

# Texas State Affordable Housing Corporation

<b>Peoples El Shaddai and St James Manor</b>			
2836 E. Overton Road and 3119 Easter Ave, Dallas, TX 75216			
<b>Owner:</b> Steele St James Peoples LLC		<b>Date Built:</b> 1969 (St James) 1970 (Peoples)	
<b>Management Company:</b> Monroe Group Ltd.		<b>Property Manager:</b> Dana Brown	
<b>Inspection Date &amp; Time:</b> September 15, 2020 at 1:30 p.m.		<b>Inspector's Name:</b> Celina Mizcles Stubbs	
<b>Occupancy at Time of Report:</b>	96%	<b>Average Occupancy Over Last 12 Months:</b>	97.2%
<b>Number of Units: 200 (100 units at each facility)</b>			
<b>Number of One Bedrooms:</b>	20 (Peoples) 20 (St James)	<b>Number of Two Bedrooms:</b>	20 (Peoples) 40 (St James)
<b>Number of Three Bedrooms:</b>	31 (Peoples) 30 (St James)	<b>Number of Four Bedrooms:</b>	29 (Peoples) 10 (St James)

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 (see comment)		
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 (see comment)		
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 (see comment)	

**COMMENTS:** Based on a review of photos provided by management; the properties appear to be in good condition. The monument sign is clean, the landscaping is acceptable, and the property grounds and community areas are clean and free of debris. The only concern is for the properties' parking lots which have been mentioned in previous reports. In addition, there appears to be a stair tread that is worn and cupping at Peoples El Shaddai (pictures at the end of the report). Prior to the issuance of the report, management provide quotes for the parking lot repairs at Peoples El Shaddai and the restriping at St James Manor. According to management, these items will be added to the 2021 budget.

**Observation:**

- The only concern is for the properties' parking lots which have been mentioned in previous reports. In addition, there appears to be a stair tread that is worn and cupping at Peoples El Shaddai (pictures at the end of the report). Prior to the issuance of the report, management provide quotes for the parking lot repairs at Peoples El Shaddai and the restriping at St James Manor. According to management, these items will be added to the 2021 budget.

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	1	
Theft	4	
Criminal Mischief	1	

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Personal Assault	2	
Drug Related Activity		
Gun Related Activity		
Domestic Violence	1	
Disturbance	1	
Other	3	Vandalism of Property – 2 and Public intoxication - 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:** Based on a review of the Dallas Police Department's call logs, there was a total of 19 calls for both properties. More specifically, 13 of 17 total calls were for Peoples El Shaddai and 1 of 2 total calls for St James Manor are noted above. Based on a comparison with last year, there was as significant decrease in calls. Management confirmed they continues to utilize Texas Patrol service to provide nightly patrol services at both properties. Management mentioned they have not yet installed Silver Track (a security patrol check points), however they plan to install the system at a future time. The property continues to utilize the property surveillance systems (22 cameras at Peoples El Shaddai and 18 cameras at St James Manor) to monitor the property when incidents are reported. Management also stated they will reconvene monthly crime-watch meeting once it is safe to do so and when hosting events is no longer limited to 10 people or less.

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:** A preventive maintenance and risk assessment was conducted at Peoples El Shaddai in July 2020 and at St James Manor in June 2020.

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 (Libraries at both properties and a police sub-station at Peoples El Shaddai)	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		

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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:**

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 completed weekly, each unit is treated quarterly.			
6) What is the policy for following up on completed service requests? As work orders are completed, a completed work order survey is left for the tenant to complete. Management also conducts a few call-backs to ensure tenants are satisfied with the work completed.			
7) What is the property's after-hours emergency policy? ➤ After hour calls are answered by the Indatus phone service. Emergency calls are then transferred to the property manager.			
8) What capital improvements have been scheduled or completed for this budget year? ➤ No capital improvements were scheduled or completed this budget year.			

**Detail of Ongoing Repairs and Replacements Completed in Last Budget Year**

9) Unit Interior and Appliance upgrades ➤ Interior floors are upgraded during unit turns, if needed.			
10) Building Exterior and Curb Appeal repairs ➤ None			
11) Amenity upgrades ➤ None			
12) Other repairs or replacements ➤ None			
Number of service requests received:	5		
Number of requests open from prior periods:	5		
Number of service requests completed:	0		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	5		

13) On average, how many days does it take to complete a work order?  
➤ Based on the service request activity report, it appears it takes 11 days to complete a work order. See comment below.

**COMMENTS:** According to management, the maintenance staff is only completing emergency work orders due covid. As work orders request are submitted, tenants are made aware of the now policy. Prior to the issuance of this report, management confirmed that the maintenance staff is beginning to complete work orders and they are starting to work on the preventive maintenance schedule.

**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	\$0	0	0
Resident Referral	\$0	0	0
Locator Service	\$0	0	0
Printed/Internet Advertising	\$0	0	0
Other Source: Wait list	\$0	1	1
<b>TOTAL</b>	<b>\$0</b>	<b>1</b>	<b>1</b>

The rental activity reflected in the above table was from August 1 - 30, 2020

	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:** According to management, they do not keep track of traffic sources because they work off a very long wait list. All of the prospects come from the wait list, as noted in the chart above. According to management, in the last 30 days no one has been added to the wait list.

