

Texas State Affordable Housing Corporation

Salem Village Apartments

5201 John Stockbauer, Victoria, Texas 77904

Owner: RHAC – Salem Village, LLC

Date Built: 1981

Management Company: J. Allen Management Co.

Property Manager: Genie Brannan

Virtual Inspection Date & Time: August 28, 2020 at 8:30 AM **Inspector's Name:** Celina Mizcles Stubbs

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	100%
Number of Units: 105			
Number of One Bedrooms:	40	Number of Two Bedrooms:	46
Number of Three Bedrooms:	17	Number of Four Bedrooms:	2

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: Based on a review of property photos that were submitted, the property continues to be well managed and maintained. Management confirmed that the potholes in the parking lot, noted in last year's report, have since then been repaired.

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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		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance	6	Loud Music – 2, Harassment – 1 and Disturbance – 3
Other		

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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 incidents noted above are based on a review of the Victoria Police Department call logs dated May 2020 to June 2020. According to management, the criminal activity has decreased in the last 12 months, so much so, management no longer uses Zapata Security Patrols services. In the past few years, the Property Manager established and maintains a working relationship with the local police department. In those efforts, management establish a designated police substation in the property's community. This area offers a space for local police officers to work, rest, or eat.			

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 conducted by the Regional Manager on an annual basis.			

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:			

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? ➢ Pest control services are provided to each unit on a quarterly basis.			
6) What is the policy for following up on completed service requests? ➢ The Property Manager follows up on all completed work orders.			
7) What is the property's after-hours emergency policy? ➢ All after hour emergency calls go to the Property Manager. The Property Manager then calls the appropriate person(s).			
8) What capital improvements have been scheduled or completed for this budget year? ➢ Management planned to rehabilitate the community room, including the police substation area, however capital improvements were not completed this budget year due to covid.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➢ Unit interiors include flooring, cabinets and other interior upgrades were completed as needed.			
10) Building Exterior and Curb Appeal repairs ➢ No major building exteriors or curb appeal repairs have taken place in the last 12 months.			
11) Amenity upgrades ➢ No amenity upgrades were completed.			
12) Other repairs or replacements ➢ N/A			
Number of service requests received:	16		
Number of requests open from prior periods:	0		
Number of service requests completed:	16		
Number of service requests completed within 24 hours:	15		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➢ Based on a review of the work order log, it takes the maintenance technician about 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	\$0	101	43
TOTAL	\$0	101	43
The rental activity reflected in the above table was for the month of: July 1 - July 31			
	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: Based on a conversation with management, prospective applicants are pulled from an extensive wait list. For older applicants, management categorizes their source of traffic as "other" since the wait list didn't previously capture this information. Management stated they are now asking prospective applicants how they heard of the property (i.e., curb appeal, google, etc.) and documenting the wait list accordingly. Management hopes to have a more accurate Traffic Report in the next couple of years.			

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		

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2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: N/A	6 months: N/A	12 months: 76%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	15%		
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? > Rent increases was implemented with the release of the HUD published incomes and rents; the average rent increase was \$14.			
10) How many households are currently on month-to-month leases? > HUD does not allow month-to-month leases.			
11) What is the charge for month-to-month leases? > NA			
COMMENTS: The percentage of move-outs in the last 12 months that were due to eviction/non-payment of rent or skips decreased from 48.4% to 15%. According to management, there was a strong effort to ensure tenants follow the lease contract terms in regard to timely rent payments. The decrease is a testament to management efforts.			

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:			
Units Walked			
Unit #	Brief Description		
9B	(Occupied, 2x1): Unit is in good condition		
22B	(Occupied, 3x1): Unit is in good condition		
25A	(Occupied, 3x1): Unit is in good 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 at the time of this report.			

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9) What is the company policy on the number of days to turn vacant units? ➤ N/A	
COMMENTS:	

BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Management is required to obtain three bids.			
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ There have not been any 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	\$14,942	\$17,578	\$2,635	14.9%	Evictions, Office Supplies, Bank Fees
Service Expenses	\$24,946	\$30,829	\$5,883	19%	Courtesy and Miscellaneous
Turnover Expenses	\$3,175	\$2,431	(\$744)	(30%)	Repairs
Leasing Expenses	\$1,118	\$750	(\$368)	49%	Property events
Repair/Replacement Under \$5K	\$26,342	\$15,262	(\$11,080)	(72%)	Vinyl, Windows, Tile, and Plumbing

COMMENTS:

REVENUE			
FOR THE MONTH ENDING: JUNE 2020		YEAR TO DATE AS OF: JUNE 2020	
Gross Potential	\$72,696	Gross Potential	\$404,497
Budgeted Rental Income	\$72,303	Budgeted Rental Income	\$433,818
Actual Rental Income Collected	\$72,338	Actual Rental Income Collected	\$438,465
Variance + (-)	\$924	Variance + (-)	\$9,634
Other Revenue	\$891	Other Revenue	\$4,351
Total Collected	\$73,230	Total Collected	\$442,816
Budgeted	\$72,364	Budgeted	\$434,328
Variance + (-)	\$865	Variance + (-)	\$8,488

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:	0-30 Days:		(\$350)
	30-60 Days:		(\$622)
	60 Days and Over:		(\$274)
	TOTAL		(\$1,246)

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 the month and late on the 6 th . On the 6 th day, a \$5 initial late fee is assessed, in addition to a \$1 daily late fee for a maximum of \$30.			
3) When is legal action taken against delinquent accounts? ➤ Legal action is taken only after a 10-day notice and 3-day notice to vacate are issued.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	x		

COMMENTS: Based on a review of the current Delinquency report and last year's Asset Oversight report, 0-30 Days: (\$868)

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It is apparent that management has made an effort to reduce the number of late renters

30-60 Days:		(\$611)
60 Days and Over:		(\$2,084)
TOTAL		(\$2,306)

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. <ul style="list-style-type: none"> ➤ Site management is required to completed Grace Hill training and complete online webinars (i.e., fair housing, REAC training, and maintenance for managers. 			

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? <ul style="list-style-type: none"> ➤ Management is required to submit weekly occupant and delinquency reports to the owner. 			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? <ul style="list-style-type: none"> ➤ Items that are unbudgeted or overbudget by more than \$1,000 require owner approval for the release of funds. 			
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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