

# Texas State Affordable Housing Corporation

<b>Los Ebanos Apartments</b> 2133 Barnard Road, Brownsville, TX 78520	
<b>Owner:</b> RHAC – Ebanos, LLC	<b>Date Built:</b> 1981
<b>Management Company:</b> Capstone Real Estate Services	<b>Property Manager:</b> Frankie Gonzalez
<b>Inspection Date &amp; Time:</b> March 24, 2016 at 8:00 a.m.	<b>Inspector's Name:</b> James Matias

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	99.74%
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 (see comment)	
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 (see observation)	
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 property had good curb appeal and appeared to be well maintained. The parking lot was maintained and handicapped parking spaces were clearly labeled. The common areas appeared to be heavily used and well maintained. The exterior of the buildings remains in good condition, with no visible roof, foundation, or stucco repairs needed.

- Observations:**
- On the day of the site visit the back porch on several of the units located on the North side of the property were found to be unkempt. They had a lot of large items outside in a disorderly fashion. (pictures attached) To ensure the property remains safe and uncluttered, it is highly recommended that these areas are cleaned up and that management regularly polices the residents and these buildings.
  - During the review the fence on the North side of the property was found to be leaning and it had damage. (pictures attached) Management explained that the fence is shared with the single family property that borders the property. It is recommended that management speak with those neighbors about sharing the expense for repairing or replacing the fence where it is found to be damaged, leaning and extremely deteriorated.

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	3	Burglary of vehicle

# Texas State Affordable Housing Corporation

Theft		
Criminal Mischief		
Personal Assault	2	
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance		
Other	3	Fraud (1), Kidnapping (1), Hit and Run (1)
2) Does the property utilize a crime prevention agreement?		
➤ The property utilizes the resident selection plan and the property's house rules to address criminal activity.		
3) What pro-active measures is the property taking to address crime on the property?		
➤ Management stated the Brownsville Police Department patrols the property regularly and semi-annual crime watch meeting are held.		
4) How often is a light check conducted on the property? Who performs light checks on the property?		
➤ Light checks are conducted weekly by maintenance.		

**COMMENTS:**

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?	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:** A Resident Birthdays Report is maintained to assist with screening residents as they age to 18. The most recent risk assessment was conducted in the fall of 2015.

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 (see comment)	
➤ 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?			
➤ The City of Brownsville does not require permits or licenses.			
9) Where are vendor insurance records/binders maintained?			
➤ All vendor insurance records and binders are maintained at the corporate office.			

**COMMENTS:** Management stated that the old playground was removed a few months ago. A new playground is scheduled to be installed in 2016.

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		

# Texas State Affordable Housing Corporation

**COMMENTS:** The property continues to utilize 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		
4) On average, how many days does it take to complete a work order? ➤ The work orders provided indicate that it takes less than one day to complete a work order.				
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 monthly and all units are treated 6 times per year.				
7) What is the policy for following up on completed service requests? ➤ To ensure resident satisfaction, management stated they follow up on all major or reopened work orders.				
8) What is the property's after-hours emergency policy? ➤ A call center answers the afterhours emergency calls and filters them to the Property Manager.				
9) What capital improvements have been scheduled or completed for this budget year? ➤ Capital improvements scheduled for this budget year include the following: new playground equipment, re-stripping and sealing of the parking lot, and the replacement of any wood rot.				
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>				
10) Unit Interior and Appliance upgrades ➤ In 2015 interior upgrades and appliances were completed as needed and for move outs.				
11) Building Exterior and Curb Appeal repairs ➤ No exterior or curb appeal upgrades were completed.				
12) Amenity upgrades ➤ No amenity upgrades completed in the last budget year.				
13) Other repairs or replacements ➤ No additional repairs or replacements were made in 2015.				
Number of service requests received:		43		
Number of requests open from prior periods:		0		
Number of service requests completed:		43		
Number of service requests completed within 24 hours:		40		
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	\$0	0	0
Flyers	\$0	0	0
Resident Referral	\$0	0	0
Locator Service	\$0	0	0
Printed Advertising	\$0	0	0
Internet Advertising	\$0	0	0
Other Source (Waiting List)	\$0	0	0
<b>TOTAL</b>	<b>\$0</b>	<b>10</b>	<b>10</b>
<b>The rental activity reflected in the above table is from 3/25/2015 to 3/24/2016.</b>			
	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 stated that a market survey is done monthly. The property does not spend any money on marketing because it is