**Observation:**

- Moving forward, the reviewer recommends management collect traffic sources as they place applicants on the wait list.

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: NA	6 months: NA	12 months: 71%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	75%		
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? ➢ The last rent change was in August 2019 with an average increase of about \$50.			
10) How many households are currently on month-to-month leases? ➢ The property utilizes HUD lease contracts; they offer an initial 12-month term then it rolls into month-to-month terms.			
11) What is the charge for month-to-month leases? ➢ N/A			

**COMMENTS:** According to management, 22 of 29 move-outs (75%) were due to eviction/non-payment of rent or skips. According to management, there was as strong management push to clear high delinquencies. In addition to that, management stated there were fewer renewals during covid as a handful of tenants moved in with family.

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 completed four bedroom units at time of activity report	0
7) Number of uncompleted made ready units at time of activity report:	0
8) Number of uncompleted one bedroom units at time of activity report:	0
9) Number of uncompleted two bedroom units at time of activity report:	0
10) Number of uncompleted three bedroom units at time of activity report:	0
11) Number of uncompleted four bedroom units at time of activity report	1

**Units Walked**

Unit #	Brief Description
	N/A – Per management policy, units were not inspecting during covid.

**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		

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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: Weekly			
8) How many vacant units are in progress of being made ready? ➤ There was 1 vacant unit in the process of being made-ready.			
9) What is the company policy on the number of days to turn vacant units? Per policy, units should be made-ready within 3-5 business days.			
<b>COMMENTS:</b>			

BUDGET MANAGEMENT					
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Three bids are solicited in order to obtain materials, supplies, and services.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ There was a unexpected sewer back up at the property what we repair and completed.					
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	\$272,324	\$244,996	\$27,328	11%	Office expenses, electronic submission fees, manager salaries, admin. Contract labor, Debt, and travel expenses
<b>COMMENTS:</b> The reviewer found it odd that Bad Debt was listed as an Administrative Expense however management stated that there were strong efforts in enforcing the lease and the house rules , including meeting with households who signed a repayment agreement and failed to pay. Management stated there have been several evictions processed which results in a large bad debt balance.					

REVENUE			
FOR THE MONTH ENDING: June 30, 2020		YEAR TO DATE AS OF: June 30, 2020	
Gross Potential	\$206,260	Gross Potential	\$1,217,378
Budgeted Rental Income	\$206,260	Budgeted Rental Income	\$1,217,378
Actual Rental Income Collected	\$204,712	Actual Rental Income Collected	\$1,266,518
Variance + (-)	\$1,548	Variance + (-)	-\$9,140
Other Revenue	-\$9,071	Other Revenue	-\$25,974
Total Collected	\$195,640	Total Collected	\$1,200,543
Budgeted	\$202,953	Budgeted	\$1,217,378
Variance + (-)	-\$7,313	Variance + (-)	-\$16,835
<b>COMMENTS:</b> According to management, the "Other Revenue" is negative for the loss of vacancy income.			

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> Based on the report dated 7/31/2020, \$187,233 of the balance is due to the deferred property management fees for Monroe Group Ltd invoices.	0-30 Days:	\$53,766	
	30-60 Days:	\$808	
	60 Days and Over:	\$142,244	
	TOTAL	\$196,819	

DELINQUENCIES	YES	NO	N/A
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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> and considered late on the 6 <sup>th</sup> . Residents receive a \$5 late fee on the 5 <sup>th</sup> and \$1 daily fee thereafter. 10 Day Notices are sent on the 10 <sup>th</sup> and on the 13 <sup>th</sup> a 3 Day Notice to Vacate is posted.			
3) When is legal action taken against delinquent accounts? ➤ Evictions are filed around the 21 <sup>st</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> Based on the reported dated 9/6/2020, there were two interim housing certifications that need to be processes. In addition to that, management entered into repayment agreements with several tenants.	0-30 Days:	\$9,665	
	30-60 Days:	\$8,866	
	60 Days and Over:	\$19,039	
	TOTAL	\$37,571	

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		
<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. ➤ Site staff is required to complete Monroe corporate trainings.			
<b>COMMENTS:</b> The property has a vacant onsite compliance position.			

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? ➤ Quarterly summary reports are provided to the owner.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Owner approval is required for amounts over \$500 for the property manager and over \$5,000 for the Regional 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		
<b>COMMENTS:</b>			

SUMMARY OF OBSERVATIONS AND FINDINGS
<b>Observations:</b> <ul style="list-style-type: none"> <li>The only concern is for the properties' parking lots which have been mentioned in previous reports. In addition, there appears to be a stair tread that is worn and cupping at Peoples El Shaddai (pictures at the end of the report). Prior to the issuance of the report, management provide quotes for the parking lot repairs at Peoples El Shaddai and the restriping at St James Manor. According to management, these items will be added to the 2021 budget.</li> <li>Moving forward, the reviewer recommends management collect traffic sources as they place applicants on the wait list.</li> </ul>
<b>No Findings.</b>



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## People El Shaddai



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## St James Manor





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