

Texas State Affordable Housing Corporation

Spring Terrace Apartments

2600 S. Spring St., Amarillo, Texas 79109

Owner: RHAC – Spring Terrace Apartments, LLC

Date Built: 1983

Management Company: J. Allen Management Co., Inc.

Property Manager: Shasta Keomany

Inspection Date & Time: July 21, 2023 at 9:00 am

Inspector's Name: Mercedes Dunmore

Occupancy at Time of Report:	100%	Average Occupancy Over Last 12 Months:	99%
Number of Units: 50			
Number of One Bedrooms:	N/A	Number of Two Bedrooms:	40
Number of Three Bedrooms:	10	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) 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: This year's review was completed virtually. Overall, the property is in good repair with the exception of the reviewer noticing white substance on the roof tops of several buildings. Management confirms this residue is due to the roof being wet. Additionally, a few parking spaces presented oil build-up and residue.

Observation:

- Management is encouraged to work with the Landscaping Vendor as there are landscaping issues in several areas throughout the property. The grass appeared to be overgrown and there is grass coming through sidewalk cracks. Doing this will improve the property's curb appeal. In addition, management should consider updating the landscaping schedule to more frequent visits, as budget allows, to assist with the overgrown grass in multiple areas throughout the property.

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	2	
Theft		
Criminal Mischief		
Personal Assault		

Texas State Affordable Housing Corporation

Drug Related Activity				
Gun Related Activity				
Domestic Violence				
Disturbance	2	Domestic Disturbance (1) and Disturbance (1)		
Other	3	Suspicious Activity		
			YES	NO
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: This section of the report was completed using the 911 calls from the local Police Department dated between April 2023 through June 2023.				

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 most recent risk assessment was conducted in March 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 Extinguisher			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: Basketball Court			X		
COMMENTS:					

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		

Texas State Affordable Housing Corporation

COMMENTS:

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? <ul style="list-style-type: none"> ➢ Pest control services are provided once per month and as needed based on call backs. 			
5) What is the policy for following up on completed service requests? <ul style="list-style-type: none"> ➢ The Property Manager follows up on all completed service requests by calling the tenants to ensure completion. 			
6) What is the property's after-hours emergency policy? <ul style="list-style-type: none"> ➢ The tenants call the office which routes the Property Manager. The Property Manager then contacts maintenance for all emergency after-hour calls. 			
7) What capital improvements have been scheduled or completed for this budget year? N/A – see comment below.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

8) Unit Interior and Appliance upgrades <ul style="list-style-type: none"> ➢ N/A 			
9) Building Exterior and Curb Appeal repairs <ul style="list-style-type: none"> ➢ The parking lot was restriped and repainted. 			
10) Amenity upgrades <ul style="list-style-type: none"> ➢ N/A 			
11) Other repairs or replacements <ul style="list-style-type: none"> ➢ Drain repairs for the tub and sinks in two units were completed. 			
Number of service requests received:	16		
Number of requests open from prior periods:	0		
Number of service requests completed:	16		
Number of service requests completed within 24 hours:	16		
Number of outstanding service requests:	0		
12) On average, how many days does it take to complete a work order? <ul style="list-style-type: none"> ➢ On average it takes 24 hours to complete a work order. 			

COMMENTS: Per management, all capital improvements and repairs have been halted due to the future sale of the property. Management states the roofs are coming to the end of its life expectancy which is causing issues with leaking throughout the property. Management maintains that while major repairs have been paused, they are keeping a watch on any major and minor issues with the roof.

MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	39	0
Resident Referral (Current/Prior)	\$0	18	0
Locator Service	\$0	0	0
Printed/Internet Advertising (Apartments.com)	\$0	0	0
Other Source	\$0	9	0
TOTAL	\$0	66	0

The rental activity reflected in the above table was for the month of: July 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: Management confirms any application received the prospects are placed on the waiting list. The two-bedroom waitlist is currently two months long and the three-bedroom waitlist is six months.

