

Texas State Affordable Housing Corporation

La Sombra Apartments 519 N. Main, Donna, Texas 78537

Owner: HVM BP Donna Ret., LLC

Date Built: 1994

Management Company: Hamilton Valley Management, Inc.

Property Manager: Diana Garza

Inspection Date & Time: April 22, 2021 at 9:30 am

Inspector's Name: Estefania Linares

Occupancy at Time of Report:	98%	Average Occupancy Over Last 12 Months:	98%
Number of Units: 50			
Number of One Bedrooms:	42	Number of Two Bedrooms:	8
Number of Three Bedrooms:	N/A	Number of Four Bedrooms:	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: This is the first virtual Asset Oversight review for La Sombra Apartments. Based on a review of the submitted photos, the property is in overall great condition. The property site sign is in good condition and easily visible. The property grounds are clean and free of debris. Building exteriors, roofs, fascia boards, roofs, windows are also in great visual 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		
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: Management confirmed with Lower Rio Grande Valley Development Council via email that there were no incident calls within the past three months. In addition, lights checks are being conducted by management every 2 weeks.

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- see comment	
4) Has a risk assessment been conducted to determine risk liabilities at the property? If yes, when?	X		

COMMENTS: Property does not conduct criminal backgrounds on residents as they age to be 18 while living in the unit but management does require to see a valid picture ID from the resident turning 18 prior to signing the lease contract, for verification. 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? ➤ (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

COMMENTS:

KEY CONTROL	YES	NO	N/A
1) Does the property use an electronic key tracking system? If no, 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 stated keys are properly secured and maintained behind four locks and three doors.

MAINTENANCE PROGRAM	YES	NO	N/A
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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 provided in unit interiors and building exterior every month.			
6) What is the policy for following up on completed service requests? ➢ The Property Manager calls the tenants to follow up on completed work orders within 24-48 hours.			
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 tenants. The number calls the Property Manager directly.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ N/A – The property is going through a full rehab (98% completed as of 4/12/2021).			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➢ N/A – The property is going through a full rehab			
10) Building Exterior and Curb Appeal repairs ➢ N/A – The property is going through a full rehab			
11) Amenity upgrades ➢ N/A – The property is going through a full rehab			
12) Other repairs or replacements ➢ N/A – The property is going through a full rehab			
Number of service requests received:	8		
Number of requests open from prior periods:	0		
Number of service requests completed:	8		
Number of service requests completed within 24 hours:	2		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➢ On average, it takes 5-7 days to complete a work order based on the work order report management submitted.			
COMMENTS: A full rehab will be completed soon; therefore, all units and building exteriors will have been repaired and/or upgraded.			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0		
Flyers – Corporate pays for this advertising.	\$0		
Resident Referral - \$50 per a satisfactory move in.	\$50		
Locator Service	\$0		
Printed/Internet	\$0		
Other Source:	\$0		
TOTAL	\$50	See comment	See comment
The rental activity reflected in the above table was for the month of: N/A – see comment below.			
	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 submitted a Traffic Report (dated 2/22/2021 – 3/22/2021) however the report does not capture the traffic source type. Therefore, the reviewer was unable to complete the traffic source section above. Management is encouraged to revise the current Traffic Report to include traffic source type (i.e., drive-by, internet ad, resident referral, etc.) and encourages manager to keep track of the traffic source types moving forward. Market surveys are completed quarterly.			

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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: 96%	12 months: 97.43%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?			0%
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"> ➢ Last rent increase was subject to be approved by Rural Development on 02/12/2021, the rent increase was \$87 for 1-bedrooms and \$80 for 2-bedrooms. 			
10) How many households are currently on month-to-month leases? <ul style="list-style-type: none"> ➢ N/A – the property does not allow month-to-month lease. 			
11) What is the charge for month-to-month leases? <ul style="list-style-type: none"> ➢ N/A 			
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:			1
3) Number of completed one bedroom units at time of activity report:			1
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		
Unit 16	Vacant (1 bedroom): Unit is made-ready.		
Down Units Walked (units vacant and unready for extended period of time and all down units)			
Unit #	Brief Description		
N/A			
	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? <ul style="list-style-type: none"> ➢ Occupied units are inspected: Occupied units are inspected quarterly. 			
7) How often are vacant units inspected? <ul style="list-style-type: none"> ➢ Vacant units are inspected: Vacant units are inspected weekly. 			
8) How many vacant units are in progress of being made ready? <ul style="list-style-type: none"> ➢ The only vacant unit is made ready. 			

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9) What is the company policy on the number of days to turn vacant units? ➤ Per company policy, units should be made-ready in 3-5 business days.
COMMENTS:

BUDGET MANAGEMENT

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 \$3500.
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? ➤ N/A – this property is going through a full rehab.
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 and Admin Expenses.	\$5,275.27	\$7,368.66	\$2,093.39	28.41%	Maintenance & Repair Co. and Grounds Maintenance

COMMENTS:

REVENUE

FOR THE MONTH ENDING: February 2021		YEAR TO DATE AS OF: February 2021	
Gross Potential	\$27,350	Gross Potential	\$54,700
Budgeted Rental Income	\$28,714	Budgeted Rental Income	\$57,428
Actual Rental Income Collected	\$24,420	Actual Rental Income Collected	\$48,840
Variance + (-)	\$4,294	Variance + (-)	\$8,588
Other Revenue	\$5,135	Other Revenue	\$10,270
Total Collected	\$29,555	Total Collected	\$59,110
Budgeted	\$28,227	Budgeted	\$56,556
Variance + (-)	\$1,277	Variance + (-)	\$2,554

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		

COMMENTS:			
	0-30 Days:		\$8,333.92
	30-60 Days:		\$11.68
	60 Days and Over:		0
	TOTAL		\$8,345.60

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?	X – see comment		
5) Does Housing have any outstanding balances?		X	

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COMMENTS: Property currently has one resident under eviction however it is for other reasons and not due to delinquency.	0-30 Days:		\$603.96
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$603.96

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		1	
2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		
COMMENTS: Property confirmed that there were only 1 returned check.			

