

Texas State Affordable Housing Corporation

Spring Terrace

2600 S. Spring St., Amarillo, Texas 79109

Owner: RHAC – Spring Terrace Apartments, LLC

Date Built: 1983

Management Company: J. Allen Management Co., Inc.

Property Manager: Shasta Hill

Inspection Date & Time: August 10, 2021, at 11:30 a.m.

Inspector's Name: James Matias

Occupancy at Time of Report:	98%	Average Occupancy Over Last 12 Months:	98.5%
Number of Units: 50			
Number of One Bedrooms:	N/A	Number of Two Bedrooms:	40
Number of Three Bedrooms:	10	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: On the day of the site visit the property was found to be in acceptable condition, and the property was mostly free of litter. The monument sign was clean and visible. All buildings, roofs and foundations appear to be in acceptable condition. The buildings and amenities appeared to be functional and in good condition. The trash receptacles and enclosures were well maintained and clean.

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	1 (Larceny)
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance/Disorderly Conduct	7	
Other	8	7 (Suspicious Activity), 1 (Willful destruction of another's property)

Texas State Affordable Housing Corporation

	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: Management stated light checks are done weekly by Maintenance and management. In an effort to deter crime, management pulls police reports regularly and issues lease violations based on the report. A review of the Amarillo Police Department call-out reports dated 4/11/2020 through 7/1/2021 indicate a low amount of criminal activity at the property. Based on Amarillo Police Department call logs, the criminal activity in the last 5 years has remained consistently low. This track record supports that site management is taking proactive measures to address crime at the property, when necessary. As of September 1, 2021, management is no longer required so submit monthly crime reports to TSAHC.			

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: Management stated the last risk assessment was conducted in June of 2019. However, the Regional Manager reviews the property periodically.			

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): N/A			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 (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
---------------------	-----	----	-----

Texas State Affordable Housing Corporation

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 once per month and as needed.			
6) What is the policy for following up on completed service requests? ➤ Management calls to follow up on all work orders.			
7) What is the property's after-hours emergency policy? ➤ Tenants are made aware to call the office number during after-hours for any emergency; the calls go directly to the Property Manager. Once the call is received, the Property Manager will contact the appropriate person(s).			
8) What capital improvements have been scheduled or completed for this budget year? ➤ Five evaporator coolers are scheduled to be installed over the next few months. These were ordered a few weeks ago and are currently sitting in inventory.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➤ Upgrades to building interiors and/or appliances included a few evaporator coolers that were replaced last year			
10) Building Exterior and Curb Appeal repairs ➤ None			
11) Amenity upgrades ➤ No amenity upgrades were completed in 2021.			
12) Other repairs or replacements ➤ N/A			
Number of service requests received:	58		
Number of requests open from prior periods:	0		
Number of service requests completed:	58		
Number of service requests completed within 24 hours:	51		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➤ On average it takes less than 1 days to complete a work order.			
COMMENTS: The data collected above was from the Service Request Activity report dated 4/1/2021 through 7/31/2021. The manager stated under normal circumstances the maintenance shop is clean and organized. However, due to the storing of the evaporator coolers in inventory, there is a very limited are to walk or work.			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# Of Prospects	# Of Leases or approvals
Drive-By/Word of Mouth	\$0	2	2
Flyers	\$0	0	0
Resident Referral/Prior Resident	\$0	23	16
Locator Service	\$0	0	0
Printed/Internet Advertising (Google.com)	\$0	21	15
Other Source: (Referral Companies, Other Property, Other)	\$0	17	8
TOTAL	\$0	63	41
The rental activity reflected in the above table was from 7/1/2020 through 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:			

Texas State Affordable Housing Corporation

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 (July): 0% (see comment)	6 months: N/A	12 months: 64%
3)	What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	5%		
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? ➤ According to the Property Manager, the last rent increase was in May 2020 after the HUD income limits came out in April.			
10)	How many households are currently on month-to-month leases? ➤ Month-to-month leases are not offered.			
11)	What is the charge for month-to-month leases? ➤ This is not applicable to the HUD lease.			
COMMENTS: The renewal percentage appears to be low, especially in recent months. Management stated that a portion of residents are leaving the Amarillo area and another portion are buying homes. One of eighteen move outs (5%) were due to skip.				

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:			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:			1		
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:			1		
9) Number of uncompleted three-bedroom units at time of activity report:			0		
Units Walked					
Unit #	Brief Description				
9	2 x 1, Occupied, 2 smoke detectors were missing from the bedrooms, the HVAC filter needs to be changed				
29	2 x 1, Vacant, Full turn needed				
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? ➤ One vacant unit is in the process of being made ready.					

Texas State Affordable Housing Corporation

- 9) What is the company policy on the number of days to turn vacant units?
- The company policy is to turn vacant units within 5 business days.

COMMENTS: Prior to the completion of this report, completed work orders and photos were sent to show proof that the work was completed for units 9 (smoke detectors and HVAC filter).

BUDGET MANAGEMENT

- 1) Are three bids solicited in order to obtain materials, supplies, and services?
- Three bids are required to be obtained and reviewed prior to moving forward with purchases of materials or services.
- 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 that has 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	\$36,668	\$44,349	\$7,681	17.3%	Salaries – Maintenance and Manager
Administrative Expenses	\$7,256	\$8,129	\$873	10.7%	Seminars/Staff Training Evictions
Leasing Expenses	\$89	\$100	\$11	10.7%	Promotions and Entertainment
Services Expenses	\$7,953	\$9,732	\$1,778	18.3%	Landscaping, Pest Control
Turnover Expenses	\$3,931	\$4,440	\$509	11.5%	Cleaning (Contract)

COMMENTS:

REVENUE

FOR THE MONTH ENDING: JUNE 30, 2021		YEAR TO DATE AS OF: JUNE 30, 2021	
Gross Potential	\$40,421	Gross Potential	\$241,908
Budgeted Rental Income	\$38,870	Budgeted Rental Income	\$232,252
Actual Rental Income Collected	\$39,469	Actual Rental Income Collected	\$232,315
Variance + (-)	\$599	Variance + (-)	\$63
Other Revenue	\$443	Other Revenue	\$2,382
Total Collected	\$39,912	Total Collected	\$234,696
Budgeted	\$39,263	Budgeted	\$234,767
Variance + (-)	\$650	Variance + (-)	(\$71)

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:		\$1,197.48
	30-60 Days:		(\$190.00)
	60 Days and Over:		(\$150.00)
	TOTAL		\$857.48

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 and considered late on the 6 th day. An initial late fee of \$5 is incurred at that time and an additional daily fee of \$1 is accrued until rent is paid. Late fees will not exceed \$30.			
3) When is legal action taken against delinquent accounts?			
➤ Unless the tenant has worked out something with management, eviction is filed around the 20 th			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?	X		

Texas State Affordable Housing Corporation

COMMENTS: A Delinquent and Prepaid Report dated 8/9/2021 was provided for review. Management appears to be doing a great job collecting rent. A large portion of the delinquent balance is due to housing payments. \$4,400 (79.8%).	0-30 Days:		\$4,726
	30-60 Days:		\$447
	60 Days and Over:		\$344
	TOTAL		\$5,517

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. ➤ Monthly on-line Grace Hill trainings are taken by the manager and the maintenance person.			

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? ➤ Reports are requested and/or pulled from the Onsite system at the Owner's discretion.			
3)	What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Management is required to get owner's approval for any dollar amount on expenses that are not budgeted for.			
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 Findings and No Observations:

Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



Texas State Affordable Housing Corporation



