

# Texas State Affordable Housing Corporation

## High Plains Apartments 1607 Iola Avenue, Lubbock, Texas 79419

**Owner: RHAC – High Plains, LLC**

**Date Built: 1981**

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

**Property Manager: Larry Mendez**

**Inspection Date & Time: March 8, 2018 at 8:00 a.m.**

**Inspector's Name: Celina Mizcles Stubbs**

<b>Occupancy at Time of Report:</b>	98.5%	<b>Average Occupancy Over Last 12 Months:</b>	94.7%
<b>Number of Units: 50</b>			
<b>Number of One Bedrooms:</b>	N/A	<b>Number of Two Bedrooms:</b>	48
<b>Number of Three Bedrooms:</b>	2	<b>Number of Four Bedrooms:</b>	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 property's grounds, amenity areas and building exteriors appeared to be in great condition on the day of the onsite visit. The grounds and sidewalks were clean and free of debris. In addition, the building exteriors were painted with a new color-scheme which added to the overall property curb appeal.

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	1	Shots fired
Domestic Violence		
Disturbance	5	Domestic Disturbance -2, Civil Disturbance – 2, Disturbance - 1

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Other	7	Sexual Assault – 1, Party – 3, Suspicious Vehicle -2, Suicide -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		
<b>COMMENTS:</b> According to the call logs provided dated 12/1/17 through 2/28/18, there were a total of 21 incident calls. 13 of the 21 calls are reported in the chart above. Based on a review of the call logs and the previous year's report, there does not appear to be much change in the amount of incidents noted at this community. However, management stated that they carefully review incident logs and follow up with tenants and issue lease violation when warranted. According to management, the activity appears to be decreasing. In addition, the local police department counties to drive through the property as a courtesy and the Property Manager host neighborhood watch meetings.				

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		
<b>COMMENTS:</b> The risk assessment was conducted by the Regional Property Manager.				

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)			
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: Community Pergola	X		
<b>COMMENTS:</b>				

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		
<b>COMMENTS:</b>				

MAINTENANCE PROGRAM		YES	NO	N/A
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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) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
5) How often are Pest Control services provided? ➢ Monthly pest control services are provided.			
6) What is the policy for following up on completed service requests? ➢ Once work order have been completed, the Property Manager will call the tenants to ensure the work order was completed satisfactorily.			
7) What is the property's after-hours emergency policy? ➢ The Property Manager receives all after-hour emergency calls. The Property Manager is then responsible to take action and inform any other necessary parties.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ The Regional Manager stated the following capital improvements will be scheduled or have been completed for this budget year. The replacement of appliance and windows (as needed), exterior paint, wood replacements, and stucco repairs.			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>			
9) Unit Interior and Appliance upgrades ➢ Unit interior and appliances replacement, as needed.			
10) Building Exterior and Curb Appeal repairs ➢ Landscaping updates have been completed in the last budget year.			
11) Amenity upgrades ➢ A new pergola was built last year.			
12) Other repairs or replacements ➢ According to management, \$22,000 was budgeted for ongoing repairs and replacements in the last budget year in preparation for the REAC inspection.			
Number of service requests received:	9		
Number of requests open from prior periods:	0		
Number of service requests completed:	9		
Number of service requests completed within 24 hours:	6		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➢ According to the Service Request Activity Report (dated 2/1/18 to 2/28/18), it takes an average of 1.5 days to complete a work order.			
<b>COMMENTS:</b>			

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			
Other Source (Local Housing Authority, Other, Other, Other Property and Referral companies)	\$0	7	7
<b>TOTAL</b>	<b>\$0</b>	<b>7</b>	<b>7</b>
<b>The rental activity reflected in the above table was for the months of: 01/01/18 through 3/8/18.</b>			
	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	
<b>COMMENTS:</b> A review of the Primary Advertising Source Evaluation report disclosed that the traffic source type "Other" was listed twice. Management is encouraged to update the report to remove one of the two "Other" source types and to add any other traffic source types that best describes the source of traffic at this property. For example, walk-ins, phone call inquires, google, etc. This will be reviewed next year.			

