

Texas State Affordable Housing Corporation

Vista Rita Blanca

701 Maynard, Dalhart, Texas 79022

Owner: Guadalupe Economic Services Corp. (GESC)

Date Built: 2014

Management Company: JL Gray Company

Property Manager: Rosalinda Davila

Inspection Date & Time: July 19, 2017 at 9:30 a.m.

Inspector's Name: Celina Stubbs

Occupancy at Time of Report:	97%	Average Occupancy Over Last 12 Months:	93.6%
Number of Units: 28			
Number of One Bedrooms:	N/A	Number of Two Bedrooms:	12
Number of Three Bedrooms:	12	Number of Four Bedrooms:	4

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 (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 (see comment)		
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: During the physical inspection of the property, the reviewer was able to assess that the property is in overall great condition. The parking lots, grounds, common areas, and playground are clean and free of debris. The reviewer observed bulk items in two trash receptacle areas, a window screen that was not properly placed on the window, and an exposed cable wire box. The window screen and cable wire were fixed prior to the end of the site visit.

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		
Theft		
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		

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Domestic Violence		
Disturbance	2	2- Domestic disturbance
Other		
2) Does the property utilize a crime prevention agreement? <ul style="list-style-type: none"> ➢ The property utilizes a Crime Free and Drug Free lease addendums. 		
3) What pro-active measures is the property taking to address crime on the property? <ul style="list-style-type: none"> ➢ The Property Manager walks the property daily and encourages tenants to follow the city curfew which is 9:00 p.m. Management believes this has helped deter crime at the property. 		
4) How often is a light check conducted on the property? Who performs light checks on the property? <ul style="list-style-type: none"> ➢ Light checks are conducted by the Property Manager on a daily basis. 		
COMMENTS: The security incidents noted above were based on a review of the Dallam-Hartley County Dispatch Call Sheet that was requested by management for the 4/1/2017 through 6/30/2017 time frame. There were 7 total incidents: 2 of the 7 incidents are noted above. The reviewer was made aware that management was charged for the call sheet. TSAHC suggest management visit the dispatch center and explain that there are reports that will be requested annually and create a working relations that may eliminate the cost burden of requesting and retrieving Dispatch Call Sheets on an annual basis.		

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? <ul style="list-style-type: none"> ➢ 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 (see comment)	
COMMENTS: Management is unaware of when the last risk assessment was conducted at this 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? <ul style="list-style-type: none"> ➢ Fair Housing Poster ➢ 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? <ul style="list-style-type: none"> ➢ Playground ➢ Community Room ➢ BBQ/Picnic Area ➢ Laundry Facility ➢ Business Center (this room is also used for the Library and Pantry area) ➢ Pool ➢ Other (describe) 	X	X	X
8) When are property licenses and permits renewed? <ul style="list-style-type: none"> ➢ This property does not require annual license or permit renewals. 	X		
9) Where are vendor insurance records/binders maintained? <ul style="list-style-type: none"> ➢ Vendor documents are stored at the corporate office. 	X		
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:			

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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? ➢ It takes maintenance an average of 4.5 days to complete 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? ➢ Twice a year, all buildings are treated for pest control services.			
7) What is the policy for following up on completed service requests? ➢ The Property Manager visits the unit to ensure service request are completed satisfactorily.			
8) What is the property's after-hours emergency policy? ➢ Residents are informed to call the after-hour number that will call the Property Manager directly. The Property Manager will contact the appropriate person.			
9) What capital improvements have been scheduled or completed for this budget year? ➢ No capital improvements have been scheduled or completed this budget year.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
10) Unit Interior and Appliance upgrades ➢ No unit interior or appliance upgrades have been made, unless it is necessary.			
11) Building Exterior and Curb Appeal repairs ➢ No exterior building or curb appeals repairs have been made.			
12) Amenity upgrades ➢ No major amenity upgrades have been completed.			
13) Other repairs or replacements ➢ N/A			
Number of service requests received:	2		
Number of requests open from prior periods:	0		
Number of service requests completed:	2		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	0		
COMMENTS: The maintenance technician's time is split between two sister properties; therefore, the time to close to work orders took an average of 4.5 days to close. Management staff confirmed that all emergency work orders will be addressed and completed within 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	\$0	0	0
Flyers (1) / Walk-ins (3)	\$0	4	0
Resident Referral / Tenant Referral (2)	\$0	2	0
Locator Service	\$0	0	0
Printed Advertising (Dalhart Texan Newspaper \$50 monthly)	\$50	0	0
Internet Advertising	\$0	0	0
Other Source: Tenant Unit Transfer (1) and City Job fair	\$0	1	0
TOTAL	\$50	7	0
The rental activity reflected in the above table was for the month of (note report dates): See comment.			
	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 confirmed that the property does not maintain a report that captures the source of traffic. However, the Property Manager provided the reviewer with a copy of the current waiting list and wrote the source of traffic for each applicant (this is listed above). While the reviewer was able to capture current sources we are not able to determine which source type produces approved leases.			

