

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: June 7, 2018 at 10:00 a.m.

Inspector's Name: James Matias

Occupancy at Time of Report:	96.4%	Average Occupancy Over Last 12 Months:	99.0%
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 observation)	
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: During the physical inspection of the property, the reviewer determined that the property is in overall great condition. The parking lots, grounds, common areas, and playground are clean and free of debris. The xeriscaping looked great and management does a good job keeping the pebbles off the sidewalks and out of the parking lot.

Observation:

- **The reviewer observed bulk items in two trash receptacle areas. This same issue showed up on the 2017 Asset Oversight Report as well. It is strongly suggested that management make a diligent effort to determine which residents are dumping bulk items near the dumpster enclosures and reprimand those residents with lease warnings or violations. If they have not already done so, Management is encouraged to notify residents of the proper way to dispose of bulk items in the Dalhart area.**

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		

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Drug Related Activity					
Gun Related Activity					
Domestic Violence					
Disturbance					
Other					
			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: The chart in item one (above) is blank because management has been unable to obtain 911 call logs from the Dalhart Police department. A diligent effort is being made by management to obtain the call logs and as soon as they have the report, they will send it to TSAHC. The property uses crime free direct free lease addendums. The Property Manager stated that she conducts lights checks weekly.					

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:					

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?					X
➤ (Describe): N/A					
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:					

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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) 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 provided quarterly and as needed.			
6) What is the policy for following up on completed service requests? ➢ Almost all work orders are followed up on by the Manager.			
7) What is the property's after-hours emergency policy? ➢ Tenants are made aware to call the office number during after-hours for any emergency; the calls go directly to the Property Manager. Once the call is received, the Property Manager will contact the appropriate person(s).			
8) 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			
9) Unit Interior and Appliance upgrades ➢ No unit interior or appliance upgrades have been made, unless it is necessary.			
10) Building Exterior and Curb Appeal repairs ➢ No unit interior or appliance upgrades have been made, unless it is necessary.			
11) Amenity upgrades ➢ No major amenity upgrades have been completed.			
12) Other repairs or replacements ➢ N/A			
Number of service requests received:	19		
Number of requests open from prior periods:	0		
Number of service requests completed:	15		
Number of service requests completed within 24 hours:	14		
Number of outstanding service requests:	5		
13) On average, how many days does it take to complete a work order? ➢ On average, it takes about 1 day to close a work order according to the log provided. It is probable that the log provided does not have accurate information. See observation.			
COMMENTS:			
Observation:			
<ul style="list-style-type: none"> • After a review of the Work Order Log provided, which is an ongoing excel spreadsheet, Management is encouraged to do a more diligent job opening and closing work orders. January had 3 work orders entered, February had 7, March had none, April had 18, and May has none. The Work Order Log appears to have a negative trend of deferring maintenance for long periods of time and then opening and closing many of the work orders on the same day or days. Even though the property is currently operating without a dedicated maintenance person, it is strongly suggested that minor maintenance request are addressed within 72 hours and major or emergency request are 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	\$10	2	0
Resident Referral	\$0	2	0
Locator Service	\$0	0	0
Printed/Internet Advertising	\$55	1	0
Other Source:	\$0	0	0
TOTAL	\$65	5	0
The rental activity reflected in the above table was for the month of: See comment.			
	YES	NO	N/A
2) Is the property doing bilingual advertising?	X		
3) Does the property have any competitors nearby?		X	

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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).			

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: N/A	6 months: N/A	12 months: 85.7%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	0%		
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 after the 2018 HUD income limits were releases.			
10) How many households are currently on month-to-month leases? Month-to-month leases are not offered at this property.			
11) What is the charge for month-to-month leases? > N/A			
COMMENTS: The property had 2 move outs in the last year, one was due to the family buying a home and the other household was no longer farm labor and therefore lost its USDA voucher for rent.			

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		
B3	(2x1) Occupied.		
A1	(4x2) Occupied.		
F2	(3x1) Vacant: In the make-ready process. Guest bedroom window will not lock.		
G1	(3x1) Occupied. Guest bedroom window will not open.		
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) 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		

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6) How often are occupied units inspected? ➤ Occupied units are inspected: Monthly
7) How often are vacant units inspected? ➤ Vacant units are inspected: Weekly
8) How many vacant units are in progress of being made ready? ➤ One vacant unit is in the progress of being made ready.
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 business days.
COMMENTS: The community has 4 bedroom and 2 bath units; all are occupied at this time. Regarding Question #7 above, management is encouraged to walk the vacant unit more frequently if they have an extended vacancy due to the current market or an extensive make-ready. Prior to the submission of this report completed work orders were provided for the maintenance issues noted above for units F2 and G1.

BUDGET MANAGEMENT

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 of materials 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 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
Utility Expenses	\$2,325	\$1,883	(\$442)	(23%)	Electricity, Water and Sewer
Operating & Maintenance Expenses	\$4,559	\$4,118	(\$481)	(12%)	Maintenance & Repair Supplies, Maintenance & Repair Contracts

COMMENTS:

REVENUE

FOR THE MONTH ENDING: April 2018		YEAR TO DATE AS OF: April 2018	
Gross Potential	\$25,520	Gross Potential	\$178,640
Budgeted Rental Income	\$24,244	Budgeted Rental Income	\$169,708
Actual Rental Income Collected	\$25,520	Actual Rental Income Collected	\$178,440
Variance + (-)	\$1,276	Variance + (-)	\$8,732
Other Revenue	\$119	Other Revenue	\$734
Total Collected	\$25,639	Total Collected	\$179,174
Budgeted	\$24,440	Budgeted	\$171,076
Variance + (-)	\$1,199	Variance + (-)	\$8,098

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?	X		

COMMENTS:

0-30 Days:		\$0
30-60 Days:		\$0
60 Days and Over:		\$0
TOTAL		\$0

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. Three day Notices to Vacate (NTV) are sent on the 6 th of the month. An initial late			

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fee of \$10 is incurred on the 10 th .			
3) When is legal action taken against delinquent accounts? ➤ Unless something is worked out with management, evictions are filed after the 3 day NTV expires.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
COMMENTS:	0-30 Days:		\$157
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$157

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. ➤ The staff watches Zeffert online training and attends the New Mexico Apartment Association conference. In June staff will attend Rural Development Compliance (RDC) training given by Professional Compliance Services (PCS).			
COMMENTS: The lead maintenance left the organization in April. The property is using a shared maintenance technician, who services another property in New Mexico, at this time.			

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? ➤ Occupancy and Delinquency reports and the operation budgets are sent monthly to ownership			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Management is required to get owner's approval for anything over \$150 outside the 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
<p>Observations:</p> <ul style="list-style-type: none"> The reviewer observed bulk items in two trash receptacle areas. This same issue showed up on the 2017 Asset Oversight Report as well. It is strongly suggested that management make a diligent effort to determine which residents are dumping bulk items near the dumpster enclosures and reprimand those residents with lease warnings or violations. If they have not already done so, Management is encouraged to notify residents of the proper way to dispose of bulk items in the Dalhart area. After a review of the Work Order Log provided, which is an ongoing excel spreadsheet, Management is encouraged to do a more diligent job opening and closing work orders. January had 3 work orders entered, February had 7, March had none, April had 18, and May has none. The Work Order Log appears to have a negative trend of deferring maintenance for long periods of time and then opening and closing many of the work orders on the same day or days. Even though the property is currently operating without a dedicated maintenance person, it is strongly suggested that minor maintenance request are addressed within 72 hours and major or emergency request are completed within 24 hours. <p>No Findings.</p>

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