

Texas State Affordable Housing Corporation

Salem Village			
5201 John Stockbauer, Victoria, TX 77904			
Owner: RHAC-Salem Village, LLC		Date Built: 1981	
Management Company: J. Allen Management Co.		Property Manager: Shannon Codeway	
Inspection Date & Time: May 16, 2023, at 9:00 A.M.		Inspector's Name: James Matias	
Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	99%
Number of Units: 105			
Number of One Bedrooms:	40	Number of Two Bedrooms:	46
Number of Three Bedrooms:	17	Number of Four Bedrooms:	2

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) 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 site visit the property grounds and common areas were found to be well kept and in good condition. The fences, sidewalks, and curbs were clean, and in good condition. The parking lot had a few low spots where recent rains created puddles. Most of the yard was cut, but because of the large amount of recent rain, there are a few areas where they cannot mow. Management stated the landscaper would be out as soon as the area dries to finish.

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	2	Lapsed Assault (2)
Drug Related Activity	1	
Gun Related Activity		
Domestic Violence		
Disturbance	7	Disturbance (4), Loud (3)
Other	3	Threats (2), Intoxicated person (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		
4) Are light checks conducted by management staff on a weekly basis? If not, add comment.	X		
COMMENTS: To address crime on the property the Victoria Police department patrols regularly. In addition, the property currently has two security cameras. Light checks are completed weekly by maintenance			

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: The Regional Manager stated that she conducts a risk assessment annually.			

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 (see comments)	
7) Does the property require licenses or permits? ➤ (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 (Pergola)	X		
COMMENTS: The property uses a third party compliance department to review new move in and renewal files.			

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? ➤ Five buildings are treated for pest control bi-weekly. Each unit gets treated at least quarterly according to management.			
5)	What is the policy for following up on completed service requests? ➤ The property manager stated they follow up with all work orders.			
6)	What is the property's after-hours emergency policy? ➤ Ring Central answers all after-hours calls. The calls are directed to the property manager.			
7)	What capital improvements have been scheduled or completed for this budget year? ➤ No Capital improvements have been scheduled or completed for this budget year.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year				
8)	Unit Interior and Appliance upgrades ➤ In 2022 storage unit sheetrock, framing, and doors were replaced (20 units).			
9)	Building Exterior and Curb Appeal repairs ➤ Fascia boards and trim were replaced as needed in 2022.			
10)	Amenity upgrades ➤ None			
11)	Other repairs or replacements ➤ None			
Number of service requests received:		28		
Number of requests open from prior periods:		0		
Number of service requests completed:		28		
Number of service requests completed within 24 hours:		27		
Number of outstanding service requests:		0		
12)	On average, how many days does it take to complete a work order? ➤ It takes less than 24 hours to complete a work order. In most cases, work orders are completed the same day.			
COMMENTS: The maintenance team appears to be doing a great job completing work promptly.				

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	5	
Resident Referral (Current/Prior)	\$0		
Locator Service	\$0		
Printed/Internet Advertising	\$0		
Other Source	\$0	30	1
TOTAL	\$0	35	1
The rental activity reflected in the above table is from January 1, 2023, through April 30, 2023.			
	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: The property is not currently doing any marketing and fills units from a waiting list in most cases. The property's waiting list length for the one bedroom is 2 years, three bedrooms is 1.5 years, and 2 bedrooms is 6 months. Management is encouraged to attempt to identify where the prospect came from. Currently 85% of the traffic is listed as "Other".			

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: 83.3% (April)	6 months: 81.5%	12 months: 76.2%
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?	0%		
4) Are lease renewal notices sent to residents at the 120-day, 90-day, 60-day and 30-day timeframes prior to 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 in October 2022. The increases are as follows, one bedrooms \$1, two bedrooms \$4, three bedrooms \$12 and four bedrooms didn't get a rent increase			
9) How many households are currently on month-to-month leases? ➤ None			
10) 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:				0	
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:				0	
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:				0	
9) Number of uncompleted three-bedroom units at time of activity report:				0	
Units Walked					
Unit #	Brief Description				
11A	1 x 1, Occupied				
23D	2 x 1, Occupied. The water heater was leaking in the water heater closet				
27A	3 x 1, Occupied. One smoke detector needed a battery, which was replaced while I was in the unit. Guest bedroom blinds need replacement.				
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: Daily					
8) How many vacant units are in progress of being made ready? ➤ None					

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9) What is the company policy on the number of days to turn vacant units?
➤ The company policy for turning vacant units is 5 business days.
COMMENTS: Staff appear to be doing a great job turning vacant units in a timely manner. Prior to the submission of this report management provided completed work orders for units 23D (water heater) and 27A (blinds).

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.						
<div><u>Expense Items that Varied by 10% or Greater from the Budget for Year-to-Date Operations Ending</u></div> <div>(Please note that a positive variance is under budget and a negative variance is over budget.)</div>							
EXPENSE ITEM		ACTUAL	BUDGET	VARIANCE	%	EXPLANATION	
Salaries and Benefits		\$58,266	\$51,601	(\$6,665)	(12.9%)	Group Health Insurance, Overtime	
Leasing Expenses		\$675	\$600	(\$75)	(12.5%)	Promotions and Entertainment	
Maintenance Expenses		\$6,063	\$4,955	(\$1,109)	(22.4%)	Electrical/Lights, HVAC, Plumbing	
Turnover Expenses		\$1,644	\$2,000	\$356	17.8%	Materials – Repairs	
COMMENTS:							

REVENUE			
FOR THE MONTH ENDING: APRIL 30, 2023		YEAR TO DATE AS OF: APRIL 30, 2023	
Gross Potential	\$77,570	Gross Potential	\$310,280
Budgeted Rental Income	\$77,720	Budgeted Rental Income	\$309,961
Actual Rental Income Collected	\$77,088	Actual Rental Income Collected	\$308,539
Variance + (-)	(\$632)	Variance + (-)	(\$1,422)
Other Revenue	\$915	Other Revenue	\$1,956
Total Budgeted	\$78,117	Total Budgeted	\$312,258
Total Collected	\$78,003	Total Collected	\$310,495
Variance + (-)	(\$114)	Variance + (-)	(\$1,763)
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: The Vendor Aging Report reviewed was through 5/15/2023.	0-30 Days:		\$593.78
	30-60 Days:		(\$68.00)
	60 Days and Over:		(\$1,078.92)
	TOTAL		(\$553.14)

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 the month and late on the 6 th . On the 6 th day, a \$5 initial late fee is assessed, in addition to a \$1 daily late fee for a maximum of \$30.			
3) When is legal action taken against delinquent accounts?			
➤ Legal action is taken only after a 10-day notice and 3-day notice to vacate are issued.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?		X	

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COMMENTS: The Delinquency and Prepaid Report reviewed was through 5/15/2023.	0-30 Days:		\$728.50
	30-60 Days:		\$85.00
	60 Days and Over:		(\$1,449)
	TOTAL		(\$635.50)

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 the 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 (see comments)		
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. ➤ Managers attended and completed webinars on the following Grace Hill trainings: Fair housing, time management, conflict resolution, and LIHTC eligibility.			
COMMENTS: In the last year the property hired a new assistant manager and new maintenance technician.			

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 (see comments)	
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? ➤ The manager and property manager need to ask for approval for all items unbudgeted or over budget.			
COMMENTS: The site manager is required to submit monthly reports to the owner (unit availability, unit turnover, and delinquency).			

SUMMARY OF OBSERVATIONS AND FINDINGS
No observations or findings.

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