

Texas State Affordable Housing Corporation

Jose Antonio Escajeda Apartments

204 Alicia Drive, El Paso, Texas 79905

Owner: RHAC – JAE, LLC

Date Built: 1983

Management Company: Capstone Real Estate Services, Inc.

Property Manager: Juana Pineda

Inspection Date & Time: October 26, 2017 at 8:00 a.m.

Inspector's Name: Celina Mizeles Stubbs

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	99.3%
Number of Units: 88			
Number of One Bedrooms:	12	Number of Two Bedrooms:	26
Number of Three Bedrooms:	34	Number of Four Bedrooms:	16

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: The property's overall appearance for all 5 scattered sites is good. The grounds, sidewalks, and recreational areas are clean and free of debris. The building exteriors appear to be in good repair, clean and properly maintained. A pot hole was noted at (Campbell site) however the street is property of the City of El Paso. Management stated they will call to report the pot hole.

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	2	
Criminal Mischief	2	
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence	11	
Disturbance		
Other	1	Prowler

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> The service request report listed 28 work orders, 20 of which were completed. It took maintenance staff an average of 1.5 days to complete the 20 work orders. 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?			
> Services are provided monthly.			
7) What is the policy for following up on completed service requests?			
> Management follows-up on completed work orders at random.			
8) What is the property's after-hours emergency policy?			
> The on-call maintenance staff takes all after-hour calls. Based on the nature of the calls, maintenance staff will complete the work and/or contact management staff if needed.			
9) What capital improvements have been scheduled or completed for this budget year?			
> Capital improvements completed include replacing flooring (4 units), appliances/counter top upgrades (up to 4-6 units), cabinet replacement (3 units), water heater (3 units), and evaporative coolers and cooler pad replacement (4 units).			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
10) Unit Interior and Appliance upgrades			
> Flooring (2 units), appliances (2-3 units), and cabinet upgrades (3 units).			
11) Building Exterior and Curb Appeal repairs			
> Evaporative cooler replacements (as needed), water heater replacement (5 units), sewer line replacement (2 units), and exterior painting (all buildings).			
12) Amenity upgrades			
> N/A – There were no amenity upgrades completed in the last budget year.			
13) Other repairs or replacements			
> N/A – There were no other repairs/replacements completed.			
Number of service requests received:	28		
Number of requests open from prior periods:	0		
Number of service requests completed:	20		
Number of service requests completed within 24 hours:	11		
Number of outstanding service requests:	8 (see comment)		
COMMENTS: Three of the 8 pending work orders appeared to be emergency work orders. Management confirmed and provided supporting documentation that the work orders were completed in a timely manner. Management is advised to review the service request report and ensure that the information is accurate and up- to-date.			

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			
TOTAL	\$0	0	0
The rental activity reflected in the above table was for the month of (note report dates):			
	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: Management does not maintain a marketing report as they utilize their long waiting list to fill all vacancies. The property's average occupancy for the last 12 months was 99.3% which supports management's decision to not spend funds on additional marketing.			

LEASE RENEWAL	YES	NO	N/A
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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: 86.4%
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? <ul style="list-style-type: none"> ➢ Per policy, the initial notice is sent 120-days prior to the lease end date and follow-up notices are sent at the 90, 60- and 30 day time frame. 			
5) Are individual files being reviewed to determine renewal/non-renewal status?	X		
6) How are renewals and re-certifications tracked and monitored? <ul style="list-style-type: none"> ➢ Management uses Onesite to track all tenant data including recertifications. 			
7) Are rent increases being implemented?	X		
8) When was the last rent increase implemented? What was the average rent increase? <ul style="list-style-type: none"> ➢ To date, there has not been a rent increase however management confirmed that HUD is currently reviewing the rent comparison. Once the review is complete, rent increase will be retroactive to June 2017. 			
9) How many households are currently on month-to-month leases? <ul style="list-style-type: none"> ➢ After the initial term lease the HUD lease maintains a month-to-month status. 			
10) What is the charge for month-to-month leases? <ul style="list-style-type: none"> ➢ N/A 			
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:	
3) Number of completed one bedroom units at time of activity report:	
4) Number of completed two bedroom units at time of activity report:	
5) Number of completed three bedroom units at time of activity report:	
6) Number of uncompleted made ready units at time of activity report:	
7) Number of uncompleted one bedroom units at time of activity report:	
8) Number of uncompleted two bedroom units at time of activity report:	
9) Number of uncompleted three bedroom units at time of activity report:	

