

Texas State Affordable Housing Corporation

Win Lin Apartments

5700 Wabash, Amarillo, Texas 79109

Owner: RHAC – Win Lin, LLC

Date Built: 1983

Management Company: J. Allen Management Co., Inc.

Property Manager: Lisa Phillips

Inspection Date & Time: July 20, 2017 at 10:30 p.m.

Inspector's Name: Celina Stubbs

Occupancy at Time of Report:	98%	Average Occupancy Over Last 12 Months:	97.5%
Number of Units: 50			
Number of One Bedrooms:	N/A	Number of Two Bedrooms:	40
Number of Three Bedrooms:	10	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 an overall visual observation, the property appeared to be in good 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	1	
Theft	1	
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance		
Other	15	6 – Suspicious activity, 6 – Disorderly conduct, 3 – Trespassing

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2) Does the property utilize a crime prevention agreement? ➤ Management utilizes the house rule and the Drug Free and Crime Free addendum.
3) What pro-active measures is the property taking to address crime on the property? ➤ Management requests and obtains monthly property call logs. Based on conversation and review of the call logs, management reviews the reports diligently and issues lease violations when necessary.
4) How often is a light check conducted on the property? Who performs light checks on the property? ➤ Light checks are conducted twice a week by property site staff.
COMMENTS: A review of the Amarillo Police Department call out reports dated 4/01/17 through 6/30/17 indicate that there were a total of 18 calls made; 17 of the 18 calls are outlined above. There is a small increase in incidents however management is still encouraged to maintain their approach to ensure the number of incidents remains low.

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? ➤ 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?	X		
COMMENTS: Management was unaware of when the last risk assessment took place at this property.			

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 ➤ Occupancy Qualifications	X		
6) Is there a compliance department that ensures the set aside and eligibility requirements are being maintained?	X		
7) Which of the following community amenities are provided for resident use? ➤ Playground ➤ Community Room ➤ BBQ/Picnic Area ➤ Laundry Facility ➤ Business Center ➤ Pool ➤ Other (describe)	X	X	X
8) When are property licenses and permits renewed? ➤ The property does not require a license and/or permit.			
9) Where are vendor insurance records/binders maintained? ➤ All vendor documents are stored at the corporate office.			
COMMENTS:			

KEY CONTROL	YES	NO	N/A
1) Are all property keys properly coded?	X		
2) Is key box locked and secured?	X		
3) Is the key code list kept separate from the key box?	X		
4) 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		
4) On average, how many days does it take to complete a work order? ➤ Maintenance completes work orders within 1 day.			

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5) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
6) How often are Pest Control services provided? ➢ Pest control services all buildings on a monthly basis.			
7) What is the policy for following up on completed service requests? ➢ The Property Manager follows up on all completed work orders.			
8) 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).			
9) What capital improvements have been scheduled or completed for this budget year? ➢ There has not been any capital improvements scheduled or completed for this current budget year.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

10) Unit Interior and Appliance upgrades ➢ Upgrades to building interiors and/or appliance are completed as needed.			
11) Building Exterior and Curb Appeal repairs ➢ During the last budget year, management repaired and restriped the parking lot and placed a flower bed around the site sign.			
12) Amenity upgrades ➢ The property installed a new playground.			
13) Other repairs or replacements ➢ N/A			
Number of service requests received:	27		
Number of requests open from prior periods:	0		
Number of service requests completed:	27		
Number of service requests completed within 24 hours:	27		
Number of outstanding service requests:	0		

COMMENTS:

MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	0	0
Flyers	\$0	0	0
Resident Referral	\$0	0	0
Locator Service	\$0	0	0
Printed Advertising	\$0	0	0
Internet Advertising	\$0	0	0
Other Source	\$0	8	7
TOTAL	\$0	8	7

The rental activity reflected in the above table was for the 6/19/2017 through 7/19/2017 timeframe.

	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 appears that the property's Primary Advertising Source Evaluation report does not provide useful information. The only source listed on this report is Other; the "other" sources states that 8 prospects turned into approved leases. The reviewer is aware that the property works off of an extensive waitlist however is still unable to determine if that is counted as part of the "other" source type.

Observation:

- Management should revise the types of sources listed on the Primary Advertising Source Evaluation report, to include Waiting List. This will allow management to property capture the source of traffic for this property.

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		

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2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: N/A	6 months: N/A	12 months: 58.6%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	10%		
4) When are the lease renewal/rent increase notices sent to residents? ➢ Residents are notified of renewals at the 120, 90, 60, and 30 day timeframes prior to the lease contract expiration date.			
5) Are individual files being reviewed to determine renewal/non-renewal status?	X		
6) How are renewals and re-certifications tracked and monitored? ➢ Management tracks recertifications via Onesite Software.			
7) Are rent increases being implemented?	X		
8) When was the last rent increase implemented? What was the average rent increase? ➢ The last rent increase was conducted in September 2016; it was an average of a \$10.00 - \$20.00 dollar increase.			
9) How many households are currently on month-to-month leases? ➢ Month-to-month leases are not offered.			
10) 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:	4
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:	4
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:	3
9) Number of uncompleted three bedroom units at time of activity report:	1

Units Walked	
Unit #	Brief Description
13	(2x1, Vacant): The make-ready process has not started In this unit.
36	(2x1, Vacant): This unit is in the make-ready process.
38	(2x1, Vacant): This unit is in the make-ready process and almost ready for occupancy.
46	(2x1, Vacant): The make-ready process has not started In this unit.

