

Texas State Affordable Housing Corporation

High Plains Apartments 1607 Iola Avenue, Lubbock, Texas 79419

Owner: RHAC – High Plains, LLC

Date Built: 1981

Management Company: J. Allen Management

Property Manager: Michelle Gutierrez

Inspection Date & Time: April 14, 2023 at 9:30 AM

Inspector's Name: Celina Mizcles Stubbs

Occupancy at Time of Report:	98.3%	Average Occupancy Over Last 12 Months:	97%
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 -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.

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		
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance	8	Disturbance – 5, Domestic Disturbance - 3
Other	8	Party – 7, Harassment - 1

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	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		

COMMENTS: Based on the Lubbock Police Department call logs there were 26 calls that were logged between November 2022 and January 2023. Seventeen of the 26 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 when needed.

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		
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		

COMMENTS: Site management conducts quarterly inspections, and the mortgage agency conducts annual inspections.

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)		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 – see comment		
➤ Community Room			X
➤ BBQ/Picnic Area	X		
➤ Laundry Facility	X		
➤ Business Center			X
➤ Pool			X
➤ Other: iPads for tenant use	X – see comment		

COMMENTS: Management confirmed a new playground was installed in August 2022. Management also confirmed that iPads were purchased and located in the management office for tenant's 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:

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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 services are provided monthly for up to 3 buildings.			
5) What is the policy for following up on completed service requests? ➢ The Property Manager follows up with completed work orders by texting the tenant.			
6) What is the property's after-hours emergency policy? ➢ After-hours calls are answered by one of two maintenance staff members that are on-call. 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 ➢ A playscape was installed in August 2022 and iPads were purchased and available to tenants during office hours.			
11) Other repairs or replacements ➢ No other repairs or replacements.			
Number of service requests received:	19		
Number of requests open from prior periods:	0		
Number of service requests completed:	17		
Number of service requests completed within 24 hours:	0		
Number of outstanding service requests:	2		
12) On average, how many days does it take to complete a work order? ➢ On average it takes 2 days to complete work orders.			
COMMENTS: Management stated the 2 pending work orders are due to items that are on order and confirmed they are not for emergency work orders.			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth			
Resident Referral (Current/Prior)			
Locator Service			
Printed/Internet Advertising			
Other Source			
TOTAL	\$0	0	0
The rental activity reflected in the above table was for the month of: See comment			
	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: There have not been any marketing efforts since the property maintains a lengthy wait list and has been 98.3% occupied on average for the last 12 months.			

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		

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2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: N/A	6 months: N/A	12 months: 70%
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?			See comment
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		
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 February 2023 for an average increase of \$23 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: Management did not provide a report that documents how many move-outs were due to eviction for non-payment of rent or skips in the last 12 month. Management is advised to start tracking this information.			

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:			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:			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				
4	(2 bedroom, Occupied) Unit in good condition				
12	(2 bedroom, Occupied) Unit in good condition				
24	(2 bedroom, Occupied) Unit in good condition				
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	
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: Twice weekly.					
8) How many vacant units are in progress of being made ready? ➤ There are 2 vacant units.					
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.					
COMMENTS: Based on a review of the Unit Turnover Report, it takes 12 days to turn units. Management should review the policy against the time it					

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takes to actually turn the units and update the policy accordingly.

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 – see comment	
3) Explain YTD variances of 10% of greater in the charet below.							
<u>Expense Items that Varied by 10% or Greater from the Budget for Year-to-Date Operations Ending</u>							
(Please note that a positive variance is under budget and a negative variance is over budget.)							
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION		
Salaries & Benefits	\$35,821	\$31,581	(\$4,239)	(13.4%)	Salaries – Maintenance, Overtime, Group Health Insurance		
Administrative Expense	\$4,079	\$6,193	\$2,114	34%	Dues & Subscriptions and Employee Reimbursement		
Service Expenses	\$8,222	\$7,141	(\$1,081)	(15%)	Fire Alarms, /Extinguishers, Plumbing Contractors, and Misc. Other Services		
Turnover Expense	\$279	\$1,723	\$1,444	83%	Cleaning (Contract) and Materials - Painting		
Repairs/Replacement Under \$5K	\$3,797	\$11,970	\$8,172	68%	Vinyl, Refrigerators, Stoves and Dishwashers		
COMMENTS: According to management, there were 2 underground water leaks. The leaks did not negatively affect the budget as the City of Lubbock provided the property with a credit.							

REVENUE			
FOR THE MONTH ENDING: March 2023		YEAR TO DATE AS OF: March 2023	
Gross Potential	\$42,544	Gross Potential	\$126,778
Budgeted Rental Income	\$40,543	Budgeted Rental Income	\$123,943
Actual Rental Income Collected	\$44,160	Actual Rental Income Collected	\$126,188
Variance + (-)	\$3,616	Variance + (-)	\$2,244
Other Revenue	\$788	Other Revenue	\$964
Total Budgeted	\$44,948	Total Budgeted	\$125,451
Total Collected	\$41,296	Total Collected	\$127,152
Variance + (-)	\$3,652	Variance + (-)	\$1,700
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:		\$1,382
	30-60 Days:		\$0
	60 Days and Over:		(\$869)
	TOTAL		\$513

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 st and considered late on 6 th . An initial late fee is assessed on the 6 th 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 th day of the 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:		\$3,503

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	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$3,503

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) 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 attended various Grace Hill trainings			
COMMENTS:			

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.			
COMMENTS:			

SUMMARY OF OBSERVATIONS AND FINDINGS
No Observation and Findings.

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Unit 4



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