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 training and RRHA management trainings			
COMMENTS: According to management, staff meeting are held once a week.			

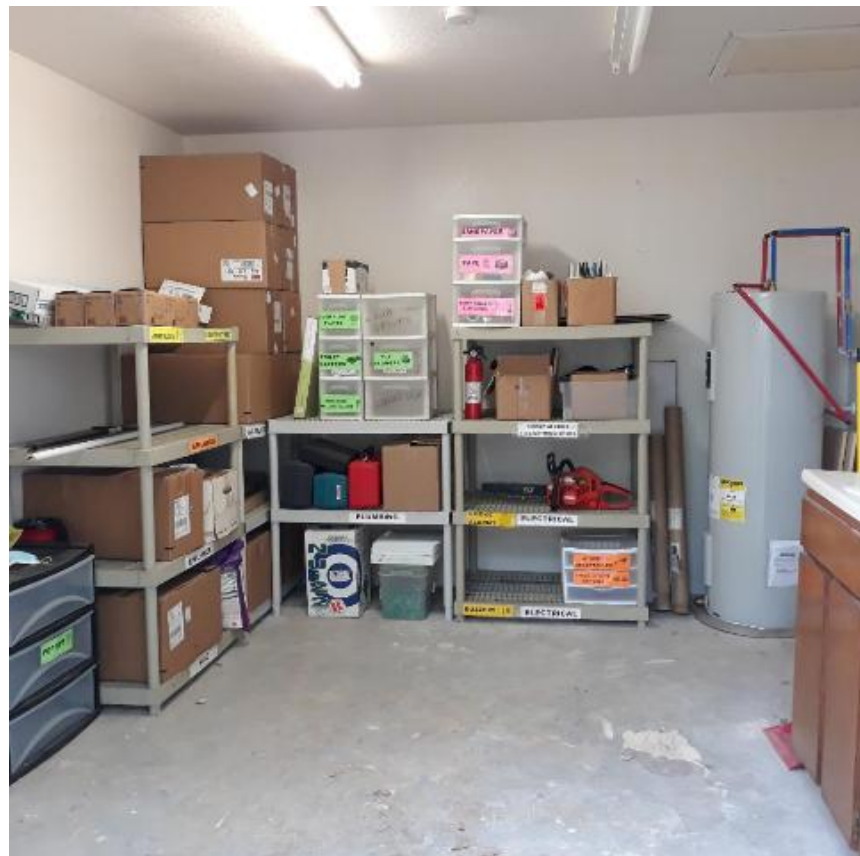
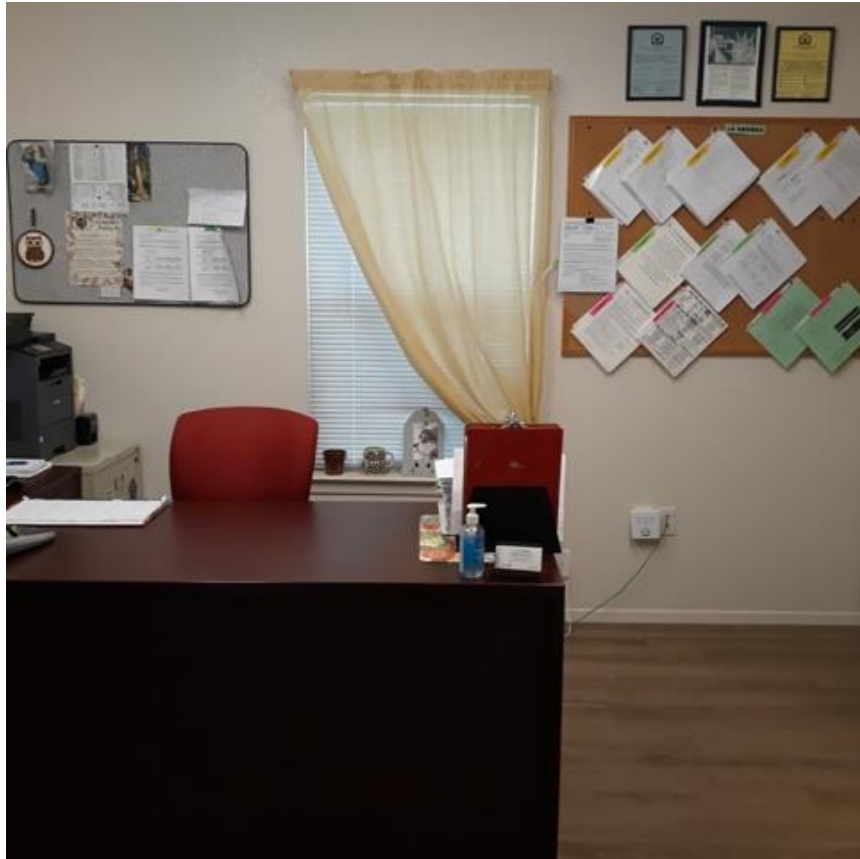
OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to the software system utilized to manage the property?	X		
2) How often are reports submitted to the owner? ➤ Reports are submitted weekly which include but are not limited to property financial reports, occupancy report, and delinquency reports.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ 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
No Observations and No Findings.
Note: The requested Rehab Questionnaire has not been completed for this property. The Owner/Manager is aware that the completed Rehab Questionnaire must be provided to TSAHC within 60 days of the issuance of this report.

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