

Texas State Affordable Housing Corporation

Peoples El Shaddai and St James Manor 2836 E. Overton Road and 3119 Easter Ave, Dallas, TX 75216

Owner: Steele St James Peoples LLC

Date Built: 1969 (St James) 1970 (Peoples El Shaddai)

Management Company: Monroe Group Ltd.

Property Manager: Vanessa Brown

Inspection Date & Time: December 13, 2022, at 8:00 a.m.

Inspector's Name: James Matias

Occupancy at Time of Report:	Peoples 92% Saint James 96%	Average Occupancy Over Last 12 Months:	92.1% (Peoples) 94.8% (St James)
Number of Units: 200 (100 units at each property)			
Number of One Bedrooms:	20 (Peoples) 20 (St James)	Number of Two Bedrooms:	20 (Peoples) 40 (St James)
Number of Three Bedrooms:	30 (Peoples) 30 (St James)	Number of Four Bedrooms:	30 (Peoples) 10 (St James)

PHYSICAL INSPECTION	YES	NO	N/A
1) Are the access gates in operable condition? (Only People El Shaddai Apts has a gate)	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 – see observation	
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 – see observation		

COMMENTS: Based on the pictures provided by management, the properties (People El Shaddai and Saint James Manor) appear to be in good condition. The monuments signs are visible, the sidewalks are clean, and the building's exterior and roofs look to be in an acceptable condition.

Observations:

- Although both properties appear to be in good condition, the maintenance shop from People El Shaddai has several large items such as a hose and dollies in the middle of the shop that may prevent property staff from exiting the shop safely. To ensure the safety of the staff, management must remove all items that are blocking the pathways to the entrance and exit of the maintenance shop. This issue was noted on last year's inspection. Management is operating without any onsite maintenance. Management stated they intend to have the maintenance area organized once a maintenance team member is hired.
- The parking lot has numerous areas where potholes need to be filled and the parking lot needs to be recoated. (Both properties)
- About 30% of the apartment windows at the community have broken blinds. (Both properties)
- The picnic table in the BBQ picnic area is broken. (Peoples)
- The playground area had the border painted with paint that was found in the community. (Saint James)

Texas State Affordable Housing Corporation

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				
			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 section above was not completed because management was unsuccessful with obtaining reports from Dallas Police Department regarding recent incidents or calls. Management confirmed they are issuing lease violations and evicting individuals when the lease is violated, or criminal activity is proven. Both properties have a security officer who conducts drive-bys for a total of six hours a day and submits daily reports to management. Stealth, a 3 rd party surveillance company, monitors about 90D cameras at Peoples and 30 cameras at Saint James. Lights checks are conducted by property staff every week.				
Observation: <ul style="list-style-type: none"> Management should continue to attempt to get recent police reports and 911 calls from the Dallas Police Department. Once these are obtained, they should be submitted to TSAHC for review. In addition, management should work to establish a policy of obtaining and reviewing these reports quarterly. The direction to review crime reports regularly is based on the number of evictions and move outs related to criminal activity. 				

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 on December 15, 2022.			

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		
➤ The properties require a trash and security alarm permits.			
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		

Texas State Affordable Housing Corporation

➤ Laundry Facility	X		
➤ Business Center	X		
➤ Pool			X
➤ Other (Libraries at both properties)	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: The HandiTrack key system is being used.

MAINTENANCE PROGRAM	YES	NO	N/A
1) Does the property have a preventative maintenance program?		X (see comments)	
2) Is the preventative maintenance schedule being implemented?	X		
3) Is the maintenance shop clean and organized?		X (see comments)	
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 bi-weekly. Two buildings are done at each service, and as needed.		
6) What is the policy for following up on completed service requests?	➤ Property staff will follow up on completed service request within 24 hours of completion.		
7) What is the property's after-hours emergency policy?	➤ After-hour calls are answered by the Indatus phone service, emergency calls are transferred to maintenance.		
8) What capital improvements have been scheduled or completed for this budget year?	➤ The property is in the process of doing some tree trimming at this time.		

