

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 5, 2022 at 1:30 P.M.

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	99.3%
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: Based on the visual observations made on the day of the onsite visit, the property appears to be in overall good condition. The site sign was visible, and the property grounds were clean and free of debris giving the property great curb appeal. The building exteriors were in good condition, and the common areas were well maintained and accessible.

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		

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Other			
		YES	NO
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 City of Donna provided public information records from December 24, 2021 to March 21, 2022. There were two calls logged neither of which were criminal incidents.			

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: Property risk assessments are completed quarterly by the regional staff.			

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 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? ➤ Management confirmed interior and exterior pest control services are provided monthly.			
6) What is the policy for following up on completed service requests? ➤ Management follows up on all completed work orders to ensure completion and customer satisfaction.			
7) What is the property's after-hours emergency policy? ➤ The after-hours emergency number calls the Property Manager directly. Once the emergency is confirmed, the appropriate person(s) is notified.			
8) What capital improvements have been scheduled or completed for this budget year? ➤ N/A - A full property rehab was recently completed. Management submitted a detailed rehab construction summary with associated construction costs to support a completion date of March 30, 2021. Annual tree trimming, and a few reasonable accommodations are scheduled for this budget year.			

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:	7		
Number of requests open from prior periods:	0		
Number of service requests completed:	7		
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? ➤ Maintenance completed work orders in an average of 4 days.			

COMMENTS:

MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth: 28 phone calls		28	0
Flyers			
Resident Referral: \$50 per approved move-in	\$50		
Locator Service			
Printed/Internet Advertising			
Other Source			
TOTAL	\$50	28	0

The rental activity reflected in the above table was for the month of: March 1, 2022 through March 30, 2022

	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: Management maintained an extensive wait list therefore there are no major marketing efforts being made at this time.

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: 8%	6 months: 46%	12 months: 83%
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? ➤ A \$20 rent increase for all units was implemented on January 1, 2022.			
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			
COMMENTS:			

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	There are no vacant units at this time.			
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? ➤ 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? ➤ N/A - There are no vacant units.				
9) What is the company policy on the number of days to turn vacant units? ➤ Units are to be turned between 3-4 business days.				
COMMENTS:				

BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Management is required to obtain three bids for materials, supplies, and services.			

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- 2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget?
 ➤ The property had an unexpected expense (doorway repositioning for unit 22) that affect the budget slightly.
- 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

COMMENTS: Based on a review of the Budget Comparison dated January 2022, there were no expenses that varied by 10% or greater.

REVENUE

FOR THE MONTH ENDING: January 2022			YEAR TO DATE AS OF: January 2022	
Gross Potential		\$29,714	Gross Potential	\$29,714
Budgeted Rental Income		\$29,120	Budgeted Rental Income	\$29,120
Actual Rental Income Collected		\$29,327	Actual Rental Income Collected	\$29,327
Variance + (-)		\$207	Variance + (-)	\$207
Other Revenue		\$1.48	Other Revenue	\$1.48
Total Collected		\$29,340	Total Collected	\$29,340
Budgeted		\$29,204	Budgeted	\$29,204
Variance + (-)		\$136	Variance + (-)	\$136

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: The information in this section is based on the Summary Aged Payables report dated April 1, 2022.	0-30 Days:		\$13,471
	30-60 Days:		\$0
	60 Days and Over:		-\$16
	TOTAL		\$13,455

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 st of the month. On the 11th of the month, a late fee in an amount that is the greater of the \$10 or 5% of the resident gross rent is assessed.			
3) When is legal action taken against delinquent accounts? ➤ Management issues Notices to Vacate forms on the 15 th of the month for residents who have not paid rent in full or agreed to a repayment plan.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?		X	
COMMENTS: The data in this section is based on the Delinquent Rent Reporting dated April 2022. The 30-day balance appears to be high however tenants are currently paying rent for the month. Management confirmed most of the rent, if not all, will be paid on or before the 10 th day of the month.	0-30 Days:		\$10,025
	30-60 Days:		\$153
	60 Days and Over:		-\$1
	TOTAL		\$10,177

RETURNED CHECKS

	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		0	

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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 is required to complete frequent Grace Hill trainings.			
COMMENTS: An assistant manager was hired in September 2022; she is scheduled to attend Fair Housing training in April 2022.			

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? ➤ Management submits weekly occupancy and delinquent reports and monthly financial packets.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Expenses over \$500 require owner approval.			
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 Observation or Findings.

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