

# Texas State Affordable Housing Corporation

## Peoples El Shaddai Village and St James Manor

2836 E. Overton Road & 3119 Easter Ave, Dallas, TX 75216

**Owner:** Steele St James Peoples LLC

**Date Built:** 1969 (St James) 1970 (Peoples)

**Management Company:** Monroe Group Ltd.

**Property Manager:** Felicia Graves

**Inspection Date & Time:** September 19, 2017 at 10:00 a.m. **Inspector's Name:** James Matias

<b>Occupancy at Time of Report:</b>	96%	<b>Average Occupancy Over Last 12 Months:</b>	92.5%
<b>Number of Units: 200</b>			
<b>Number of One Bedrooms:</b>	20 (Peoples) 20 (St James)	<b>Number of Two Bedrooms:</b>	20 (Peoples) 40 (St James)
<b>Number of Three Bedrooms:</b>	31 (Peoples) 30 (St James)	<b>Number of Four Bedrooms:</b>	29 (Peoples) 10 (St James)

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 (see comment)	
5) Are trees and shrubs properly trimmed?		X (see comment)	
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 (see comment)	
9) Are recreational/common areas clean, maintained and accessible?	X		
10) Are laundry facilities clean, maintained and accessible?		X (see office section on page 2)	
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 comment)	
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:** This is the first site visit performed by TSAHC for this community. On the day of the site visit the property was in the midst of a rehab. Interior and exterior improvements are being made at this time. The property's office at St James was set on fire and repairs and replacement are in progress. The landscaping does not appear maintained at either location. Most of the bushes, trees and grass were found to be long and unkempt. The grounds had numerous areas where large landscaping timbers, which were being used as borders and retention walls, were found to be loose and leaning. Management stated that they are unsure if the rehab will have money left over for landscaping. Landscaping was originally budgeted but unexpected rehab items have gone over budget. The perimeter fence surrounding the properties had holes, gaps and it was leaning because the overgrown brush line. The dumpster enclosures were found to be damaged at both locations. Management was unsure if the rehab includes repair or replacement for fencing or dumpster enclosures. In addition, almost every building at Peoples and St James had phone wire junction boxes that were open, uncovered, or exposed. The maintenance person said they close them but the phone companies keep leaving them open. The poor condition of the boxes is likely the reason they will not stay closed. The parking lots at both locations have a series of pot holes and large oil stains throughout. Loose gravel is present and the stripes are barely visible. Management stated that the parking lots will be coated and stripped as part of the rehab.

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>

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Burglary		
Theft		
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance		
Other		
2) Does the property utilize a crime prevention agreement? ➤ Management created house rules which include crime prevention verbiage.		
3) What pro-active measures is the property taking to address crime on the property? ➤ First Defense, a third-party security company, patrols both properties weekly. Video surveillance is kept at both properties with more than 20 cameras at each location. The security system is currently down at St James due to the recent arson to the office.		
4) How often is a light check conducted on the property? Who performs light checks on the property? ➤ Light checks are conducted every Friday by maintenance.		
<b>COMMENTS:</b> The property currently has an open records request for 911 call logs with the Dallas Police Department (DPD). They are waiting for the report at this time however DPD stated it would take them a while to compile the report because the addresses associated with these properties have a lot of calls. Once the information is obtained and shared with TSAHC, the above chart will be retroactively completed.		
<b>Observation:</b> <ul style="list-style-type: none"> <li>• Management is advised to provide TSAHC with a copy of the call logs delivered by DPD. In addition, TSAHC suggest reviewing the call logs regularly and following up on any incidents that note a current tenant.</li> </ul>		

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		
<b>COMMENTS:</b> Management stated that the risk assessment was completed by a third-party provider shortly after the properties were purchased.			

OFFICE	YES	NO	N/A
1) Is the office neat, the desk uncluttered?	X		
2) Are accurate office hours posted?	X (see comments)		
3) Are emergency phone numbers posted?		X	
4) Are the EHO logos clearly posted?		X (see comment)	
5) Are the following displayed in full view in the leasing office?			
➤ Fair Housing Poster		X (see comment)	
➤ Occupancy Qualifications		X (see comment)	
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 (see comment)		
➤ Laundry Facility	X see comment)		
➤ Business Center	X		
➤ Pool / Hot tub		X	
➤ Other (libraries in both)			
8) When are property licenses and permits renewed? ➤ The property does not have any permits that they have renewed at this time.			
9) Where are vendor insurance records/binders maintained? ➤ Management stated that vendor insurance records/binders are maintained at the corporate office.			

