

# 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: March 1, 2019 at 8:30 a.m.**

**Inspector's Name: James Matias**

<b>Occupancy at Time of Report:</b>	100%	<b>Average Occupancy Over Last 12 Months:</b>	99%
<b>Number of Units: 65</b>			
<b>Number of One Bedrooms:</b>	4	<b>Number of Two Bedrooms:</b>	23
<b>Number of Three Bedrooms:</b>	32	<b>Number of Four Bedrooms:</b>	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		
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 grounds and landscaping were well kept and very clean. The management office, common areas, and amenities were clean and accessible to the public. The building exterior and building roofs also appeared to be in good condition. The grass at the community was in need of the first cut of the season during the site visit. Management stated that this is scheduled to take place within the next week or two. The perimeter fence on the North side has a few areas where it is leaning. According to management, the portion of the fence where it is leaning belongs to the adjacent neighbors.

**Observation:**

- On the day of the site visit various areas of the sidewalks appeared to be cracking and breaking. In an effort to increase the curb appeal of the property and the safety of the residents it is strongly encouraged that new concrete is poured to fix the problem. If the property is unable to use the current budget to make the repairs and pour new concrete, it is recommended that this item be analyzed for next year's budget. For the time being management is encouraged to have maintenance clean up the deteriorating areas weekly. (pictures attached)

### 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>
Burglary		
Theft		
Criminal Mischief		

# Texas State Affordable Housing Corporation

Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance	1	Disturbance Music- 1
Other	1	Suspicious Person - 1
		<b>YES</b> <b>NO</b> <b>N/A</b>
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	
<b>COMMENTS:</b> To address crime on the property, management has a regular resident social that includes an update on crime. Maintenance conducts light checks daily.		

<b>SECURITY PROGRAM Part II</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		
<b>COMMENTS:</b> It was stated that the Regional Manager conducts a risk assessment annually.			

<b>OFFICE</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
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	
<b>COMMENTS:</b>			

<b>KEY CONTROL</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
1) Does the property use an electronic key tracking system? If not, answer questions 2-4.	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		
<b>COMMENTS:</b> The property utilizes The Blackhorse key system.			

# Texas State Affordable Housing Corporation

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 conducted monthly. Each unit is treated at least quarterly according to management.			
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; sidewalks, pavilion, and a basketball court. In addition there is a possibility they may get funding approved to close off part of the common area attached to the office to make a laundry facility.			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>				
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 ➤ No exterior or curb appeal upgrades were made in 2018.			
11)	Amenity upgrades ➤ None			
12)	Other repairs or replacements ➤ NA			
Number of service requests received:		117		
Number of requests open from prior periods:		0		
Number of service requests completed:		112		
Number of service requests completed within 24 hours:		79		
Number of outstanding service requests:		5		
13)	On average, how many days does it take to complete a work order? ➤ On average it takes 3 days to complete a work order. Based a review of the report the average completion time is likely 1 – 2 days and the additional 1-2 days to close the work order in the system.			
<b>COMMENTS:</b> In data above is derived from the Service Request Activity Report from 12/1/2018 through 2/21/2019. The maintenance team appears to be doing a great job completing work orders timely and closing work orders in the system. The Property Manager and maintenance team are encouraged to review the 5 open work orders. A few of them are a few weeks old and 2 of the 5 are for issues that need immediate attention (clogged drain and broken toilet flusher).				

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	3	3
<b>TOTAL</b>	<b>\$0</b>	<b>3</b>	<b>3</b>
<b>The rental activity reflected in the above table was for the month of: February 1, 2019 – February 28, 2019.</b>			
	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	
<b>COMMENTS:</b>			

# Texas State Affordable Housing Corporation

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: 67.7%
3)	What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	4.7%		
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 are entering 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:				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				
6	(2x1) Occupied: The toilet handle was found to be broken and an HVAC vent was hanging down.				
27	(3x1.5) Vacant: Full turn in progress				
31	(3x1.5) Occupied: The unit is in good condition.				
43	(4x2) Occupied: Water is not draining in the downstairs tub or upstairs bathroom sink. Minor infestation of roaches, and the blinds were missing in the guest bedroom upstairs.				
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					

# Texas State Affordable Housing Corporation

7) How often are vacant units inspected? ➤ Vacant units are inspected: Daily
8) How many vacant units are in progress of being made ready? ➤ One 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 3-5 business days.
<b>COMMENTS:</b> Management provided completed work orders at the end of the day of the onsite review for units 6 and 43.

