

Texas State Affordable Housing Corporation

Los Ebanos Apartments

2133 Barnard Rd., Brownsville, Texas 78520

Owner: RHAC – Los Ebanos, LLC

Date Built: 1981

Management Company: J. Allen Management Co.

Property Manager: Erika Gomez

Inspection Date & Time: February 27, 2018 at 8:00 a.m.

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	93%
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		
4) Are the grounds and landscaping in acceptable condition?	X		
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		
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: Based on visual observation of the property, the apartment community is in great condition. The property grounds were clean, the parking lot was free of pot holes, the sidewalks and buildings appeared to be well maintained, and the landscaping looked great. The perimeter fence was propped up and is supported well. In addition, the building exteriors were painted with a new color-scheme which adds to the overall property curb appeal.

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		
Domestic Violence		
Disturbance	1	Disturbance Music- 1

Texas State Affordable Housing Corporation

Other	1	Suspicious Person - 1			
			YES	NO	N/A
2)	Does the property utilize a crime prevention agreement?		X		
3)	Does the property take pro-active measures to address crime on property? If so, add comment		X		
4)	Are light checks conducted by management staff on a weekly basis? If not, add comment.		X		
COMMENTS: According the management, the local police department no longer provides courtesy drive-throughs at the property. However, the Property manager continues to host semi-annual crime watch meetings. Based on the 3 months of 9-1-1 call reports provided, a total of 6 calls were made; 2 of the 6 calls are noted above.					

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? If yes, when?	x		
COMMENTS: The Regional Manager walked the property to determine any risk liabilities when J. Allen took over managing the 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?			
➤ 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) Does the property require licenses or permits? ➤ (Describe)		X	
8) Are property licenses and permits renewed as required?		X	
9) Are vendor insurance records/binders properly maintained?	X		
10) Are vendors properly screened to ensure proper insurance documents are being maintained?	X		
11) 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 (describe)		X	
COMMENTS:			

KEY CONTROL	YES	NO	N/A
1) Does the property use an electronic key tracking system? If not, answer questions 2-5.	X		
2) Are all property keys properly coded?			X
3) Is key box locked and secured?			X
4) Is the key code list kept separate from the key box?			X
5) Are locks being changed during unit turnovers?			X
COMMENTS: The property utilizes The Blackhorse 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		

Texas State Affordable Housing Corporation

3) Is the maintenance shop clean and organized?	X		
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
5) How often are Pest Control services provided? ➢ Pest control services are conducted monthly.			
6) What is the policy for following up on completed service requests? ➢ The property Manager follows-up on reoccurring maintenance issues.			
7) What is the property's after-hours emergency policy? ➢ Tenants are told to call the after-hours number which is provided at the time of move-in and posted on the office door. The after-hours number will call the property manager directly.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ The following capital improvements are scheduled for this budget year; dead tree removal, and replacement of vinyl flooring with sub-floors as needed.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

9) Unit Interior and Appliance upgrades ➢ Unit interiors and appliance upgrades were completed as needed in the last budget year.			
10) Building Exterior and Curb Appeal repairs ➢ The building exteriors were painted in the last budget year.			
11) Amenity upgrades ➢ N/A			
12) Other repairs or replacements ➢ Sidewalk repairs were made, fascia and soffit repairs were completed as needed, and the parking lot was seal-coated and restriped in the last budget year.			

Number of service requests received:	24		
Number of requests open from prior periods:	0		
Number of service requests completed:	24		
Number of service requests completed within 24 hours:	6		
Number of outstanding service requests:	0		

13) On average, how many days does it take to complete a work order? ➢ See comments below			
--	--	--	--

COMMENTS: The Service Request Activity Report (dated 2/1/18 – 2/28/18) indicates it took an average of 8 days to completed the 24 work orders that were received in this timeframe. There were 8 work orders that were open for an average of 9 days, most of which reported HVAC issues. The Property Manager confirmed that the delay in work order completion for those work orders was due to waiting on HVAC parts that were ordered. If those 8 work orders are removed the average work order completion time drops to 2.5 days.

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/Internet Advertising			
Other Source (Calls from Daycare/School)	\$0	4	4
TOTAL	\$0	4	4

The rental activity reflected in the above table was for the month of: February 1, 2018 – February 28, 2018.

