

Texas State Affordable Housing Corporation

Peppertree Acres Apartments

6555 Sheridan Circle, Ft. Worth, Texas 76134

Owner: RHAC – Peppertree Acres, LLC

Date Built: 1982

Management Company: J. Allen Management Co.

Property Manager: Pam Hand

Inspection Date & Time: December 18 2020 1:30 pm

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	99%	Average Occupancy Over Last 12 Months:	99.2%
Number of Units: 148			
Number of One Bedrooms:	N/A	Number of Two Bedrooms:	126
Number of Three Bedrooms:	18	Number of Four Bedrooms:	4

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: Peppertree Acres Apartments is a scattered site development with four locations at 6500 Sheridan (management office), 1000 Oak Grove, 1900 Ephriham, and 5200 South Crest. All four locations appear to be well kept and in good 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	3	Burglary (1 at South Crest) Burglary of shed/garage (2 at Sheridan)
Theft	2	Theft (2 at Ephriham)
Criminal Mischief	2	Criminal Mischief (1 at Sheridan and 1 at Oak Grove)
Personal Assault	6	Assault (2 at Sheridan, 3 at Ephriham, and 1 at Oak Grove)
Drug Related Activity	1	Narcotics (1 at Oak Grove)
Gun Related Activity		
Domestic Violence		
Disturbance		
Other	3	Public Intoxication (1 at Oak Grove), Robbery of Individual (1 at Oak Grove), and Restricted Report (1 at Oak Grove)

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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 chart above was completed by reviewing the police department call logs dated 08/01/2020 through 10/01/2020 for all four locations. There were a total of 17 incidents logged. Since the last site review, there was a slight decrease in incidents. Management is encouraged to continue to pull monthly call logs to stay on top of all criminal activity on the properties.

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 conducted in March 2019. However, the Property Manger walks the properties monthly to determine any risk liability and informs the Regional 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? ➤ (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 (Sports courts and/or basketball courts)	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? ➢ Due to covid, heavy exterior pest control services were provided and interior services were provided upon request.			
6) What is the policy for following up on completed service requests? ➢ Management follow-up on all completed work orders.			
7) What is the property's after-hours emergency policy? ➢ All after-hours calls are routed to the maintenance staff member that is on-call.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ The following items were scheduled but not completed in the current budget year; resurface the parking lot at South Crest and install a playground at Oak Grove and installing a playground and pergola at Sheridan. Management submitted these items for the next budget year.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➢ Unit interior and appliance upgrades were completed as needed.			
10) Building Exterior and Curb Appeal repairs ➢ No building exterior or curb appeal upgrades were completed.			
11) Amenity upgrades ➢ No amenity upgrades were completed.			
12) Other repairs or replacements ➢ N/A			
Number of service requests received:	40		
Number of requests open from prior periods:	0		
Number of service requests completed:	40		
Number of service requests completed within 24 hours:	21		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➢ Work orders were complete within 2-3 days, on average.			
COMMENTS:			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth		7	3
Flyers			
Resident Referral		12	3
Locator Service		1	
Printed/Internet Advertising		0	
Other Source		118	52
TOTAL	\$0	138	58
The rental activity reflected in the above table was for December 2019 through December 2020 time frame.			
	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:			

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: 81%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	25%		

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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 property had a rent increase in March 2020, the average rent increase was \$4.			
10) How many households are currently on month-to-month leases? > N/A			
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:		2	
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:		2	
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:		2	
9) Number of uncompleted three bedroom units at time of activity report:		0	
Units Walked			
Unit #	Brief Description		
5208	(2x1) Vacant: Full turn needed		
5234	(2x1) Vacant: Full turn needed		
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 two vacant 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 to be turned within 3-5 business days, per company policy.			
COMMENTS:			

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BUDGET MANAGEMENT					
1) Are three bids solicited in order to obtain materials, supplies, and services?					
➤ Three bids are solicited to obtain materials or services.					
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget?					
➤ According to management, there were some unexpected plumbing issues (gas furnace replacements, leak repairs and a pipe clean out) that negatively affected the budget.					
3) Explain YTD variances of 10% or greater.					
<u>Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending</u>					
(Please note that a positive variance is under budget and a negative variance is over budget.)					
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION
Leasing Expense	\$153	\$450	\$269	65%	Promotions & Entertainment
Maintenance Expense	\$27,034	\$33,575	\$6,540	19.4%	Bldg structures, Interior. Fence/Gates,
Turnover Expense	\$18,295	\$26,583	\$8,288	31%	Material-Cleaning, Repairs (contract), and Cleaning (Contract)
Repair/Replacement Under \$5K	\$353,159	\$289,622	\$63,537	21%	Interior Tile, Unit Upgrade Under 5K, Covid-19 costs, Doors, Other
COMMENTS:					

