

Texas State Affordable Housing Corporation

La Posada I and II Apartments

901 N. Lamar, Elsa, TX, 78543

Owner: HVM BP Elsa, LLC

Date Built: 2000

Management Company: Hamilton Valley Management Inc.

Property Manager: Dora Martinez

Inspection Date & Time: March 25, 2021 at 12:45 PM

Inspector's Name: James Matias

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	97%
Number of Units: 74			
Number of One Bedrooms:	66	Number of Two Bedrooms:	8
Number of Three Bedrooms:	0	Number of Four Bedrooms:	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 Asset Oversight review for La Posada. Based on a review of the submitted photos the property is in overall great condition. The management office, common areas, and amenities were clean and accessible to the public. The monument sign was visible and in good shape.

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		
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: 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. According to management, the city of Else Police Department patrols regularly. Maintenance conducts light checks at least 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 last risk assessment was conducted prior to the rehab.			

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 food pantry)	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: Management state that they use a double locking system for key control. Meaning the keys are behind a lock box and in a locked closet. Both sets of keys are kept separately from the key closet and box.			

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		

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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 for each unit quarterly or as needed.			
6) What is the policy for following up on completed service requests? ➢ The Property Manager follows up on all completed work orders by calling or emailing tenants to ensure work was completed satisfactorily.			
7) What is the property's after-hours emergency policy? ➢ The after-hours emergency number is posted on the management office and is provide to all tenants. The call calls the Property Manager directly. The Property Manager then call the appropriate parties.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ N/A – Please see the Summary of Observation and Findings at the end of this Report.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

9) Unit Interior and Appliance upgrades ➢ N/A			
10) Building Exterior and Curb Appeal repairs ➢ N/A			
11) Amenity upgrades ➢ N/A			
12) Other repairs or replacements ➢ N/A			

Number of service requests received:	9		
Number of requests open from prior periods:	0		
Number of service requests completed:	9		
Number of service requests completed within 24 hours:	9		
Number of outstanding service requests:	0		

13) On average, how many days does it take to complete a work order? ➢ On average it takes one day to complete work orders.			
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COMMENTS: The property provided a list of completed work orders for the last year. All nine work orders on the list were complete the same day.

MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth			
Flyers	\$300		
Resident Referral			
Locator Service			
Printed/Internet Advertising			
Other Source (Newspaper ads)	\$300		
TOTAL	\$600		

The rental activity reflected in the above table is from the 2021 Budget

	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		

COMMENTS: The property did not submit a Traffic Report however provided a copy of the wait list and confirmed they have a great relationship with the local housing authority. Markey surveys are done quarterly.

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:	6 months:	12 months:
			94%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	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 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 property implemented a pre-approved rent increase in January 2021. The rent will increase by \$125 for the one-bedroom and \$140 for the two-bedrooms.			
10) How many households are currently on month-to-month leases? > N/A – the property does not allow month-to-month lease.			
11) What is the charge for month-to-month leases? > N/A			
COMMENTS: Management utilizes HFS Simple Software (a rural housing-based software) to track renewals and recertifications.			

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		
116	1x1, Occupied, Good condition		
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? > There are no vacant units being made ready at this time.			
9) What is the company policy on the number of days to turn vacant units? > Per company policy, units should be turned in 3-5 business days.			
COMMENTS:			

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BUDGET MANAGEMENT					
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Three bids are required prior to obtaining materials, supplies and services.					
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ N/A – The property underwent a full rehabilitation in 2020.					
3) Explain YTD variances of 10% or greater.					
<u>Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending</u>					
(Please note that a positive variance is under budget and a negative variance is over budget.)					
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION
Operating Expenses	\$9,238	\$12,410	\$3,172	25%	Maintenance & Repairs (Payroll, Supply, and contracts)
Other Expenses	\$760	\$1,588	\$828	52%	Office Supplies, Travel and seminars
COMMENTS:					

REVENUE					
FOR THE MONTH ENDING: FEBRUARY 2021			YEAR TO DATE AS OF: FEBRUARY 2021		
Gross Potential		\$42,500	Gross Potential		\$85,000
Budgeted Rental Income		\$42,500	Budgeted Rental Income		\$85,000
Actual Rental Income Collected		\$34,879	Actual Rental Income Collected		\$69,912
Variance + (-)		(\$7,621)	Variance + (-)		(\$15,088)
Other Revenue		\$173	Other Revenue		(\$309)
Total Collected		\$35,052	Total Collected		\$69,603
Budgeted		\$40,701	Budgeted		\$81,402
Variance + (-)		(\$5,649)	Variance + (-)		(\$11,799)
COMMENTS: The gross potential and budgeted rent is higher than the actual income because those figures use the proposed rents for 2021 and the rent change has not been fully applied.					

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:		\$4,594.22
	30-60 Days:		(\$372.62)
	60 Days and Over:		\$0.00
	TOTAL		\$4,221.60

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 or before the 1 st of each month and is considered delinquent if not paid in full by the 3 rd day of the month. Late fees are assessed on the 10 th day of each month and are charged in the amount of the greater of 1) \$100 or 2) 5% of the resident gross tenant amount.			
3) When is legal action taken against delinquent accounts? ➤ Management issues a Notice of Termination on the 11 th day of the month followed by a 30-Day Notice to Vacate.			
4) Does the property currently have any resident(s) under eviction?			
5) Does Housing have any outstanding balances?		X	
COMMENTS:	0-30 Days:		\$5,335.83
	30-60 Days:		\$0.00
	60 Days and Over:		\$0.00
	TOTAL		\$5,335.83

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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?	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. ➤ Staff has completed Grace Hill trainings (sexual harassment, reasonable accommodation, fair housing I & II), RRHA management training and TDHCA program training.			
COMMENTS:			

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? ➤ Ownership request Financial, Occupancy, and Delinquency Reports monthly.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Manager and Regional Manager seek approval for anything over \$500.			
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>Within 60 days of the issuance of this report, owner will provide the completed Rehab Questionnaire to TSAHC. Upon receipt, the reviewer will attach the completed Rehab Questionnaire to this Asset Oversight Report.</p> <p>No Observation or Findings.</p>

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