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

9) Unit Interior and Appliance upgrades	➤ Appliance upgrades were completed as needed.		
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:	111		
Number of requests open from prior periods:	393		
Number of service requests completed:	126		
Number of service requests completed within 24 hours:	10		
Number of outstanding service requests:	378		

13) On average, how many days does it take to complete a work order?
 ➤ The reviewer was unable to determine the work order turn time based on the report provided. In addition, site staff did not know how long work orders take.

COMMENTS: The Maintenance Summary report from 11/1/2022 through 11/30/2022 was used to complete the above chart. Both properties are currently outsourcing the majority of the work orders because they do not have a lead maintenance team member. The properties share a temporary worker who does light maintenance work and porter duties. Management uses vendors to conduct electrical, plumbing, HVAC, preventive maintenance, and minor and major work orders.

Observations:

- Based on the amount of open work orders, it does not appear the process of using vendors for all work is efficient. Management should pull all resources to get a lead maintenance technician hired for the properties.
- Management should be aware of the work order turn times to ensure work is being done timely and tenants are satisfied.
- Management does not appear to be doing a good job opening and closing work orders in the system.

Texas State Affordable Housing Corporation

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	\$0	-	-
Resident Referral	\$0	-	-
Locator Service	\$0	-	-
Printed/Internet Advertising	\$0	-	-
Other Source	\$0	-	-
TOTAL	\$0	0	0
The rental activity reflected in the above table was for the month of: 11/01/2022 – 11/30/2022			
	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 stated that they do not spend any money on marketing. In addition, they do not track their traffic activity. The property is on a waiting list and gets all tenants through the Housing Authority. The Regional Property Manager said the market surveys are done annually.			

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: 90%	6 months: 72%	12 months: 90%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or “skip”?	19%		
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? <div style="margin-left: 20px;">➤ The last rent increase was implemented in May of 2022 for both properties. One bedrooms increased about \$20, two bedrooms about \$33, three bedrooms about \$43, and four bedrooms \$51.</div>			
10) How many households are currently on month-to-month leases? <div style="margin-left: 20px;">➤ N/A</div>			
11) What is the charge for month-to-month leases? <div style="margin-left: 20px;">➤ N/A</div>			
COMMENTS:			

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	12
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 completed four-bedroom units at time of activity report:	0
7) Number of uncompleted made ready units at time of activity report:	12
8) Number of uncompleted one-bedroom units at time of activity report:	1
9) Number of uncompleted two-bedroom units at time of activity report:	3
10) Number of uncompleted three-bedroom units at time of activity report:	4
11) Number of uncompleted four-bedroom units at time of activity report:	4
Units Walked	

Texas State Affordable Housing Corporation

Unit #	Brief Description
123A6	Peoples El Shaddai (Vacant 4x1) Not made ready. Vacant 223 days. Full turn needed
139A9	Peoples El Shaddai (Vacant 3x1) Not made ready. Vacant 93 days. Full turn needed
111A3	Peoples El Shaddai (Vacant 2x1) Not made ready. Vacant 81 days. Full turn needed
105A2	Peoples El Shaddai (Vacant 1x1) Not made ready. Vacant 302 days. Full turn needed
126B12	Saint James Manor (Vacant 1x1) Almost ready. Vacant 302 days. Needs cleaning.
105B3	Saint James Manor (Vacant 3x1) Almost ready. Vacant 93 days. Needs touch up cleaning.
255B19	Saint James Manor (Vacant 2x1) Not made ready. Vacant 93 days. Full turn needed

Down Units Walked (units vacant and unready for extended period of time and all down units)

Unit #	Brief Description	YES	NO	N/A
N/A				
1)	Does the Unit Availability Report match the make ready board?	X		
2)	Are units being turned in a timely manner?		X (see comments)	
3)	Are there any down units?	X (see comments)		
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? ➤ Twelve vacant units are in the process of being made ready.			
9)	What is the company policy on the number of days to turn vacant units? ➤ The company policy to turn a vacant unit is 7 calendar days.			

