

# Texas State Affordable Housing Corporation

## La Estancia Apartments

3711 Expressway 77 South, Lyford, Texas 78569

**Owner:** HVM BP Edcouch II, LLC

**Date Built:** 2002

**Management Company:** Hamilton Valley Management

**Property Manager:** Teresa Musgrove

**Inspection Date & Time:** 03/26/2021 9:30am

**Inspector's Name:** Estefania Linares

<b>Occupancy at Time of Report:</b>	100%	<b>Average Occupancy Over Last 12 Months:</b>	93.83%
<b>Number of Units: 32</b>			
<b>Number of One Bedrooms:</b>	28	<b>Number of Two Bedrooms:</b>	4
<b>Number of Three Bedrooms:</b>	0	<b>Number of Four Bedrooms:</b>	0

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:** This is the first virtual review for La Estancia Apartments. Property photos were submitted and overall, the property looks to be in good condition. The office sign was visible, the grounds and landscaping looked clean and maintained, the sidewalks were free from trash. The buildings roofs were free from any damage and the windows, along with the blinds were in good condition as well.

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		
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance		
Other		

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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:** According to the officer's report there has been no police calls logged in the past three months. The Property utilizes the Rural Rental Housing Association (RRHA lease) to address criminal activity. If criminal activity is observed, management will issue lease violations or take other legal action, as necessary. Maintenance conducts light 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:** The staff is properly trained with protocol if an incident occurs. The regional manager conducts risk assessment on a quarterly basis.

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)			
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 – Library	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:**

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		

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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? ➤ Pest control services are provided monthly. More specifically, services are provided in all unit interiors one month and all exteriors the next month.			
6) What is the policy for following up on completed service requests? ➤ Property manager follows up every time a service request completed.			
7) What is the property's after-hours emergency policy? ➤ If an emergency occurs during after hours, residents have the property manager and maintenance personal number to call.			
8) What capital improvements have been scheduled or completed for this budget year? ➤ N/A – a full rehab was completed 12/2020. Please see attached Rehab Questionnaire.			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>			
9) Unit Interior and Appliance upgrades ➤ N/A – see attached Rehab Questionnaire.			
10) Building Exterior and Curb Appeal repairs ➤ N/A – see attached Rehab Questionnaire.			
11) Amenity upgrades ➤ N/A – see attached Rehab Questionnaire.			
12) Other repairs or replacements ➤ N/A – see attached Rehab Questionnaire.			
Number of service requests received:	1		
Number of requests open from prior periods:	0		
Number of service requests completed:	1		
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 it takes 1-2 days to complete a work order.			
<b>COMMENTS:</b> A full rehab was completed in 12/2020; therefore, all units and building exteriors have been repaired and/or upgraded. Because of the this, the property only had one work order called in within the last three-month period.			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	N/A		
Flyers	\$226		
Resident Referral	N/A		
Locator Service	N/A		
Printed/Internet Advertising	\$226		
Other Source	N/A		
<b>TOTAL</b>	<b>\$452</b>		
<b>The rental activity reflected in the above table was for the month of: -N/A – see comment</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> The property has a \$452 budget for advertising, half of the amount if used for marketing flyers and the other half is for the annual newspaper ad. The property submitted a traffic report but did not have all the details for me to fill in the information (# of prospects/ # of leases).			

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: 75%	12 months: N/A
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	0	0	0

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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 lese 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., Yadri, 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 property has not yet increased the rent, however the increase of \$169 is scheduled to be implemented soon.			
10) How many households are currently on month-to-month leases? ➤ N/A			
11) What is the charge for month-to-month leases? ➤ N/A			
<b>COMMENTS:</b>			

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			
N/A	See comment			
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: Weekly				
8) How many vacant units are in progress of being made ready? ➤ This property is 100% occupied.				
9) What is the company policy on the number of days to turn vacant units? ➤ The company policy is 3-5 days.				
<b>COMMENTS:</b> This property is 100% occupied, therefore, no vacant units were inspected.				

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BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Bids are required to obtain material, supplies, or services for anything over \$500.			
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? ➤ N/A – the was a full property rehab completed in 12/2020.			
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
Operating Expenses	3,754.55	5,926	2,171.45	36%	Maintenance payroll, paint, grounds and contract.
Administrative Expenses	7,579.77	8,382	802.23	10%	Management salary, fees and accounting/auditing.
Other Expenses	494.18	756	261.82	34%	Office supplies and advertising.

