

Texas State Affordable Housing Corporation

Garden Apartments

1340 65th Street, Lubbock, Texas 79412

Owner: RHAC – Garden, LLC

Date Built: 1981

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

Property Manager: Antoinette Flowers

Inspection Date & Time: September 17, 2020 at 2:00 p.m.

Inspector's Name: James Matias

Occupancy at Time of Report:	97%	Average Occupancy Over Last 12 Months:	97%
Number of Units: 62			
Number of One Bedrooms:	N/A	Number of Two Bedrooms:	60
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		
5) Are trees and shrubs properly trimmed?	X		
6) Are the grounds free of erosion, foot paths and tree root elevation?	X – see comment		
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 comment		
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 multi-site property appeared to be in good condition. The property grounds, sidewalks, parking lot, laundry facility and management office were all found to be well kept and inviting. Management stated that due to an increase in crime in the area (see Security Program below) the laundry room in section B has been converted into a station for police officers to take a break.

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	11	Vehicle (1) Other (10)
Theft	3	Auto (3)
Criminal Mischief	1	
Personal Assault		
Drug Related Activity		
Gun Related Activity	11	Shots Fired (11)
Domestic Violence		

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Disturbance	104	Domestic Disturbance (52), Disturbance (52)
Other	62	Party -loud (50), Fight in progress (10), Threats (2)

	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 January 1, 2020 through August 31, 2020 there were more than 300 calls. 192 calls are noted above. Management confirmed that South Plains Security (SPS) patrols the property throughout the evening and provided patrol logs and reports regarding activity. Based on conversation, it is apparent that the Property Manager reviews security logs and takes the appropriate actions when needed. Light checks are conducted by maintenance and the Property Manager at least once per week. In addition, SPS will report it if lights are out.

Observation:

- **The criminal activity at the property has increased from last year to this year. Management stated that many of the calls logged on the 911 reports are from management calling themselves. Although crime is high in the area and up from previous years, it appears that this is a concern for Management, and they are looking for solutions. Management is looking into hiring a patrol company that will do a better job of deterring crime.**

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 last risk assessment was completed in July.

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 (describe)			X

COMMENTS: The playscape was removed a year or more ago because of age and condition. Management stated that they intend to replace the playscape this year if vendors, who are behind due to COVID-19, are available to do so.

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		

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4) Is the key code list kept separate from the key box?	X		
5) Are locks being changed during unit turnovers?	X		
COMMENTS: The Blackhorse key system is being used.			

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? <ul style="list-style-type: none"> > Pest control services are provided on the 1st Thursday of each month and each unit is treated 6 times per year. 			
6) What is the policy for following up on completed service requests? <ul style="list-style-type: none"> > The Property Manager follows up on all completed work orders with a phone call to confirm completion. 			
7) What is the property's after-hours emergency policy? <ul style="list-style-type: none"> > Tenants are required to call the emergency line for all emergencies. All calls are received by the Property Manager who will take action as necessary. 			
8) What capital improvements have been scheduled or completed for this budget year? <ul style="list-style-type: none"> > The property is scheduled to install a new playground during this budget year. 			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades <ul style="list-style-type: none"> > Interior upgrades include new fridges when needed. In addition, if they are needed, the property has budgeted for 6 units to get floor replacements per year. 			
10) Building Exterior and Curb Appeal repairs <ul style="list-style-type: none"> > The exterior paint (new color schemes) on all building was completed. 			
11) Amenity upgrades <ul style="list-style-type: none"> > N/A 			
12) Other repairs or replacements <ul style="list-style-type: none"> > N/A 			
Number of service requests received:	30		
Number of requests open from prior periods:	0		
Number of service requests completed:	30		
Number of service requests completed within 24 hours:	30		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? <ul style="list-style-type: none"> > Based on the ServiceRequest Activity Report dated 7/1/2020 through 8/31/2020 there were 30 work orders opened all of which were completed within one day. 			

COMMENTS: The maintenance shop appeared clean and organized.