COMMENTS:

Observation:

- Management policy is to turn vacant units within seven days. The Unit Availability reports shows units are vacant and not made-ready with a vacancy length of 124 days, on average. It is recommended that management follow the policy and continue to turn vacant units within the required time and/or evaluate and revise the current policy.

Finding:

- Units 105A2 (Peoples) and 123A6 (Peoples) are considered down because they are not available for rental on a continuous basis to members of the general public. These units are not made-ready and they have been vacant for 302 and 223 days. The owner must submit proof that the units are back on-line and available for rental to the public in the form of invoices, work orders, pictures, and/or Tenant Income Certifications to TSAHC.

BUDGET MANAGEMENT

1)	Are three bids solicited in order to obtain materials, supplies, and services? ➤ Yes, three bids are solicited to obtain materials, supplies and services.
2)	Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? ➤ There have not been any large, unexpected expenses that have negatively affected the budget.
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
Utilities	\$170,785	\$117,372	(\$53,413)	(45.5%)	Electricity, Gas
Operating & Maintenance	\$504,846	\$426,024	\$78,822	(18.5%)	Security, Garbage & Trash Removal, Repair Contracts other, Repair Contracts HVAC, Repair contracts Plumbing, Contract Labor.

Texas State Affordable Housing Corporation

COMMENTS: The property is spending more one vendor contract because they are operating without a maintenance technician. Therefore, the Operating and Maintenance expense line item is overbudget.

REVENUE			
FOR THE MONTH ENDING: OCTOBER 2021		YEAR TO DATE AS OF: OCTOBER 2021	
Gross Potential	\$247,080	Gross Potential	\$2,169,884
Budgeted Rental Income	\$236,080	Budgeted Rental Income	\$2,103,044
Actual Rental Income Collected	\$237,228	Actual Rental Income Collected	\$2,112,657
Variance + (-)	\$1,148	Variance + (-)	\$9,613
Other Revenue	(\$14,979)	Other Revenue	(\$108,436)
Total Collected	\$222,251	Total Collected	\$2,004,221
Budgeted	\$227,413	Budgeted	\$2,057,201
Variance + (-)	(\$5,642)	Variance + (-)	(\$52,980)

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: This section was completed using the Vendor Aging Report dated 12/31/2022. Based on a review of the report, 95% of the high balance is due to unpaid ownership payments. No other invoices or the aged delinquency of the invoices are a concern.	0-30 Days:		\$62,739
	30-60 Days:		\$62,684
	60 Days and Over:		\$239,855
	TOTAL		\$365,278

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 every month and late on the 6 th with an initial late fee of \$5 and \$1 after until rent is paid in full. Maximum of late fee is \$30 per month.			
3) When is legal action taken against delinquent accounts?			
➤ Notice to Vacant forms are sent on the 6 th and evictions are filed is on the 17 th .			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?	X		
COMMENTS: This section was completed using the Delinquent and Prepaid report dated 12/10/2022. The report reflects that \$6,675 is due to property damages and \$15,621 is due to payments they are waiting for from the housing authority. The remaining \$50,000 is for tenant rent. Regarding unpaid tenant rent, \$26,652 is under eviction and the other \$24,000 have been sent to the attorney for review or they are in the eviction process (i.e., the property is waiting for the 30-Notice to Pay to expire). In addition to rent, the property has 9 residents under evictions for criminal activity.	0-30 Days:		\$8,999
	30-60 Days:		\$9,189
	60 Days and Over:		\$51,634
	TOTAL		\$69,822
Observation: <ul style="list-style-type: none"> Delinquency appears to be a problem at both properties. It is imperative that management follows the rent collection and eviction policy to control delinquency. Holding tenants accountable to their lease obligations is imperative to the long-term success of the community. 			

