

Texas State Affordable Housing Corporation

Ventura at Tradewinds Apartments

1181 Tradewinds Blvd., Midland, Texas 79706

Owner: Midland Leased Housing Development, LLC

Date Built: 2021

Management Company: Dominium

Property Manager: Brenda Guidry

Inspection Date & Time: October 19, 2022 at 8:00 a.m.

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	89.6%	Average Occupancy Over Last 12 Months:	79.22%
Number of Units: 204			
Number of One Bedrooms:	36	Number of Two Bedrooms:	84
Number of Three Bedrooms:	84	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 asset oversight review for Ventura at Tradewinds. On the day of the site visit the property appeared to be in good condition with nice curb appeal. The property's building exteriors are surrounded by grass and pebble rocks. The pebble rocks are covering several sidewalks causing concern and creating potential risks. Management is aware of the issues and mentioned maintenance staff sweeps every morning and mentioned they are planning to obtain bids to replace the pebbles with other landscaping, such as mulch or larger rocks that will lessen the potential risks. The window screen for unit 2-204 was on the ground, along with damaged exterior window frames for units 2-104, 2-204, and 2-304. Maintenance staff was asked to create a work to get this issue corrected. The reviewer also noted a few breezeway entries that have water damage.(picture attached). Management is aware of the issue and stated this is being reviewed by upper management and the construction team. This will be reviewed next year.

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	1	
Theft	1	
Criminal Mischief	1	
Personal Assault	1	
Drug Related Activity	1	

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Gun Related Activity	0			
Domestic Violence	1			
Disturbance	0			
Other	2	Harassment (1) and Public Intoxication (1)		
		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: Call logs from the Midland Police Department dated July 2022 to September 2022 showed total of 13 calls received. Eight of those calls are noted above. According to management, the property does not use a crime prevention agreement however relies on the lease contract. The property is equipped with 7 surveillance cameras (6 around the main office and 1 located at the waste receptacle). Cameras are monitored by management staff and issued lease violations, as needed.				

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 in the spring of 2021.				

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		
➤	Pool			
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: See comment below.	X		

COMMENTS: The property has two playgrounds, fitness room, yoga room, and a playroom. Management disclosed they are creating a space for a dog park later this year. Full size washer and dryers are provided in each unit.

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		

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COMMENTS: The property is keyless and utilizes battery operated fobs for all apartment doors. The locks and keys are activated electronically.

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 – see comment		
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 twice a month for up to 7 units plus any unit call backs. All units get treated at least once a year.			
6) What is the policy for following up on completed service requests? ➤ Company policy required site management to conduct call back on all work orders. The management software system alerts site staff of completed work which then prompts the office staff to conduct call backs.			
7) What is the property's after-hours emergency policy? ➤ The community utilizes an after-hours answer service that contacts appropriate staff for after-hour emergencies.			
8) What capital improvements have been scheduled or completed for this budget year? ➤ The property was built in 2021 and has not scheduled or completed any capital improvements this budget year.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades There were no unit interior or appliance upgrades.			
10) Building Exterior and Curb Appeal repairs ➤ There were no building exterior or curb appeal upgrades.			
11) Amenity upgrades ➤ There were no amenity upgrades.			
12) Other repairs or replacements ➤ There were no other repairs or replacement completed in the last budget year.			
Number of service requests received:	39		
Number of requests open from prior periods:	0		
Number of service requests completed:	32		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	7		
13) On average, how many days does it take to complete a work order? ➤ Unable to determine, see comment.			
<p>COMMENTS: The maintenance shop was well organized however it did not have a smoke alarm. See Finding. Based on a review of the Work Order Directory dated 9/18/22 – 10/19/22, there were 85 work orders created. After review, it was determined that 42 of the work orders were created as a tracking method for management's preventive maintenance and inspections. Removing these, there were only 39 resident created work orders as noted in the chart above. Based on the report and conversation with management staff, it is evident that work orders are not being closed timely. Management disclosed that their practice is to close all work orders at the end of the work week. Because of this, the reviewer was unable to get an accurate number of days it takes to complete/close work orders.</p> <p>Observations:</p> <ul style="list-style-type: none"> • Work orders are not being closed timely. The Work Order Directory report reflects two dates, 10/7/22 and 10/12/22, as the date most work orders were closed. It is important that all work orders be closed timely to monitor the effectiveness of the maintenance staff. This will be monitored next year. • Management was advised to install a smoke alarm in the maintenance shop as a safety measure. <p>Finding:</p> <ul style="list-style-type: none"> • A smoke alarm must be installed in the maintenance shop. Please provide a completed work order and/or picture of newly installed smoke alarm no later than <u>November 10, 2022</u>. 			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth			
Flyers			
Resident Referral			
Locator Service			
Printed/Internet Advertising: Zumper (\$450/mth), Zillow (\$625/mth), Webliester (\$60/mth), Star Tribune (\$700/mth) RentPath (\$856/mth), Apartments LLC (\$2,024/mth), Apartment list (\$1,699/mth)		817	14