# Texas State Affordable Housing Corporation

currently filling vacancies from a 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: N/A	6 months: N/A	12 months: 80%
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? ➤ Lease renewal notices are sent 120 days in advance and reminder notices are sent at 90, 60 and 30 days. Rent increases 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 and re-certifications are tracked and monitored using Onesite.			
7) Are rent increases being implemented?	X		
8) When was the last rent increase implemented? What was the average rent increase? ➤ The most recent gross rent change occurred in May 2015.			
9) How many households are currently on month-to-month leases? ➤ Due to the nature of the HUD lease, all residents that have renewed utilize a month-to-month lease.			
10) What is the charge for month-to-month leases? ➤ There is no charge for month-to-month leases.			
<b>COMMENTS:</b>			

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				
14	(3 x 1.5), Occupied. The unit has a hole in the downstairs wall and a missing cabinet door in the kitchen.				
39	(2 x 1), Occupied				
54	(4 x 1.5), Occupied, the residents appeared to be vacating this unit. The unit did not have appliances and it had a very minimal amount of personal possessions. See comment.				
62	(1 x 1), 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? If so, please comment below.				X	
5) What system is used by management to monitor the timely preparation of units?					
➤ Management utilizes Onesite to manage vacant units.					

# Texas State Affordable Housing Corporation

6) How often are occupied units inspected?
➤ Occupied units are inspected semi-annually.
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 were no vacant units at the time of the onsite visit.
9) What is the company policy on the number of days to turn vacant units?
➤ The company policy is to turn vacant units within 3 to 5 business days.
<b>COMMENTS:</b> Management stated they do not need a make ready board to track make readies because they have a minimal amount of vacancies. Prior to issuance of the report, management submitted a completed work order for the repair outlined above for unit 14. Regarding unit 54, management stated they were not aware that the resident was vacating. Management also said that the resident purchased their own appliances and obtained approval from the previous District Manager to install them. Since the appliances belong to the tenant it appears they decided to take them when they started moving out. Once management was notified of the potential vacancy they ordered new appliances. A purchase order was provided prior to the submission of this review.

BUDGET MANAGEMENT					
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Three bids must be solicited prior to purchasing materials, supplies, and/or services.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ There have not been any large unexpected repairs or purchases that have negatively affected the current budget.					
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
Administrative Expenses	\$1,398	\$676	(\$722)	(107%)	Real Page, Computer Maintenance
Maintenance Expenses	\$541	\$1,186	\$645	54%	Building/Structure, Interior, Electrical/Lights
COMMENTS:					

REVENUE					
FOR THE MONTH ENDING: January 2016			YEAR TO DATE AS OF: January 2016		
Gross Potential		\$44,431	Gross Potential		\$44,431
Budgeted Rental Income		\$44,328	Budgeted Rental Income		\$44,328
Actual Rental Income Collected		\$44,431	Actual Rental Income Collected		\$44,431
Variance + (-)		103	Variance + (-)		103
Other Revenue		(56)	Other Revenue		(56)
Total Collected		\$44,375	Total Collected		\$44,375
Budgeted		\$44,373	Budgeted		\$44,373
Variance + (-)		\$2	Variance + (-)		\$2
<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?			
➤ Invoices are processed daily.			
<b>COMMENTS:</b>	0-30 Days:		\$17,980
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$17,980

# Texas State Affordable Housing Corporation

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 or before the first day of the month. Rent not received by the 5 <sup>th</sup> day of the month will be subject to a \$5.00 late fee on the 6 <sup>th</sup> day. An additional charge of \$1.00 per day is accrued each day the rent remains unpaid, to a maximum of \$30.00.			
3) When is legal action taken against delinquent accounts? ➤ The eviction process starts around the 20 <sup>th</sup> of each month.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b> Housing assistance balances from two new move-ins accounts for \$1,495 which is 60% of the total outstanding balance.	0-30 Days:		\$2,391
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$2,391

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		
<b>COMMENTS:</b> Management confirmed that there have not been any returned checks in the past three months.			

