

Texas State Affordable Housing Corporation

Fawn Ridge Apartments

12420 Sawmill Rd., The Woodlands, Texas 77380

Owner: EC Fawn Ridge, LCC

Date Built: 1979

Management Company: Envolve Community

Property Manager: Teresa Pope

Inspection Date & Time: December 16, 2021 at 9:30 a.m.

Inspector's Name: Celina Stubbs

Occupancy at Time of Report:	99%	Average Occupancy Over Last 12 Months:	91.5%
Number of Units: 120			
Number of One Bedrooms:	32	Number of Two Bedrooms:	56
Number of Three Bedrooms:	32	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 – see comment		
6) Are the grounds free of erosion, foot paths and tree root elevation?	X – see comment		
7) Are sidewalks clean and in good repair?	X		
8) Is parking lot clean and in good repair with handicap parking clearly marked?	X		
9) Are recreational/common areas clean, maintained and accessible?	X		
10) Are laundry facilities clean, maintained and accessible?	X		
11) Is facility equipment operable and in acceptable condition?	X		
12) Is the area around the waste receptacles clean and are the enclosures in good repair?	X – see comment		
13) Is the exterior of the buildings in acceptable condition?	X		
14) Are hallways 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: Overall, the property appears to be in good condition. The site sign is clean and visible to the public, and sidewalks are in good repair. There were a few items discussed with management based on the property photos that were submitted for review which include, peeling paint on several stair rails, areas of erosion, dead bushes, and footpaths around a couple of property buildings. Management informed TSAHC that the items mentioned will be taken care of as part of the property-wide rehabilitation.

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		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		

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Disturbance	5			
Other	6	Family Violence (2), Suspicious Activity (2), Trespassing (1), and Noise (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		
4)	Are light checks conducted by management staff on a weekly basis? If not, add comment.	X		
COMMENTS: The local police department call log report was submitted for review, there were a total of 53 calls logged from 8/3/2021 through 11/10/2021. Eleven of the 53 calls are listed above. Management utilizes a Crime-Free Policy and has a courtesy officer who lives on site. The courtesy officer walked the property at night and random times and notifies the property manager of any issues. The courtesy officer also conducts the nightly light checks.				

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		
➤	Are criminal background checks being conducted on residents as they age to be 18 while living in the unit?	X		
4)	Has a risk assessment been conducted to determine risk liabilities at the property? If yes, when?	X		
COMMENTS: The Regional Manager conducts monthly community risk liabilities 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?	X		
➤	Fire extinguisher and sprinkler system	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 (Computer and tutoring area)	X		
➤	BBQ/Picnic Area			X – see comment
➤	Laundry Facility	X		
➤	Business Center	X		
➤	Pool			X
➤	Other			X
COMMENTS: BBQ and picnic areas are scheduled to be installed as part of the property-wide rehab.				

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:				

MAINTENANCE PROGRAM		YES	NO	N/A
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1) Does the property have a preventative maintenance program?	X		
2) Is the preventative maintenance schedule being implemented?	X		
3) Is the maintenance shop clean and organized?	X		
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
5) How often are Pest Control services provided? ➢ Due to covid, pest control services are currently being provided upon request.			
6) What is the policy for following up on completed service requests? ➢ Management staff follows up on completed work request on a weekly basis.			
7) What is the property's after-hours emergency policy? ➢ The answer service transfers calls to the on-call maintenance staff.			
8) What capital improvements have been scheduled or completed for this budget year? ➢ N/A – no capital improvements have been completed this year.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

9) Unit Interior and Appliance upgrades ➢ N/A – Please see attached rehab questionnaire.			
10) Building Exterior and Curb Appeal repairs ➢ N/A – Please see attached rehab questionnaire.			
11) Amenity upgrades ➢ N/A – Please see attached rehab questionnaire.			
12) Other repairs or replacements ➢ N/A – Please see attached rehab questionnaire.			
Number of service requests received:	53		
Number of requests open from prior periods:	0		
Number of service requests completed:	53		
Number of service requests completed within 24 hours:	41		
Number of outstanding service requests:	53		
13) On average, how many days does it take to complete a work order? ➢ On average, it takes 2.5 days to complete a work order.			
COMMENTS: The Work Order activity report dated 11/4/2021 through 12/3/2021 was submitted for review.			

MARKETING

1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth: Yardi Letters		1	
Flyers			
Resident Referral			
Locator Service			
Printed/Internet Advertising: Property website including RentCafe	\$921.60	50	4
Other Source		1	
TOTAL	\$921.60	52	4
The rental activity reflected in the above table was for the month of: 11/6/2021 – 12/6/2021			
	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: According to management, there are two affordable multifamily apartment communities. Management completes market surveys on the affordable communities in the area. The Conversion Ratio report was used to complete 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: 100%	6 months: 58%	12 months: 78.1%

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3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?			6%
4) Are lease renewal/rent increase 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) Are rent increases being implemented?	X		
9) When was the last rent increase implemented? What was the average rent increase? ➢ The last rent increase was due to a HUD gross rent change; however it did not increase the tenant rent.			
10) How many households are currently on month-to-month leases? ➢ N/A – Month-to-month leases are not offered.			
11) 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:			1		
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:			1		
7) Number of uncompleted one bedroom units at time of activity report:			1		
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				
15	(3x1) Occupied: The unit is in good condition.				
89	(1x1) Occupied: The unit is in good condition.				
99	(1x1) Occupied: The unit is in good condition.				
Down Units Walked (units vacant and unready for extended period of time 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 of time? 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: Semi-annual					
7) How often are vacant units inspected? ➤ Vacant units are inspected: At the time of move-out and move-in					
8) How many vacant units are in progress of being made ready? ➤ There is one unit in the make-ready process.					
9) What is the company policy on the number of days to turn vacant units? ➤ The company policy is to turn units in 5-10 business days.					
COMMENTS:					

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BUDGET MANAGEMENT	YES	NO	N/A
1) Are three bids solicited in order to obtain materials, supplies, and services? ➤ Management must obtain three bids for supplies or materials over \$5,000.			
2) Have there been any large unexpected repairs or purchases that have negatively affected the current budget? ➤ There has not been repairs or purchases that negatively affected the budget.			
3) Explain YTD variances of 10% or greater.			

