

Texas State Affordable Housing Corporation

Sierra Vista Apartments

10501 Montwood Dr., El Paso, Texas 79935

Owner: RHAC – Sierra, LLC

Date Built: 1983

Management Company: Capstone Real Estate Services

Property Manager: Marie Martinez

Inspection Date & Time: October 26, 2015 at 8:00 a.m.

Inspector's Name: Celina Mizcles

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	99.4%
Number of Units: 106			
Number of One Bedrooms:	N/A	Number of Two Bedrooms:	66
Number of Three Bedrooms:	40	Number of Four Bedrooms:	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 – see comment		
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 – see finding	
13) Is the exterior of the buildings in acceptable condition?	X – see comment		
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 onsite visit, the property appeared to be in acceptable condition. The property's perimeter fence (rock wall), grounds and landscaping were found to be in good condition. The exterior of the buildings also appeared to be in good condition; however, the following items were discussed with management

Observations:

- Discolored building walls: Management used a different exterior wall paint color to cover graffiti on the property. Management is advised to use the same exterior paint color when covering graffiti to ensure the property maintain its curb appeal.
- Shopping Cart: This item was noted on the previous report. Management stated they continue to battle this issue as they are located behind a grocery store. Management was advised to create and implement strategies to help determine which residents are leaving carts on property grounds.
- Cable Boxes: This item was noted on the previous report. The Property Manager stated she has contacted the cable company and confirmed that the cable company came out and fixed some but not all of the boxes due to work order/work load. The Property Manager stated there are consistently about one or two boxes that fall apart. Management asked the cable company if they could repair or replace the cable box covers however the cable company did not agree to do this. Management is advised to implement a strategy to monitor this issue and create work order calls with the cable company to visit the property on a quarterly basis.

Finding:

- On the day of the site visit, a waste receptacle had a small amount of graffiti on it. Management must provide TSAHC with pictures and a closed work order showing that the graffiti was removed no later than December 19, 2015.

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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	1	
Drug Related Activity	1	
Gun Related Activity		
Domestic Violence	8	
Disturbance	3	
Other	29	On-view stops (22), EP Record (1), Suspicious Activity (1), 911-Unknown (2), Missing (2), and Child (1)
2) Does the property utilize a crime prevention agreement? ➤ Management uses a lease addendum titled Drug-Free Housing Policy to address criminal activity.		
3) What pro-active measures is the property taking to address crime on the property? ➤ Management does not take additional measures aside from ensuring the residents read and execute the Drug-Free Housing Policy lease addendum upon move-in.		
4) How often is a light check conducted on the property? Who performs light checks on the property? ➤ Maintenance staff conducts light checks bi-weekly.		
COMMENTS: Based on a review of the El Paso Police Department call logs, there were a total of 45 calls received from July through September 2015. 42 of the 45 calls received are listed above. A total of 6 case numbers were listed on the call logs. Management stated they would request additional information regarding these cases, review each case, and issues lease violations if deemed necessary. Regarding the call log report, management also clarified that, "EP Record" is when someone submits an online report and "Child" means there was an unsupervised child.		

SECURITY PROGRAM Part II	YES	NO	N/A
1) Is the Staff trained to address crime on the property?	X		
2) Is the property free of graffiti and/or vandalism?		X – see comment	
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: Graffiti was identified in one of the waste receptacles during the exterior property walk of the property. Management confirmed that risk assessments are conducted annually by their insurance company.			

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 (describe)			X
8) When are property licenses and permits renewed? ➤ There are no licenses and/or permits required for this property.			

