

# Texas State Affordable Housing Corporation

<b>Garden Apartments</b>	
1340 65th Dr. Lubbock, TX 76412	
<b>Owner:</b> RHAC- Garden, LLC	<b>Date Built:</b> 1981
<b>Management Company:</b> J. Allen Management Company	<b>Property Manager:</b> Antoinette Flowers
<b>Inspection Date &amp; Time:</b> August 17, 2021, at 8:30 a.m.	<b>Inspector's Name:</b> Estefania Linares

<b>Occupancy at Time of Report:</b>	98.60%	<b>Average Occupancy Over Last 12 Months:</b>	92%
<b>Number of Units: 62</b>			
<b>Number of One Bedrooms:</b>	N/A	<b>Number of Two Bedrooms:</b>	60
<b>Number of Three Bedrooms:</b>	2	<b>Number of Four Bedrooms:</b>	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		
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:** This review was done virtually and based on the pictures submitted by management; this multi-site property appears to be in good condition. During a discussion with the property management, it was mentioned that in 2021 there were two incidents where vehicles ran into the building. The incidents happened in April 2021 and in July of 2021, however management said the incidents only caused cosmetic damage that was repaired shortly after the incidents. In addition, there was a unit fire in June 2021 (22A). There was no permanent damaged and the household was not harmed. This unit is anticipated be ready for occupancy by end of August 2021.

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	Vehicle Burglary (1)
Theft	0	N/A
Criminal Mischief	1	Criminal Mischief (1)
Personal Assault	0	N/A
Drug Related Activity	0	N/A
Gun Related Activity	3	Shots Fired (3)
Domestic Violence	0	N/A
Disturbance	19	Disturbance (19)

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Other	8	Fight (4) Suspicious Vehicle (2) Runaway of a minor (1) Criminal Trespassing (1)			
			<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		
<b>COMMENTS:</b> The section above was using a police call log. Light checks are conducted every week by the Property Manager.					

<b>SECURITY PROGRAM Part II</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		
<b>COMMENTS:</b> On 5/17/2021, a risk assessment was conducted by the Regional Manager.				

<b>OFFICE</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>
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	
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 – see comment
➤	Community Room			X
➤	BBQ/Picnic Area	X		
➤	Laundry Facility	X		
➤	Business Center			X
➤	Pool			X
➤	Other (describe)			X
<b>COMMENTS:</b> Management confirmed that a playground is scheduled to be installed by the end of this year.				

<b>KEY CONTROL</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		
<b>COMMENTS:</b>				

<b>MAINTENANCE PROGRAM</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>
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	X		

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properly?			
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 with the resident soon after the service request has been completed.			
7) What is the property's after-hours emergency policy?			
➤ When the tenant calls the emergency line, the call is received by the Property Manager who will take necessary actions.			
8) What capital improvements have been scheduled or completed for this budget year?			
➤ A playground is scheduled to be installed at this property by the end of this year.			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>			
9) Unit Interior and Appliance upgrades			
➤ Unit interior and appliances are upgraded only as needed.			
10) Building Exterior and Curb Appeal repairs			
➤ N/A			
11) Amenity upgrades			
➤ N/A			
12) Other repairs or replacements			
➤ N/A			
Number of service requests received:	7		
Number of requests open from prior periods:	0		
Number of service requests completed:	0		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	7		
13) On average, how many days does it take to complete a work order?			
➤ Based on management, it takes one day to complete a work order.			
<b>COMMENTS:</b>			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	8	4
Flyers	\$5	0	0
Resident Referral	\$0	21	15
Locator Service	\$0	0	0
Printed/Internet Advertising (Gosection8.com \$10) (Housing Authority \$0)	\$10	9	7
Other Source	\$0	29	14
<b>TOTAL</b>	<b>\$15</b>	<b>67</b>	<b>40</b>
<b>The rental activity reflected in the above table was for the month of: August 2020 – July 2021</b>			
	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	
<b>COMMENTS:</b>			

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: 98.4%	6 months: 83.8%	12 months: 58.1%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?			15.48%
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		