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**COMMENTS:** Due to the recent fire, the St James office is a portable building in front of the old office. Office hours are not posted but Management said notices went out notifying residents where the St James location will be operating out of and the hours they will be open. Management is encouraged to post the office hours on the portable building if they will office out of there more than a week. Management is being told the office reconstruction will be done the 1<sup>st</sup> week of October. Regarding amenities, management stated that BBQ picnic areas will be done at the end of the rehab. Currently both laundry rooms are not available to the residents at either location. The St James laundry facility was located adjacent to the office and the fire has caused enough damage to make it inoperable. The Peoples location had a serious gas leak at a large portion of the community. All buildings have been fixed and the gas is currently up in running. However, the laundry room is attached to the office at Peoples (a standalone building) and the gas has not been restored therefore keeping the laundry facility closed. The temporary management office at St James did not properly post the office hours and display the required forms (occupancy standards and the fair housing poster). Please refer to the finding on the TSAHC Compliance Report.

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:** A key box and key code is being used at Peoples however management is not properly utilizing a key box at St James.

**Finding:**

- On the day of the site visit, the St James maintenance shop entry door OR entry area was found to be open/unlocked/ easily accessible and the unit keys were located in a card board box inside. It is the reviewers understanding that the recent fire has caused the maintenance shop, which is attached to the main office, not to be securable. In addition, the keys were found to be sitting in an unsecured box. In an effort to protect residents, secure the keys, and minimize the liability of management and the property, the staff must immediately remove the keys from the maintenance shop, remove the keys from the maintenance area, and put the keys in the main office or the temporary building that is being used as the main office. The keys need to be in a lockbox and coded with the key code kept separately from the box. Since many vendors are currently working at the property, it is highly recommended that a key tracking or check out log is kept for key control. Proof that proper key control is in place must be submitted to TSAHC by 10/9/2017.

MAINTENANCE PROGRAM	YES	NO	N/A
1) Does the property have a preventative maintenance program?	X (see comments)		
2) Is the preventative maintenance schedule being implemented?	X		
3) Is the maintenance shop clean and organized?		X (see comments)	
4) On average, how many days does it take to complete a work order? ➢ The work order report provided does not indicate an average time frame for completed work orders.			
5) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?		X (see comments)	
6) How often are Pest Control services provided? ➢ Pest Control services are provided every other Thursday. Each building is treated once per year and at the residents' request.			
7) What is the policy for following up on completed service requests? ➢ Management stated that one work order per day is followed up on to check on completion, quality of work, & staff member completing the work.			
8) What is the property's after-hours emergency policy? ➢ Residents call a posted number that goes to the Manager.			
9) What capital improvements have been scheduled or completed for this budget year? ➢ Management stated that starting in 2018, they have budgeted to complete the flooring upgrades in 10 units per property per year.			
Number of service requests received:	211		
Number of requests open from prior periods:	486		
Number of service requests completed:	352		
Number of service requests completed within 24 hours:	See Observation		
Number of outstanding service requests:	345		

**COMMENTS:** The new management company will implement the preventive maintenance policy as soon as rehab is done. The Work Order Status Report provided does not indicate the amount of time it takes to complete work orders.

**Observation:**

- The Work Order Status Report dated 8/19/2017 through 9/19/2017 reflects that 345 work orders are open at this time. It is possible that work is being completed and the work order software system is not being updated frequently. It is also possible that these work orders were carried over from prior management. In the last month 211 work orders were created and the vast majority of them were resident request (73%). 486 service request were carried over for this period from the prior periods. It is essential for Management at both Peoples and St James to review all open work orders to determine if work has been neglected, check if the software system is not being used, or both. Diligent use of the software system and accuracy of the information entered is also strongly recommended to help control the maintenance program. Resident satisfaction is often directly related to timely completion of resident requested maintenance.

**Finding:**

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- During the site visit, the MSDS binder was not located in the maintenance area for St James. It is possible that it was kept in or near the office where the fire occurred. The MSDS binder kept at Peoples was very much out-of-date. The majority of the documents kept in the binder were at least 10 years old. It is essential to the protection of the staff and property for the MSDS binder to be located in the area where the materials and chemicals are stored and have up-to-date information. Management must provide TSAHC with photos of an up-to-date MSDS binder for both locations no later than **November 3, 2017**.