Units Walked

Unit #	Brief Description
10	(1x1) Occupied: Unit is in good condition.
43	(4x1.5) Occupied: Unit is in good condition.
50	(3x1) Occupied: Unit is in good condition.
93	(3x1) Occupied: Unit is in good condition. The garbage disposal in not operable.

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? <ul style="list-style-type: none"> ➢ Management uses Onsite software. 			
6) How often are occupied units inspected? <ul style="list-style-type: none"> ➢ Management inspects units annually. 			
7) How often are vacant units inspected? <ul style="list-style-type: none"> ➢ Vacant units are inspected at move out and prior to the new tenant's move in date to ensure the unit is made-ready. 			

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8) How many vacant units are in progress of being made ready? ➤ N/A
9) What is the company policy on the number of days to turn vacant units? ➤ The company policy is to have units made-ready within 5 business day.
COMMENTS: Management provided the reviewer with a completed work order for the garbage disposal repair noted in for unit 93. No further action is required.

BUDGET MANAGEMENT
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Management is required to obtain three bids.
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ According to management, there were no repairs that negatively affected the current budget.
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
Leasing Expense	\$7	\$190	\$183	96%	Promotion and Entertainment
Turnover Expense	\$1,491	\$1,280	(\$210)	(16%)	Materials- Paint

COMMENTS:

REVENUE			
FOR THE MONTH ENDING: August 2017		YEAR TO DATE AS OF: August 2017	
Gross Potential	\$74,144	Gross Potential	\$593,154
Budgeted Rental Income	\$74,830	Budgeted Rental Income	\$595,210
Actual Rental Income Collected	\$73,822	Actual Rental Income Collected	\$590,304
Variance + (-)	\$133	Variance + (-)	\$4,218
Other Revenue	\$379	Other Revenue	\$1,498
Total Collected	\$74,201	Total Collected	\$591,802
Budgeted	\$74,113	Budgeted	\$590,229
Variance + (-)	\$87	Variance + (-)	\$1,573

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 processes invoices every week.			
COMMENTS:	0-30 Days:		\$4,197
	30-60 Days:		\$0.00
	60 Days and Over:		(\$578)
	TOTAL		\$3,619

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the rent collection policy? ➤ Payments are due in full on the first day of the month. Rent is considered late on the 6 th day. An initial late fee is assessed on the 6th day and a daily fee is accrued until rent is paid in full. Fees will not exceed \$30.			
3) When is legal action taken against delinquent accounts? ➤ Management stated they execute re-payment agreements however if the agreement is not followed then legal action will be taken. Usually this takes place around the 20th of the month.			
4) Does the property currently have any resident(s) under eviction?		X	

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5) Does Housing have any outstanding balances?	X		
COMMENTS: The delinquent amounts listed here are due to changes in the housing assistance payments.	0-30 Days:		(\$335)
	30-60 Days:		(\$342)
	60 Days and Over:		(\$516)
	TOTAL		(\$1,193)

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? ➤ Meetings are held twice weekly to ensure work is prioritized.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ Staff has attended several Grace Hill online trainings, all staff members attended SOP training, and site management attended Onesite Advance training.			
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 viewed at the Owner's discretion as the owner has the ability to pull reports.			
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 for all items over \$1,000.			
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 and No Findings.



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