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? ➤ Meetings are held daily.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ Management confirmed that staff completed the annual Grace Hill trainings that include: Mold and mildew, How to Read Applications, How to Process Payables, Marketing, and Preparing the Budget.			
<b>COMMENTS:</b>			

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? ➤ Management stated owners and the owner representatives review reports as needed by accessing the system.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Owner approval is required when an unbudgeted item is 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>			



# Texas State Affordable Housing Corporation

## SUMMARY OF OBSERVATIONS AND FINDINGS

### Observations:

- On the day of the site visit the back porch on several of the units located on the North side of the property were found to be unkempt. They had a lot of large items outside in a disorderly fashion. (pictures attached) To ensure the property remains safe and uncluttered, it is highly recommended that these areas are cleaned up and that management regularly polices the residents and these buildings.
- During the review the fence on the North side of the property was found to be leaning and it had damage. (pictures attached) Management explained that the fence is shared with the single family property that borders the property. It is recommended that management speak with those neighbors about sharing the expense for repairing or replacing the fence where it is found to be damaged, leaning and extremely deteriorated.





# Texas State Affordable Housing Corporation





# Texas State Affordable Housing Corporation

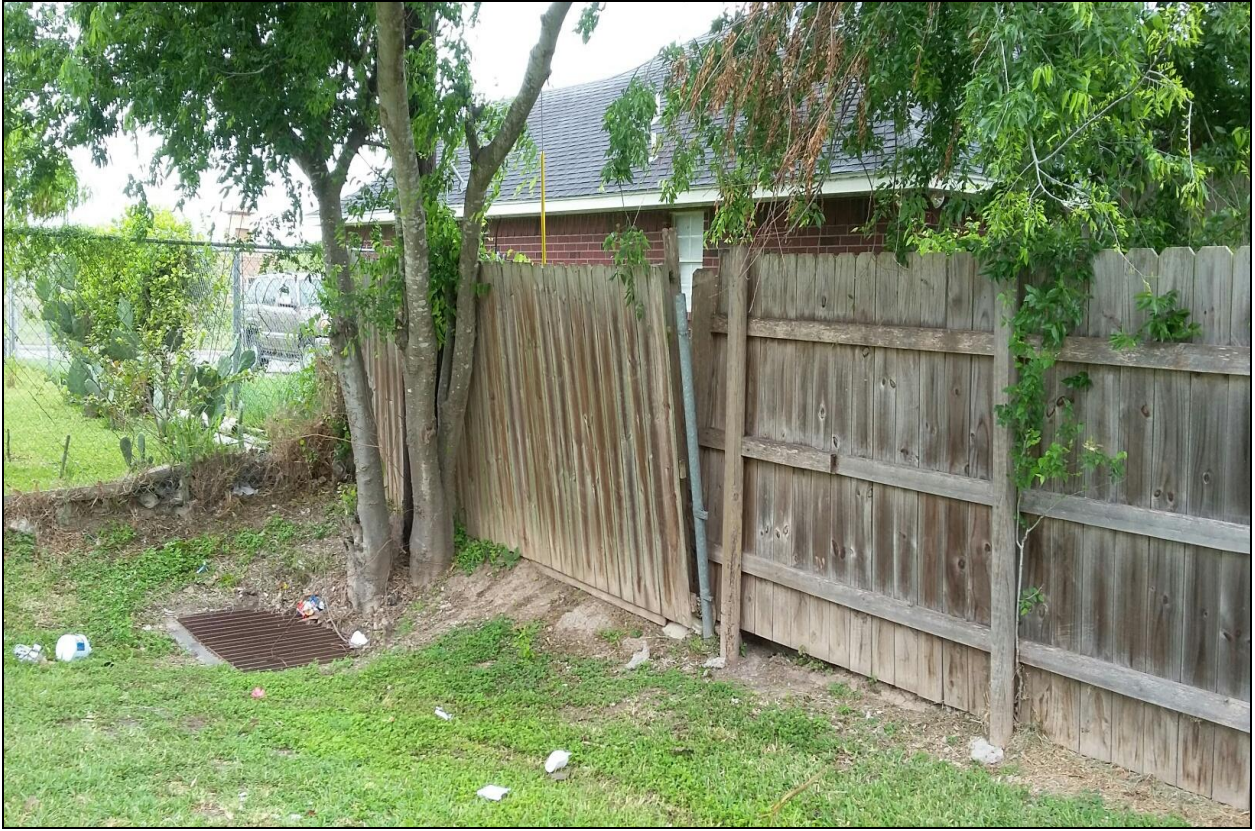








# Texas State Affordable Housing Corporation





# Texas State Affordable Housing Corporation





# Texas State Affordable Housing Corporation





# Texas State Affordable Housing Corporation





# Texas State Affordable Housing Corporation

