

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 8, 2016 at 11:30 a.m.

Inspector's Name: James Matias

Occupancy at Time of Report:	99%	Average Occupancy Over Last 12 Months:	99.3%
Number of Units: 212			
Number of One Bedrooms:	124	Number of Two Bedrooms:	88
Number of Three Bedrooms:	N/A	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		
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 around the office and throughout the community was well maintained and the grounds appeared to be in great condition. The common areas and amenities appeared clean and well kept. The roofs, stairs, and foundations appear to be in acceptable condition as well. The parking lots examined were found to be well kept with the handicap spaces clearly marked.

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	1	
Theft	1	
Criminal Mischief	1	Vandalism
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance		
Other		

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2) Does the property utilize a crime prevention agreement?
➤ Management stated 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, security cameras, 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 daily by the courtesy officer.

COMMENTS: Based on the crime reports provided the number of incidents for the community is very low.

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: The senior community does not allow people under the age of 18 to reside at the community.

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 (Horseshoe pit and small 9-hole golf course)	X		
8) When are property licenses and permits renewed?			
➤ The property's licenses and permits for the pool, pool operator, gate, hot works (welder use), and fire are all renewed annually.			
9) Where are vendor insurance records/binders maintained?			
➤ Compliance depot is used for all outside vendor records.			

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: Management confirmed 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		
4) On average, how many days does it take to complete a work order?			
➤ Based on the Service Request Activity Report provided it takes maintenance 1.3 days to complete work orders.			
5) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
6) How often are Pest Control services provided?			

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➤ Pest control services are provided twice per month and each unit gets treated annually.			
7) What is the policy for following up on completed service requests?			
➤ Management stated that they follow up with about 10% of all work orders.			
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 scheduled or completed in this budget year include the parking lots which were restriped and some landscaping improvements.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
10) Unit Interior and Appliance upgrades			
➤ Appliances and interior upgrades were completed as needed in 2015.			
11) Building Exterior and Curb Appeal repairs			
➤ None			
12) Amenity upgrades			
➤ The golf course received new flags in 2015.			
13) Other repairs or replacements			
➤ Management stated that no other repairs and/or replacements were completed to her knowledge.			
Number of service requests received:	172		
Number of requests open from prior periods:	0		
Number of service requests completed:	172		
Number of service requests completed within 24 hours:	135		
Number of outstanding service requests:	0		
COMMENTS: Based on the Service Request Activity Report provided from July 1 st through July 31 st , maintenance is doing a phenomenal job completing work orders and properly opening and closing them. The report reflects that 78.4% of work orders opened in July were completed in less than 24 hours.			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth/Sign (\$10/month)	\$120	62	11
Flyers	\$0	0	0
Resident Referral (\$100/month)	\$1,200	43	16
Locator Service (\$200/month)	\$2,400	22	4
Printed Advertising (\$50/month)	\$600	2	1
Internet Advertising (rentping.com, website hosting) (\$260/month)	\$3,120	62	5
Other Source (Work in area, Unknown, Senior Resource Guide, Senior resource Center, Section 8, Other, ICT, Family in area, Cold Calling, prior residents, Other property, Referral from management company)	\$0	140	14
TOTAL	\$6,200	331	51
The rental activity reflected in the above table was from 6/30/2015 through 7/1/2016.			
	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 community subscribes to ALM a marketing survey company whom provides them with the needed information.			

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: 79%	6 months: 74.2%	12 months: 86.3%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	0%		

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4) When are the lease renewal/rent increase notices sent to residents? ➤ Lease renewal notices are sent n 65 - 90 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 Onesite.			
7) Are rent increases being implemented?	X		
8) When was the last rent increase implemented? What was the average rent increase? ➤ Management stated that rent increases are generally implemented at renewal and the most recent average rent increase was about \$20 per unit.			
9) How many households are currently on month-to-month leases? ➤ The community currently has three households on month to month leases. The three month to month leases include two employee units and one resident. The resident is on a month to month lease because he was hospitalized and not able to renew.			
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: The month to month units mentioned above are not being charged additional rent.			

VACANT/MAKE READY UNITS					
1) Number of vacant units at time of activity report:			4		
2) Number of completed made ready units at time of activity report:			2		
3) Number of completed one bedroom units at time of activity report:			1		
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:			2		
7) Number of uncompleted one bedroom units at time of activity report:			1		
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				
723	(1x1), Vacant, Full turn needed				
1024	(1x1), Vacant, Ready				
1117	(2x2), Vacant, Ready				
1312	(2x2), Vacant, Full turn needed				
Down Units Walked (units vacant and unready for extended period of time and all down units)					
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	
5) What system is used by management to monitor the timely preparation of units? ➤ Management monitors the make ready process by using the Onesite reports.					
6) How often are occupied units inspected? ➤ Occupied units are inspected annually.					
7) How often are vacant units inspected? ➤ Vacant units are inspected daily.					
8) How many vacant units are in progress of being made ready? ➤ During the site visit 2 units were in the process of being made ready.					
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.					
COMMENTS:					

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BUDGET MANAGEMENT					
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Three bids are solicited for materials and services over \$1,000.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ The fire alarm systems needed new surge protectors and that expense was about \$1900					
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
Make Ready	\$12,264	\$10,328	(\$1,936)	(18.8%)	Carpet Repairs, Interior Paint Supplies
Other Marketing	\$11,321	\$12,804	\$1,483	11.6%	Training and Education, Leasing Expense
General and Administrative	\$29,870	\$33,271	\$3,401	10.2%	Professional fees, Eviction costs
Resident Retention	\$15,725	\$18,129	\$2,404	13.3%	Activities Coordinator, Resident Activities
COMMENTS:					

REVENUE					
FOR THE MONTH ENDING: JUNE 2016			YEAR TO DATE AS OF JUNE 2016		
Gross Potential		\$147,797	Gross Potential		\$883,837
Budgeted Rental Income		\$142,999	Budgeted Rental Income		\$857,186
Actual Rental Income Collected		\$147,231	Actual Rental Income Collected		\$864,287
Variance + (-)		\$4,232	Variance + (-)		\$7,101
Other Revenue		\$3,425	Other Revenue		\$20,834
Total Collected		\$150,656	Total Collected		\$885,121
Budgeted		\$146,222	Budgeted		\$877,466
Variance + (-)		\$4,434	Variance + (-)		\$7,655
COMMENTS:					

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 stated invoices are processed every 30 days.			
COMMENTS: Management provided an email from accounting showing that all outstanding invoices have been paid.	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 fourth 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 legal action is taken around the 15th of each month when needed.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
COMMENTS: Management provided a Comprehensive Delinquency Report which shows that \$50 of the total outstanding balance is due to housing payments. Management stated that the remainder of the delinquent balance is for residents that have payment plans set up and residents that have notified them	0-30 Days: (Current)	\$2,850	
	30-60 Days:	\$0.00	

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that rent will be late this month.

60 Days and Over:	\$0.00
TOTAL:	\$2,850

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:	4		
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 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: Pool certificates, monthly safety meeting, sexual harassment, and fair housing.			
COMMENTS: The lead maintenance assistant and assistance manager both decided to leave in the last year and they have both been replaced. Management stated that both departing employees left for lead role positions in their respective fields.			

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 \$1,000 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		
COMMENTS:			

SUMMARY OF OBSERVATIONS AND FINDINGS
No observations or findings.

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