

# 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:** June 1, 2023, at 8:00 a.m.

**Inspector's Name:** Mercedes Dunmore

<b>Occupancy at Time of Report:</b>	99%	<b>Average Occupancy Over Last 12 Months:</b>	98.67%
<b>Number of Units: 148</b>			
<b>Number of One Bedrooms:</b>	N/A	<b>Number of Two Bedrooms:</b>	126
<b>Number of Three Bedrooms:</b>	18	<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 – see comment		
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) 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:** On the day of the review, building exteriors appear in good condition across the four sites that make up Peppertree Apartments, except for the issues identified and noted below. Additionally, management states due to the pending sale of the property Ownership has begun halting all repairs. TSAHC will review and monitor updates during next year's review.

### Observations:

**Waste Receptacles:** Bulk trash at all four sites was noted. Management advised their efforts in contacting local agencies such as, code enforcement and the housing authority regarding the issue of non-residents bringing their bulk items and dumping them on the property at the waste receptacles. They do not have support to help with this issue.

**Parking Repairs:** The parking lot is not in good repair. The parking lot needs to be re-stripped, and several parking spots have stains from fluid leaks. The driveway in the front of the property has many pot holes. It is recommended that management repair the holes in the parking lot to increase curb appeal.

**Monument signs:** The post holding the monument signs at two of the sites appear to be deteriorating. It is recommended that management observe the post for further damage and replace accordingly.

**Window coverings:** Across the sites, there were multiple units with damaged blinds. Management stated notices are given during quarterly inspections for the replacement of the blinds. TSAHC recommends management walk the property for lease infractions more frequently to help maintain the curb appeal of the property.

**Tree Trimming:** The reviewer noted an overgrown tree at the Southcrest site location. Management is encouraged to have the tree trimmed before the tree makes contact with the building.

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## No Findings.

### 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		
Theft		
Criminal Mischief		
Personal Assault	11	Bodily Injury (8) and Aggravated Assault (3)
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance		
Other		

	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:** The calls have slightly increased in the last year. Management states the location of the properties and residents bringing in unauthorized guests are contributing to the increase in calls. Per management, lease violations have been given for repeat offenses. Management actively walks sites during the day and security watches after hours are implemented at each site to aide with the crime on the property. The security watches are completed by a third party security company.

### 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:** Per management, a REAC inspection was conducted in April 2022 and an investor risk assessment was conducted on February 28, 2023.

### 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		
➤ Fire alarm			
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

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➤ BBQ/Picnic Area	X		
➤ Laundry Facility			X
➤ Business Center			X
➤ Pool			X
➤ Other			x

**COMMENTS:** Per management, last year's plans for the new playground installation for all four sites did not occur due to a pending sale of the property.

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		
<b>COMMENTS:</b>			

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 once a month on every third Thursday.			
5) What is the policy for following up on completed service requests?			
➤ Management calls the residents to confirm completion of each services request.			
6) What is the property's after-hours emergency policy?			
➤ The after-hours emergency calls are routed to the after-hours answering service.			
7) What capital improvements have been scheduled or completed for this budget year?			
➤ Management advised the removal of the old playground and the repaving of the parking lots are scheduled to be completed.			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>			
8) Unit Interior and Appliance upgrades			
➤ Five Appliances (stove and dishwashers) were replaced. Additionally, there were air conditioner condenser units replaced when needed.			
9) Building Exterior and Curb Appeal repairs			
➤ Building 1 had a touch up paint job.			
10) Amenity upgrades			
➤ N/A			
11) Other repairs or replacements			
➤ N/A			
Number of service requests received:	48		
Number of requests open from prior periods:	16		
Number of service requests completed:	51		
Number of service requests completed within 24 hours:	6		
Number of outstanding service requests:	13		
12) On average, how many days does it take to complete a work order?			
➤ It takes an average of 5.5 days to complete work orders.			
<b>COMMENTS:</b> Management states work orders were being finalized in the computer system once a week when brought in by the maintenance team. The Property Manager states the maintenance team is now required to submit the service request daily to ensure properly closed in the software program. Additionally, completion of service requests is often delayed due to ordering issues from the supply company.			

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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 ( <b>Southwest Housing Authority</b> )	13	13	0
Printed/Internet Advertising			
Other Source			
<b>TOTAL</b>	<b>13</b>	<b>13</b>	<b>0</b>
<b>The rental activity reflected in the above table was for the month of: May 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	
<b>COMMENTS:</b> Management states the "Other" column on the Primary Advertising Source Evaluation Report has been mislabeled. The only marketing source is attained by the Local Housing Authority as listed on the chart above.			