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Other Source: GoSection8.gov (\$0), Zumper.Inc (\$450/mth), TargetMarketing (\$800/random), Midland Roundhounds (\$7,500/random), Midland AF (\$1,350/random), KNFM-FM (\$2,590/random), 4 Walls (\$119/monthly)		163	
TOTAL	\$18,773 – see comment	980	14
The rental activity reflected in the above table was for the month of: 8/1/2022 – 10/28/2022			
	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: It is evident that management is taking adequate measures to market this community.			

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: 50%	6 months: 31%	12 months: N/A
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?			23%
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, Onsite, or Owner/Agent created software?	X		
8) Are rent increases being implemented?	X-see comments		
9) When was the last rent increase implemented? What was the average rent increase? ➢ In July 2022, management implement a rent increase of a little over \$100.			
10) How many households are currently on month-to-month leases? ➢ N/A – Management does not offer month-to-month leases.			
11) What is the charge for month-to-month leases? ➢ N/A			
COMMENTS: The Reasons for Move Out report dated as of 10/19/2022 indicates 23% of move-out were due to eviction/non-payment of rent or skips. Management stated the high percentage is part due to the mov- in concessions that were offered (tenants were not able to pay full rent after concessions ended) and households that weren't able to pay rent after receiving covid-related rental assistance. This will be monitored next year.			

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	20
2) Number of completed made ready units at time of activity report:	20
3) Number of completed one-bedroom units at time of activity report:	5
4) Number of completed two-bedroom units at time of activity report:	8
5) Number of completed three-bedroom units at time of activity report:	7
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
1-205	(2x2) 142 days vacant: Made-ready. Water needs to be flushed prior to leasing unit (rotten water smell). Balcony needs to be cleaned.
1-211	(3x2) 80 days vacant: Not made-ready. All interior unit doors are off hinges and waiting to be replaced. See comment.
1-310	(1x1) 128 days vacant: Made-ready. Water needs to be flushed prior to leasing unit (rotten water smell).
2-205	(2x2) 142 days vacant: Made-ready but needs to be cleaned. Mildew noted in toilets and rotten water smell.
4-204	(1x1) 30 days vacant: Not made-ready. Full turn required.
Down Units Walked (units vacant and unready for extended period of time and all down units)	

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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 – see comment		
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– see comment		
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 – see comment		
6)	How often are occupied units inspected? ➤ Occupied units are inspected: Annually			
7)	How often are vacant units inspected? ➤ Vacant units are inspected: Monthly			
8)	How many vacant units are in progress of being made ready? ➤ According to the Unit Availability report dated 10/16/22, all vacant unit are made-ready. See comment.			
9)	What is the company policy on the number of days to turn vacant units? ➤ Company policy is to have units made-ready within 5 business days.			
<p>COMMENTS: The Unit Availability Details report indicated there are 20 vacant units. The reviewer chose to inspect 5 of the vacant units. One of the vacant units was not made-ready and two needed to be cleaned, see chart above. It is apparent the Unit Availability Details is not being updated properly and that vacant units are not being inspected frequently enough.</p> <p>Observations:</p> <ul style="list-style-type: none"> The Unit Availability Details did not accurately list the make-ready status for unit 4-204. It is strongly suggested that regular updates be made to both the availability report (and the make ready board, if used) to reflect the status accurately. The accuracy of the availability report is instrumental to the success of the leasing staff and imperative to the community's vacancy rate. Management is encouraged to take inventory of all vacant units to determine what work, if any, is left to complete the make-ready, and then update the report accordingly. Management stated vacant units are inspected monthly. TSAHC recommends vacant units be inspected weekly or biweekly to ensure the unit is suitable to show prospects. 				