REHABILITATION DETAIL	YES	NO	N/A
1) Is rehab being completed according to the schedule?	X (see observation)		
2) Are materials and repairs being completed according to the detail provided during the application process?	X		
	<b>Units Completed</b>	<b>Date Completed</b>	
3) Were unit interior upgrades performed? If so, how many? <b>Yes</b> <ul style="list-style-type: none"> <li>Flooring - <b>20% flooring replaced in each unit</b></li> <li>Interior Paint - <b>100% interior paint</b></li> <li>Kitchen Cabinets and counters - <b>100% replacement</b></li> <li>Vanity Cabinets and counters - <b>100% replacement</b></li> <li>Drywall – <b>repairs/patching in all units</b></li> </ul>	200	9/15/2017	
4) Were appliances purchased/replaced? If so, how many? <b>Yes</b> <ul style="list-style-type: none"> <li>Refrigerators - <b>100% replaced</b></li> <li>Ranges and Range Hoods – <b>100% replaced</b></li> <li>Dishwashers <b>N/A</b></li> <li>Washers/Dryers - <b>N/A</b></li> </ul>	200	9/15/2017	
5) Were building exteriors repaired? <b>Yes</b> <ul style="list-style-type: none"> <li>Exterior Paint – <b>100% repainted</b></li> <li>Roofs <b>100% replaced</b></li> <li>Cementous Siding - <b>100% siding replacement</b></li> </ul>	200	9/15/2017	
6) Were amenities upgraded/repairs? <b>Yes</b> <ul style="list-style-type: none"> <li>Playground - <b>3 new playground systems installed</b></li> <li>Horseshoe Pit, Volleyball court, Bike rack - <b>N/A</b></li> <li>Community Room conversion - <b>yes (x2)</b></li> <li>Laundry Room – <b>updated (paint and flooring)</b></li> </ul>	N/A	9/15/2017	
7) Were plumbing or electrical repairs made? <b>Yes</b> <ul style="list-style-type: none"> <li>Plumbing - <b>replaced all fixtures, repaired drains and leaks</b></li> <li>Electrical - <b>replaced all fixtures and service panels</b></li> </ul>	200	9/15/2017	
8) Were any repairs made to the parking area, including carports? <b>Yes</b> <ul style="list-style-type: none"> <li>Asphalt Sealing and striping (<b>100% completed</b>)</li> <li>Pothole Repair - <b>Yes</b></li> </ul>	N/A	9/15/2017	
(9) Were any additional repairs made? (I.E. Fence) <b>Yes</b> <ul style="list-style-type: none"> <li>Concrete work – As needed</li> <li>Railings – <b>As needed</b></li> <li>Utility Line Repairs and clean outs. – <b>As needed</b></li> <li>Openings/Door/Windows - <b>100% replaced</b></li> <li>Exterior Improvements (drip lines , landscaping, and community garden) – <b>As needed</b></li> <li>Specialties (Site Signage, unit cleaning, abatement) – <b>As needed</b></li> <li>Carpentry (Attic fire walls, Dry rot repairs, bathroom subfloors) – <b>As needed</b></li> <li>ADA Unit Conversions - <b>Yes, 5% per Section 504, UFAS, ANSI, TDHCA</b></li> <li>Stairs (Interior &amp; Exterior) – <b>As needed</b></li> </ul>	200	9/15/2017	
<b>TOTAL COST OF REHAB YTD:</b>	<b>\$7,920,153</b>		

**COMMENTS:** The above information in bold was provided by the owner/developer.

**Observation:**

- Regarding section 9 above, the reviewer did not find the parking lots to be repaired, sealed or striped. The review was conducted on 9/19/2017, four days after the indicated completion date. In addition, a few of the other items that indicate they were completed remain unfinished for a few units and on the exterior of the property. These items include ADA unit modifications, interior flooring, exterior stairs and railing, and laundry room updates.

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth/Sign	\$0	0	0
Flyers	\$0	0	0
Resident Referral	\$0	0	0
Locator Service	\$0	0	0

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Printed Advertising	\$0	0	0
Internet Advertising	\$2,000	0	0
Other Source	\$0	0	0
<b>TOTAL</b>	<b>\$2,000</b>	<b>0</b>	<b>0</b>

The rental activity reflected in the above table was from 8/19/2017 through 9/19/2017.

	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 waiting list is currently lengthy and the vacant units get filled from it. The property had websites created as part of the new acquisition. The cost for the websites was about \$1,000 per property.