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? ➤ According to management, the main water line had backup a few months ago, but the budget was able to absorb the majority of these expense. The Service Expense line item below reflects these expenses.							
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.)							
EXPENSE ITEM		ACTUAL	BUDGET	VARIANCE	%	EXPLANATION	
Salaries & Benefits		\$99,626	\$127,572	\$27,946	21.9%	Group Health Insurance, Salary (Payroll Expenses), and Workman's Comp Insurance	
Administrative Expenses		\$18,400	\$12,535	(\$5,866)	(46.8%)	Seminars & Staff Training. Real Page, and Real Page Product Support	
Service Expense		\$26,778	\$24,140	(\$2,638)	(10.9%)	Plumbing Contractor and Landscaping	
Turnover Expense		\$4,371	\$6,890	\$2,519	36.6%	Cleaning Contract, Materials (painting), and Materials (repairs)	
COMMENTS:							

REVENUE					
FOR THE MONTH ENDING: December 2018			YEAR TO DATE AS OF: December 2018		
Gross Potential		\$46,808	Gross Potential		\$558,626
Budgeted Rental Income		\$45,550	Budgeted Rental Income		\$541,851
Actual Rental Income Collected		\$46,312	Actual Rental Income Collected		\$554,005
Variance + (-)		\$762	Variance + (-)		\$12,154
Other Revenue		\$234	Other Revenue		\$1,446
Total Collected		\$46,546	Total Collected		\$555,451
Budgeted		\$45,746	Budgeted		\$544,606
Variance + (-)		\$800	Variance + (-)		\$10,845
<b>COMMENTS:</b>					

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		
<b>COMMENTS:</b>				0-30 Days:		\$12,312
				30-60 Days:		\$63
				60 Days and Over:		(\$45)
				TOTAL		\$12,330

DELINQUENCIES				YES	NO	N/A
1) Is the delinquency report up to date?				X		
2) What is the rent collection policy?						

# Texas State Affordable Housing Corporation

➤ Rent is due on the 1 <sup>st</sup> and considered late on the 6 <sup>th</sup> 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 <sup>th</sup> of each month.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b> Management is in the process of collecting late rent at the time the Delinquent and Prepaid Report was provided. The report was provided on 03/06/2019.	0-30 Days:		\$1,615
	30-60 Days:		(\$18)
	60 Days and Over:		(\$1,405)
	<b>TOTAL</b>		<b>\$192</b>

<b>RETURNED CHECKS</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
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>			

<b>PERSONNEL</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
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 Property Manager stated that t attended the J Allen internal Management training. In addition, the manager and Lead Maintenance are scheduled for fair housing training in the next few weeks			
<b>COMMENTS:</b>			

<b>OWNER PARTICIPATION</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		
<b>COMMENTS:</b>			

<b>SUMMARY OF OBSERVATIONS AND FINDINGS</b>
<b>No Findings.</b>
<b>Observation:</b>
<ul style="list-style-type: none"> <li>On the day of the site visit various areas of the sidewalks appeared to be cracking and breaking. In an effort to increase the curb appeal of the property and the safety of the residents it is strongly encouraged that new concrete is poured to fix the problem. If the property is unable to use the current budget to make the repairs and pour new concrete, it is recommended that this item be analyzed for next year's budget. For the time being management is encouraged to have maintenance clean up the deteriorating areas weekly. (pictures attached)</li> </ul>



# 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

