

Texas State Affordable Housing Corporation

Peppertree Acres Apartments

6555 Sheridan Circle, Ft. Worth, Texas 76134

Owner: RHAC – Peppertree Acres, LLC

Date Built: 1982

Management Company: J. Allen Management Co.

Property Manager: Shirease Boo'ty

Inspection Date & Time: February 18, 2022 at 9:30 a.m.

Inspector's Name: Celina Mizeles Stubbs

Occupancy at Time of Report:	97.9%	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:	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 the photos submitted, all 4 sites that make up Peppertree Apartment appear to be 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	1			
Theft				
Criminal Mischief				
Personal Assault	2	Simple assault (2)		
Drug Related Activity				
Gun Related Activity				
Domestic Violence				
Disturbance	1	Domestic disturbance (1)		
Other	1	Weapons Charge (1)		
		YES	NO	N/A
2) Does the property utilize a crime prevention agreement?		X		

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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: The criminal activity has decreased since the last review. Management continues to conduct exterior light checks 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 June 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	X		
➤ Laundry Facility			X
➤ Business Center			X
➤ Pool			X
➤ Other (describe)			
COMMENTS: According to management, only 1 of the 4 property sites has had the playground installed. The playgrounds on the other 3 property sites have been ordered.			

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		
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 offered monthly for unit interiors and building exteriors.			

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6) What is the policy for following up on completed service requests? ➢ Management conducts call-backs on all completed work orders to ensure the work is completed.
7) What is the property's after-hours emergency policy? ➢ After-hour calls are directed to the Lead Maintenance staff member.
8) What capital improvements have been scheduled or completed for this budget year? ➢ The following capital improvements are scheduled, playgrounds for the remaining properties, new cabinetry for units at Oak Grove and parking lot repairs (seal, and re-striping at South Crest).

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

9) Unit Interior and Appliance upgrades ➢ New refrigerators were installed in units, as needed.
10) Building Exterior and Curb Appeal repairs ➢ Landscaping (fresh mulch) was laid out on all properties.
11) Amenity upgrades ➢ N/A
12) Other repairs or replacements ➢ Two hot water heaters were replaced.

Number of service requests received:	3		
Number of requests open from prior periods:	0		
Number of service requests completed:	1		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	2		

13) On average, how many days does it take to complete a work order? ➢ See comment below.
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COMMENTS: According to management, a full regional maintenance team conducted unit inspections for all 148 units. During that time, work orders were created and closed a couple month or two prior to this scheduled review. Therefore, there were only 3 work orders documented at the time of this review.

MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth: Drive-by (6), Other (7), Word of Mouth (2)		15	5
Flyers			
Resident Referral: Current Resident (4) and Prior Resident (2)		6	2
Locator Service			
Printed/Internet Advertising: GoSection8.gov (8) and Google (2)		10	5
Other Source: Unknown (29)		29	14
TOTAL	\$0	60	26

The rental activity reflected in the above table was for the month of: 2/1/2021 – 2/1/2022

	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:

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: 97%	6 months: 87%	12 months: 83%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?	4%		
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		

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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? > A 1.7% rent increase was implemented in May 2022.			
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:	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:	3
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:	3
9) Number of uncompleted three bedroom units at time of activity report:	0

Units Walked	
Unit #	Brief Description
908	(2 bedroom) Vacant: The unit is in the process of getting foundation work completed.
1006	(2 bedroom) Vacant: The unit is in the process of getting foundation work completed.
2330	(2 bedroom) Vacant: the unit is in the make ready process.

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: Weekly			
8) How many vacant units are in progress of being made ready? > Three vacant unit are in the process of being made ready.			
9) What is the company policy on the number of days to turn vacant units? > Company policy is to turn units within 5 business days.			

COMMENTS:

BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? > Materials supplies and/or services require three bids if the amount is over \$5,000.			
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? > There were two hot water heaters replaced.			
3) Explain YTD variances of 10% or greater.			

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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	\$43,423	\$55,486	\$12,063	21%	Office Equipment, Services, Employee Reimbursements,
Maintenance Expenses	\$25,016	\$39,347	\$14,330	36%	HVAC, Door/Lock/Keys, and Electrical Lights
Turnover Expenses	\$12,616	\$28,079	\$15,462	55%	Painting (Contract), Repair (Resurfacing Contract) and Repairs (Contract)
Leasing Expenses	\$131	\$900	\$769	85%	Promotions & Entertainment

COMMENTS: According to management, they did not contact vendors to turn units. In addition, the property does not promote the apartment community due to the length of the wait list.

REVENUE

FOR THE MONTH ENDING: December 2021		YEAR TO DATE AS OF: December 2021	
Gross Potential	\$116,606	Gross Potential	\$1,390,131
Budgeted Rental Income	\$113,861	Budgeted Rental Income	\$1,360,282
Actual Rental Income Collected	\$113,595	Actual Rental Income Collected	\$1,354,510
Variance + (-)	(\$266)	Variance + (-)	(\$5,771)
Other Revenue	\$1,145	Other Revenue	\$21,892
Total Collected	\$114,740	Total Collected	\$1,376,403
Budgeted	\$118,427	Budgeted	\$1,383,971
Variance + (-)	(\$3,687)	Variance + (-)	\$(7,568)

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: According to management, the vendors with 60+day balances (J. Impact and Floors in the amount of \$29,467) is due to the vendor submitting invoices late. Management is scheduled to pay invoice in February 2022.	0-30 Days:		\$15,872
	30-60 Days:		\$4,632
	60 Days and Over:		\$14,560
	TOTAL		\$35,064

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 it is declared late with a \$5 initial fee and \$10 daily thereafter.			
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:	0-30 Days:		\$7,531
	30-60 Days:		\$1,282
	60 Days and Over:		\$0
	TOTAL		\$8,813

RETURNED CHECKS

	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		0	

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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 is required to participate in quarterly Grace Hill trainings and EIV training.

COMMENTS: The property recently hired an assistance property management.

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 monthly 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		

COMMENTS:

SUMMARY OF OBSERVATIONS AND FINDINGS

No Observations or Findings.



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