**COMMENTS:**

REVENUE			
FOR THE MONTH ENDING: 02/28/2021		YEAR TO DATE AS OF: 02/28/2021	
Gross Potential	20,004	Gross Potential	40,008
Budgeted Rental Income	20,004	Budgeted Rental Income	40,008
Actual Rental Income Collected	15,312	Actual Rental Income Collected	30,375
Variance + (-)	4,692	Variance + (-)	9,633
Other Revenue	41.22	Other Revenue	-4,348.82
Total Collected	15,353.22	Total Collected	26,026.18
Budgeted	19,502	Budgeted	39,004
Variance + (-)	4148.78	Variance + (-)	12,977.82

**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		
<b>COMMENTS:</b>	0-30 Days:		\$1,149.89
	30-60 Days:		\$0
	60 Days and Over:		\$180.92
	TOTAL		\$968.97

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the rent collection policy? ➤ If rent is not paid in full by the tenth of the month, a late charge in the amount frater of (1) \$10 or (2) 5% of the resident's gross tenant contribution.			
3) When is legal action taken against delinquent accounts? ➤ On the 11 <sup>th</sup> day, management will take legal action against delinquent accounts by issuing a 30-Day Notice to Vacate.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?		X	
<b>COMMENTS:</b> Property is in good standing with delinquency. They have a negative amount of -\$104.59 as of 03/16/2021.	0-30 Days:		-\$104.59
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		-\$104.59

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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?	N/A		
3)	Is the manager following company policy on returned checks?	X		
<b>COMMENTS:</b> This property currently has not returned checks for the past three months.				

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.			
	➤ According to management, staff has completed Grace Hill trainings and TDHCA trainings.			
<b>COMMENTS:</b> Staff was prepared and on time for the virtual site visit.				

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 submitted weekly. Reports include but not limited to the property, financial reports, occupancy report, and delinquency reports.			
3)	What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds?			
	➤ \$1000 dollars for the 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



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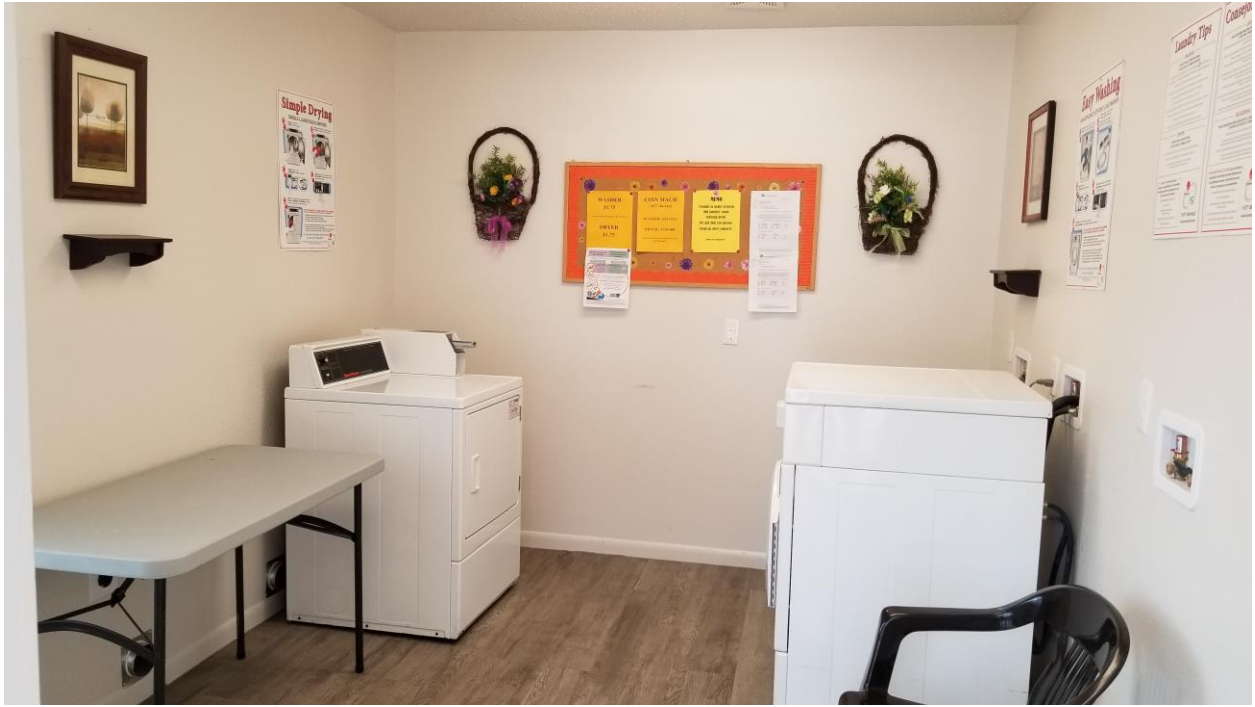


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