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:

Texas State Affordable Housing Corporation

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 – see comment		
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. ➤ Sexual Harassment, Cibber, Fair housing,			
COMMENTS: Staff turnover did occur since last site review; a new manager was hired in October. They are seeking a new lead maintenance technician at this time.			

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 such as financials, delinquency and availability are submitted to the owner monthly.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ The dollar amount of an unbudgeted or over budget expense that requires owner approval is \$1,000.			
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>Observations:</p> <ul style="list-style-type: none"> Although both properties appear to be in good condition, the maintenance shop from People El Shaddai has several large items such as a hose and dollies in the middle of the shop that may prevent property staff from exiting the shop safely. To ensure the safety of the staff, management must remove all items that are blocking the pathways to the entrance and exit of the maintenance shop. This issue was noted on last year's inspection. Management is operating without any onsite maintenance. Management stated they intend to have the maintenance area organized once a maintenance team member is hired. The parking lot has numerous areas where potholes need to be filled and the parking lot needs to be recoated. (Both properties) About 30% of the apartment windows at the community have broken blinds. (Both properties) The picnic table in the BBQ picnic area is broken. (Peoples) The playground area had the border painted with paint that was found in the community. (Saint James) Management should continue to attempt to get recent police reports and 911 calls from the Dallas Police Department. Once these are obtained, they should be submitted to TSAHC for review. In addition, management should work to establish a policy of obtaining and reviewing these reports quarterly. The direction to review crime reports regularly is based on the number of evictions and move outs related to criminal activity. Based on the amount of open work orders, it does not appear the process of using vendors for all work is efficient. Management should pull all resources to get a lead maintenance technician hired for the properties. Management should be aware of the work order turn times to ensure work is being done timely and tenants are satisfied. Management does not appear to be doing a good job opening and closing work orders in the system. Management policy is to turn vacant units within seven days. The Unit Availability reports shows units are vacant and not made-ready with a vacancy length of 124 days, on average. It is recommended that management follow the policy and continue to turn vacant units within the required time and/or evaluate and revise the current policy. Delinquency appears to be a problem at both properties. It is imperative that management follows the rent collection and eviction policy to control delinquency. Holding tenants accountable to their lease obligations is imperative to the long-term success of the community. <p>Finding:</p> <ul style="list-style-type: none"> Units 105A2 (Peoples) and 123A6 (Peoples) are considered down because they are not available for rental on a continuous basis to members of the general public. These units are not made-ready and they have been vacant for 302 and 223 days. The owner must submit proof that the units are back on-line and available for rental to the public in the form of invoices, work orders, pictures, and/or Tenant Income Certifications to TSAHC.

