

# Texas State Affordable Housing Corporation

## Garden Apartments 1340 65<sup>th</sup> Dr., Lubbock, Texas 76412

**Owner: RHAC – Garden, LLC**

**Date Built: 1981**

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

**Property Manager: Antoinette Flowers**

**Inspection Date & Time: April 14, 2023 at 1:30 PM**

**Inspector's Name: Celina Mizcles Stubbs**

<b>Occupancy at Time of Report:</b>	95.4%	<b>Average Occupancy Over Last 12 Months:</b>	100%
<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 - see comment		
4) Are the grounds and landscaping in acceptable condition?	X - see comment		
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) Are parking lots clean, in good repair with handicap parking spaces clearly marked?	X		
9) Are all recreational, common areas and amenity areas clean, maintained, and accessible?	X		
10) Is facility equipment operable and in acceptable condition?	X		
11) Is the area around the waste receptacles clean and are the enclosures in good repair?	X		
12) Is the exterior of the buildings in acceptable condition?	X		
14) Are hallways/breezeways 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:** The property is in good condition, however there are several dead patches of grass throughout the property. Management stated the dry weather has hindered the grass growth and further stated their landscapers maintain the lawns. There are two sites for this property. The exterior chain-link fence on the B-side was slightly damaged. Management is advised to repair the damaged gate.

### 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:		
<b>Incident Type</b>	<b># of Occurrences</b>	<b>Comments:</b>
Burglary	2	Burglary - 2
Theft	3	Theft - 3
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		

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Disturbance	18	Disturbance - 3, Domestic Disturbance – 9 and Domestic – 6		
Other	1	Party - 1		
		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 – see comment		
4) Are light checks conducted by management staff on a weekly basis? If not, add comment.		X		
<b>COMMENTS:</b> Based on the Lubbock Police Department call logs there were 44 calls that were logged between January 2023 through March 2023. Twenty-four of the 44 calls are noted on the chart above. The property is patrolled nightly from 6pm – 6am, by South Plains Security. The security guards provide the property manager with daily activity reports. Management utilizes the lease and house rules to issue violations, if needed.				

<b>SECURITY PROGRAM Part II</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		
4) Are criminal background checks being conducted on residents as they age to be 18 while living in the unit?		X		
5) Has a risk assessment been conducted to determine risk liabilities at the property? If yes, when?		X		
<b>COMMENTS:</b> Site management conducts quarterly inspection, and the mortgage agency conducts annual inspections.				

<b>OFFICE</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>
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)			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: iPads for Tenants		x		
<b>COMMENTS:</b> Management confirmed that iPads were purchased and located in the management office for tenant to use.				

<b>KEY CONTROL</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		
<b>COMMENTS:</b>				

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MAINTENANCE PROGRAM		YES	NO	N/A
1)	Does the property have a preventative maintenance program that is being followed?	X		
2)	Is the maintenance shop clean and organized?	X		
3)	Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
4)	How often are Pest Control services provided? ➤ Pest control service are provided monthly.			
5)	What is the policy for following up on completed service requests? ➤ The Property Manager calls tenants after work orders are complete.			
6)	What is the property's after-hours emergency policy? ➤ After-hours calls are answered by the on-call maintenance staff. Maintenance technicians are trained in taking appropriate steps for true emergencies.			
7)	What capital improvements have been scheduled or completed for this budget year? ➤ There have been no capital improvements scheduled or completed during the current budget year.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year				
8)	Unit Interior and Appliance upgrades ➤ Unit flooring was replaced, as needed.			
9)	Building Exterior and Curb Appeal repairs ➤ No repairs or replacements.			
10)	Amenity upgrades ➤ iPads were purchased for tenants use during office hours.			
11)	Other repairs or replacements ➤ No other repairs or replacements.			
Number of service requests received:		1		
Number of requests open from prior periods:		1		
Number of service requests completed:		1		
Number of service requests completed within 24 hours:		1		
Number of outstanding service requests:		See comment		
12)	On average, how many days does it take to complete a work order? ➤ On average, it takes 1 day to complete tenant work order requests.			
<b>COMMENTS:</b> Based on a review of the Work Order Status Report dated 3/1/23 – 4/19/2023, there was one tenant who requested work order that was completed in a day. However, that same report indicates that there were 10 make-ready work ordered started, with 139 made-ready work orders from prior periods, of which only 20% of them have been completed.				
<b>Observation:</b> <ul style="list-style-type: none"> <li>According to the Work Order Status Report, it appears management is not closing make-ready work orders properly in the software system. The software system is a tool to help with efficiency and decrease the possibility of lost or incomplete work orders. Management is advised to start using the software system accurately.</li> </ul>				

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	2	0
Resident Referral (Current/Prior)	\$0	2	0
Locator Service			
Printed/Internet Advertising			
Other Source: Other Property	\$0	2	0
<b>TOTAL</b>	<b>\$0</b>	<b>6</b>	<b>0</b>
<b>The rental activity reflected in the above table was for the month of: March 12, 2023 - April 12, 2023</b>			
	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	

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**COMMENTS:** Periodically, the Property Manager post flyers in local agencies however no other marketing efforts are made as they maintain a high occupancy rate and work off a wait list.