Down Units Walked (units vacant and unready for extended period of time and all down units)	
Unit #	Brief Description
NA	

	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) What system is used by management to monitor the timely preparation of units? ➢ The property uses the Maintenance Checklist and Onesite to track units.			
6) How often are occupied units inspected? ➢ Management inspects occupied units quarterly.			
7) How often are vacant units inspected? ➢ Management inspects vacant units daily.			
8) How many vacant units are in progress of being made ready? ➢ At the time of the visit, two of the four vacant units were in the make-ready process.			

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9) What is the company policy on the number of days to turn vacant units? ➤ According to management, vacant units should be turned within 3-5 business days. See comment.
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COMMENTS: According to management policy, these vacant units are not being turned within the policy timeframe. Management stated unit preparations were delayed because management focused their efforts on the recent REAC inspection. They anticipate getting back to a quicker turnaround now that they are caught up.

BUDGET MANAGEMENT

1) How many bids are solicited in order to obtain materials, supplies, and services? ➤ Prior to the purchase or ordering of items, management must obtain three bids for review and approval.
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ To date, nothing has negatively affected the current 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
Administrative Expense	\$4,897	\$6,076	\$1,178	19.4%	Evictions, Seminars/Staff Training, and Telephone/Pagers
Maintenance Expenses	\$10,325	\$4,775	(\$5,550)	(116%)	Appliances, Interior, Doors/Locks/Keys, Electrical/Lights, Plumbing, Cleaning Supplies, and Tools/Equipment
Services Expense	\$4,292	\$10,820	\$6,528	60%	Landscaping Extras, Pest Control, and Plumbing Contractor
Turnover Expense	\$2,662	\$825	(\$1,837)	(222%)	Material – Painting, Material – Repair, Cleaning (Contract)

COMMENTS: The high overages are due to the recent REAC and high unit turnover.

REVENUE

FOR THE MONTH ENDING: MAY 2017		YEAR TO DATE AS OF: MAY 2017	
Gross Potential	\$29,990	Gross Potential	\$151,855
Budgeted Rental Income	\$29,360	Budgeted Rental Income	\$146,800
Actual Rental Income Collected	\$30,298	Actual Rental Income Collected	\$145,968
Variance + (-)	\$1,344	Variance + (-)	\$3,511
Other Revenue	\$850	Other Revenue	\$5,660
Total Collected	\$31,148	Total Collected	\$151,628
Budgeted	\$29,643	Budgeted	\$145,903
Variance + (-)	\$1,505	Variance + (-)	\$5,724

COMMENTS:

ACCOUNTS PAYABLE	YES	NO	N/A
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1) Is the payable report up to date?	X		
2) Is the property in good standing with all vendors?	X		
3) How often are invoices processed? ➤ Invoices are processed weekly.			

COMMENTS: According to the Regional Manager, the 60day and over balance of \$2,618 will be this month (August 2017).	0-30 Days:		\$10,703
	30-60 Days:		\$7,430
	60 Days and Over:		\$2,618
	TOTAL		\$20,751

DELINQUENCIES	YES	NO	N/A
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1) Is the delinquency report up to date?	X		
2) What is the rent collection policy? ➤ Per management policy, rent is due on the 1 st day of month and considered late thereafter. On the 6 th day an initial late rent fee of \$5 is charged and a daily late fee of \$1 is charged each day thereafter until paid in full.			

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3) When is legal action taken against delinquent accounts? ➤ Management takes legal action around the 20 th day of each month.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
COMMENTS: The Delinquent and Prepaid Report supports that 77% of the total balance is due to HAP payments.	0-30 Days:		\$1,679
	30-60 Days:		\$788
	60 Days and Over:		\$145
	TOTAL		\$2,612

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) How often are staff meetings held? ➤ Site management meets daily and conducts monthly safety meetings.			
10) Have personnel been trained in Fair Housing?	X		
11) List training staff has received in the past year. ➤ Staff continues to attend Grace Hill trainings.			
COMMENTS:			

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? ➤ According to management, the owner has the ability to pull reports at all times.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Owners must approve all unbudgeted or over budgeted expenses in amounts over \$500 for the Property Manager and amounts over \$1,500 for the Regional Manager.			
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
Observation: <ul style="list-style-type: none"> ● Management should revise the types of sources listed on the Primary Advertising Source Evaluation report, to include Waiting List. This will allow management to property capture the source of traffic for this property.
No Findings.

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