

Texas State Affordable Housing Corporation

High Plains Apartments	
1607 Iola Avenue, Lubbock, Texas 79419	
Owner: RHAC – Sierra Vista, LLC	Date Built: 1981
Management Company: J. Allen Management	Property Manager: Larry Mendez
Inspection Date & Time: August 20, 2021 at 9:30 AM	Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	98%
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		
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: The property is in overall good condition. The property grounds are clean and maintained. The property exteriors including the new roofs are in great condition, and the site sign is visible to the general public. In addition, there were no window air conditioning units observed in the pictures that management sent for review. According to management, the use of window units is against management policy.

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	1	
Criminal Mischief	1	
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence	4	
Disturbance		
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: There was a slight decrease in criminal incidents reported on the local police department call logs dated May through July 2021. Management maintains a contract with South Plains Security who provides patrol service 5 days a week (hours vary). Patrol logs are reviewed, and appropriate actions are taken by management, when necessary.

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 on 5/14/2021.

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 and Benches)	X		
➤ Laundry Facility	X		
➤ Business Center			X
➤ Pool			X
➤ Other (describe)			X

COMMENTS: According to management, the property's playground has been ordered and it is expected to arrive in December 2021.

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? ➤ Services are provided monthly, and all units are treated 6 times per year.			
6) What is the policy for following up on completed service requests? ➤ Management follows-up on 100% of the work orders.			
7) What is the property's after-hours emergency policy? ➤ The on-call maintenance staff member receives after-hours calls and is responsible for contacting appropriate parties.			
8) What capital improvements have been scheduled or completed for this budget year? ➤ The property's roofs were replaced, all trees were trimmed, and the playground was ordered during this budget year.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➤ Interior upgrades were completed as needed.			
10) Building Exterior and Curb Appeal repairs ➤ None			
11) Amenity upgrades ➤ N/A			
12) Other repairs or replacements ➤ N/A			
Number of service requests received:	12		
Number of requests open from prior periods:	0		
Number of service requests completed:	12		
Number of service requests completed within 24 hours:	3		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➤ On average it takes 2.5 days to complete work orders.			
COMMENTS: According to the work order summary there were only 12 work orders opened from 7/16/2021 – 8/16/2021. Management disclosed there were a small amount of work orders because maintenance inspected all units to prepare for the REAC inspection (HUD's physical inspection) in which the property scored a 95.			

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		6	3
Locator Service			
Printed/Internet Advertising		6	5
Other Source: Other/Unknown?GoSectoin8.com	\$10	39	26
TOTAL	\$10	51	34
The rental activity reflected in the above table was for the month of: 8/1/2020 – 7/31/2021			
	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: 100%	6 months: 22%	12 months: 42%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?			0%

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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 last rent increase of 1.5% was implemented in February 2021.			
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: There was a decrease in the percentage of move-outs due to eviction/non-payment of rent or "skip" in the last 12 months (from 14% to 0%). Management is encouraged to continue their effort and community engagement to keep that percentage low.			

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:			0	
Units Walked				
Unit #	Brief Description			
N/A	No vacant units at this time.			
Down Units Walked (units vacant and unready for extended period of time and all down units)				
Unit #	Brief Description			
N/A				
		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.				
9) What is the company policy on the number of days to turn vacant units? ➤ Management is required to turn units within 3-5 business days.				
COMMENTS:				

BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Three bids are required to obtain supplies and/or services.			

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- 2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget?
 ➤ There were no large or unexpected repairs or purchases that have negatively affected the current 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	\$52,131	\$65,859	\$13,728	20.8%	Salaries-Manager and Salaries- Maintenance
Leasing Expenses	\$40	\$100	\$60	60%	Promotions & Entertainment
Turnover Expenses	\$7,012	\$5,280	-\$1,732	-32%	Cleaning (Contracts)
Repairs/Replacement Under \$5k	\$19,017	\$22,329	\$3,311	14%	Countertops/Sinks/ Resurfacing, HAVAC under 5K, Cabinets and Tubs
Capital Renovations Over \$5k	\$74,653	\$56,844	\$17,808	31%	Roofing

COMMENTS:

REVENUE

FOR THE MONTH ENDING: June 2021		YEAR TO DATE AS OF: June 2021	
Gross Potential	\$41,034	Gross Potential	\$245,403
Budgeted Rental Income	\$39,830	Budgeted Rental Income	\$238,980
Actual Rental Income Collected	\$39,644	Actual Rental Income Collected	\$228,967
Variance + (-)	-\$185	Variance + (-)	-\$10,012
Other Revenue	\$872	Other Revenue	\$5,199
Total Collected	\$40,516	Total Collected	\$234,166
Budgeted	\$40,377	Budgeted	\$242,3229
Variance + (-)	\$139	Variance + (-)	-\$8,163

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 balances noted in the chart are much high than usual for this property. However, after review of the Vendor Aging Report dated 08/15/2021, the reviewer was able to determine that two vendors were responsible for most of the balance. Two J Allen Management invoices (management fee) totaled \$28,580 and the Raiders Lawn Inc (tree trimming) totaled \$7,100 for a total of \$35,680.	0-30 Days:		\$23,910
	30-60 Days:		\$13,895
	60 Days and Over:		-\$135
	TOTAL		\$37,670

DELINQUENCIES

	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the rent collection policy? ➤ Rent is always due on the 1 day of the month. An initial late fee is assessed on the 6 th day followed by a daily \$1 fee (Max \$30) until rent is paid in full.			
3) When is legal action taken against delinquent accounts? ➤ According to management, legal action is taken 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		
COMMENTS:	0-30 Days:		\$1,655
	30-60 Days:		\$85
	60 Days and Over:		-\$1,075
	TOTAL		\$665

RETURNED CHECKS

	YES	NO	N/A
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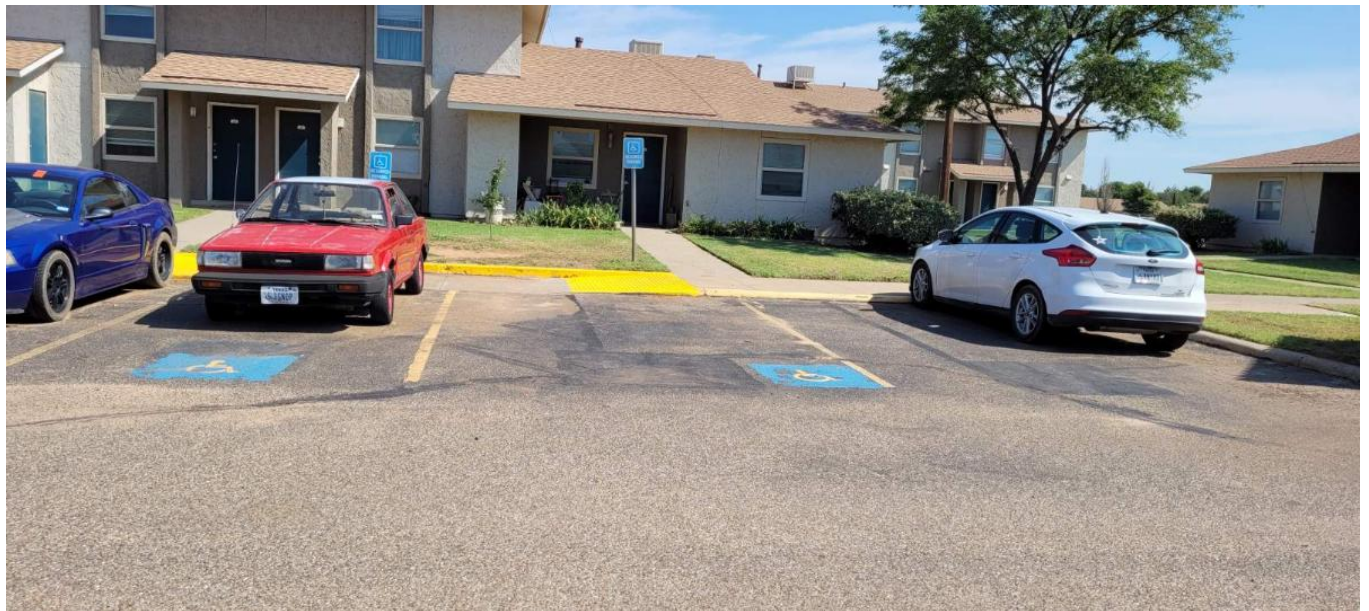
1) Total number of returned checks in the past 3 months:	0		
2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		
COMMENTS:			

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 attends virtual Grace Hill trainings.			
COMMENTS: A new maintenance staff member started			

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 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? ➤ Any amount over the budget requires owner approval.			
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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