

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: Michelle Gutierrez

Inspection Date & Time: May 31, 2022, at 12:00pm

Inspector's Name: Estefania Linares

Occupancy at Time of Report:	94%	Average Occupancy Over Last 12 Months:	99%
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: This review was completed onsite; property is in overall 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	2	Burglary (2)	
Theft	0		
Criminal Mischief	0		
Personal Assault	0		
Drug Related Activity	0		
Gun Related Activity	0		
Domestic Violence	0		
Disturbance	3	Domestic Disturbance (3)	
Other	1	Missing Person (1)	
		YES	NO
		N/A	

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. 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 – Business Center (iPads) coming soon.			X

COMMENTS: According to management, a playground has been budgeted for the current budget year, however they are back ordered. It is estimated to be installed by December 2022. In addition, the property also budgeted to install iPads for the business center next week.

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		

Texas State Affordable Housing Corporation

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 on completed service request within 24 hours.			
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? ➢ New mailboxes were installed during this budget year.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➢ Unit interior and Appliances upgrades only as needed.			
10) Building Exterior and Curb Appeal repairs ➢ Roofing replacement was completed last year.			
11) Amenity upgrades ➢ N/A			
12) Other repairs or replacements ➢ N/A			
Number of service requests received:	8		
Number of requests open from prior periods:	20		
Number of service requests completed:	28		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	28		
13) On average, how many days does it take to complete a work order? ➢ According to management, it takes around 3 days to complete a work order.			
COMMENTS: This section was completed using the Maintenance Summary Report dated from 5/1/2022 – 5/31/2022.			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	0	0
Flyers	\$0	0	0
Resident Referral	\$0	0	0
Locator Service	\$0	0	0
Printed/Internet Advertising (Facebook, Craigslist)	\$0	1	0
Other Source	\$0	5	3
TOTAL	\$0	6	3
The rental activity reflected in the above table was for the month of: May 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 5/1/22 – 5/31/22.			

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: 94%	6 months: 84%	12 months: 66%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	17.64%		
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		

Texas State Affordable Housing Corporation

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 was implemented in February 2022. A \$20 increase was approved 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			
COMMENTS:			

VACANT/MAKE READY UNITS

1) Number of vacant units at time of activity report:	3
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:	2
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:	2
9) Number of uncompleted three bedroom units at time of activity report:	0

Units Walked

Unit #	Brief Description
3	(Vacant 2-bedroom) – Not Made Ready
38	(Vacant 2-bedroom) – Made Ready
40	(Vacant 2-bedroom) – Not 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? > Currently, 2 units are 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
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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
Operating Expenses	\$40,913	\$46,448	\$5,534	11.91%	Salaries - Manager
Maintenance Expenses	\$4,769	\$6,710	\$1,940	28.91%	Appliances, Doors/Locks/Keys, Electrical/Lights, HVAC
Turnover Expenses	\$2,113	\$3,400	\$1,286	37.84%	Cleaning (Contract)
Repairs/Replacements Under \$5k	\$4,374	\$35,605	\$31,230.	87.71%	Vinyl, Other
Capital Renovations Over \$5k	\$10,752	\$6,000	-\$4,752	-79.20%	Operating Equipment

COMMENTS:

REVENUE

FOR THE MONTH ENDING: April 2022		YEAR TO DATE AS OF: April 2022	
Gross Potential	\$41,690	Gross Potential	\$165,954
Budgeted Rental Income	\$41,488	Budgeted Rental Income	\$165,348
Actual Rental Income Collected	\$38,965	Actual Rental Income Collected	\$158,758
Variance + (-)	\$2,523	Variance + (-)	\$6,590
Other Revenue	\$457	Other Revenue	\$816
Total Collected	\$39,422	Total Collected	\$159,574
Budgeted	\$40,954	Budgeted	\$163,362
Variance + (-)	\$1,532	Variance + (-)	\$3,788

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: This section was completed using the Vendor Aging Report as of May 31, 2022.	0-30 Days:		\$9,066.16
	30-60 Days:		\$3,622.04
	60 Days and Over:		-\$309.21
	TOTAL		\$12,378.99

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	
COMMENTS: This section was completed using the Delinquent and Prepaid report as of 6/1/2022.	0-30 Days:		(\$30,767)
	30-60 Days:		\$124.20
	60 Days and Over:		(\$1,187)
	TOTAL		(\$31,839.80)

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
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 – see comment		
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 has received Grace Hill and Fair Housing 1 & 2 trainings.			
COMMENTS: A new Property Manager was hired on May 15, 2022; she has since then attended Fair Housing training.			

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 Regional Manager seek approval for anything 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		
COMMENTS:			

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

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