LEASE RENEWAL	YES	NO	N/A
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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: 48%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	52%		
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? > The last rent change was effective September 2017. The average increase was about \$23.00.			
10) How many households are currently on month-to-month leases? > There are no month-to-month leases.			
11) What is the charge for month-to-month leases? > N/A			
<b>COMMENTS:</b>			

VACANT/MAKE READY UNITS			
1) Number of vacant units at time of activity report:			3
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:			3
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:			0
Units Walked			
Unit #	Brief Description		
12	(2x1) Occupied: Full turn is needed.		
31	(2x1) Occupied: Full turn is needed.		
24	(2x1) Occupied: Full turn is needed.		
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 – see comment
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 – see comment	
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? > There were 3 units in the make-ready process.			

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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.
<b>COMMENTS:</b> Management disclosed that unit 24 is vacant however it is not listed on the Availability Report. Management is working with Onesite to correct the problem.

BUDGET MANAGEMENT	YES	NO	N/A
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 or services.			
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? > The Regional Manager stated that the following affected the budget negatively. Mileage for additional property training and real page compliance charges. Due to the occupancy in the last 12 months, credit checks, maintenance expenses and turn over expenses went over 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 Expenses	\$2,711	\$1,642	(\$1,068)	(65%)	Seminars/Staff Training, Employee Reimbursement, Credit Checks, and Real Page
Maintenance Expenses	\$1,143	\$2,455	\$1,311	53%	Interior, Drapes/Blinds, Glass/Screens, Cleaning Supplies, and Other Maintenance Expenses
Turnover Expenses	\$457	\$1,150	\$692	60%	Materials – Repairs and Painting (Contract)
Routine Replacement Expenses	\$455	\$1,783	\$1,328	74%	Refrigerators, Water Heaters, and Ceiling Fan

**COMMENTS:**

REVENUE			
FOR THE MONTH ENDING: JANUARY 2018		YEAR TO DATE AS OF: JANUARY 2018	
Gross Potential	\$37,507	Gross Potential	\$37,507
Budgeted Rental Income	\$35,071	Budgeted Rental Income	\$35,071
Actual Rental Income Collected	\$36,061	Actual Rental Income Collected	\$36,061
Variance + (-)	\$989	Variance + (-)	\$989
Other Revenue	\$211	Other Revenue	\$211
Total Collected	\$36,272	Total Collected	\$36,272
Budgeted	\$35,759	Budgeted	\$35,759
Variance + (-)	\$512	Variance + (-)	\$512

**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? > The Property Manager processes invoices daily.			
<b>COMMENTS:</b>	0-30 Days:		\$1,377
	30-60 Days:		(\$42)
	60 Days and Over:		(\$183)
	TOTAL		\$1,152

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 <sup>st</sup> and considered late on the 6 <sup>th</sup> 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? > According to management, legal action against delinquent accounts is taken around the 22 <sup>nd</sup> of each month.			
4) Does the property currently have any resident(s) under eviction?		X	

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5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b> According to the Delinquency and Prepaid reports dated 3/21/2018, 40% of the total listed in the chart is due to unpaid housing assistance payments.	0-30 Days:		\$1,659
	30-60 Days:		\$5,125
	60 Days and Over:		(\$209)
	TOTAL		\$6,575

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
<b>COMMENTS:</b>			

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. ➤ Onsite staff has completed Grace Hill and One Site training.			
<b>COMMENTS:</b>			

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? ➤ The Property Manager is required to get the owner's approval for any dollar amount on expenses that are not budgeted. The Regional Manager is required to get owner approval for amounts over \$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		
<b>COMMENTS:</b>			

SUMMARY OF OBSERVATIONS AND FINDINGS
No Observations and No Findings.



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