

# Texas State Affordable Housing Corporation

## Villa Rodriguez formally known as Aguila Oaks

3270 Nacogdoches, San Antonio, Texas 78217

**Owner:** San Antonio Low Income Housing, LLC

**Date Built:** 1982

**Management Company:** Cesar Chavez Foundation

**Property Manager:** Sandra Saucedo

**Inspection Date & Time:** May 10, 2016 @ 8:30 a.m.

**Inspector's Name:** Celina Mizcles

<b>Occupancy at Time of Report:</b>	93.6%	<b>Average Occupancy Over Last 12 Months:</b>	88.4%
<b>Number of Units: 346</b>			
<b>Number of One Bedrooms:</b>	278	<b>Number of Two Bedrooms:</b>	68
<b>Number of Three Bedrooms:</b>	N/A	<b>Number of Four Bedrooms:</b>	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	
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 onsite visit, the property grounds were well kept. Property management had contacted TSAHC to disclose that the San Antonio area had experience severe damage due to the spring storms. The Spring storms caused the following damage at Villa Rodriguez: 41 broken windows, 40 damages window blinds, 4 carpets requiring water extraction, 4 buildings requiring shingle replacements, wood siding and trim damaged by hail, pool pump damage, and several buildings have gutter damage due to debris. In addition, the storm caused a large tree to topple over and a small area of the perimeter fence to collapse. According to management, an insurance claim was filed; an insurance adjuster reviewed the damage and has approved the insurance claim. Villa Rodriguez management believes that it will take at least 6 to 8 months to repair/replace the items listed above with exception to the windows. During the onsite visit, the review noted and documented all damage caused by the spring storm. Management also confirmed that there was no major interior damage to the unit so there was no one displaced.

**Finding:**

- In order to ensure that the damage caused by the spring storm 2016 is repaired and/or replaced, management must submit quarterly progress report updates to TSAHC. The reports will begin in June 2016 and continue through December 2016. Quarterly reports supporting status updates including repair/replacement completion dates will be due June 30, 2016, September 30, 2016, and December 31, 2016. The first damage status report is due to TSAHC no later than June 30, 2016.

### 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:		
<b>Incident Type</b>	<b># of Occurrences</b>	<b>Comments:</b>
Burglary		10 – Burglary Alarm, 2 – Burglary in progress, 1 – Burglary

# Texas State Affordable Housing Corporation

Theft		2- Robbery of individual in progress, 2 – Theft
Criminal Mischief		1 – Criminal Mischief
Personal Assault		2 – Assault in progress, 2 – Assault,
Drug Related Activity		1 – Narcotic Law
Gun Related Activity		2 – Disturbance (gun involved), 1 – Disturbance (family),
Domestic Violence		3 – Family Violence
Disturbance		7 – Disturbances
Other		1 – DOA, 2 – Onsite activity, 1 – Fire, 2 – Suspicious person, 1 – Wanted person, 1 – Holdup alarm in progress, 1 – Fight
2) Does the property utilize a crime prevention agreement? ➤ The property does not use a written crime prevention agreement however they do use the Tri Tech system to retrieve monthly police call logs. Management reviews the reports and conducts household meeting when and if necessary.		
3) What pro-active measures is the property taking to address crime on the property? ➤ Management has contracted State Wide Patrol to patrol the property at least 3 times per night. State Wide Patrol submits daily reports to management and will discuss any major concerns with the Property Manager.		
4) How often is a light check conducted on the property? Who performs light checks on the property? ➤ Light checks are conduct weekly by State Wide Patrol.		
<b>COMMENTS:</b> A review of the weekly police department calls logs dated 1/1/2016 through 4/1/2016 indicate there were a total of 59 incidents logged. 45 of the 59 calls logged are listed above. There has been little to no change since the last review regarding the amount and the type of calls logged during a three month period. However, during the review of the call logs, the reviewer was not able to determine where the incident took place. Management disclosed that they are able to get actual incident reports as well. Management is encouraged to pull these reports, when necessary, to properly document incidents and issue lease violations in order to help reduce the amount of incidents occurring on the property. This will be reviewed during the next year's onsite visit.		

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		
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		
4) Has a risk assessment been conducted to determine risk liabilities at the property?	X		
<b>COMMENTS:</b> Management was unable to determine when the last risk assessment occurred at the property.			