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: See comment	6 months: N/A	12 months: 92%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	3%		
4) When are the lease renewal/rent increase notices sent to residents? ➤ Management provides all residents with a 120 day recertification and renewal notice. A 30 day notice is given for rent increase. Follow ups for recertifications are given at 90, 60 and 30 days.			
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 through Onsite (Next Annual Recertification -Report).			
7) Are rent increases being implemented?		X	
8) When was the last rent increase implemented? What was the average rent increase? ➤ The property is 100% project based section 8 housing and rent is increased or decreased in accordance with HUD's rent limits.			
9) How many households are currently on month-to-month leases? ➤ The property currently has 61 month-to-month leases in place due to HUD renewals.			
10) What is the charge for month-to-month leases? ➤ N/A			

**COMMENTS:** Management provided a Current Renewal Status Report for the last year. Out of 140 opportunities, 130 have decided to renew month-to-month HUD leases, 3 provided a Notice to Vacate (NTV) and 7 are unknown or have not responded. The current renewal percentage cannot be determined because of the 7 unknowns previously mentioned.

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	11
2) Number of completed made ready units at time of activity report:	1
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:	1
6) Number of completed four bedroom units at time of activity report:	0
7) Number of uncompleted made ready units at time of activity report:	10
8) Number of uncompleted one bedroom units at time of activity report:	0
9) Number of uncompleted two bedroom units at time of activity report:	5
10) Number of uncompleted three bedroom units at time of activity report:	3
11) Number of uncompleted four bedroom units at time of activity report:	2

## Units Walked

Unit #	Brief Description
<b>St James Manor</b>	
5-110	4 x 1, vacant, rehab in progress
9-119	4 x 1, vacant, rehab in progress, ADA unit
20-161	2 x 1, vacant, rehab in progress, ADA unit
20-260	2 x 1, vacant, Almost Ready, Needs flooring

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<b>Peoples El Shaddai Village</b>			
6-127	4 x 1, vacant, full turn needed		
12-154	2 x 1, vacant, rehab in progress, upstairs subflooring issues		
15-164	3 x 1, vacant, Almost Ready		
<b>Down Units Walked (units vacant and unready for extended period of time and all down units)</b>			
<b>Unit #</b>	<b>Brief Description</b>		
N/A			
	<b>YES</b>	<b>NO</b>	<b>N/A</b>
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 comments)		
5) What system is used by management to monitor the timely preparation of units? <div style="margin-left: 20px;">➤ Onsite and the make ready board are used to monitor the timely preparation of units.</div>			
6) How often are occupied units inspected? <div style="margin-left: 20px;">➤ According to management, occupied units are inspected quarterly.</div>			
7) How often are vacant units inspected? <div style="margin-left: 20px;">➤ Management stated that vacant units are inspected at move out and at move in. If this time frame is extended beyond 7 days, management will review the condition of the unit along with maintenance.</div>			
8) How many vacant units are in progress of being made ready? <div style="margin-left: 20px;">➤ Ten vacant units are in the process of being made ready.</div>			
9) What is the company policy on the number of days to turn vacant units? <div style="margin-left: 20px;">➤ Management stated the company policy is to turn vacant units in 5-7 days.</div>			
<b>COMMENTS:</b> Unit 9-119 at St James has been vacant for an extended period of time (182 days) because it is going through extensive changes as part of the properties rehab. Unit 9-119 is an ADA unit.			

<b>BUDGET MANAGEMENT</b>					
1) How many bids are solicited in order to obtain materials, supplies, and services? <div style="margin-left: 20px;">➤ Three bids are solicited in order to obtain materials, supplies, and services.</div>					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? <div style="margin-left: 20px;">➤ The Gas line repairs at Peoples is the largest unexpected expense that the community had in 2017. The gas leak expenses are not reflected in the budget because it was not paid from the working capital for the property. Unexpected expense that negatively affected the budget include the replacement of two HVAC's at St. James and one HVAC replacement at Peoples.</div>					
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.)					
<b>EXPENSE ITEM</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>%</b>	<b>EXPLANATION</b>
Administrative Expenses	\$233,892	\$167,552	(\$66,340)	(39.5%)	Compliance Consulting, Marketing (Website creation), Office salaries and expenses, Contract Labor, Mileage, and Travel Expenses
Operating & Maintenance Expenses	\$168,608	\$257,912	\$89,304	34.6%	Security, Repair Contracts, Painting Contract/supplies, Carpet/Flooring repairs, Contract Labor, and Electrical Repair Contracts
<b>COMMENTS:</b> The budget is inaccurate because the current management has to use a budget created by the previous property managers prior to the recent acquisition. Administrative expenses are over budget because the property has different salaries and more personnel, two websites were created for the properties, and travel and mileage expenses are way up because of the amount of oversight from the regional and executive staff during the rehab. Operating and Maintenance expenses are well under budget because a large portion of what was budgeted is being taken care of by the rehab, such as flooring, painting, and electrical work. In addition, contract labor and repair contracts which are on the budget have not been used.					
<b>Observation:</b>					
<ul style="list-style-type: none"> <li>Current management should be working on the 2018 budget at this time. Management is encouraged to create more subcategories in the expenses section in order to easily hone in on negative trends within the budget. In addition, management may want to consider separate budgets per location.</li> </ul>					

