

# Texas State Affordable Housing Corporation

## Sierra Vista Apartments

10501 Montwood Dr., El Paso, Texas 79935

**Owner: RHAC – Sierra Vista, LLC**

**Date Built: 1983**

**Management Company: J. Allen Management Company**

**Property Manager: Marie Martinez**

**Inspection Date & Time: October 25, 2019 at 8:30 a.m.**

**Inspector's Name: Celina Mizcles Stubbs**

<b>Occupancy at Time of Report:</b>	98%	<b>Average Occupancy Over Last 12 Months:</b>	98.8%
<b>Number of Units: 106</b>			
<b>Number of One Bedrooms:</b>	N/A	<b>Number of Two Bedrooms:</b>	66
<b>Number of Three Bedrooms:</b>	40	<b>Number of Four Bedrooms:</b>	N/A

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 was clean and free of debris on the day of the onsite visit. The property grounds and amenity areas were well maintained, and the building exteriors appear to be in excellent condition.

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	2	
Criminal Mischief		
Personal Assault		
Drug Related Activity	1	
Gun Related Activity		
Domestic Violence	4	
Disturbance	3	Disturbance - 3
Other	1	Suspicious Activity – 1

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	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 El Paso Police Department call logs were submitted for the June 2019 through August 2019 timeframe. Following a review, 11 of the 20 total calls received were used to complete the chart above.

<b>SECURITY PROGRAM Part II</b>	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:** Management staff conducts light checks weekly. Alden Torch completed a risk assessment in July 2019 and the Senior Regional Supervisor completed a risk assessment in August 2019.

<b>OFFICE</b>	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)			
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:** Fire hydrants are tested annually.

<b>KEY CONTROL</b>	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:**

<b>MAINTENANCE PROGRAM</b>	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		

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4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
5) How often are Pest Control services provided? ➢ A total of 20 units are treated monthly. Pest control will service addition units upon request.			
6) What is the policy for following up on completed service requests? ➢ Management conducts follow-up phone calls for each completed work order to ensure tenant satisfaction.			
7) What is the property's after-hours emergency policy? ➢ Tenants are provided with the after-hour number. Maintenance staff rotates after-hour call responsibilities.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ According to management, there were a handful of interior capital improvements completed. Improvements included flooring, appliance replacements (i.e., refrigerator, stove and dishwasher) and water heater replacements.			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>			
9) Unit Interior and Appliance upgrades ➢ Unit interior upgrades were completed as needed.			
10) Building Exterior and Curb Appeal repairs ➢ Exterior building upgrades include paint, six roof replacements, and parking lot repairs.			
11) Amenity upgrades ➢ There were no amenity upgrades completed.			
12) Other repairs or replacements ➢ N/A			
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:	1		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? On average, the maintenance team will complete work orders within 4 days.			
<b>COMMENTS:</b> There were two work orders that were open for over 15 days which affected the turn time. Based on conversations with the Manager the two work orders were not life threatening or safety concerns.			

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: Other (Phone calls)	\$0	4	4
<b>TOTAL</b>	<b>\$0</b>	<b>4</b>	<b>4</b>
<b>The rental activity reflected in the above table was for the month of: 09/01/2019 – 10/31/2019</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> Management issues community contact letters to the surrounding community.			

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: 86.5%	12 months: 86%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	26%		

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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? <ul style="list-style-type: none"> <li>&gt; The last rent increase was in March 2019 with an average increase of \$15 dollars.</li> </ul>			
10) How many households are currently on month-to-month leases? <ul style="list-style-type: none"> <li>&gt; All tenants execute an initial HUD lease for a 12-month term that rolls into a month-to-month term.</li> </ul>			
11) What is the charge for month-to-month leases? <ul style="list-style-type: none"> <li>&gt; N/A</li> </ul>			
<b>COMMENTS:</b> According to the Occupancy and Move Out History Report, there were 4 (26%) skips in the last 12 months.			

VACANT/MAKE READY UNITS			
1) Number of vacant units at time of activity report:		3	
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:		3	
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:		3	
Units Walked			
Unit #	Brief Description		
2	(2x1) Vacant: This unit was a recent move-out. Full turn needed.		
43	(2x1) Vacant: Full turn needed.		
100	(2x1) Vacant: Floors were being installed during inspection. A final cleaning will be needed.		
Down Units Walked (units vacant and unready for extended period of time and all down units)			
Unit #	Brief Description		
NA			
		YES	NO
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? <ul style="list-style-type: none"> <li>&gt; Occupied units are inspected: Semiannually</li> </ul>			
7) How often are vacant units inspected? <ul style="list-style-type: none"> <li>&gt; Vacant units are inspected: Daily</li> </ul>			
8) How many vacant units are in progress of being made ready? <ul style="list-style-type: none"> <li>&gt; There were 3 units in the process of being made-ready.</li> </ul>			
9) What is the company policy on the number of days to turn vacant units? <ul style="list-style-type: none"> <li>&gt; Units must be turned and made-ready within 5 business days per company policy.</li> </ul>			
<b>COMMENTS:</b>			

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BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Three bids are required in order to obtain 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 for this budget year.			
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
Administrative Expenses	\$19,877	\$16,126	(\$3,750)	(23%)	Real page Product and Employee Reimbursement
Leasing Expenses	\$16	\$375	358	95%	Promotion and Entertainment
Service Expenses	\$18,496	\$14,334	(\$4,161)	(29%)	Pest Control
Repair/Replacement Under \$5k	\$22,855	\$16,941	(\$5,914)	(34%)	HVAC under \$5k, Plumbing Fixtures and Other
Capital Renovation Over \$5k	\$91,350	\$81,500	(\$5,850)	(12%)	Roofing

**COMMENTS:**

### REVENUE

FOR THE MONTH ENDING: August 2019		YEAR TO DATE AS OF: August 2019	
Gross Potential	\$69,687	Gross Potential	\$555,304
Budgeted Rental Income	\$69,577	Budgeted Rental Income	\$552,485
Actual Rental Income Collected	\$69,490	Actual Rental Income Collected	\$557,273
Variance + (-)	(\$87)	Variance + (-)	\$4,787
Other Revenue	\$402	Other Revenue	\$6,995
Total Collected	\$69,892	Total Collected	\$564,268
Budgeted	\$70,204	Budgeted	\$557,497
Variance + (-)	(\$312)	Variance + (-)	\$6,771

**COMMENTS:**

### ACCOUNTS PAYABLE

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: Information was obtained from the Aged Payable Report dated 10/11/2019.</b>	0-30 Days:		\$1,494
	30-60 Days:		\$0
	60 Days and Over:		(\$179)
	<b>TOTAL</b>		<b>\$1,315</b>

### DELINQUENCIES

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> day of the month and considered late on the 6 <sup>th</sup> day			
3) When is legal action taken against delinquent accounts? ➤ Legal action is taken around the 20 <sup>th</sup> of the month.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
<b>COMMENTS: Information was obtained from the Delinquent and Prepaid Report dated 10/11/2109.</b>	0-30 Days:		\$4,368
	30-60 Days:		\$809
	60 Days and Over:		(\$786)
	<b>TOTAL</b>		<b>\$4,391</b>

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RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		3	
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>			

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. ➤ Staff is required to enroll and complete several Grace Hill trainings which include fair housing, conflict resolution and other managerial training.			
<b>COMMENTS:</b> Management is reminded that all new employees are encouraged to take Fair Housing training.			

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? ➤ The owner pulls or reviews property reports as needed.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Any amount used from petty cash or requested for unbudgeted or unexpected items need prior owner approval.			
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
<b>No Findings or Observations.</b>

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