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9) Where are vendor insurance records/binders maintained? ➤ Management confirmed that vendor records and/or binders are held at their corporate offices.
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 unit turnovers?	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? ➤ Management's policy is to have emergency work orders completed within 24 hours of the time they are received and all others completed within 3-5 days.			
5) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
6) How often are Pest Control services provided? ➤ Management confirmed that pest control services are provided on a monthly basis and as needed.			
7) What is the policy for following up on completed service requests? ➤ Management stated follow-up calls are conducted at random.			
8) What is the property's after-hours emergency policy? ➤ The after-hours phone number is tied to a cell phone; the cell phone is rotated amongst the maintenance staff.			
9) What capital improvements have been scheduled or completed for this budget year? ➤ There have been no capital improvements scheduled and/or completed this budget year.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
10) Unit Interior and Appliance upgrades ➤ Unit interior and/or appliance upgrades were completed as needed for the last budget year.			
11) Building Exterior and Curb Appeal repairs ➤ There was no building exterior or curb appeal repairs in the last budget year.			
12) Amenity upgrades ➤ There were no amenity upgrades in 2014.			
13) Other repairs or replacements ➤ There were no other repairs or replacements in 2014.			
Number of service requests received:	38		
Number of requests open from prior periods:	0		
Number of service requests completed:	38		
Number of service requests completed within 24 hours:	24		
Number of outstanding service requests:	0		

COMMENTS:

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			

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TOTAL	\$0	N/A	N/A
The rental activity reflected in the above table was for the month of (note report dates): N/A – see comment below.			
	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: While the property does issue marketing letters in accordance with their affirmative fair housing marketing plan, they do not conduct additional marketing efforts. According to management, this property works off of an extensive waiting list and therefore does not feel the need to conduct additional marketing efforts. Management confirmed that they do not shop their competitor (The Housing Authority of the City of El Paso) as they work off the extensive waiting list.			

LEASE RENEWAL	YES	NO	N/A
1) Does it appear that an effective lease renewal program is in place? If no, please comment below.	X		
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	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”?	12%		
4) When are the lease renewal/rent increase notices sent to residents? > Residents receive recertification notices 120, 90, 60, and 30 days prior to the current lease end date.			
5) Are individual files being reviewed to determine renewal/non-renewal status?	X		
6) How are renewals and re-certifications tracked and monitored? > Management uses Onesite software to track and monitor renewals and recertifications.			
7) Are rent increases being implemented?	X		
8) When was the last rent increase implemented? What was the average rent increase? > The last rent increase was implemented in March 2015.			
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:			

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		
9	(3x1.5) Occupied		
10	(3x1.5) Occupied: One smoke alarm was found to be removed and one was not operable. In addition, there were several pigeons found throughout the unit.		
79	(3x1.5) Occupied: One smoke alarm and the thermostat plate were found to be removed, and the bathtub overflow plate appeared damaged.		
203	(3x1.5) Occupied		
Down Units Walked (units vacant and unready for extended period of time and all down units)			
Unit #	Brief Description		
N/A			
		YES	NO
1)	Does the Unit Availability Report match the make ready board?		X

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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? If so, please comment below.		X	
5) What system is used by management to monitor the timely preparation of units? ➤ Management uses Onesite, a make-ready spreadsheet, and communicates with the maintenance staff to ensure timely preparation of units.			
6) How often are occupied units inspected? ➤ Management confirmed that occupied units are inspected annually.			
7) How often are vacant units inspected? ➤ Management stated that most vacant units are re-occupied within 3-5 days; however, should there be a vacant unit for more than 5 days, it would be inspected weekly.			
8) How many vacant units are in progress of being made ready? ➤ During the time of this review, the property was 100% occupied.			
9) What is the company policy on the number of days to turn vacant units? ➤ According to management policy, vacant units are to be turned within 3-5 days.			
COMMENTS: Unit deficiencies were identified in units 10 and 79 as noted above. Prior to the issuance of this report, management provided TSAHC with copies of completed work orders for all items noted above aside from the removal of pigeons.			
Finding:			
<ul style="list-style-type: none"> During the physical inspection of unit 10 a handful of pigeons were found throughout the unit. All units must be maintained in decent, safe and sanitary condition. Management must submit a copy of the completed work order to support the removal of all pigeons in unit 10 no later than <u>December 18, 2015</u>. 			