<b>REVENUE</b>	
<b>FOR THE MONTH ENDING: 8/31/2017</b>	<b>YEAR TO DATE AS OF 8/31/2017</b>



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Gross Potential	\$196,864	Gross Potential	\$1,571,302
Budgeted Rental Income	\$198,510	Budgeted Rental Income	\$1,588,080
Actual Rental Income Collected	\$196,864	Actual Rental Income Collected	\$1,571,302
Variance + (-)	(\$1,646)	Variance + (-)	(\$16,778)
Other Revenue	(\$6,950)	Other Revenue	(\$88,055)
Total Collected	\$190,274	Total Collected	\$1,483,247
Budgeted	\$189,631	Budgeted	\$1,517,048
Variance + (-)	\$643	Variance + (-)	(\$33,801)

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.			
<b>COMMENTS:</b> The vast majority of the balances on the Vendor Aging Report from 9/19/2017 is due to small utility receivables for a list of move outs.	0-30 Days:	\$0.00	
	30-60 Days:	(\$756.67)	
	60 Days and Over:	(\$2942.59)	
	TOTAL:	(\$3699.26)	

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 1 <sup>st</sup> and considered late on the 6 <sup>th</sup> . Residents receive a \$5 late fee on the 5 <sup>th</sup> and \$1 daily fee thereafter. 10 Day Notices are sent on the 10 <sup>th</sup> and on the 13 <sup>th</sup> a 3 Day Notice to Vacate is posted.			
3) When is legal action taken against delinquent accounts? ➤ Evictions are filed around the 21 <sup>st</sup> of each month.			
4) Does the property currently have any resident(s) under eviction?	X (see comments)		
5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b> The property has four units under eviction for nonpayment of rent. One at St James and 3 at Peoples. During the site visit, management stated that even though the majority of the residents have lower rent portions, delinquency has been a problem. Management said they are taking the appropriate action on all units for unpaid rent regardless of the rent portion or balance due. The current and past due balances from housing total more than \$60,000. Management is encouraged to work closely with the Housing Authority to rectify these balances by completing all certifications and requesting rent changes as needed.	0-30 Days: (Current)	(\$17,010)	
	30-60 Days:	\$13,277	
	60 Days and Over:	\$41,247	
	TOTAL:	\$37,514	

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 stated that the first NSF payment has no charge to the resident. For the second and all subsequent NSF's, the resident will be charged whatever bank penalty charge gets accesses.			

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?			N/A (see

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			comments)
9) How often are staff meetings held? ➤ Management stated that meetings are held weekly.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ The on-site staff completed online training for Fair Housing. In addition, management received harassment in the work place training through ADP (Automated Payroll Inc.)			
<b>COMMENTS:</b> This is the first site visit for TSAHC. The new management company kept the majority of the maintenance staff and some of the administrative staff. The property is currently adequately staffed at both locations.			

