

Texas State Affordable Housing Corporation

Peppertree Acres Apartments 6555 Sheridan Circle, Ft. Worth, TX 76115

Owner: RHAC – Peppertree Acres, LLC

Date Built: 1982

Management Company: J. Allen Management Co.

Property Manager: Shirease Boo'ty

Inspection Date & Time: July 13, 2021 at 10:30 a.m.

Inspector's Name: Estefania Linares

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	99%
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- see comment		
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 – see comment	
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- see comment	
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- see comment	
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- see comment	
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 properties are in acceptable condition; however, some observations were made. The properties monuments signs are all in excellent condition. All four properties have trees that need to be trimmed. Management confirmed the landscape company will be trimming all trees within two weeks from the date of the review. The Sheridan and South Crest locations had potholes at the time of the review. Management submitted pictures on 08/04/2021 verifying that all potholes were repaired. A majority of the dumpsters have large pieces of furniture such as mattresses and couches. This problem has been going on for several years and TSAHC strongly suggest finding a solution that prevents this problem from recurring. In addition, trash was found in some areas of the properties, but the Property Manager confirmed that the maintenance staff is scheduled to visit each property to pick up the grounds. Several units have blinds in bad condition, but management confirmed they are all being replaced (multiple units at a time). Lastly, the reviewer noted that there was only one handicap parking space in 6500 Sheridan and no handicap parking spaces at the 1000 Oak Grove, 1900 Ephriham and 5200 South Crest locations.

Finding:

- There are no handicap parking spaces at the Oak Grove, Ephriham, and South Crest locations. Per Section 504 requirements along with Title II and III of the ADA, residential facilities must have accessible parking (<https://www.access-board.gov/files/aba/guides/parking-ABA.pdf>). Management must adhere to these requirements and provide accessible spaces. Management must submit photo documentation to support accessible parking is being provided at each site or provide a letter from the architect or attorney explaining why the properties don't need to have accessible reserved spots.

Texas State Affordable Housing Corporation

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	Burglary (1 from Sheridan)	
Theft	2	Auto Theft (1 from Oak Grove) Theft of Clothing (1 from Oak Grove)	
Criminal Mischief	1	Criminal Mischief (1 from South Crest)	
Personal Assault	2	Class C Assault (1 from Sheridan) Aggravated Assault (1 from Oak Grove)	
Drug Related Activity	0	N/A	
Gun Related Activity	0	N/A	
Domestic Violence	1	Violence Against Family (1 from Oak Grove)	
Disturbance	0	N/A	
Other	2	Destructive/Damage/Vandalism (1 from Sheridan) Deadly Conduct (1 from Sheridan)	
		YES	NO
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 report submitted by management from CrimeMapping.com, there were a total of 11 calls (from April 2021 – June 2021) for all properties but only 9 out of 11 calls are noted above since the others are not crime related. Light checks are being conducted weekly by either the Property Manager or Lead Maintenance.			

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- see comment		
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: Graffiti was noted at the South Crest location, it was approximately 15 inches in size and on the exterior of a building. Maintenance staff already has a work order assigned to paint over the graffiti. The Regional Manager does the risk assessments for this portfolio and last time it was completed was in November 2019.			

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	
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

Texas State Affordable Housing Corporation

➤ Other			X
COMMENTS: Last year's annual report mentioned a playground was schedule to be installed in 2020 at the Oak Grove and Sheridan locations. Unfortunately, because of covid, the installment was postponed and added for this budget year. Management confirmed that by 12/31/2021, both playgrounds will be installed. In addition, two locations used to have a basketball court however due to having the basketball net repeatedly stolen, management will no longer replace it. Both properties will have the cement spaces which management stated will be used for other future amenities. The replacement amenity and/or when the amenity will be replaced has not yet been determined.			

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: The property uses the Handytrac system to monitor to keep their keys secured.

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?			
➤ Pest control services are provided every month for all units and if necessary, the exterior of the buildings.			
6) What is the policy for following up on completed service requests?			
➤ Property staff contacts the resident to follow up by email or by phone after the service request has been completed.			
7) What is the property's after-hours emergency policy?			
➤ All after-hours calls are routed to the Lead Maintenance.			
8) What capital improvements have been scheduled or completed for this budget year?			
➤ Last year's annual report mentioned a playground was schedule to be installed in 2020 at the Oak Grove and Sheridan locations. Unfortunately, because of covid, the installment was postponed and added for this budget year. Management confirmed that by 12/31/2021, both playgrounds will be installed.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

9) Unit Interior and Appliance upgrades			
➤ Management replaces appliances and flooring as needed when a resident vacates the unit.			
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			
➤ No other repair or replacements were completed.			
Number of service requests received:	15		
Number of requests open from prior periods:	41		
Number of service requests completed:	0		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	56		
13) On average, how many days does it take to complete a work order?			
➤ On average, it takes 5 days to complete a service request.			

COMMENTS: Management informed TSAHC that all of the pending service requests were created by management staff in preparation for a REAC inspection. All of which, were for the building exteriors.