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People El Shaddai



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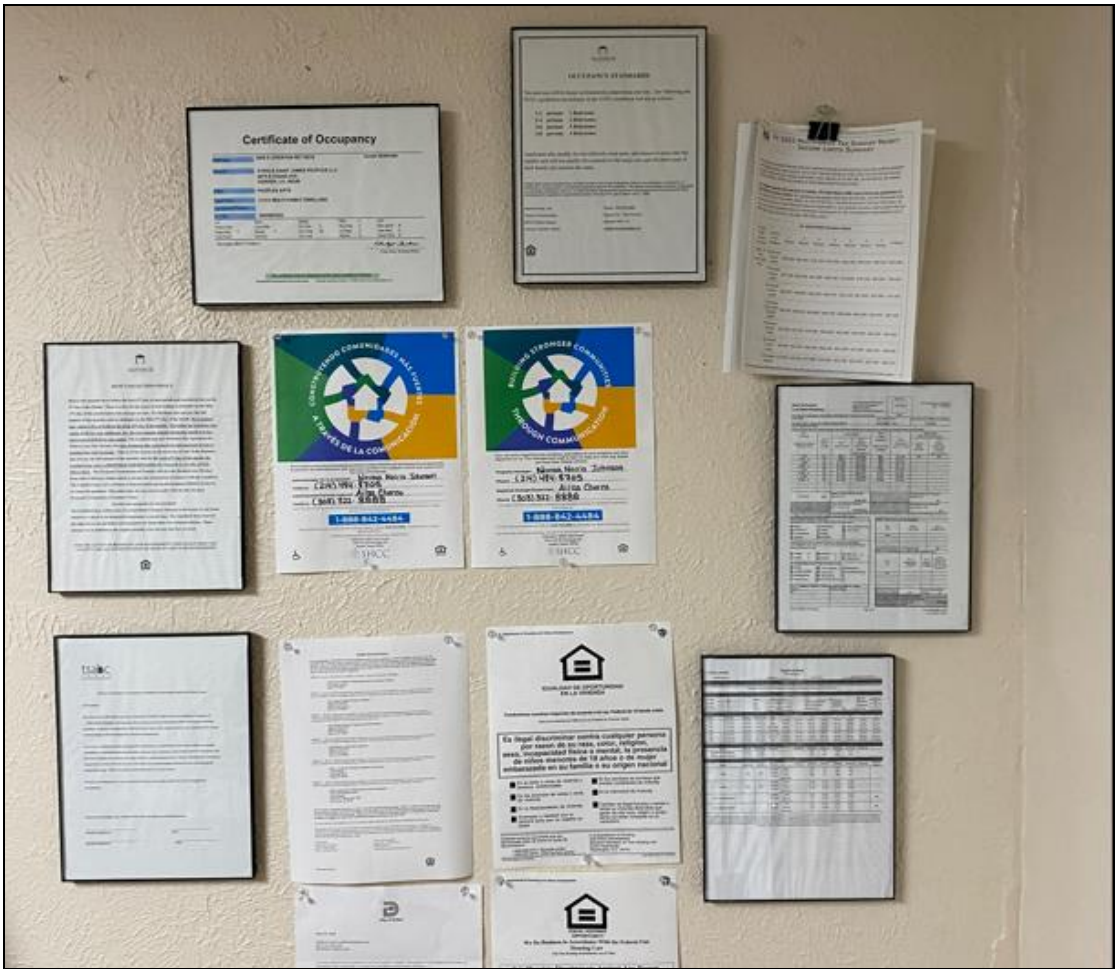
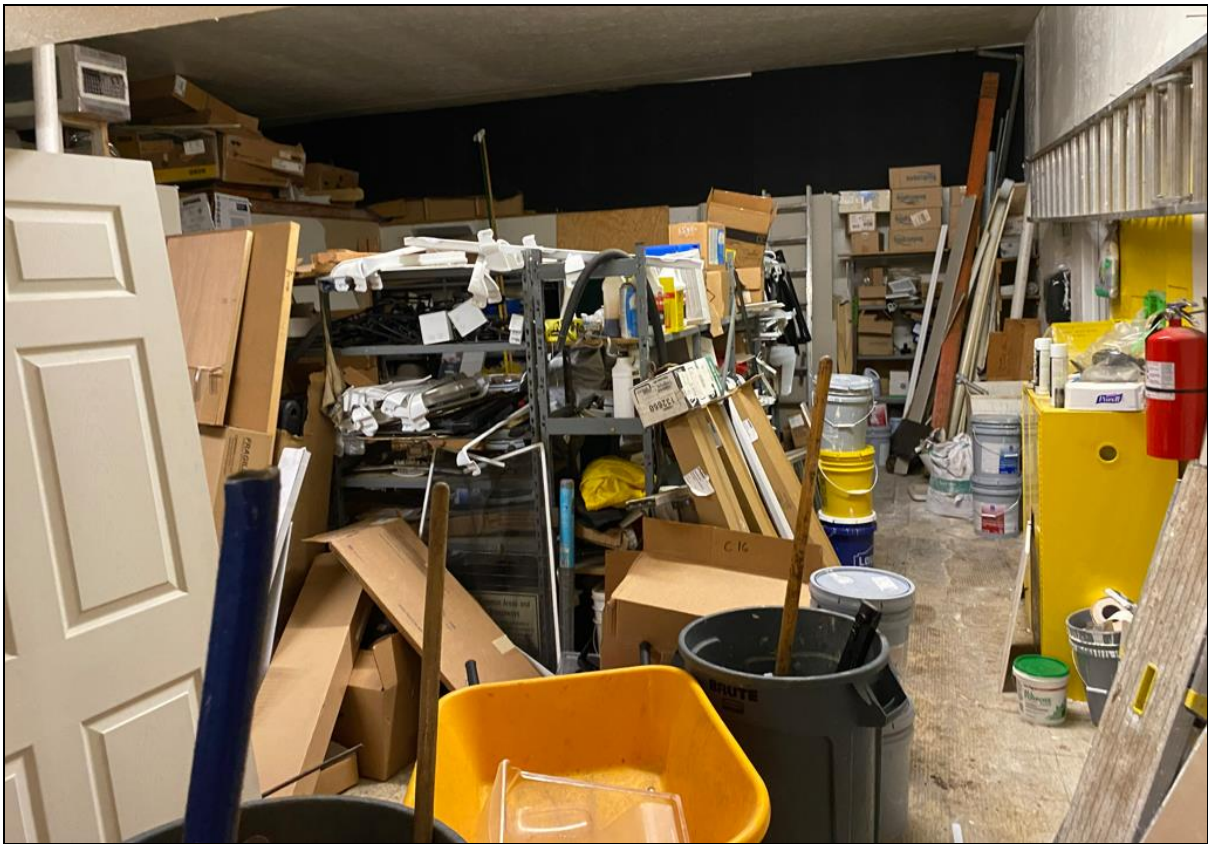