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Observation:

- TSHAC strongly suggests management create a way to track all sources of traffic moving forward. This will allow management to determine which marketing methods are best moving forward. This may also help ensure that the property does not experience an extended vacancy period as they did in the previous year.

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: 100%	6 months: 71%	12 months: 69%
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? According to the entrance interview questionnaire, lease renewal and rent increase notices are sent to tenants at the 90 and 30 day period prior to the lease expiration date.			
5) Are individual files being reviewed to determine renewal/non-renewal status?	X		
6) How are renewals and re-certifications tracked and monitored? ➢ JL Gray software is used to track renewals and re-certifications.			
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 in February 2015.			
9) How many households are currently on month-to-month leases? ➢ Month-to-month leases are not offered at this property.			
10) What is the charge for month-to-month leases? ➢ N/A			
COMMENTS:			

VACANT/MAKE READY UNITS			
1) Number of vacant units at time of activity report:			1
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:			1
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:			1
Units Walked			
Unit #	Brief Description		
A2	(4x2) Occupied.		
C1	(2x2) Occupied: Water stain on ceiling (see comment).		
C3	(2x2) Occupied.		
F4	(3x2) Vacant: In the make-ready process.		
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 utilizes J.L. Gray software and daily conversations to track unit preparation.			

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6) How often are occupied units inspected? ➤ Occupied units are inspected monthly.
7) How often are vacant units inspected? ➤ Vacant unit are inspected monthly.
8) How many vacant units are in progress of being made ready? ➤ There is one vacant unit in the process of being made ready.
9) What is the company policy on the number of days to turn vacant units? ➤ The management policy for turning vacant units is 3-5 days; however, the maintenance technician visits Rita Blanca twice a week. The technician completes work orders then completes the make-ready.
COMMENTS: During the physical review of unit C1, the reviewer noted what appeared to be a water stain on the ceiling. Management confirmed that they hired contractor who stated that there is not major leak. Management hired them to correct the issue.

BUDGET MANAGEMENT					
1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Three bids are still required to obtain materials or services.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ Management pulled funds from the reserve account to replace and resurface cracked shower stall.					
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
Administrative Expenses	\$44,323	\$56,934	(\$12,611)	(22%)	Professional Fees, Legal Expenses, Dues/Subscriptions, and Service for Residents
Operating & Maintenance Expenses	\$45,442	\$39,113	\$6,329	16%	Maintenance & Repairs Supply, Travel – Maintenance, Appliances & Furnishing Replacements, and Vehicle & Equipment Operations
COMMENTS:					

REVENUE					
FOR THE MONTH ENDING: JUNE 2017			YEAR TO DATE AS OF: JUNE 2017		
Gross Potential	\$25,520		Gross Potential	\$229,680	
Budgeted Rental Income	\$25,520		Budgeted Rental Income	\$229,680	
Actual Rental Income Collected	\$24,482		Actual Rental Income Collected	\$216,685	
Variance + (-)	(\$272)		Variance + (-)	(\$6,101)	
Other Revenue	\$170		Other Revenue	\$1,641	
Total Collected	\$24,652		Total Collected	\$218,326	
Budgeted	\$25,272		Budgeted	\$227,430	
Variance + (-)	(\$620)		Variance + (-)	(\$9,104)	
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? ➤ Invoices are processed daily.			
COMMENTS: The information was based on a review of the Account Payable Ledger as of 7/19/2017. The following vendors make up 79% of the total balance due. See below:			
• Vista Rita Blanca – Reserve: Payment to fund the reserve account.			\$6,163
• Vista Rita Blanca – T&I: Payment to fund the tax and insurance account.			\$1,011
• Guadalupe Economic Services Corporation: Payment to service coordinator.			\$8,013
			TOTAL
			\$15,187

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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 st of the month and considered late on the 5 th of the month. If rent is late, a 3-day notice to vacate is issued around the 6 th of the month.			
3) When is legal action taken against delinquent accounts? ➤ Legal action is taken on or around the 10 th day of the month.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?		X	
COMMENTS:	0-30 Days:		\$0
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$0

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? ➤ Management meets weekly on Monday and Wednesday.			
10) Have personnel been trained in Fair Housing?	X		
11) List training s ➤ The new Property Manager has attended the Rural Housing Development 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 sent to the Owner on a monthly basis.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Owner review and approval is required for unbudgeted or over budget items that are above the amount of \$150 for the Property Manager and \$700 for the Asset Manager.			
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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Management has called the city to pick up the bulk items.



This item was corrected on the day of the onsite visit.



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Vacant Unit F4 in make-ready process.



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