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	\$0	0	0
Resident Referral	\$0	2	0
Locator Service	\$0	0	0

Texas State Affordable Housing Corporation

Printed/Internet Advertising (Go Section 8 – No charge) (Apartments.com)	\$0	24	13
Other Source (Previous Residents - 8) (Other – 8) (Unknown – 47)	\$0	63	25
TOTAL	\$0	97	42

The rental activity reflected in the above table was for July 2020 – July 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: 95.95%	12 months: 87.84%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	-	-	11.11%
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 May 2021 of \$22 on all bedrooms.			
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:	0
2) Number of completed made ready units at time of activity report:	N/A
3) Number of completed two bedroom units at time of activity report:	N/A
4) Number of completed three bedroom units at time of activity report:	N/A
5) Number of completed four bedroom units at time of activity report:	N/A
6) Number of uncompleted made ready units at time of activity report:	N/A
7) Number of uncompleted two bedroom units at time of activity report:	N/A
8) Number of uncompleted three bedroom units at time of activity report:	N/A
9) Number of uncompleted four bedroom units at time of activity report:	N/A

Units Walked

Unit #	Brief Description
N/A	No vacant units at the time of the review.

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	

Texas State Affordable Housing Corporation

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: Every 90 days.			
7) How often are vacant units inspected? ➤ Vacant units are inspected: Weekly			
8) How many vacant units are in progress of being made ready? ➤ Peppertree currently has no vacant units.			
9) What is the company policy on the number of days to turn vacant units? ➤ Vacant units are turned within 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 solicited to obtain materials, supplies and services anything over \$5,000.							
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.							
<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		
Administrative Expenses	\$18,022	\$25,282	\$7,260	28.71%	Office Equipment, Evictions, Seminars, Employee Reimbursement and Credit Checks.		
Salaries and Benefits	\$87,805	\$102,859	\$15,054	14.63%	Salaries – Maintenance and Contract Labor.		
Maintenance Expenses	\$10,540	\$15,486	\$4,945	31.93%	Appliances, Interior, Fence/Gate, and Uniform Expenses		
Turnover Expenses	\$4,019	\$11,699	\$7,680	65.64%	Painting (Contract), Repairs (Resurfacing Contract) and Repairs (Contract)		
Repair/Replacement Under \$5k	\$28,400	\$18,779	(\$9,621)	(51.23%)	Interior Tile, Building/Structures and Other		
Leasing Expenses	\$109	\$200	\$91	45.50%	Promotions		
COMMENTS: Regarding Repair/Replacement Under \$5k line items, management replaced 2 HVAC units, replace interior tile in 1 unit and had to replace a door. All which caused management to go over budget.							

REVENUE			
FOR THE MONTH ENDING: May 2021		YEAR TO DATE AS OF: May 2021	
Gross Potential	\$116,606	Gross Potential	\$573,886
Budgeted Rental Income	\$114,633	Budgeted Rental Income	\$561,706
Actual Rental Income Collected	\$115,714	Actual Rental Income Collected	\$549,822
Variance + (-)	\$1,080	Variance + (-)	-\$11,884
Other Revenue	\$8,035	Other Revenue	\$12,414
Total Collected	\$123,749	Total Collected	\$562,237
Budgeted	\$116,438	Budgeted	\$570,418
Variance + (-)	\$7,311	Variance + (-)	-\$8,181
COMMENTS:			

Texas State Affordable Housing Corporation

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:		\$25,321
		30-60 Days:		\$0
		60 Days and Over:		-\$42
		TOTAL		\$25,279
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 every month and by the 6 th is declared late with a \$5 initial fee and then \$10 every day until rent is paid in full.			
3)	When is legal action taken against delinquent accounts?			
	➤ According to management, legal action is taken around the 11th of each month.			
4)	Does the property currently have any resident(s) under eviction?		X	
5)	Does Housing have any outstanding balances?	X		
COMMENTS: According to the Delinquent and Prepaid report, out of the total delinquency amount of \$17,413, \$3,830 is only for the portion of the tenants and most of the remaining balance is from Housing. Management confirmed that the balance from Housing will be paid in full but usually they are 2 – 3 months behind. The balances are usually for Move ins, Interims and Annual Recertifications.		0-30 Days:		\$11,495
		30-60 Days:		\$5,787
		60 Days and Over:		\$131
		TOTAL		\$17,413

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: A new Property Manager was assigned to Peppertree Apartments in February 2021, and they are currently looking for an Assistant Manager.				

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 and management sends month 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?			
	➤ Owner approval is required on anything over \$1,000 for the Property 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		

Texas State Affordable Housing Corporation

COMMENTS:

SUMMARY OF OBSERVATIONS AND FINDINGS

No Observations.

Finding:

- There are no handicap parking spaces at the Oak Grove, Ephriham, and South Crest locations. Per Section 504 requirements along with Title II and III of the ADA, residential facilities must have accessible parking (<https://www.access-board.gov/files/aba/guides/parking-ABA.pdf>). Management must adhere to these requirements and provide accessible spaces. Management must submit photo documentation to support accessible parking is being provided at each site or provide a letter from their architect or attorney explaining why the properties don't need to have accessible reserved spots. **The corrective action of this finding must be submitted to TSAHC no later than September 10, 2021 (30 days from the date this report was issued).**

Texas State Affordable Housing Corporation

Peppertree - Sheridan



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation

Peppertree - Ephriham



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation

Peppertree – Oak Grove



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation

Peppertree – South Crest



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation