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? ➤ Ownership receives a summary report weekly.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Managers have a \$500 threshold and the Regional Manager has a \$2000 threshold regarding what they can spend for an unbudgeted or over budget expense.			
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
<p><b>Observations:</b></p> <ul style="list-style-type: none"> <li>Management is advises to provide TSAHC with a copy of the call logs provided by DPD. In addition, TSAHC suggest reviewing the call logs and following up on any incidents that note a current tenant.</li> <li>The Work Order Status Report dated 8/19/2017 through 9/19/2017 reflects that 345 work orders are open at this time. It is possible that work is being completed and the work order software system is not being updated frequently. It is also possible that these work orders were carried over from prior management. In the last month 211 work orders were created and the vast majority of them were resident request (73%). 486 service request were carried over for this period from the prior periods. It is essential for Management at both Peoples and St James to review all open work orders to determine if work has been neglected, check if the software system is not being used, or both. Diligent use of the software system and accuracy of the information entered is also strongly recommended to help control the maintenance program. Resident satisfaction is often directly related to timely completion of resident requested maintenance.</li> <li>Regarding section 9 above, the reviewer did not find the parking lots to be repaired, sealed or striped. The review was conducted on 9/19/2017, four days after the indicated completion date. In addition, a few of the other items that indicate they were completed remain unfinished for a few units and on the exterior of the property. These items include ADA unit modifications, interior flooring, exterior stairs and railing, and laundry room updates.</li> <li>Current management should be working on the 2018 budget at this time. Management is encouraged to create more subcategories in the expenses section in order to easily hone in on negative trends within the budget. In addition, management may want to consider separate budgets per location.</li> </ul> <p><b>Findings:</b></p> <ul style="list-style-type: none"> <li>On the day of the site visit, the St James maintenance shop entry door OR entry area was found to be open/unlocked/ easily accessible and the unit keys were located in a card board box inside. It is the reviewers understanding that the recent fire has caused the maintenance shop, which is attached to the main office, not to be securable. In addition, the keys were found to be sitting in an unsecured box. In an effort to protect residents, secure the keys, and minimize the liability of management and the property, the staff must immediately remove the keys from the maintenance shop, stop keeping the keys in the maintenance area, and put the keys in the main office or the temporary building that is being used as the main office. The keys need to be in a lockbox and coded with the key code kept separately from the box. Since so many vendors are currently working at the property right now, it is highly recommended that a key tracking or check out log is kept for key control. Proof that proper key control is in place must be submitted to TSAHC by <u>10/9/2017</u>.</li> <li>During the site visit, the MSDS binder was not located in the maintenance area for St James. It is possible that it was kept in or near the office where the fire occurred. The MSDS binder kept at Peoples was very much out-of-date. The majority of the documents kept in the binder were at least 10 years old. It is essential to the protection of the staff and property for the MSDS binder to be located in the area where the materials and chemicals are stored and have up-to-date information. Management must provide TSAHC with photos of an up-to-date MSDS binder for both locations no later than <u>November 3, 2017</u>.</li> </ul>



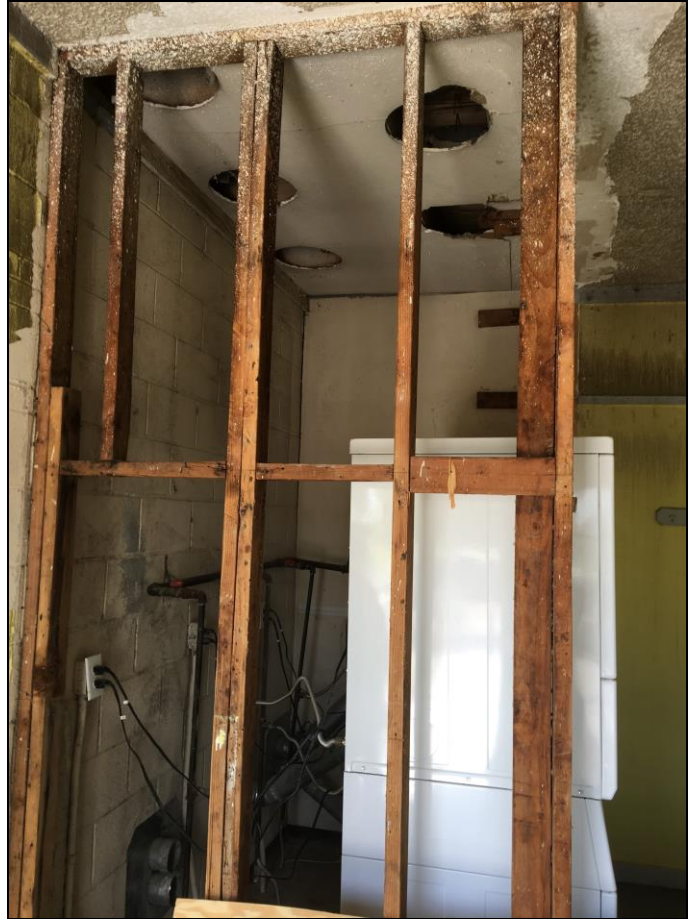
# Texas State Affordable Housing Corporation

## St James Manor





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## Peoples El Shaddi





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