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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 1.4% rent increase (approximately \$12) in November 2020 on all bedroom sizes.			
10) How many households are currently on month-to-month leases? ➤ There are 31 HUD leases that are currently month to month.			
11) What is the charge for month-to-month leases? ➤ There is no charge on month-to-month leases.			
<b>COMMENTS:</b>			

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:			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				
13A	Vacant (2-bedrooms) Already leased, ready to move in on 9/1/2021				
8A	Occupied (2- bedroom) Made-ready and occupied on 8/9/2021				
Down Units Walked (units vacant and unready for extended period of time and all down units)					
Unit #	Brief Description				
22A	Unit had a bedroom fire in June 2021. It is currently being rehabbed as it is anticipated to be ready for occupancy by the end of August 2021.				
			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? ➤ The only vacant unit is made-ready.					
9) What is the company policy on the number of days to turn vacant units? ➤ Based on management, the company policy to turn a vacant unit is 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? ➤ Three bids are solicited in order to obtain materials, supplies and services for anything over \$1,000.							
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ N/A							
3) Explain YTD variances of 10% or greater.							
<b><u>Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending</u></b>							
(Please note that a positive variance is under budget and a negative variance is over budget.)							
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION		
Salaries & Benefits	\$51,557	\$63,048	\$11,490	18.22%	Salaries – Manager, Salaries – Maintenance and Group Health Insurance.		
Leasing Expenses	\$72.47	\$0	(\$72.47)	27.53%	Promotions & Entertainment		
Maintenance Expenses	\$8,220	\$9,400	\$1,179	12.54%	Drapes/Blinds, Doors/Locks/Keys and Plumbing		
Turnover Expenses	\$6,220	\$3,459	\$2,761	(79.82)%	Courtesy Patrol, Trash Removal, Materials – Painting and Cleaning.		
Repairs/Replacement Under \$5k	\$21,443	\$14,697	(\$6,749)	(45.90)%	Vinyl, Refrigerators, Stoves, Water Heaters, HVAC under \$5k, Windows/Screens, Doors and Plumbing.		
Capital Renovations Over \$5k	\$0	\$21,000	\$21,000	100%	Building/Structures and REAC Expenses		
<b>COMMENTS:</b> Management confirmed that the variance for the “Turnover Expenses” line item is high because the paint cost increased, and management did not anticipate that when the budget was completed.							

REVENUE			
FOR THE MONTH ENDING: June 2021		YEAR TO DATE AS OF: June 2021	
Gross Potential	\$41,350	Gross Potential	\$248,100
Budgeted Rental Income	\$38,738	Budgeted Rental Income	\$232,428
Actual Rental Income Collected	\$39,273	Actual Rental Income Collected	\$ 232,054
Variance + (-)	\$534	Variance + (-)	-\$374
Other Revenue	\$779	Other Revenue	\$7,011
Total Collected	\$40,052	Total Collected	\$239,066
Budgeted	\$39,113	Budgeted	\$234,694
Variance + (-)	\$939	Variance + (-)	\$4,371
<b>COMMENTS:</b>			

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		
<b>COMMENTS:</b>	0-30 Days:		\$17
	30-60 Days:		-\$14
	60 Days and Over:		-\$161
	TOTAL		-\$158

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 <sup>st</sup> of every month and it's late on the 6 <sup>th</sup> . There is a \$5 late fee applied and a \$1 daily late fee (max \$30) until rent is paid in full.			
3) When is legal action taken against delinquent accounts? ➤ Legal actions are taken on or around the 27th of each month.			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b> Two tenants got approved for Texas Rent Relief rent assistance. The first unit got approved	0-30 Days:		\$6,050.38

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for \$2,406 and the second unit for \$1,960. Based on management, there is one resident under eviction, however it is not delinquency related.

30-60 Days:		\$1,751.00
60 Days and Over:		\$818
TOTAL		\$8,619.38

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. ➤ Property staff completes Grace Hill trainings.			
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? ➤ Owner has access to the software system, but management also sends monthly reports such as Property Financials, Safety Meeting, Delinquency, and Availability reports.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Owners' approval is required on anything over \$500 for the Property Manager and \$1,000 for the Regional Manager.			
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.
No Findings.



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