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: 77%
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?	6.76%		
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 rental increase was implemented in 2021. The average rental increase was \$22 across all bedroom sizes.			
9) How many households are currently on month-to-month leases? ➤ N/A			
10) 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:	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
<b>Units Walked</b>	
<b>Unit #</b>	<b>Brief Description</b>
6516	2x1 – Make ready in progress
6506	2x1 - Make ready in progress

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Down Units Walked (units vacant and unready for extended period and all down units)			
Unit #	Brief Description		
N/A			
		<b>YES</b>	<b>NO</b>
			<b>N/A</b>
1)	Does the Unit Availability Report match the make ready board?		X – see comment
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: Weekly		
8)	How many vacant units are in progress of being made ready? ➤ There are currently two vacant units in the process of being made ready.		
9)	What is the company policy on the number of days to turn vacant units? ➤ Seven days		
<b>COMMENTS:</b> Management states the availability report differs from the vacancy on the make ready boards due to the ownership transition and updating the software program due to the ownership changes. Additionally, management states the software program does not reflect the current move outs until said changes are made. Management is reminded to consistently and accurately report each unit's availability.			

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 Expense		\$32,912	\$22,365	(\$10,547)	(47.16%)	Fees/Licenses/Permits, Employee Reimbursements, and Credit Checks	
Maintenance Expense		\$12,231	\$7,227	(\$5,004)	(69.23%)	Appliances, Drapes/Blinds, and HVAC	
Turnover Expense		\$4,999	\$6,000	\$1,001	(16.68%)	Painting and Repair Materials	
Repairs/Replacements Under \$5K		\$10,807	\$52,004	\$41,197	(79.21%)	Tub, Plumbing, and Other	
COMMENTS:							

REVENUE					
FOR THE MONTH ENDING: April 2023			YEAR TO DATE AS OF: April 2023		
Gross Potential	\$120,106		Gross Potential	\$480,424	
Budgeted Rental Income	\$120,106		Budgeted Rental Income	\$480,424	
Actual Rental Income Collected	\$114,036		Actual Rental Income Collected	\$476,880	
Variance + (-)	(\$6,070)		Variance + (-)	(\$3,544)	
Other Revenue	\$722		Other Revenue	(\$7,588)	
Total Budgeted	\$116,483		Total Budgeted	\$467,555	
Total Collected	\$114,758		Total Collected	\$469,292	

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Variance + (-)	(\$1,725)	Variance + (-)	\$1,737
<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> This section of the report was completed by using the Vendor Aging Report dated 5/17/2023.	0-30 Days:		\$448
	30-60 Days:		\$0
	60 Days and Over:		\$0
	TOTAL		\$448

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 1st of every month and by the 6th is considered late with a \$5 initial fee and then \$1 every day until rent is paid in full.			
3) When is legal action taken against delinquent accounts?			
➤ Legal action is taken 30 days after delinquency.			
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 of the report was completed by using the Delinquency and Prepaid Report dated 5/24/2023.	0-30 Days:		\$3,964
	30-60 Days:		(\$1,082)
	60 Days and Over:		(\$9,523)
	TOTAL		(\$6,641)

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.			
➤ Conflict Resolution, Fair Housing, Reasonable Accommodation Request, and Sexual Harassment Training.			
<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	X		

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released by the owner according to what has been budgeted?			
4) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Approval is required for any expense over \$500.			
<b>COMMENTS:</b>			

## SUMMARY OF OBSERVATIONS AND FINDINGS

**Observations:**

**Waste Receptacles:** Bulk trash at all four sites was noted. Management advised their efforts in contacting local agencies such as, code enforcement and the housing authority regarding the issue of non-residents bringing their bulk items and dumping them on the property at the waste receptacles. They do not have support to help with this issue.

**Parking Repairs:** The parking lot is not in good repair. The parking lot needs to be re-stripped, and several parking spots have stains from fluid leaks. The driveway in the front of the property has many pot holes. It is recommended that management repair the holes in the parking lot to increase curb appeal.

**Monument signs:** The post holding the monument signs at two of the sites appear to be deteriorating. It is recommended that management observe the post for further damage and replace accordingly.

**Window coverings:** Across the sites, there were multiple units with damaged blinds. Management stated notices are given during quarterly inspections for the replacement of the blinds. TSAHC recommends management walk the property for lease infractions more frequently to help maintain the curb appeal of the property.

**Tree Trimming:** The reviewer noted an overgrown tree at the Southcrest site location. Management is encouraged to have the tree trimmed before the tree makes contact with the building.

**No Findings.**





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