Texas State Affordable Housing Corporation

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: See finding	6 months:	12 months:
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?		15%		
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 most recent rent increase was implemented in February 2022. The average increase was \$16.50.				
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				
COMMENTS: The Property Manager confirms a file audit is conducted once a month to help keep files in order. The audit is at random and only a few files are selected each month.				
Finding:				
<ul style="list-style-type: none"> • The reviewer is unable to determine the percentage of residents renewing at the current, six-month, and twelve-month timeframes based on the report provided. Management is required to submit to TSAHC a completed monthly lease expiration report from September 2022 through August 2023 to detail the number of renewals for each period as outlined above. The corrective actions are due to TSAHC no later than 10/6/2023. 				

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			
39	Occupied			
41	Occupied			
50	Occupied			
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		

Texas State Affordable Housing Corporation

6) How often are occupied units inspected? ➤ Occupied units are inspected: Quarterly
7) How often are vacant units inspected? ➤ Vacant units are inspected: Daily until unit turn is completed.
8) How many vacant units are in progress of being made ready? ➤ There are currently no units in the make ready process.
9) What is the company policy on the number of days to turn vacant units? ➤ The company's policy is to turn vacant units within three to seven days.
COMMENTS: Per management, vacant units are inspected daily and once a turn is completed there is a move-in directly after.

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 chart below.			

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
Maintenance Expenses	\$6,595	\$5,008	(\$1,587)	(31.68%)	HVAC, Plumbing, and Cleaning Supplies
Service Expenses	\$5,709	\$8,009	\$2,300	28.71	Landscaping and Pest Control
Turnover expenses	\$3,079	\$3,700	\$621	16.77	Painting Material

COMMENTS: Management advised the maintenance variances are due to the equipment purchased to prepare for the summer weather. Management replaced pumps and lines for the HVAC units and routine drain replacements for plumbing. Additionally, the Service expense variance can be attributed to the Landscaping vendor only coming out to the property during the summer months starting in May until late August.

REVENUE					
FOR THE MONTH ENDING: May 2023			YEAR TO DATE AS OF: May 2023		
Gross Potential		\$40,908	Gross Potential		\$204,380
Budgeted Rental Income		\$41,250	Budgeted Rental Income		\$205,430
Actual Rental Income Collected		\$39,556	Actual Rental Income Collected		\$200,126
Variance + (-)		(\$342)	Variance + (-)		(\$1,050)
Other Revenue		\$2,888	Other Revenue		\$3,525
Total Budgeted		\$42,444	Total Budgeted		\$203,651
Total Collected		\$41,484	Total Collected		\$206,125
Variance + (-)		\$960	Variance + (-)		(\$2,474)

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:		\$1,095
	30-60 Days:		\$0
	60 Days and Over:		(\$2,409)
	TOTAL		(\$1,314)

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the rent collection policy?			

Texas State Affordable Housing Corporation

➤ Rent is due on the 1st of the month and late on the 6th. A \$5 late fee is applied on the 6th and \$1 is applied every day until the rent is paid or until the last day of the month.			
3) When is legal action taken against delinquent accounts? ➤ Evictions are filed on the 22 nd 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:		\$450
	30-60 Days:		(\$1,067)
	60 Days and Over:		(\$505)
	TOTAL		(\$1,122)

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. ➤ The site staff has taken various Grace Hill Trainings, including Sexual Harassment, Fair Housing, and Work Place Violence courses.			
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? ➤ Management is required to obtain owner's approval for expenses over \$500 for the Property Manager and \$1000 for the Regional Manager.			
COMMENTS:			

SUMMARY OF OBSERVATIONS AND FINDINGS
<p>Observation:</p> <ul style="list-style-type: none"> Management is encouraged to work with the Landscaping Vendor as there are landscaping issues in several areas throughout the property. The grass appeared to be overgrown and there is grass coming through sidewalk cracks. Doing this will improve the property's curb appeal. In addition, management should consider updating the landscaping schedule to more frequent visits, as budget allows, to assist with the overgrown grass in multiple areas throughout the property. <p>Finding:</p> <ul style="list-style-type: none"> The reviewer is unable to determine the percentage of residents renewing at the current, six-month, and twelve-month timeframes based on the report provided. Management is required to submit to TSAHC a completed monthly lease expiration report from September 2022 through August 2023 to detail the number of renewals for each period as outlined above. The corrective actions are due to TSAHC no later than 10/6/2023.

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Roof Damage



Build up residue in parking area



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