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 ➤ Occupancy Qualifications	X 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 ➤ Community Room (Learning Center) ➤ BBQ/Picnic Area ➤ Laundry Facility (Three facilities) ➤ Business Center ➤ Pool (Two pools) ➤ Other (describe)	 X X X  X  X	    X     	       X
8) When are property licenses and permits renewed? ➤ The pool, mechanical, and alarm system licenses and permits are renewed annually.			
9) Where are vendor insurance records/binders maintained? ➤ Both Cesar Chavez Foundation's corporate office and the property management office maintain copies of vendor insurance records.			
<b>COMMENTS:</b>			

KEY CONTROL	YES	NO	N/A
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# Texas State Affordable Housing Corporation

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? > The Work Order Directory dated 4/10/2016 – 5/10/2016 reflects a total of 168 work orders. 128 of the 168 work orders were completed within an average of 5 days. According to the report, there are 40 work orders that are pending (see comment).			
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 in conducted on Thursday of each week and includes building exteriors, vacant units and occupied units when requested.			
7) What is the policy for following up on completed service requests? > To ensure work orders are completed properly and satisfactorily, management call residents to follow up on completed work orders.			
8) What is the property's after-hours emergency policy? > The property uses an on-call service provider that will notify management's point of contact for emergency related issues.			
9) What capital improvements have been scheduled or completed for this budget year? > Due to the damage caused by the 2016 spring storm management is scheduled to complete the following improvements in this budget year: repair several building exterior wood siding, replace damaged shingles on the roofs of a building, and replace all damaged landscaping.			

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

10) Unit Interior and Appliance upgrades > There were no major updates to the unit interior or appliance during the last budget year.			
11) Building Exterior and Curb Appeal repairs > There were no major building exterior or curb appeal upgrades during the last budget year.			
12) Amenity upgrades > There were no amenity upgrades in the last budget year.			
13) Other repairs or replacements > No other repairs/replacements were completed during the last budget year.			
Number of service requests received:	168		
Number of requests open from prior periods:	0		
Number of service requests completed:	128		
Number of service requests completed within 24 hours:	13		
Number of outstanding service requests:	40		

**COMMENTS:** The Work Order Directory dated 4/10/2016 – 5/10/2016 reflects 40 open work orders. Based on a review of the report, these appeared to be urgent. Prior to the issuance of this report, management confirmed that the work orders for the following units have been completed, unit 107, 140, 506, 506 and 1008.

## MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	48	5
Flyers	\$0	0	0
Resident Referral	\$0	8	0
Locator Service	\$0	8	0
Printed Advertising (Apartment Guide Magazine)	\$0	1	0
Internet Advertising (Chavezfoundation.org / \$399 monthly and Craigslist)	\$399	1	1
Other Source (Unknown, Past Resident, Return Resident)	\$0	14	0
<b>TOTAL</b>	<b>\$399</b>	<b>80</b>	<b>6</b>
<b>The rental activity reflected in the above table was for the 4/1/2016 through 5/10/2016 timeframe.</b>			
	YES	NO	N/A

# Texas State Affordable Housing Corporation

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's Traffic Sheet should be used as a tool to help determine successful marketing strategies. The property's Traffic Sheet includes Return Resident and Past Resident as source types which appear to be similar, and "Unknown " which does not help management determine the source type that attracts new prospects. During the onsite visit, management stated that Resident Referrals will be offered in the future. Management also disclosed that there are no affordable housing competitors near Villa Rodriguez.

**Observation:**

- **TSAHC suggest management review the Traffic Sheet report and revise the source type options. This revision can help management determine which marketing tool or technique works best in attracting prospective applicants. This may also help the overall occupancy rate which at the time of this onsite visit was 93.6%.**

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: 66%	6 months: 89.5%	12 months: 88%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	30.29%		
4) When are the lease renewal/rent increase notices sent to residents? ➢ The Yardi system auto-generates lease renewal notices 120 day prior to the move-in anniversary date of each tenant. If the residents fail to respond to the 120 day notice, the same process is taken and a 90 day, 60 day, and a final 30 day notice is sent.			
5) Are individual files being reviewed to determine renewal/non-renewal status?	X		
6) How are renewals and re-certifications tracked and monitored? ➢ The Yardi system is use to track 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 with the release of the HUD income and rent limits.			
9) How many households are currently on month-to-month leases? ➢ There are no households on a month-to-month lease.			
10) What is the charge for month-to-month leases? ➢ N/A			

**COMMENTS:** According to the Reasons For Move Out report dated 5/10/16 through 05/10/2016, at least 34.21% of the move outs are due to eviction for non-payment or skips. Specifically, 3.95% eviction for non-payment of rent and 30.26% for skips. According to the new Property Manager, there were several households that had not paid rent. Once new management was in place several residents paid rent, others skipped. Management stated they are taking action to ensure residents pay their rental obligation.

