

Texas State Affordable Housing Corporation

Shady Oaks Manor Apartments 6148 San Villa Dr., Ft. Worth, Texas 76135

Owner: LRC Shady Oaks Manor, LLC

Date Built: 1979

Management Company: Envolve, LLC

Property Manager: Tywonji Gordon

Inspection Date & Time: December 14, 2021 at 9:30 a.m.

Inspector's Name: Celina Stubbs

Occupancy at Time of Report:	97.1%	Average Occupancy Over Last 12 Months:	93.2%
Number of Units: 138			
Number of One Bedrooms:	130	Number of Two Bedrooms:	8
Number of Three Bedrooms:	N/A	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) 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		
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: Based on the photos that were submitted for review, the property appears to be in overall good condition. The property completed a property-wide rehab. The access gates are closed from 9:00 pm to 6:00 a.m. and open during the day. The property sign is clean and visible to the public.

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	
Theft		
Criminal Mischief		
Personal Assault		
Drug Related Activity		
Gun Related Activity		
Domestic Violence		
Disturbance		
Other		

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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 – see comment	

COMMENTS: Management provided the reviewer with 6 months of police department call log reports (June – November 2021). Only one incident, as noted above, has occurred in that time frame. Management disclosed there are 20 surveillance cameras throughout the property that are monitored in-house to assist in keeping the community safe. Cameras are also utilized to review incidents that violate the lease contract.

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 owner's insurance agent conducts annual risk assessments, and the Regional Manager conducts them monthly.

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 and Fire Lanes.			
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 (describe): Horseshoe pit	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		

COMMENTS:

MAINTENANCE PROGRAM	YES	NO	N/A
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		

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4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
5) How often are Pest Control services provided? ➤ Pest control services are provided weekly. Two buildings are services during each service in addition to requested unit service.			
6) What is the policy for following up on completed service requests? ➤ Management conducts call-backs every Friday.			
7) What is the property's after-hours emergency policy? ➤ The property's answering service forwards emergency calls to the maintenance staff member on call. If they are not reached, they contact the property manager.			
8) What capital improvements have been scheduled or completed for this budget year? ➤ N/A – The property recently completed a property-wide rehab therefore no capital improvements have been completed on the budget. The Rehab Questionnaire is attached to the report.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
9) Unit Interior and Appliance upgrades ➤ N/A – please refer to the rehab questionnaire.			
10) Building Exterior and Curb Appeal repairs ➤ N/A – please refer to the rehab questionnaire.			
11) Amenity upgrades ➤ N/A – please refer to the rehab questionnaire.			
12) Other repairs or replacements ➤ N/A – please refer to the rehab questionnaire.			
Number of service requests received:	24		
Number of requests open from prior periods:	0		
Number of service requests completed:	24		
Number of service requests completed within 24 hours:	21		
Number of outstanding service requests:	0		
13) On average, how many days does it take to complete a work order? ➤ On average it takes 2.5 day to complete a work order.			
COMMENTS: The Work Order List dated 11/10/21 through 12/16/2021 was provided 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			
Flyers			
Resident Referral			
Locator Service			
Printed/Internet Advertising: Property Website including Rent Cafe	\$2,750	23	
Other Source: Other (9) and Application Approved (4)		13	4
TOTAL	\$2,750	36	4
The rental activity reflected in the above table was for the month of: 11/12/2021 – 12/13/2021			
	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: The traffic source types currently being used on the Traffic Details report for example, "other" and "application approved" should be revised. TSAHC recommends management consider adding more specific type of sources like curb appeal, word of mouth and/or resident referral.			

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: 81%
3) What percentage of move-outs in the last 12 months were due to eviction/non-payment of rent or "skip"?			0%

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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 implemented in November 2021 with an average increase of \$16 dollars.			
10) How many households are currently on month-to-month leases? ➤ 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:		3	
2)	Number of completed made ready units at time of activity report:		2	
3)	Number of completed one-bedroom units at time of activity report:		2	
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			
6112F	(1x1) Vacant: This unit is made-ready.			
6117B	(1x1) Occupied: The unit is in good condition.			
6128C	(1x1) Vacant: Unit in the make-ready process. It is almost complete.			
6128D	(1x1) Vacant: This unit is made-ready.			
Down Units Walked (units vacant and unready for extended period and all down units)				
Unit #	Brief Description			
NA				
		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: Weekly				
8) How many vacant units are in progress of being made ready? ➤ There are two units that are 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 within 2-5 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 in order to obtain materials, supplies and services.							
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? ➤ Management disclosed they had a plumbing repair that affected the budget.							
3) Explain YTD variances of 10% or greater.							
<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	
Property Operating Expenses		\$591,714	\$530,712	-\$61,002	-11%	Building Repair & Maintenance, Covid-19 Expenses, Contract Plumbing, Contract Carpet Repairs/Cleaning, and Overtime Wage Maintenance	
COMMENTS:							