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
Administrative Expenses	\$117,035	\$87,467	-\$29,568	-33%	Office Supplies, Bad Debt and Travel

COMMENTS:

REVENUE			
FOR THE MONTH ENDING: November 2021		YEAR TO DATE AS OF: November 2021	
Gross Potential	\$113,725	Gross Potential	\$1,260,071
Budgeted Rental Income	\$115,987	Budgeted Rental Income	\$1,156,459
Actual Rental Income Collected	\$134,211	Actual Rental Income Collected	\$1,280,401
Variance + (-)	\$18,224	Variance + (-)	\$123,942
Other Revenue	\$496	Other Revenue	\$12,587
Total Collected	\$130,573	Total Collected	\$1,244,133
Budgeted	\$110,840	Budgeted	\$1,099,538
Variance + (-)	\$19,733	Variance + (-)	\$144,595

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 Aging Detail report dated 12/1/2021 was used to complete this section.	0-30 Days:		\$1,277
	30-60 Days:		\$381
	60 Days and Over:		\$0
	TOTAL		\$1,658

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 and late on the 6 th . An initial late fee of \$5 is assessed on the 6 th day and a \$1 daily fee thereafter.			
3) When is legal action taken against delinquent accounts? ➤ Legal action is taken between that 17 th – 19 th of the month.			
4) Does the property currently have any resident(s) under eviction?		X	
5) Does Housing have any outstanding balances?	X		
COMMENTS: The Delinquency Report dated 12/1/2021 was used to complete this section. The current balance is high due the date of the report. In addition, management confirmed unit 50 has a delinquent amount of \$4,571 that is due to a housing assistance payment.	0-30 Days:		\$129,118
	30-60 Days:		\$3,352
	60 Days and Over:		\$3,610
	TOTAL		\$136,080

RETURNED CHECKS	YES	NO	N/A
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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) Are name tags/photo IDs being worn by the maintenance personnel?			X
7) Was management staff prepared for the site visit?	X		
8) Has staff turnover occurred since the last site review?		X	
9) Are weekly staff meetings held?		X	
10) Have personnel been trained in Fair Housing?	X		

11) List training staff has received in the past year.
 ➤ Management is required to attend training throughout the year through Envolve University, an in-house management training program.

COMMENTS: Site staff meetings are held as needed.

OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to the software system utilized to manage the property?			
2) How often are reports submitted to the owner? ➤ Owner has access to the management software system and pulls reports at their discretion.			
3) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Management must receive owner approval for unbudgeted and over budget items greater than \$250.			
4) 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		

COMMENTS:

SUMMARY OF OBSERVATIONS AND FINDINGS
No Observation or Findings.

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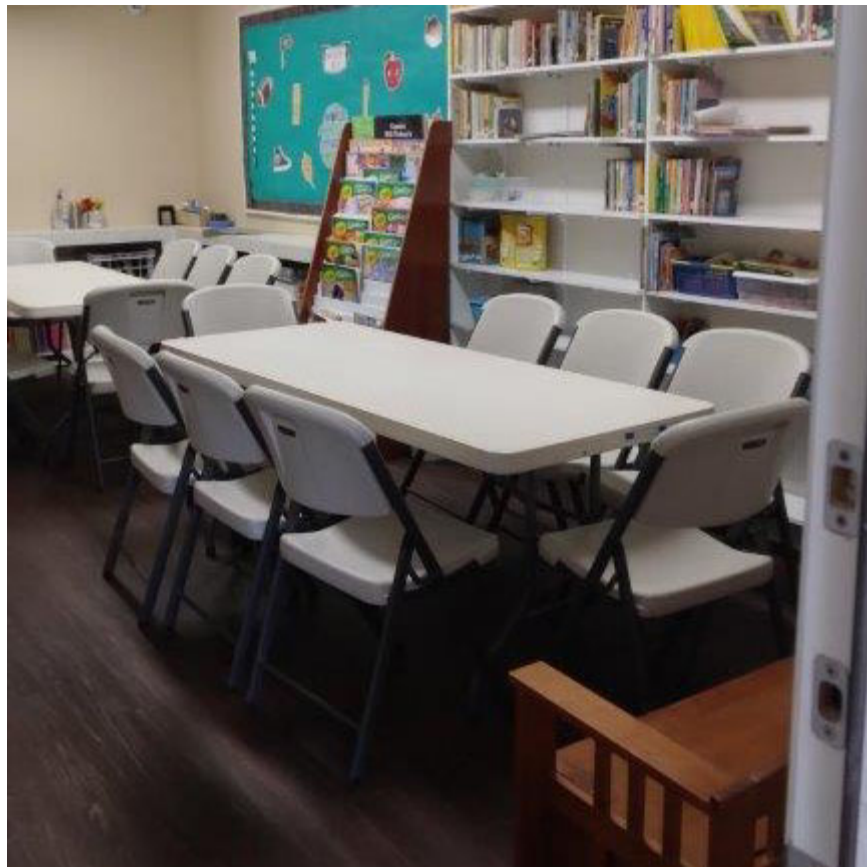




One of two playgrounds



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