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	46
2) Number of completed made ready units at time of activity report:	23
3) Number of completed one bedroom units at time of activity report:	18
4) Number of completed two bedroom units at time of activity report:	5
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:	23
7) Number of uncompleted one bedroom units at time of activity report:	19
8) Number of uncompleted two bedroom units at time of activity report:	4
9) Number of uncompleted three bedroom units at time of activity report:	N/A
Units Walked	
Unit #	Brief Description
1-0804	(1x1) Vacant for 143 days. Unit is ready for occupancy.
1-0903	(2x1) Vacant for 40 days. Unit is not ready for occupancy.
2-0106	(2x1) Vacant for 209 days. Unit is ready for occupancy.
2-0323	(1x1) Vacant for 173 days. Unit is ready for occupancy.
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? If so, please comment below.	X (see comment)		
5)	What system is used by management to monitor the timely preparation of units? ➤ Management uses the Yardi system and will begin utilizes a make-ready board that had recently been purchased.			
6)	How often are occupied units inspected? ➤ Occupied units are inspected quarterly.			
7)	How often are vacant units inspected? ➤ Vacant units are inspected weekly.			
8)	How many vacant units are in progress of being made ready? ➤ There are a total of 23 units being made-ready.			
9)	What is the company policy on the number of days to turn vacant units? ➤ Management's policy is to have units turned and made-ready within 30 days.			
<b>COMMENTS:</b> During the physical inspection of units, the reviewer confirmed that the units with a high vacancy rate were made-ready and available for occupancy. There are a total of 46 vacant units, 23 of which are made-ready and available for occupancy. Management is advised to put their focus on leasing those unit with the highest vacancy rate first.				

BUDGET MANAGEMENT					
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Three bids are solicited in order to obtain materials, supplies, and service.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ The 2016 spring storm brought several large unexpected repairs that have affected the current budget. The hail storm damaged the exterior building siding, windows, window screens, window blinds, a small portion of the perimeter fence and landscaping as it will be noted below.					
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 and Marketing	\$1,055	\$5,080	\$4,025	79%	Rental guides and Referral Fees
Administrative Expenses	\$146,275	\$131,379	-\$14,896	-11%	Temporary employees, Travel, Equipment lese and repair.
Replacement/Capital Expense	\$64,695	\$37,500	-\$27,195	-73%	Floor coverings, Windows/window coverings, Appliances, Plumbing, Exterior painting/.siding, Electrical
<b>COMMENTS:</b> According to management, there are not currently utilizes rental guides and referral fees to market the property however they will begin paying referral fees in the future.					

REVENUE					
FOR THE MONTH ENDING: MARCH 2016			YEAR TO DATE AS OF MARCH 2016		
Gross Potential		\$208,376	Gross Potential		\$620,020
Budgeted Rental Income		\$198,033	Budgeted Rental Income		\$593,516
Actual Rental Income Collected		\$194,019	Actual Rental Income Collected		\$579,582
Variance + (-)		\$5,386	Variance + (-)		\$14,248
Other Revenue		-\$12,966	Other Revenue		\$16,876
Total Collected		\$181,081	Total Collected		\$596,540
Budgeted		\$195,833	Budgeted		\$588,384
Variance + (-)		-\$14,751	Variance + (-)		\$8,156
<b>COMMENTS:</b>					

# 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? ➤ Management processes invoices monthly.			
<b>COMMENTS:</b> The credit is due to ASG Security.	0-30 Days:		\$0
	30-60 Days:		\$0
	60 Days and Over:		-\$572.61
	TOTAL		-\$572.61

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 first day of each month and is considered late on the 4 <sup>th</sup> . A \$25.00 initial late fee is assessed and a \$10 daily late fee is assessed up to 15 days late (totaling \$175) or until balance is paid in full			
3) When is legal action taken against delinquent accounts? ➤ On or around the 15 <sup>th</sup> day of the month, management will take legal action.			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b> The balance listed on the Affordable Aging Detail report dated May 23, 2016 is \$12,764.95. The balance includes \$7,403.86 for housing and \$1,488.10 for an eviction.	0-30 Days:		\$6,860.01
	30-60 Days:		\$2,047.74
	60 Days and Over:		\$3,857.20
	TOTAL		\$12,764.95

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		1	
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 (see comment)		
9) How often are staff meetings held? ➤ Meetings are conducted weekly or more often, if necessary.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ Onsite staff is required to participate in coffee-time trainings, watch corporate webinars, and attend leasing trainings.			

**COMMENTS:** Since the last visit, there has been a 100% staff change. The property has a new Regional Manager, Property Manager, Leasing staff, Maintenance Assistant, and Porter.

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? ➤ Site management submits weekly reports to the owner.			

# Texas State Affordable Housing Corporation

3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ The Property Manager must request approval for unexpected expenditures over \$500.			
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

### Observation:

- TSAHC suggest management review the Traffic Sheet report and revise the source type options. This revision can help management determine which marketing tool or technique works best in attracting prospective applicants. This may also help the overall occupancy rate which at the time of this onsite visit was 93.6%.

### Finding:

- In order to ensure that the damage caused by the spring storm 2016 is repaired and/or replaced, management must submit quarterly progress report updates to TSAHC. The reports will begin in June 2016 and continue through December 2016. Quarterly reports supporting status updates including repair/replacement completion dates will be due June 30, 2016, September 30, 2016, and December 31, 2016. The first damage status report is due to TSAHC no later than June 30, 2016.



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