

# Texas State Affordable Housing Corporation

## Vista Rita Blanca

701 Maynard, Dalhart, Texas 79022

**Owner:** Guadalupe Economic Services Corp. (GESC)

**Date Built:** 2014

**Management Company:** JL Gray Company

**Property Manager:** Marti Harris

**Inspection Date & Time:** August 11, 2021, at 9:30 a.m.

**Inspector's Name:** James Matias

<b>Occupancy at Time of Report:</b>	96.4%	<b>Average Occupancy Over Last 12 Months:</b>	91.6%
<b>Number of Units: 28</b>			
<b>Number of One Bedrooms:</b>	N/A	<b>Number of Two Bedrooms:</b>	12
<b>Number of Three Bedrooms:</b>	12	<b>Number of Four Bedrooms:</b>	4

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:** During the physical inspection of the property, the reviewer determined that the property is in overall great condition. The parking lots, grounds, common areas, and playground are clean and free of debris. The xeriscaping looked great, and management does a good job keeping the pebbles off the sidewalks and out of the parking lot. The monument sign was found to be clear and visible. The roofs, exterior masonry, and foundations all appeared sound and in perfect working order. There is an area near the playground where the grass needs to be cut and maintained on an ongoing basis.

**Observation:**

- **There appears to be some erosion between the sidewalk and street on the east side of the community. Management is encouraged to investigate various ways to stop the soil erosion. For example, planting grass, landscaping timbers, or a concrete barrier. (Photos attached)**

### 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		

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Drug Related Activity					
Gun Related Activity					
Domestic Violence					
Disturbance					
Other					
			<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		
<b>COMMENTS:</b> The property uses crime free lease addendums. The Property Manager stated that she conducts light checks weekly. The community has very little criminal activity. The manager discourages criminal activity by reviewing police reports and issuing lease violations and notices to the residents when needed. Dalhart Police Department patrols regularly. The chart above is blank because they have no criminal activity reported in the last six months.					

<b>SECURITY PROGRAM Part II</b>			<b>YES</b>	<b>NO</b>	<b>N/A</b>
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	
<b>COMMENTS:</b> The last risk assessment was in the fall of 2020.					

<b>OFFICE</b>			<b>YES</b>	<b>NO</b>	<b>N/A</b>
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): N/A					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 (library)			X		
<b>COMMENTS:</b>					

<b>KEY CONTROL</b>			<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		

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**COMMENTS:**

**Observation:**

- **Management is encouraged to use the key box they have. Currently all keys are kept on one key ring and are in the possession of the manager. The current process is not secure, promotes disorganization, and it does not allow the keys to be successfully tracked. Purchasing a key tracking system or using the key box will help with security and organization. In addition to the key box, a log to check out keys should be used in order to track keys if they go missing or unreturned.**

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 provided every 6 months and as needed.			
6) What is the policy for following up on completed service requests? ➢ Almost all work orders are followed up on by the Manager.			
7) What is the property's after-hours emergency policy? ➢ Tenants are made aware to call the office number during after-hours for any emergency; the calls go directly to the Property Manager. Once the call is received, the Property Manager will contact the appropriate person(s).			
8) What capital improvements have been scheduled or completed for this budget year? ➢ No capital improvements have been scheduled or completed this budget year.			

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

9) Unit Interior and Appliance upgrades ➢ No unit interior or appliance upgrades have been made. If the property has a move out the need for flooring or appliances is assessed.			
10) Building Exterior and Curb Appeal repairs ➢ No unit exterior or curb appeal changes were made in 2020.			
11) Amenity upgrades ➢ No major amenity upgrades have been completed.			
12) Other repairs or replacements ➢ N/A			
Number of service requests received:	45		
Number of requests open from prior periods:	0		
Number of service requests completed:	45		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➢ An average turn time was unobtainable. See observation below			

**COMMENTS:** The above work order data is for the last 7 months (January 2021 through July 2021)

**Observation:**

- **The chart below shows there is some inconsistency in work orders being opened and closed:**

Month (2021)	Number of Work orders Opened and Closed	Notes
January	2	Average turn time is 2 days
February	0	NA
March	3	Average turn time is 4 days
April	5	No start date on 3 of the 5 work orders
May	22	The closed date only indicates the month of June (I.E., 6/2021)
June	0	NA
July	13	The closed date only indicates the month of August (I.E., 8/2021)

- **A few items were found to be of concern as the maintenance program was evaluated. The concerns include the following: No work orders were opened for the months of February and June, Work Orders are written on a manual chart and not opened and closed using property management software. The manual work order log often only indicates a month the work order was completed, but not a specific day. Management is encouraged to use a software system as a better way of logging work orders. If a manual log continues to be used, it is recommended that the log have both opened and closed column headings, and the log gets updated**

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each time an action is taken with a work order. For example, opened closed, waiting for parts, etc.