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	6	5
Flyers			
Resident Referral	\$0	2	2
Locator Service	\$0	9	3
Printed/Internet Advertising: Google (1), Newspaper (1)	\$0	2	1
Other Source: Other (20), Unknown (2), Other Property (1)	\$0	23	15
TOTAL	\$0	42	26

The rental activity reflected in the above table was for the month of: 7/1/2019 – 8/31/2020			
	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:

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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: NA	6 months: Unable to determine	12 months: 70%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	42.9%		
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., Yadri, 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"> > Management implemented the last rent increase in February 2020. Rents were increased to the max rent from HUD. 			
10) How many households are currently on month-to-month leases? <ul style="list-style-type: none"> > 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: After a review of the Reasons for Move out Report, 9 of 17 (42.9%) move outs were due to eviction or skip (6 skips and 3 evictions). Six skips out of 17 total move outs is a high percentage, management is encouraged to follow up with delinquent renters and complete occupancy checks frequently for residents who are not responding.			

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:			N/A
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:			N/A
8) Number of uncompleted two bedroom units at time of activity report:			4
9) Number of uncompleted three bedroom units at time of activity report:			0
Units Walked			
Unit #	Brief Description		
14B	(2x1.5) Vacant: In make ready process. Unit number needed on the new door. This unit will get new flooring according to Regional Manager		
15B	(2x1.5) Vacant: In the make ready process.		
17B	(2x1.5) Vacant: In the make ready process.		
40A	(2x1.5) Vacant: In the make ready process		
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	

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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: Weekly, and daily in most cases.			
8) How many vacant units are in progress of being made ready? ➤ There are four units in the process of being made-ready.			
9) What is the company policy on the number of days to turn vacant units? ➤ Units are turned within 3-5 business days per company policy.			

COMMENTS:

BUDGET MANAGEMENT

1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Three bids are required in order to obtain materials, supplies, and services.
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ There were no unexpected repairs or purchase that negatively affected the 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	\$67,394	\$76,456	\$9,062	11.8%	Salaries – Manager & Maintenance, Group Health Insurance
Administrative Expenses	\$9,934	\$12,463	\$2,529	20.3%	Evictions, Employee Reimbursements
Leasing Expenses	\$200	\$300	\$100	33.3%	Promotions & Entertainment
Turnover Expenses	\$3,849	\$5,130	\$1,281	25.0%	Painting materials, Cleaning Contracts

COMMENTS:

REVENUE

FOR THE MONTH ENDING: July 2020		YEAR TO DATE AS OF: July 2020	
Gross Potential	\$40,600	Gross Potential	\$284,815
Budgeted Rental Income	\$38,273	Budgeted Rental Income	\$271,267
Actual Rental Income Collected	\$38,460	Actual Rental Income Collected	\$272,471
Variance + (-)	\$187	Variance + (-)	\$1,204
Other Revenue	\$9	Other Revenue	(\$201)
Total Collected	\$38,469	Total Collected	\$272,270
Budgeted	\$39,253	Budgeted	\$277,729
Variance + (-)	(\$784)	Variance + (-)	(\$5,459)

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 9/4/2020 shows that the majority of the total balance (0-30 days) is due is for Ferguson Enterprises, a plumber (\$2,103) and Lubbock Steamer (\$631).

0-30 Days:	\$4,014
30-60 Days:	(\$2)
60 Days and Over:	(\$166)
TOTAL	\$3,846

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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 a max of \$30.			
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:		\$2,388
	30-60 Days:		\$696
	60 Days and Over:		\$1,014
	TOTAL		\$4,098

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. ➤ All staff went to REAC training in Dallas. Other than that, due to the COVID-19 pandemic, staff is not attending training at this time.			
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 over the budget.			
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.
Observation:
<ul style="list-style-type: none"> The criminal activity at the property has increased from last year to this year. Management stated that many of the calls logged on the 911 reports are from management calling themselves. Although crime is high in the area and up from previous years, it appears that this is a concern for Management, and they are looking for solutions. Management is looking into hiring a patrol company that will do a better job of deterring crime.

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