

Texas State Affordable Housing Corporation

High Plains Apartments 1607 Iola Avenue, Lubbock, Texas 79419

Owner: RHAC – High Plains

Date Built: 1981

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

Property Manager: Larry Mendez

Inspection Date & Time: March 11, 2019 at 8:00 a.m.

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	98%	Average Occupancy Over Last 12 Months:	99%
Number of Units: 50			
Number of One Bedrooms:	N/A	Number of Two Bedrooms:	48
Number of Three Bedrooms:	2	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 – see comment		
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 – see comment		
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 property grounds (i.e., sidewalks, common areas, parking lots, etc.), laundry facility, and management office were also in good condition. The reviewer noticed a few areas of erosion and foot paths within the lawn areas. In addition, some of those areas also had a lot of weeds. Management stated that these issues are related to the climate in the areas and mentioned lawn services will be scheduled as soon as the weather gets better. TSAHC recommends management care for the lawn areas regularly in order to maintain the curb appeal. The reviewer also noticed a few condensation stains on the roof shingles caused by the evaporative coolers. Management is aware of these issues and hopes to replace them in the future.

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	1 – Auto Theft
Criminal Mischief	1	
Assault	1	1 – Sexual Assault

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Drug Related Activity		
Gun Related Activity	1	1 – Shots Fired
Domestic Violence	6	
Disturbance	1	1 – Fight in Progress
Other	1	1 – Suicide

	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: Based on the police department call logs dated December 2018 through February 2019 there were a total of 31 calls; 13 of the 31 calls are noted above. Management confirmed the police department continues to provide courtesy patrols for the property. Based on conversation, it is apparent that the Property Manager reviews security logs and takes the appropriate actions when needed. In addition, South Plains Security patrols the property nightly from 9:00pm to 5:00am to check for any activity and to check the exterior lights at the property. Management is provided with a security and patrol log of all activity, if any.

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: Risk assessments are completed by management.

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 (Pergola)	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		

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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		
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 completed work orders by calling the tenants to confirm completeness and satisfaction.			
7) What is the property's after-hours emergency policy? ➢ The Property Manager takes all after-hours calls and takes appropriate actions based on the call.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ There is one capital improvement scheduled for this budget year. The management office is scheduled to be rehabbed.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➢ Interiors and appliance upgrades are completed as needed.			
10) Building Exterior and Curb Appeal repairs ➢ None			
11) Amenity upgrades ➢ None			
12) Other repairs or replacements ➢ None			
Number of service requests received:	23		
Number of requests open from prior periods:	0		
Number of service requests completed:	15		
Number of service requests completed within 24 hours:	12		
Number of outstanding service requests:	8		
13) On average, how many days does it take to complete a work order? ➢ On average, it takes 1.5 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			
Resident Referral			
Locator Service			
Printed/Internet Advertising			
Other Source: Current resident (6), Local Housing Authority (8), Other Site (1), Other Property (1), Other (18), and Other (32). See comment.	\$0	65	34
TOTAL	\$0	65	34

The rental activity reflected in the above table was for the month of: 3/1/2018 – 3/31/2019

	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: A review of the Primary Advertising Source Evaluation shows that all prospects can be categorized as "Other." TSAHC recommends management create new prospect types to properly describe the source type. For example, drive by/curb appeal, the Wait List, referral, word of mouth. Based on the report, the two "Other" source type converted in to 68% of the net lease. Management is advised to either combine the two "Other" source type or to better define what the true source type are for the prospects (i.e., drive-by, waiting list, etc.).

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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: 54%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	2%		
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? <ul style="list-style-type: none"> > The last rent increase was implemented in February 2019. 			
10) How many households are currently on month-to-month leases? <ul style="list-style-type: none"> > N/A – There are no month to month leases. 			
11) What is the charge for month-to-month leases? <ul style="list-style-type: none"> > N/A 			
COMMENTS:			

VACANT/MAKE READY UNITS			
1) Number of vacant units at time of activity report:			1
2) Number of completed made ready units at time of activity report:			1
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:			1
5) Number of completed three bedroom units at time of activity report:			N/A
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:			N/A
Units Walked			
Unit #	Brief Description		
21	(2x1) Occupied:		
38	(2x1) Vacant: The unit was made-ready.		
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? <ul style="list-style-type: none"> > Occupied units are inspected: Quarterly 			
7) How often are vacant units inspected? <ul style="list-style-type: none"> > Vacant units are inspected: Daily 			
8) How many vacant units are in progress of being made ready? <ul style="list-style-type: none"> > There is one vacant unit (unit 38) that is made-ready. 			

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- 9) What is the company policy on the number of days to turn vacant units?
 > According to management policy, units are turned within 3-5 business days.

COMMENTS:

BUDGET MANAGEMENT

- 1) Are three bids solicited in order to obtain materials, supplies, and services?
 > Three bids are required.
- 2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget?
 > There were no large unexpected repairs or purchases.
- 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	\$3,248	\$5,289	\$2,041	39%	Bank Fees, Office Equipment Services, Professional Fees, and Credit Checks
Services Expenses	\$5,004	\$4,326	(\$677)	(15%)	Trash Removal and Fire Alarm/Extinguishers
Maintenance Expenses	\$2,088	\$2,413	\$325	13%	Painting and Glass/Screens
Turnover Expenses	\$2,420	\$1,787	(\$633)	(35%)	Material – Painting and Materials – Repairs
Repairs/Replacements Under \$5,000	\$6,125	\$3,560	(\$2,565)	(72%)	Refrigerators, Stoves, and Dishwashers

COMMENTS:

REVENUE

FOR THE MONTH ENDING: February 2019		YEAR TO DATE AS OF: February 2019	
Gross Potential	\$39,416	Gross Potential	\$78,236
Budgeted Rental Income	\$39,376	Budgeted Rental Income	\$78,198
Actual Rental Income Collected	\$37,764	Actual Rental Income Collected	\$76,460
Variance + (-)	(\$1,368)	Variance + (-)	(\$475)
Other Revenue	(\$108)	Other Revenue	\$487
Total Collected	\$37,656	Total Collected	\$76,947
Budgeted	\$39,763	Budgeted	\$78,226
Variance + (-)	(\$2,107)	Variance + (-)	(\$1,279)

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 3/5/2019 shows that the majority of the total balance (30-60 days) is due to the annual financial audit invoice in the amount of \$12,312.	0-30 Days:		\$4,568
	30-60 Days:		\$14,351
	60 Days and Over:		(\$213)
	TOTAL		\$18,705

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		

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COMMENTS: A review of the Delinquent and Prepaid report supports that the majority of the balance is due to housing assistance payment.	0-30 Days:		\$5,011
	30-60 Days:		\$1,516
	60 Days and Over:		(\$2,366)
	TOTAL		\$4,161

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?	?		
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.			

➤ ??????

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 Observation or Findings.

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