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# Of Prospects	# Of Leases
Drive-By/Word of Mouth			
Flyers	\$120		
Resident and nonresident Referral		6	
Locator Service			
Printed/Internet Advertising: Newspaper (2), website/apartments.com (11)	\$1,859	13	
Other Source (Phone calls, Marketing)			
<b>TOTAL</b>	<b>\$1,979</b>	<b>19</b>	<b>See Observation</b>
<b>The rental activity reflected in the above table was from 5/1/2021 through 8/1/2021</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>			
<b>Observation:</b>			
<ul style="list-style-type: none"> <li>The property is doing a better job of logging the traffic when compared with prior Asset Oversight reviews. However, management is encouraged to be more descriptive when entering results on the Traffic Report. Each prospect has a result status of "Non relevant". Better descriptions on the Results column will help anyone reviewing the Weekly Traffic Report get a better understanding of what transpired with the prospect. For example, declined due to income, did not provide paperwork, on the waiting list, removed from the waiting list, lease approved, etc.</li> </ul>			

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: 75%	6 months: N/A	12 months: 81.5%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	20%		
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., 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? According to the Property Manager, the property has not had a rent increase in more than a year.			
10) How many households are currently on month-to-month leases? The property does not have any month-to-month leases at this time.			
11) What is the charge for month-to-month leases? > N/A			
<b>COMMENTS:</b> The property had 1 skip out of 5 in the last 12 months (20%).			

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:	0
4) Number of completed two-bedroom units at time of activity report:	1
5) Number of completed three-bedroom units at time of activity report:	0

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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
E2 (301)	(2x1) Vacant, Almost Ready, Unit needed a cabinet adjustment and HVAC filter
G4 (803)	(3x1), Occupied, Cabinet door loose in the guest bath, bathtub needs some caulk

### 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"> <li>&gt; Occupied units are inspected: Monthly (see comments)</li> </ul>			
7) How often are vacant units inspected? <ul style="list-style-type: none"> <li>&gt; Vacant units are inspected: Weekly</li> </ul>			
8) How many vacant units are in progress of being made ready? <ul style="list-style-type: none"> <li>&gt; There are no vacant 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; The company policy is to turn vacant units within 5 business days.</li> </ul>			

**COMMENTS:** Prior to the completion of this report management provided completed work orders for the maintenance items noted above for units E2, G4. Inspections were canceled during the pandemic and resumed in May of 2021.

### BUDGET MANAGEMENT

1) Are three bids solicited in order to obtain materials, supplies, and services? <ul style="list-style-type: none"> <li>&gt; Three bids are required to be obtained and reviewed prior to moving forward with purchases of materials or services.</li> </ul>
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? <ul style="list-style-type: none"> <li>&gt; There has not been any unexpected repairs or purchases that has negatively affected the current budget.</li> </ul>
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 & Maintenance Expenses	\$23,175	\$39,667	\$16,492	42%	Maintenance Salaries, Travel Maintenance, Security, and Vehicle and Equipment Operations

**COMMENTS:**

### REVENUE

FOR THE MONTH ENDING: JUNE 2021		YEAR TO DATE AS OF: JUNE 2021	
Gross Potential	\$27,306	Gross Potential	\$245,311
Budgeted Rental Income	\$23,734	Budgeted Rental Income	\$213,163
Actual Rental Income Collected	\$24,680	Actual Rental Income Collected	\$220,915
Variance + (-)	\$946	Variance + (-)	\$7,752
Other Revenue	\$136	Other Revenue	\$544
Total Collected	\$24,816	Total Collected	\$221,459

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Budgeted	\$23,955	Budgeted	\$215,148
Variance + (-)	\$861	Variance + (-)	\$6,311

**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> Management has the Accounts Payable Ledger broken up into Trade and Non-Trade items. The payable amounts to the right are for non-Trade items. The vast majority of the non-Trade balance is due to Taxes and Insurance Payments. The chart to the right is blank. However, the property does appear to be paying vendors regularly and is not behind on the accounts with balances.	0-30 Days:		
	30-60 Days:		
	60 Days and Over:		
	TOTAL		

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> and considered late on the 6 <sup>th</sup> day. Three-day Notice to Vacate (NTV) forms are sent on the 6 <sup>th</sup> of the month. An initial late fee of \$10 is incurred on the 10 <sup>th</sup> .			
3) When is legal action taken against delinquent accounts? ➤ Unless something is worked out with management, evictions are filed after the 3-day NTV expires.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b> The delinquent balance is low; however, the property has an Uncollected Security Deposit Balance of \$4,600. Management is encouraged not to break up Security deposits in more than 2 payments and limit the period to two months.	0-30 Days:	\$865	
	30-60 Days:	\$0	
	60 Days and Over:	\$	
	TOTAL	\$865	

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. ➤ The staff attends Apartment Association of New Mexico (AANM) online training periodically throughout the year. For example, time management and work orders.			

**COMMENTS:** During the last review, the property did not have a designated maintenance technician. Now that the new Vista Rita Blanca phase is finished (phase 2), the property has an adequate workload to have a full-time maintenance technician. The technician started a few months ago, and both phases share the technician.

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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? ➤ Occupancy and Delinquency reports and the operation budgets are sent monthly to ownership.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Management is required to get owner's approval for anything over \$150 outside the budget.			
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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**No Findings.**

**Observations:**

- There appears to be some erosion between the sidewalk and street on the east side of the community. Management is encouraged to investigate various ways to stop the soil erosion. For example, planting grass, landscaping timbers, or a concrete barrier. (Photos attached)
- Management is encouraged to use the key box they have. Currently all keys are kept on one key ring and are in the possession of the manager. The current process is not secure, promotes disorganization, and it does not allow the keys to be successfully tracked. Purchasing a key tracking system or using the key box will help with security and organization. In addition to the key box, a log to check out keys should be used in order to track keys if they go missing or unreturned.
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