BUDGET MANAGEMENT					YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Three bids are required to obtain materials, supplies, and services.							
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? ➤ There has not ben any unexpected repairs or purchased during the current budget year.							
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	
Marketing		\$8,289	\$27,000	\$18,710	69%	Advertising-internet, Tenant relations promo/events, Resident referrals, Other marketing expenses	
Administrative Expenses		\$58,376	\$37,082	-\$21,294	-57%	Credit report/background checks, Office/supplies, Subscriptions, apps, permits, and Postal costs	
Payroll Expenses		\$244,265	\$184,260	-\$60,005	-32%	Benefits	
Repairs and Maintenance		\$81,203	\$61,850	-\$19,380	-31%	Start-up Cost	
COMMENTS: Both the Administrative budget and Repairs and Maintenance budget were over budget due to a slower than anticipated lease-up.							

REVENUE					
FOR THE MONTH ENDING: August 2022			YEAR TO DATE AS OF: August 2022		
Gross Potential	\$301,325		Gross Potential	\$2,244,788	
Budgeted Rental Income	\$285,779		Budgeted Rental Income	\$2,152,025	

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Actual Rental Income Collected	\$261,594	Actual Rental Income Collected	\$2,083,577
Variance + (-)	-\$24,185	Variance + (-)	-\$68,448
Other Revenue	\$5109	Other Revenue	\$35,211
Total Collected	\$178,019	Total Collected	\$1,183,359
Budgeted	\$285,809	Budgeted	\$1,773,765
Variance + (-)	-\$107,789	Variance + (-)	-\$590,405

COMMENTS: The revenue variances noted are due to the lease up not being completed per anticipated schedule.

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 completing using the Payables Aging Report dated 10/19/2022. The corporate accounting team is responsible for processing and paying invoices.	0-30 Days:		\$22,676
	30-60 Days:		\$167
	60 Days and Over:		\$21
	TOTAL		\$22,864

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 4 th day, a 10% late fee is assessed and a 3-day Notice to Vacate is issued.			
3) When is legal action taken against delinquent accounts?			
➤ Legal action is taken on delinquent accounts that have not signed a repayment plan prior to the 15 th of the month.			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?	X		
COMMENTS: This section was completing using the Aged Receivables Summary dated 10/19/2022. According to management, there are two households waiting for Texas Rent Relief ward funds and five households who are on a repayment plans. Management mentioned they are working diligently on reducing the delinquency. The property's resident service coordinator is also helping by finding various resources/organization that provides rental assistance for the tenant in need.	0-30 Days:		\$33,263
	30-60 Days:		\$15,715
	60 Days and Over:		\$14,664
	TOTAL		\$63,642

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: It is evident that Management is properly following the NSF Policy of charging NSF fees and appropriate late fees to tenants.			

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 take annual fair housing training and attend various Dominion University trainings.			
COMMENTS: The site staff has a new assistant manager and recently hired a groundskeeper.			

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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? ➤ The owner has access to the management software system and therefore pulls reports as needed.			
3)	What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Amounts over \$500 for the property manager and \$5,000 for the regional manager requires 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

Observations:

- Work orders are not being closed timely. The Work Order Directory report reflects two dates, 10/7/22 and 10/12/22, as the date most work orders were closed. It is important that all work orders be closed timely to monitor the effectiveness of the maintenance staff. This will be monitored next year.
- Management was advised to install a smoke alarm in the maintenance shop as a safety measure.
- The Unit Availability Details did not accurately list the make-ready status for unit 4-204. It is strongly suggested that regular updates be made to both the availability report (and the make ready board, if used) to reflect the status accurately. The accuracy of the availability report is instrumental to the success of the leasing staff and imperative to the community's vacancy rate. Management is encouraged to take inventory of all vacant units to determine what work, if any, is left to complete the make-ready, and then update the report accordingly.
- Management stated vacant units are inspected monthly. TSAHC recommends vacant units be inspected weekly or biweekly to ensure the unit is suitable to show prospects.

Finding:

- A smoke alarm must be installed in the maintenance shop. Please provide a completed work order and/or picture of newly installed smoke alarm no later than November 10, 2022.

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Breezeway Water Damage



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