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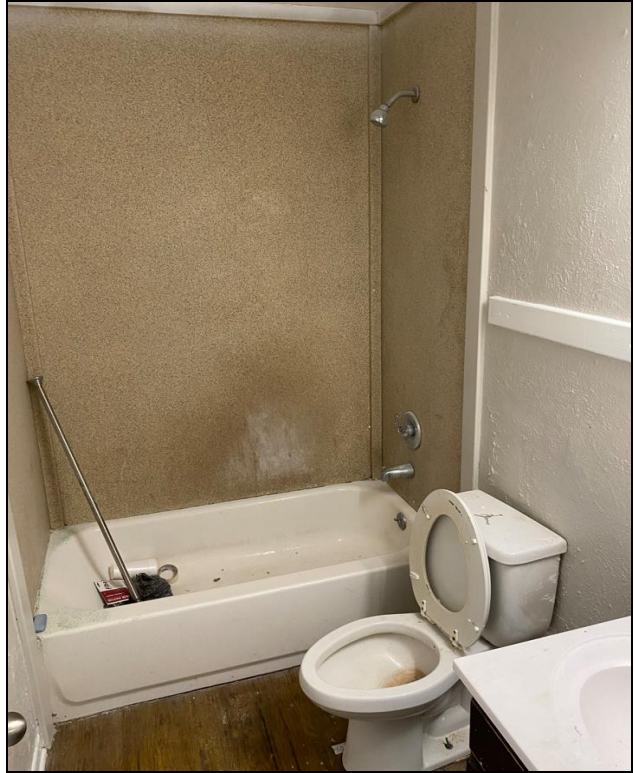
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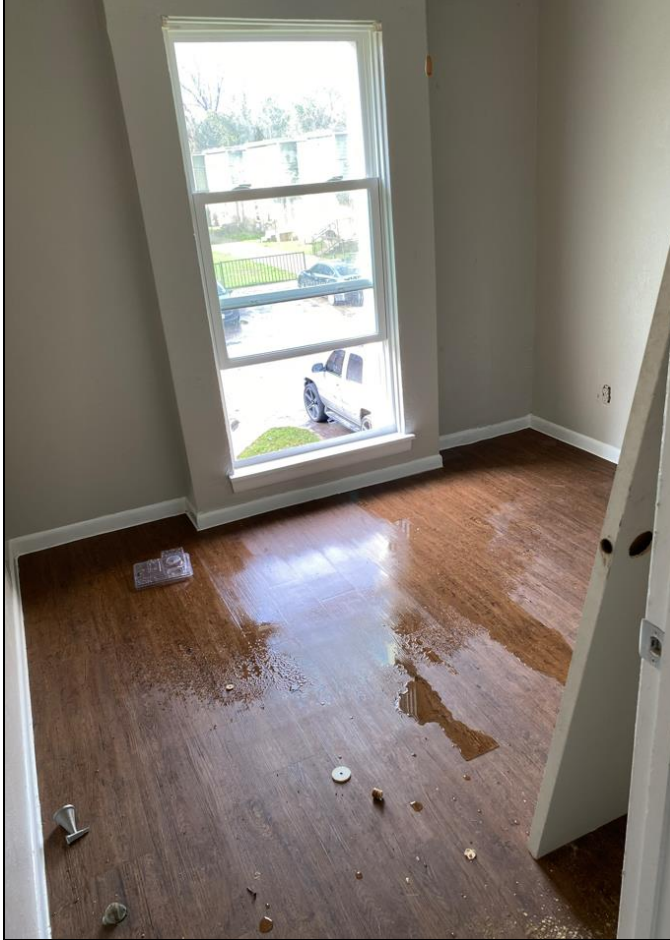
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UNIT 123 (Peoples)