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: N/A	6 months: N/A	12 months: 54.8%
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?			43.5%
4) Are lease renewal 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		54.2%
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) When was the last rent increase implemented? What was the average rent increase? ➤ The last rent increase was March 2023 for an average of \$20 dollars.			
9) How many households are currently on month-to-month leases? ➤ The property utilizes HUD Model lease which rolls into month-to-month terms after its initial 12 months.			
10) What is the charge for month-to-month leases? ➤ There is no charge for month-to-months leases.			

**COMMENTS:** Based on the Occupancy and Move Out History report, 43.5% renewed their month-to-month lease term in the last 12 months.

**Observation:**

- The annual resident retention percentage dramatically decreased compared to the 2022 Asset Oversight report. It is imperative that the resident retention be looked at regularly and tracked accurately. It is recommended that an immediate action plan be devised to determine the leading causes of resident dissatisfaction. Once the cause is determined an action plan to improve the issue should immediately be put into place.

VACANT/MAKE READY UNITS				
1) Number of vacant units at time of activity report:			2	
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:			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			
5A	Vacant, 2-bedroom: Unit made-ready			
5B	Vacant, 2-bedroom: Unit made-ready			
39A	Occupied, 2-bedroom: Unit made-ready			
Down Units Walked (units vacant and unready for extended period 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? If so, please comment below.			X	

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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? ➤ Based on the Availability Report, as of 4/12/2023, there is one unit 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 for units to be turned within 3-5 business days.			
<b>COMMENTS:</b>			

BUDGET MANAGEMENT					YES	NO	N/A
1) Are three bids solicited to obtain materials, supplies, and services?					X		
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? If so, comment below.					X		
3) Explain YTD variances of 10% of greater in the charet below.							
<b><u>Expense Items that Varied by 10% or Greater from the Budget for Year-to-Date Operations Ending</u></b>							
(Please note that a positive variance is under budget and a negative variance is over budget.)							
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION		
Administrative Expenses	\$6,784	\$7,830	\$1,045	13%	Office Equipment Services and Employee Reimbursements		
Maintenance Expense	\$3,997	\$3,225	(\$772)	(24%)	HVAC and Office		
Services Expenses	\$12,560	\$9,254	(\$3,305)	(35%)	Pest Control and Plumbing Contractor		
Turnover Expense	\$4,664	\$2,469	(\$2,194)	(88%)	Cleaning (Contract) and Materials – Painting		
Repairs/Replacements Under \$5K	\$7,035	\$5,225	(\$1,810)	(13%)	Stoves, Dishwasher and Plumbing		
COMMENTS:							

REVENUE					
FOR THE MONTH ENDING: March 2023			YEAR TO DATE AS OF: March 2023		
Gross Potential		\$41,102	Gross Potential		\$129,306
Budgeted Rental Income		\$39,911	Budgeted Rental Income		\$124,030
Actual Rental Income Collected		\$46,267	Actual Rental Income Collected		\$114,905
Variance + (-)		\$6,355	Variance + (-)		(\$9,125)
Other Revenue		\$923	Other Revenue		\$1,400
Total Budgeted		\$41,082	Total Budgeted		\$127,543
Total Collected		\$47,190	Total Collected		\$116,305
Variance + (-)		\$6,107	Variance + (-)		(\$11,238)
<b>COMMENTS:</b>					

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> Based on the Vendor Again Report, dated 4/14/2023, the 60-day balance is a management fee that has not been paid.				0-30 Days:		\$12,377
				30-60 Days:		\$15,262
				60 Days and Over:		\$9,742
				TOTAL		\$37,381

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DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the rent collection policy? ➤ The rent is due on the 1 <sup>st</sup> and considered late on 6 <sup>th</sup> . An initial late fee is assessed on the 6 <sup>th</sup> and \$1 daily thereafter (max of \$30) until rent is paid.			
3) When is legal action taken against delinquent accounts? ➤ Legal action against delinquent accounts is taken around the 11 <sup>th</sup> day of the month			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b> Based on the Delinquent and Prepaid report as of 4/12/2023, 73% of the balance due is for April Housing subsidies.	0-30 Days:		\$33,617
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$33,617

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
<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) Was management staff prepared for the site visit?	X		
7) Has staff turnover occurred since the last site review?		X	
8) Are weekly staff meetings held?	X		
9) Have personnel been trained in Fair Housing?	X		
10) List training staff has received in the past year. ➤ Site management is required to attend various online Grace Hill training courses.			
<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) Is site management required to submit weekly reports to the owner?	X		
3) 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		
4) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Any amount over \$500 requires owner approval.			
<b>COMMENTS:</b>			

SUMMARY OF OBSERVATIONS AND FINDINGS
<b>Observations:</b> <ul style="list-style-type: none"> <li>According to the Work Order Status Report, it appears management is not closing make-ready work orders properly in the software system. The software system is a tool to help with efficiency and decrease the possibility of lost or incomplete work orders. Management is advised to start using the software system accurately.</li> <li>The annual resident retention percentage dramatically decreased compared to the 2022 Asset Oversight report. It is imperative that the resident retention be looked at regularly and tracked accurately. It is recommended that an immediate action plan be devised to determine the leading causes of resident dissatisfaction. Once the cause is determined an action plan to improve the issue should immediately be put into place.</li> </ul> <p><b>No Findings.</b></p>



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A-Side



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B-Side



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