

Texas State Affordable Housing Corporation

Cove Village Apartments

1102 Golf Course Rd., Copperas Cove, Texas 76522

Owner: RHAC – Cove Village, LLC

Date Built: 1983

Management Company: J. Allen Management Co.

Property Manager: Jeff Burton

Inspection Date & Time: February 14, 2018 at 1:00 p.m.

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	100%
Number of Units: 50			
Number of One Bedrooms:	N/A	Number of Two Bedrooms:	28
Number of Three Bedrooms:	22	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: The physical inspection of the property grounds support that management thoroughly inspects the property to ensure the property's grounds, buildings, and common areas are in excellent 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		
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance		
Other	2	(Civil Matter – 1- and Domestic Disturbance – 1)

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	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: The Property Manager confirmed that the Copperas Cove Police Department continues to patrol the property 2-3 times a week as a courtesy.

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 Property Manager completes an annual Safety Program Audit Checklist (completed on 1/18/18) to assess any risk liability at the 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	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			
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		

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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 monthly.			
6) What is the policy for following up on completed service requests? ➢ The Property Manager follows-up on reoccurring issues.			
7) What is the property's after-hours emergency policy? ➢ Tenants are told to call the after-hours number which is provided at the time of move-in and posted on the office door. The after-hours number will call the maintenance technician directly.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ The following capital improvements have been scheduled for this budget year; plumbing, the replacement of cabinets in one unit, exterior LED lights, exterior paint for all buildings, and an updated playground.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➢ Refrigerators, stoves, and kitchen cabinets were replaced 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:	81		
Number of requests open from prior periods:	0		
Number of service requests completed:	77		
Number of service requests completed within 24 hours:	34		
Number of outstanding service requests:	4		
13) On average, how many days does it take to complete a work order? ➢ A review of the Service Request activity report (dated 1/14/18 – 2/14/18), indicates it takes an average of 2.5 days to complete a work order.			
COMMENTS:			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth			
Flyers	\$0	1	1
Resident Referral			
Locator Service			
Printed/Internet Advertising			
Other Source: (Current Resident - 3 and Other – 1)	\$0	4	2
TOTAL	\$0	5	3
The rental activity reflected in the above table was for the month of: 1/1/18 – 2/21/2018			
	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: The Property Manager confirmed that the traffic continues to be generated by current residents and prior residents that are returning.			

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: N/A	6 months: N/A	12 months: 72%

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3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	7%		
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? According to the Property Manager, the last rent increase was implemented in March 2017.			
10) How many households are currently on month-to-month leases? Per the HUD lease, after the initial term the lease rolls into a month-to-month term. However, as of January 2018 tenants will enter into 12 month renewal terms at the time of renewal.			
11) What is the charge for month-to-month leases? ➢ This is not applicable to the HUD lease.			
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
14	(2x1) Occupied: The unit is in good condition.
30	(3x2) Occupied: The unit is in good condition.
35	(2x1) Occupied: The unit is in good condition.
47	(3x2) Occupied: The unit is in good condition.

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: Daily.			
8) How many vacant units are in progress of being made ready? ➢ None, all units were occupied.			
9) What is the company policy on the number of days to turn vacant units? ➢ The company policy is to turn vacant units within 3-5 business days.			

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COMMENTS:

BUDGET MANAGEMENT

- 1) Are three bids solicited in order to obtain materials, supplies, and services?
 - Three bids are required to be obtained and reviewed prior to moving forward with purchases of materials or services.
- 2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget?
 - There has not been any unexpected repairs or purchases that 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
Salaries & Benefits	\$5,246	\$7,614	\$2,367	31%	Overtime, Bonuses, Other – Salary Expenses
Administrative Expenses	\$1,672	\$975	(\$697)	(71%)	Bank Fees, Evictions, Real Page, and Internet Access
Maintenance Expenses	\$2,078	\$1,325	(\$753)	(56%)	Drapes/Blinds, HVAC, and Cleaning Supplies
Services Expense	\$1,545	\$2,698	\$1,152	42%	Pest Control and Fire Alarm/Extinguishers
Turnover Expenses	\$269	\$470	\$200	42%	Material – Cleaning and Cleaning (Contract)
Routine Replacement Expenses	\$3,892	\$4,675	\$782	16%	Stoves and Countertops/Sinks

COMMENTS: According to the Regional Property Manager, the large budget comparison report variances is due to the recent management take-over. The reviewer was informed that it was not a smooth transition so many end of year bills (especially in regards to the Maintenance expenses) were not handled properly and are therefore reflected on the January budget comparison.

REVENUE

FOR THE MONTH ENDING: JANUARY 2018		YEAR TO DATE AS OF: JANUARY 2018	
Gross Potential	\$36,955	Gross Potential	\$36,955
Budgeted Rental Income	\$36,954	Budgeted Rental Income	\$36,954
Actual Rental Income Collected	\$34,155	Actual Rental Income Collected	\$34,155
Variance + (-)	(\$2,521)	Variance + (-)	(\$2,251)
Other Revenue	\$40	Other Revenue	\$40
Total Collected	\$34,196	Total Collected	\$34,196
Budgeted	\$37,220	Budgeted	\$37,220
Variance + (-)	(\$3,024)	Variance + (-)	(\$3,024)

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? <ul style="list-style-type: none"> ➢ The Property Manager processes invoices daily. 			
COMMENTS:	0-30 Days:		\$3,213
	30-60 Days:		\$175
	60 Days and Over:		(\$300)
	TOTAL		\$3,088

DELINQUENCIES

	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the rent collection policy? <ul style="list-style-type: none"> ➢ Rent is due on the 1st and considered late on the 6th day. An initial late fee of \$5 is incurred at that time and an additional daily fee of \$1 is accrued until rent is paid. Late fees will not exceed \$30. 			
3) When is legal action taken against delinquent accounts? <ul style="list-style-type: none"> ➢ According to management, legal action against delinquent accounts is taken around the 27th. 			

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4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
COMMENTS: Based on a review of the Delinquent and Prepaid reports dated 2/14/18, there is a total delinquency balance of \$9,228. A review of the report and conversation with the Regional Manager confirmed that two households make up 59% of the delinquent balance for a total of \$5,431. The remaining delinquent balance is due to housing assistance payment and late rent. Management confirmed that the two households that makeup the 59% of the balance have entered into an agreement to pay their balance in full when they receive their income tax refund.	0-30 Days:		\$3,350
	30-60 Days:		\$1,336
	60 Days and Over:		\$4,542
	TOTAL		\$9,228

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. ➤ Both the Property Manager and the Maintenance Technician take several 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? ➤ Reports are requested and/or pulled from the Onsite system at the Owner's discretion.			
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 any dollar amount on expenses that are not budgeted for.			
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 Findings or Observations.

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