

Texas State Affordable Housing Corporation

Cove Village Apartments

1102 Golf Course Rd., Lampasas, Texas 76522

Owner: RHAC – Cove Village, LLC

Date Built: 1983

Management Company: J. Allen Management Co.

Property Manager: Jeff Burton

Inspection Date & Time: February 27, 2019 at 9:30 a.m.

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	99.8%
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 – see comments		
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 appeared to be in great condition on the day of the onsite visit. The building exteriors were all painted with a new color scheme providing great new overall curb appeal. The property grounds (i.e., sidewalks, common areas, parking lots, etc.), laundry facility, building exteriors and management office.

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	1	1 – Assault by Threat
Drug Related Activity	1	1 – Narcotics
Gun Related Activity		
Domestic Violence		
Disturbance		

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Other	2	1 – Prowler, 1- Harassment	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: There were 15 calls made to the Copperas Cove Police Department, four of which are noted above. Management confirmed that the police department continues to provide property oversight when available. Light check are still completed by management staff weekly.					

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: Site managers are required to conduct monthly risk assessments.			

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? ➤ (Describe)		X	
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: According to the Property Manager, the office will be rehabbed to include a new community area for the residents.			

KEY CONTROL	YES	NO	N/A
1) Does the property use an electronic key tracking system? If not, answer questions 2-4.	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 property uses the Blackhorse key system.			

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		

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4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
5) How often are Pest Control services provided? ➢ Services are provided monthly.			
6) What is the policy for following up on completed service requests? ➢ All completed service request are followed up on by management.			
7) What is the property's after-hours emergency policy? ➢ The after-hours number will directly call the on-call staff member.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ The following capital improvement have been scheduled; rehabilitation of the management office that will include an area that will serve as a new community space for the tenants.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➢ Unit floors and appliances are reviewed at the time of unit turn and replaced as needed.			
10) Building Exterior and Curb Appeal repairs ➢ All exterior buildings were painted with a new color scheme improving the curb appeal.			
11) Amenity upgrades ➢ A new playground was installed.			
12) Other repairs or replacements ➢ N/A			
Number of service requests received:	49		
Number of requests open from prior periods:	0		
Number of service requests completed:	49		
Number of service requests completed within 24 hours:	8		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➢ On average, management completes work orders within 3.5 days.			
COMMENTS: The information above was taken from the Service Request Activity Report dated 1/1/2019 – 2/28/2019. According to the report, work orders are completed with 3 business days.			

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: Current Resident (1) and Other (4) Prior Resident (1)	\$0	6	6
TOTAL	\$0	6	6
The rental activity reflected in the above table was for the month of: 1/1/2019 through 2/28/2019			
	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 the type of traffic that is listed under "Other" is from applicants that are pulled from the top of the Wait List and/or prospects that are referred to the 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		
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: 100%	6 months: 99.6%	12 months: 98%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	0%		

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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 increase was in March 2019.			
10) How many households are currently on month-to-month leases? ➢ Leases roll into a month-to-month term after the initial term, however, management decided to renew tenants for a 12 month term.			
11) 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:			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		
7	(3x2): Occupied – great condition.		
21	(2x1): Occupied – great condition.		
30	(3x2): Occupied – great condition.		
43	(2x1): Occupied – great condition.		
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		
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? ➢ There were no vacant units.			
9) What is the company policy on the number of days to turn vacant units? ➢ Units should be made-ready within 3-5 business days.			
COMMENTS:			

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BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Yes, three bids are required.			
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ Nothing negative has 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 and Benefits	\$64,970	\$92,979	\$28,008	30%	Bonus and Other Salary Expenses
Administrative Expenses	\$12,717	\$11,217	(\$1,499)	(13%)	Bank Fees and Computer Maintenance
Maintenance Expenses	\$15,580	\$18,740	\$3,159	16%	Glass/Screens, Pool furniture, Landscaping
Turnover Expenses	\$3,018	\$5,510	\$2,491	45%	Cleaning (Contract) and Materials-Cleaning
Routine Replacement Expenses	\$36,376	\$50,630	\$14,253	28%	Vinyl, Countertops, Tub

COMMENTS:

REVENUE					
FOR THE MONTH ENDING: December 2018			YEAR TO DATE AS OF: December 2018		
Gross Potential		\$37,598	Gross Potential		\$449,891
Budgeted Rental Income		\$37,582	Budgeted Rental Income		\$449,728
Actual Rental Income Collected		\$37,575	Actual Rental Income Collected		\$443,674
Variance + (-)		\$270	Variance + (-)		(\$2,727)
Other Revenue		\$1,261	Other Revenue		\$7,368
Total Collected		\$38,836	Total Collected		\$448,825
Budgeted		\$37,883	Budgeted		\$453,770
Variance + (-)		\$952	Variance + (-)		(\$4,945)

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? ➤ Invoices are processed daily.			
COMMENTS: A review of the Vendor Aging Report dated 2/26/2019 shows that the majority of the current balance (0-30 days) is due to the annual financial audit invoice in the amount of \$12,312.	0-30 Days:		\$15,796
	30-60 Days:		\$962
	60 Days and Over:		(\$134)
	TOTAL		\$16,624

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 and late on the 6 th . A \$5 initial late fee is assessed followed by a \$1 daily fee until rent is paid in full.			
3) When is legal action taken against delinquent accounts? ➤ Legal actions are taken on or around the 27 th of each month.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
COMMENTS:	0-30 Days:		\$830
	30-60 Days:		(\$120)
	60 Days and Over:		(\$289)
	TOTAL		\$421

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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. ➤ Site staff has taken several Grace Hill training including Time Management, Sexual Harassment, Conflict Resolution, and Fair Housing I and II.			
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? ➤ The Owner has access to the software system and 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? ➤ Owner approval is required for any dollar amount.			
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 Observations or Findings.

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