BUDGET MANAGEMENT					
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Management must obtain three bids in order to solicit materials, supplies and services.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ There have been no large or unexpected repairs or purchases this budget year.					
3) Explain YTD variances of 10% or greater.					
Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending					
(Please note that a positive variance is under budget and a negative variance is over budget.)					
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION
Administrative Expenses	\$70,457	\$82,531	\$12,074	14.6%	Salaries – Service Coordinator, Overtime, and Contract labor
Leasing Expenses	\$217	\$500	\$283	56.5%	Promotions & Entertainment
Maintenance Expenses	\$2,997	\$5,649	\$2,652	46.9%	Tools/Equipment, Pest Control Supplies, and Building Structure
COMMENTS:					

REVENUE			
FOR THE MONTH ENDING: AUGUST 31, 2015		YEAR TO DATE AS OF AUGUST 31, 2015	
Gross Potential	\$65,661	Gross Potential	\$521,380
Budgeted Rental Income	\$65,144	Budgeted Rental Income	\$519,164
Actual Rental Income Collected	\$65,467	Actual Rental Income Collected	\$518,414
Variance + (-)	\$1,124	Variance + (-)	\$5,649
Other Revenue	\$1,750	Other Revenue	\$6,362
Total Collected	\$67,217	Total Collected	\$524,776
Budgeted	\$64,728	Budgeted	\$516,159
Variance + (-)	\$2,489	Variance + (-)	\$8,617
COMMENTS:			

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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 weekly.			
COMMENTS: Management confirmed that the 30 day balance of \$3,791 will be paid by the end of the month.	0-30 Days:		\$3,791
	30-60 Days:		\$200
	60 Days and Over:		\$(56)
	TOTAL		\$3,935

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the rent collection policy? ➤ Rent payments are due on the 1 st of the month and considered late on the 5 th . On the 6 th day management will apply a \$5 late fee charge and a \$1 late fee charge each day thereafter.			
3) When is legal action taken against delinquent accounts? ➤ Management will take legal action on or around 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: A review of the property's Delinquent and Prepaid Report dated as of 10/26/2015 indicated a current delinquent balance of \$7,866. Managed confirmed that the majority of the delinquent balance is due to changes in the housing assistance payment amounts being processed.	0-30 Days:		\$4,460
	30-60 Days:		\$0.00
	60 Days and Over:		\$0.00
	TOTAL		\$4,460

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? ➤ Onsite staff meetings are held each week on Monday and Friday.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ Management is required to attend Grace Hill training annually. In the last 12 months, management has attended Fair Housing, Sexual Harassment, Conflict Resolution 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? ➤ According to management, owners now pull and review reports on a weekly basis.			

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3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Unbudgeted or over budget expenses over \$1,000 require owner approval for the release of funds.			
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

Observations:

- **Discolored building walls:** Management used a different exterior wall paint color to cover graffiti on the property. Management is advised to use the same exterior paint color when covering graffiti to ensure the property maintain its curb appeal.
- **Shopping Cart:** This item was noted on the previous report. Management stated they continue to battle this issue as they are located behind a grocery store. Management was advised to create and implement strategies to help determine which residents are leaving carts on property grounds.
- **Cable Boxes:** This item was noted on the previous report. The Property Manager sated she has contacted the cable company and confirmed that the cable company came out and fixed some but not all of the boxes due to work order/work load. The Property Manager stated there are consistently about one or two boxes that fall apart. Management asked the cable company if they could repair or replace the cable box covers however the cable company did not agreed to do this. Management is advised to implement a strategy to monitor this issue and create work order calls with the cable company to visit the property on a quarterly basis.

Finding:

- On the day of the site visit, a waste receptacle had a small amount of graffiti on in. Management must provide TSAHC with pictures and a closed work order showing that the graffiti was removed no later than December 19, 2015.



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