013.			
Number of service requests received:	26		
Number of requests open from prior periods:	26		
Number of service requests completed:	0		
Number of service requests completed within 24 hours:	See comment		
Number of outstanding service requests:	See comment		

COMMENTS:

Observation: Based on a review of the Maintenance Summary Report provided for review, for the timeframe 9/01/2014 – 09/30/2014, there were 26 service requests created that remain outstanding. Management is reminded that entering completion dates and times will allow management to ensure work orders are being completed within a reasonable timeframe. This issue will be reviewed during next year's Asset Oversight review.

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

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
5) Does the property complete a market survey at least monthly?		X	

COMMENTS: The Property Manager confirmed that the property is 100% occupied and fills any vacancies with applicants on a waiting list.

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: 84%
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 Manager states the property does not monitor renewals as the property conducts mass recertifications. See Comment.			
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 3/1/2014.			
9) How many households are currently on month-to-month leases? ➤ The property does not have any households on a month-to-month lease.			
10) What is the charge for month-to-month leases? ➤ N/A - The property does not have any households on a month-to-month lease.			

COMMENTS: Annual recertification requirements have changed. Moving forward, recertifications must be completed within 120 days from the anniversary date of the household's move-in date. Example: The household moved in on June 1, 2014, annual recertifications must be completed within 120 days of June 1st every year thereafter.

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
4	Occupied – Inoperable smoke detector
15	Occupied
29	Occupied – Inoperable smoke detector. It appeared to be detached by resident.
46	Occupied – Inoperable deadbolt on back door.
76	Occupied – Inoperable smoke detector

Down Units Walked (units vacant and unready for extended period of time and all down units)

Texas State Affordable Housing Corporation

Unit #	Brief Description			
N/A				
		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 works closely with maintenance staff to monitor preparation of units.			
6)	How often are occupied units inspected? ➤ Occupied units are inspection annually.			
7)	How often are vacant units inspected? ➤ Vacant units are inspected every day until occupied.			
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 provided TSAHC with copies of completed work orders to support that the smoke detectors are operable (units 4, 29 and 76) and that the deadbolt has been replaced (unit 46).				

BUDGET MANAGEMENT					YES	NO	N/A
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Two bids must be solicited to use vendors that have been pre-approved through Capstone.							
2) Have there been any large unexpected repairs or purchases that have negatively affected the budget? ➤ The Property Manager stated large expenses were noted in the beginning of the 2014 year due to several unexpected move-outs.							
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	
Administrative Expenses		\$10,293	\$8,705	-\$1,588	-18.2%	Professional Fees, Evictions, Credit Checks, Real Page(Software system), Internet Access	
Leasing Expenses		\$283	\$375	\$92	24.5%	Promotions and Entertainment	
Turnover Expenses		\$3,789	\$2,200	-\$1,589	-72.2%	Material – Painting	
COMMENTS:							

REVENUE					
FOR THE MONTH OF <u>JULY, 2014</u>			YEAR TO DATE		
Gross Potential		\$64,374	Gross Potential		\$448,609
Budgeted Rental Income		\$64,508	Budgeted Rental Income		\$449,064
Actual Rental Income Collected		\$64,127	Actual Rental Income Collected		\$437,774
Variance + (-)		\$10	Variance + (-)		-\$8,765
Other Revenue		\$1,971	Other Revenue		\$5,510
Total Collected		\$66,098	Total Collected		\$443,284
Budgeted		\$64,975	Budgeted		\$452,285
Variance + (-)		\$1,122	Variance + (-)		-\$9,001
COMMENTS:					

Texas State Affordable Housing Corporation

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:	0-30 Days:		\$25
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$25

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 rent 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:		\$7,084
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$7,084

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 conducted on Monday mornings and on Friday to prepare for the upcoming 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? ➤ Reports are submitted to the owner on a weekly basis.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Any item and/or dollar amount out of the budget requires owner approval.			

Texas State Affordable Housing Corporation

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

Finding:

- During the exterior review of the property, electrical and/or cable wires were found exposed on the site grounds. Provide TSAHC with supporting documentation to support that the exposed electrical wires and/or cables wires have been properly covered. Corrective action must be completed no later than November 19, 2014.

Observations:

- The 2011 Asset Oversight Report required Sierra Vista to submit monthly police reports and implement a plan of action to pro-actively minimizes the number of criminal activity taking place at the property. Since then, Sierra Vista has continually provided TSAHC with copies of police reports and has scheduled crime watch meetings with local police department officers for the residents. Based on conversation with the Property Manager and a review of the crime watch meeting sign in sheets, it is clear that the meetings are not beneficial as there has been no attendance. Therefore, Sierra Vista may stop scheduling crime watch meetings but will still be required to submit monthly police reports. Along with the police reports, management must submit supporting documentation of actions taken with each call listed on the reports. The newly implemented criminal reporting requirements will be assessed during next year's Asset Oversight review.
- Based on a review of the Maintenance Summary Report provided for review, for the timeframe 9/01/2014 – 09/30/2014, there were 26 service requests created that remain outstanding. Management is reminded that entering completion dates and times will allow management to ensure work orders are being completed within a reasonable timeframe. This issue will be reviewed during next year's Asset Oversight review.

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