REVENUE					
FOR THE MONTH ENDING: October 31, 2020			YEAR TO DATE AS OF: October 31, 2020		
Gross Potential		\$115,038	Gross Potential		\$1,139,532
Budgeted Rental Income		\$111,920	Budgeted Rental Income		\$1,114,588
Actual Rental Income Collected		\$113,348	Actual Rental Income Collected		\$1,110,684
Variance + (-)		\$1,428	Variance + (-)		(\$3,904)
Other Revenue		\$2,191	Other Revenue		\$19,631
Total Collected		\$115,540	Total Collected		\$1,130,315
Budgeted		\$113,607	Budgeted		\$1,131,610
Variance + (-)		\$1,933	Variance + (-)		(\$1,294)
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?	X		
COMMENTS: The Aged Payable Report dated 12/1/20 was submitted for review.	0-30 Days:		\$2,250
	30-60 Days:		\$0
	60 Days and Over:		(\$866)
	TOTAL		\$1,384

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 of each month and considered late on the 6 th . Three-day Notices are issued thereafter.			
3) When is legal action taken against delinquent accounts?			
➤ Legal action is taken against delinquent amounts around the 20 th of the month.			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?	X		
COMMENTS: The Delinquent and Prepaid Report dated 12/1/20 was submitted for review. Aside from unit 2314 who has a \$3,413 balance, the high balance is due to the report being pulled at the first of the month.	0-30 Days:		\$21,698
	30-60 Days:		\$2,497
	60 Days and Over:		(\$3,124)

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	TOTAL		\$21,071
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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. ➤ Management confirmed they have attended various online trainings via Grace Hill.			

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 pulls property 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 on any amount that is not budgeted.			
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:

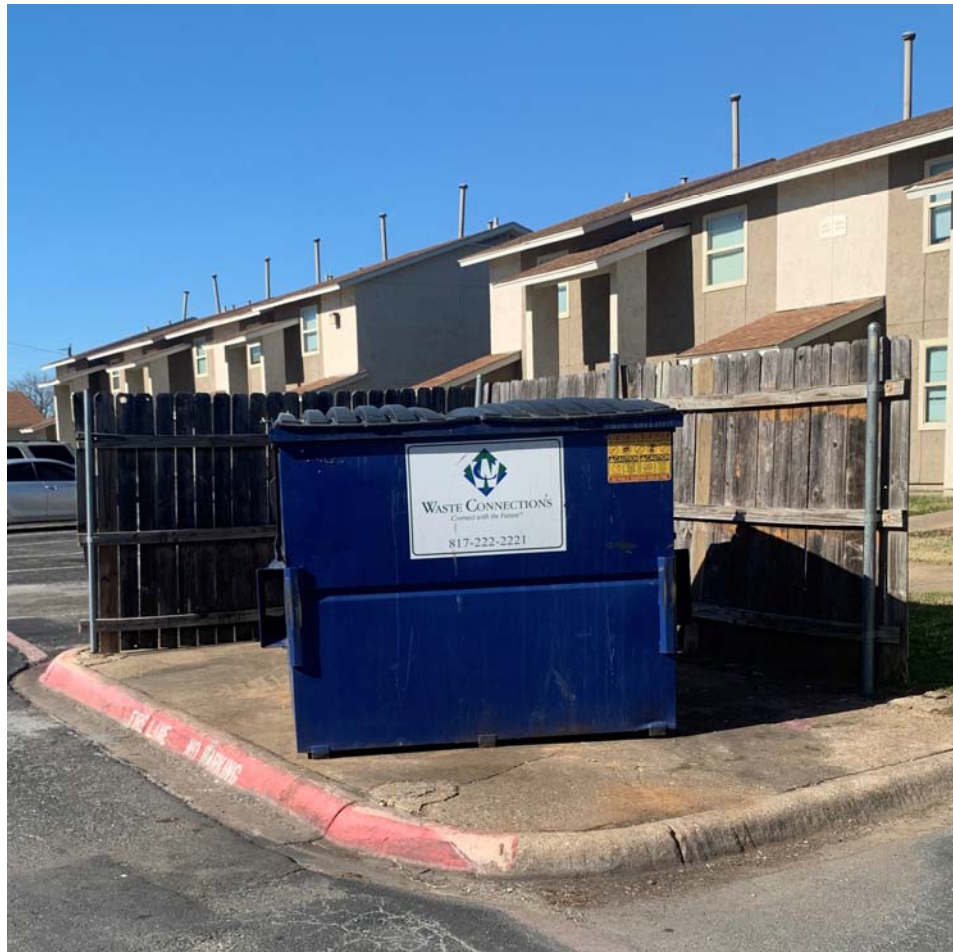
SUMMARY OF OBSERVATIONS AND FINDINGS
<p>No Findings or Observations.</p>

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6500 Sheridan



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1000 Oak Grove



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1900 Ephriham



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5200 South Crest



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