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UNIT 139 (Peoples)



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Saint James Apartments



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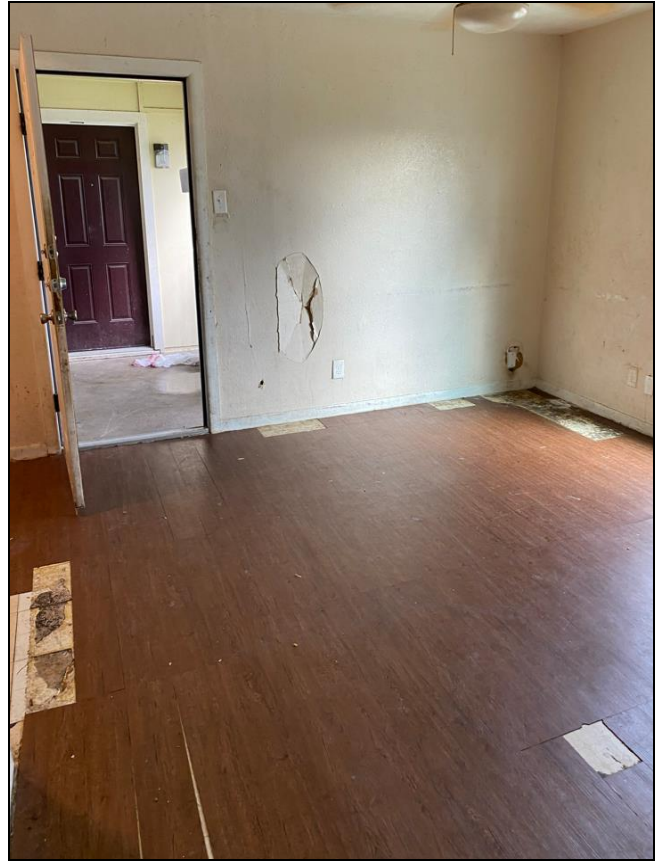


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UNIT 255 (Saint James)





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Unit 126 (Saint James)