REVENUE			
FOR THE MONTH ENDING: November 2021		YEAR TO DATE AS OF: November 2021	
Gross Potential	\$250,800	Gross Potential	\$1,379,400
Budgeted Rental Income	\$211,031	Budgeted Rental Income	\$1,154,813
Actual Rental Income Collected	\$238,022	Actual Rental Income Collected	\$1,283,626
Variance + (-)	\$26,991	Variance + (-)	\$128,813
Other Revenue	\$1,003	Other Revenue	\$8,643
Total Collected	\$211,031	Total Collected	\$1,292,269
Budgeted	\$238,922	Budgeted	\$1,160,793
Variance + (-)	\$26,991	Variance + (-)	\$131,476
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 12/13/2021 was used to complete this section. Management confirmed that the balance noted over 60-days is for Evolve Community management fees that are scheduled to be paid at the end of the year.					0-30 Days:		\$218
					30-60 Days:		\$0
					60 Days and Over:		\$2,628
					TOTAL		\$2,846

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 12/31/2021 was used to complete this section. The current 30-day balance is due to housing assistance payments for new move-ins that have not been received.					0-30 Days:		\$10,062
					30-60 Days:		\$2,051
					60 Days and Over:		-\$91
					TOTAL		\$12,022

RETURNED CHECKS					YES	NO	N/A
1) Total number of returned checks in the past 3 months:						1	

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2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		
COMMENTS: The proper fee of \$35 was assessed to one tenant in the last 3 months.			

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 magnet training program.			
COMMENTS: Management confirmed that there has not been staff turnover in the last 12 months. In addition, site management holds bi-weekly meetings.			

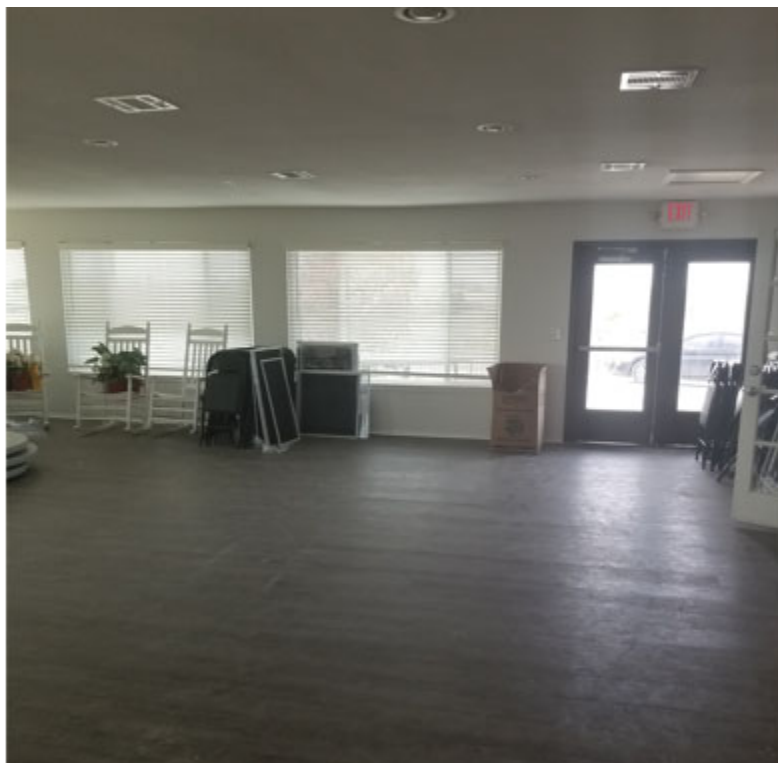
OWNER PARTICIPATION		YES	NO	N/A
1)	Does the owner have access to the software system utilized to manage the property?	X		
2)	How often are reports submitted to the owner? ➤ Owner has access to the management software system and pulls reports at their discretion.			
3)	What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Management must receive approval for unbudgeted and over budget items over \$5,00 from the Senior Vice President and items over \$10,000 need Owner approval.			
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 Observations or Findings.

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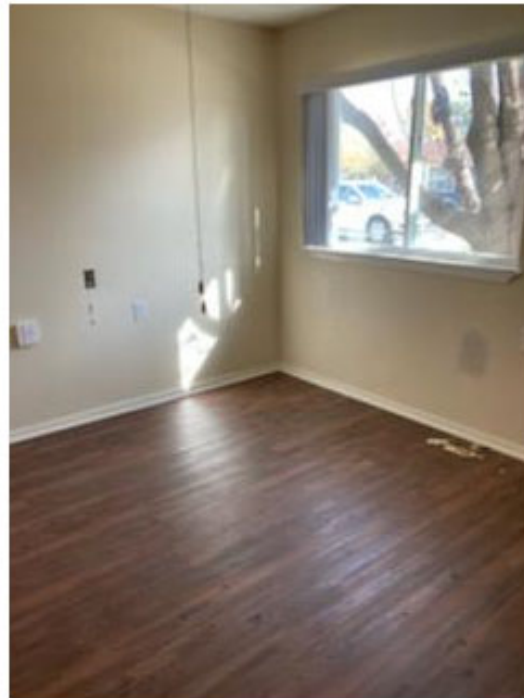
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