	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:

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		

Texas State Affordable Housing Corporation

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%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	6%		
4) Are lease renewal/rent increase notices sent to residents at the 120-day, 90-day, 60-day and 30-day timeframes prior the end of the lease contract? If not, comment below.	X		
5) Are rent increase notices sent to residents at least 30-days prior to the rent increase implementation?	X		
6) Are individual files being reviewed to determine renewal/non-renewal status?	X		
7) Are renewals and re-certifications tracked and monitored with property management software? I.e., Yardi, Onesite, or Owner/Agent created software?	X		
8) Are rent increases being implemented?	X		
9) When was the last rent increase implemented? What was the average rent increase? ➤ According to the Property Manager, the last rent increase was implemented in May 2018.			
10) How many households are currently on month-to-month leases? ➤ Per the HUD lease, after the initial term the lease rolls into a month-to-month term. However, as of January 2018 tenants will enter into 12 month renewal lease terms at the time of renewal.			
11) What is the charge for month-to-month leases? ➤ This is not applicable to the HUD lease.			
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:				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			
22	(3x1) Occupied: Hallway smoke alarm inoperable. Battery replaced on the day of the onsite visit.			
25	(2x1) Occupied: The unit is in good condition.			
44	(4x2) Occupied: The unit is in good condition.			
61	(1x1) Occupied: The unit is in good condition.			
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) Is management utilizing property software (i.e., Yardi, Onesite, or an owner/agent created) to monitor the timely preparation of units? If not, comment.		X		
6) How often are occupied units inspected? ➤ Occupied units are inspected: Quarterly				
7) How often are vacant units inspected? ➤ Vacant units are inspected: Daily				
8) How many vacant units are in progress of being made ready? ➤ None, all units were occupied.				

Texas State Affordable Housing Corporation

9) What is the company policy on the number of days to turn vacant units? ➤ The company policy is to turn vacant units within 3-5 business days.
COMMENTS:

BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Three bids are required to be obtained and reviewed prior to moving forward with purchases or services.			
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ There has not been any unexpected repairs or purchases that has 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
Salaries & Benefits	\$7,820	\$10,543	\$2,713	25%	Group Health Insurance and Other Salary Expenses
Maintenance Expenses	\$368	\$1,445	\$1,086	74%	Appliances, Drapes/Blinds, Glass/Screens, Electrical/Lights, HVAC, Plumbing, Cleaning Supplies, Tools/Equip, and Uniform Expense
Service Expense	\$1,200	\$2,070	\$869	41%	Plumbing Contractor and Trash Removal
Routine Replacement Expense	\$0	\$5,787	\$4,787	100%	All line items were budgeted for and not used

COMMENTS: According to the Regional Property Manager, the large budget comparison report variances is due to the recent management take-over. The reviewer was informed that it was not a smooth transition so many end-of-year bills (especially in regards to the Maintenance and Routine Replacement expenses) were not handled probably and are therefore reflected as large variances on the January budget comparison.

REVENUE			
FOR THE MONTH ENDING: January 2018		YEAR TO DATE AS OF: January 2018	
Gross Potential	\$46,034	Gross Potential	\$46,034
Budgeted Rental Income	\$46,061	Budgeted Rental Income	\$46,061
Actual Rental Income Collected	\$44,712	Actual Rental Income Collected	\$44,712
Variance + (-)	\$449	Variance + (-)	\$449
Other Revenue	\$242	Other Revenue	\$242
Total Collected	\$44,954	Total Collected	\$44,954
Budgeted	\$44,659	Budgeted	\$44,659
Variance + (-)	\$295	Variance + (-)	\$295

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) Are invoices processed weekly? ➤ The Property Manager processes invoices daily.			
COMMENTS:	0-30 Days:		\$2,543
	30-60 Days:		(\$78)
	60 Days and Over:		(\$4,909)
	TOTAL		(\$2,444)

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 and considered late on the 6 th day. An initial late fee of \$5 is incurred at that time and an additional daily fee of \$1 is accrued until rent is paid. Late fees will not exceed \$30.			
3) When is legal action taken against delinquent accounts? ➤ According to management, legal action against delinquent accounts is taken around the 20 th of each month.			
4) Does the property currently have any resident(s) under eviction?		X	

Texas State Affordable Housing Corporation

5) Does Housing have any outstanding balances?	X		
COMMENTS: Based on a review of the Delinquent and Prepaid reports dated 2/26/18, there is a total delinquency balance of \$5,998 however \$5,957 of that balance (99%) is due to housing assistance payments.	0-30 Days:		\$4,527
	30-60 Days:		\$1,471
	60 Days and Over:		\$0.00
	TOTAL		\$5,998

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) Are weekly staff meetings held?	X		
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ Both the Property Manager and the Maintenance Technician have taken several Grace Hill trainings.			
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 requested and/or pulled from the Onsite system at the Owner's discretion.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds?			
➤ The Property Manager is required to get the owner's approval for any dollar amount on expenses that are not budgeted. The Regional Manager is required to get owner approval for amounts 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 Findings and Observations.



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

