

# Texas State Affordable Housing Corporation

## Garden Apartments

1340 65th Dr. Lubbock, TX 76412

**Owner:** RHAC- Garden, LLC

**Date Built:** 1981

**Management Company:** J. Allen Management Company

**Property Manager:** Antoinette Flowers

**Inspection Date & Time:** June 1, 2022, at 9:00am

**Inspector's Name:** Estefania Linares

<b>Occupancy at Time of Report:</b>	93.54%	<b>Average Occupancy Over Last 12 Months:</b>	95%
<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:** Based on observations made during the onsite physical review; the property is overall in good condition.

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)	
Theft	1	Theft (1)	
Criminal Mischief	1	Criminal Mischief (1)	
Personal Assault	0	None	
Drug Related Activity	0	None	
Gun Related Activity	0	None	
Domestic Violence	3	Domestic (3)	
Disturbance	8	Disturbance (2) Domestic Disturbance (6)	
Other	3	Shots Fired (2) Narcotics (1)	
		<b>YES</b>	<b>NO</b>
		<b>N/A</b>	

# Texas State Affordable Housing Corporation

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:** This section was completed using the local police department call logs dated February 2022 – April 2022. Management confirmed that there is a security patrol with South Plains Security that patrols daily. Light checks are conducted by management staff weekly.

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 conducted in August 2021 by the Regional Manager.

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		
➤ Plumbing permit	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			X

**COMMENTS:** Management commented that new iPads will be installed inside the leasing office on or before 6/25/2022, for tenants use.

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 Blackhorse key tracking system is being used at this property.

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?			

# Texas State Affordable Housing Corporation

<ul style="list-style-type: none"> <li>➢ Pest Control services are provided monthly.</li> </ul>
6) What is the policy for following up on completed service requests?
<ul style="list-style-type: none"> <li>➢ The Property Manager follows up on completed service request within 24 hours.</li> </ul>
7) What is the property's after-hours emergency policy?
<ul style="list-style-type: none"> <li>➢ The on-call maintenance staff member receives after-hours calls and is responsible for contacting appropriate parties.</li> </ul>
8) What capital improvements have been scheduled or completed for this budget year?
<ul style="list-style-type: none"> <li>➢ No capital improvements have been scheduled for this budget year.</li> </ul>

### Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

9) Unit Interior and Appliance upgrades
<ul style="list-style-type: none"> <li>➢ Unit interior and appliances upgrades were replaced as needed.</li> </ul>
10) Building Exterior and Curb Appeal repairs
<ul style="list-style-type: none"> <li>➢ Roofing replacement was completed last budget year.</li> </ul>
11) Amenity upgrades
<ul style="list-style-type: none"> <li>➢ N/A</li> </ul>
12) Other repairs or replacements
<ul style="list-style-type: none"> <li>➢ N/A</li> </ul>

Number of service requests received:	12		
Number of requests open from prior periods:	0		
Number of service requests completed:	7		
Number of service requests completed within 24 hours:	7		
Number of outstanding service requests:	5		

13) On average, how many days does it take to complete a work order?
<ul style="list-style-type: none"> <li>➢ According to management, it takes around 24 hours to complete a work order.</li> </ul>

**COMMENTS:**

### MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	3	2
Flyers	\$0	0	0
Resident Referral	\$0	5	3
Locator Service	\$0	0	0
Printed/Internet Advertising (Facebook, Craigslist)	\$0	1	1
Other Source	\$0	1	0
<b>TOTAL</b>	<b>\$0</b>	<b>10</b>	<b>6</b>

**The rental activity reflected in the above table was for the month of: May 2022 to June 2022**

	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:** This section was completed using the Primary Advertising Source Evaluation from May 2022 to June 2022.

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: 94.73%	12 months: 86.88%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?			45.45%
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		

# Texas State Affordable Housing Corporation

8) Are rent increases being implemented?	X		
9) When was the last rent increase implemented? What was the average rent increase? > A \$15 rent increase was implemented in November 2021 on all units.			
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			
<b>COMMENTS:</b>			

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	4
2) Number of completed made ready units at time of activity report:	3
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:	3
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
10A	(Vacant 2x2) – Made Ready
18A	(Vacant 2x2) – Made Ready
35A	(Vacant 2x2) – Not Made Ready
38A	(Vacant 2x2) – Made Ready

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? > Unit 35A is in the progress of being made ready.			
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? > Yes, three bids are solicited in order to obtain materials, supplies, and services.			
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? > No unexpected repairs or purchases have negatively affected the current budget year.			
3) Explain YTD variances of 10% or greater.			

# Texas State Affordable Housing Corporation

## 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	\$8,209	\$7,190	-\$1,019	-14.17%	Seminars/Staff Training
Services Expenses	\$13,046	\$11,856	\$1,190	-10.04%	Courtesy Patrol
Turnover Expenses	\$5,448	\$4,788	-\$659	-13.77%	Materials - Painting
Repairs/Replacements Under \$5k	\$6,694	\$27,071	\$20,376	75.27%	Vinyl & Other
Capital Renovations Over \$5k	\$0	\$20,000	\$20,000	100%	REAC Expenses

**COMMENTS:** The property currently has a security patrol with South Plains Security and the reason why the expense item "Services Expenses" went over budget is due to fuel charges and hourly pay increases.

REVENUE			
FOR THE MONTH ENDING: April 2022		YEAR TO DATE AS OF: April 2022	
Gross Potential	\$42,242	Gross Potential	\$168,950
Budgeted Rental Income	\$42,288	Budgeted Rental Income	\$169,152
Actual Rental Income Collected	\$39,274	Actual Rental Income Collected	\$145,233
Variance + (-)	\$3,014	Variance + (-)	\$23,919
Other Revenue	\$1,124	Other Revenue	\$4,168
Total Collected	\$40,398	Total Collected	\$149,402
Budgeted	\$40,714	Budgeted	\$162,999
Variance + (-)	\$316	Variance + (-)	\$13,597

**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		
<b>COMMENTS:</b> This section was completed using the Vendor Aging report as of June 1, 2022.	0-30 Days:		\$0
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$0

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 6th 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 11th 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> This section was completed using the Delinquent and Prepaid report as of 6/01/2022.	0-30 Days:		\$7,127
	30-60 Days:		\$2,450
	60 Days and Over:		\$132.98
	TOTAL		\$9,709.98

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

# Texas State Affordable Housing Corporation

3) Is the manager following company policy on returned checks?			X
<b>COMMENTS:</b>			

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 staff has taken Grace Hill, Fair Housing 1 & 2 trainings.			
<b>COMMENTS:</b>			

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 submitted weekly. Reports include but not limited to the property, financial, occupancy, and delinquency reports.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Manager and Reginal Manager seek approval for any amount over \$500.			
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		
<b>COMMENTS:</b>			

SUMMARY OF OBSERVATIONS AND FINDINGS
<b>No Observations.</b>
<b>No Findings.</b>





# Texas State Affordable Housing Corporation



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