

Texas State Affordable Housing Corporation Compliance Review Observation Report

Fawn Ridge Apartments
12420 Sawmill Road Woodlands, Texas 77380

Owner: EC Fawn Ridge, LLC **Date Built: 1979**
Management Company: Envolve Communities **Property Manager: Teresa Pope**
Inspection Date & Time: September 15 at 8:30 a.m. **Inspector's Name: James Matias**

Number of Units: 120 **Number of required LI units:** 48 **Number of required VLI units:** N/A

COMPLIANCE AUDIT	YES	NO	N/A
1) Are procedures that ensure compliance with the set aside requirements and rent requirements effective?	X		
2) Is the property accepting Section 8 households?	X		
3) Is the income to rent ratio for Section 8 households less than 2.5?	X		
4) Are the rent increases smaller than 5%?	X		
5) Does the Application for Tenancy or Occupancy Qualifications exclude language that may appear to be discriminatory?	X		
6) Does the lease or rental agreement inform the resident of Very Low Income/Low Income Recertification requirements?	X		
7) Is additional monitoring by TSAHC recommended?		X	

COMMENTS:

SET-ASIDES	YES	NO	N/A
1) Is the property meeting all occupancy restrictions required by the property's Regulatory Agreement and Asset Oversight and Compliance Agreement?	X		
2) If either of the set asides have not been met, are any units:			
a) Rented for less than 30 days, not including month-to-month?		X	
b) Utilized as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home, or trailer court or park?		X	
c) Leased to a corporation, business or university?		X	
d) Owned by a cooperative housing corporation?		X	
e) Not available for rental on a continuous basis to members of the general public?		X	

COMMENTS:

UNITS WALKED

Unit #	USR Designation	Comments
45	60%	
71	60%	
118	60%	

COMMENTS:

RESIDENT SERVICES	YES	NO	N/A
1) Do the resident services appear to cater to the resident profile of the property?	X		
2) Is the property meeting the Resident Service requirements as required by the Regulatory Agreement and Asset Oversight and Compliance Agreement?	X		
3) Is management monitoring the following:			
a) Resident attendance	X		
b) Frequency of service provided	X		

Texas State Affordable Housing Corporation Compliance Review Observation Report

c) Notification to residents of services	X		
d) Number or type of services	X		
e) Survey of residents	X		
5) Is management properly submitting monthly Resident Service reports through the Compliance System?	X		
6) In the last 12 months, has TSAHC provided any assistance regarding the monthly Resident Service reports submitted through the Compliance System? If so, comment below.		X	
COMMENTS:			

OFFICE	YES	NO	N/A
1) Is the office neat, the desk uncluttered?	X		
2) Are accurate office hours posted?	X		
3) Are the following displayed in full view:			
a) Occupancy Qualifications?	X		
b) Fair Housing Poster?	X		
COMMENTS:			

RESIDENT FILE REVIEW	YES	NO	N/A
1) Does the owner maintain all records relating to initial resident income certifications, together with supporting documentation?	X		
2) Does the Owner/Agent make an effort to determine that the income certification provided by the resident is accurate?	X		
3) Does the file audit establish that residents are being recertified on an annual basis?	X		
4) For mixed (low-income and market units) developments, are there any Next Available Unit Rule Violations?			X
5) Does the file audit indicate that staff needs additional training?		X	

COMMENTS: This is the first TSAHC Compliance audit for this property.

Observation:

- All files reviewed were missing some documentation. For recertification files, the property has an initial file and a recertification file; only one file should be kept. Since numerous files are maintained there often appeared to be missing documentation. The items that were missing or not easily found include, the TSAHC Health and Safety form (all files), background screenings, Under \$5,000 Asset Form, initial applications, and supporting income and asset documents. Additional training on file structure and required eligibility documents is strongly recommended. At the bottom of the report, please find a sample file organization chart. The initial certification and all subsequent certifications along with the items listed should be kept in the file. It is also standard practice to separate them by a colored piece of paper to help differentiate between the years.

If a new household moves into any of the units with Findings (listed below), instead of submitting the required Corrective Action documents, submit with your response: the application for tenancy, all income and asset verifications, the executed Income Certification, and the 1st page of the lease for the new household occupying the unit.

Unit	Finding	Corrective Action Requirement
Property-wide	The required TSAHC Health and Safety form is not being utilized. Fawn Ridge Apartments is a new acquisition/rehabilitation property; therefore, all current households must sign the required form. New move-ins should sign the form at the	Management is required to get the TSAHC Health and Safety form signed by all current households and all new move-ins, moving forward. Management must submit to TSAHC a signed, written certification stating 100% of the households have executed the TSAHC Health and Safety form and state the form is maintained in the tenant file.

Texas State Affordable Housing Corporation

Compliance Review Observation Report

	time of move in. The signed form must be maintained in the tenant files.	
41	Management did include the correct income or assets on the Tenant Income Certification (TIC).	Management must complete the TIC properly and submit it to the TSAHC no later than 11/10/2022. All supporting documentation for the income and assets must accompany the TIC submission.
44	Management did include the correct income or assets on the Tenant Income Certification (TIC).	Management must complete the TIC properly and submit it to the TSAHC no later than 11/10/2022. All supporting documentation for the income and assets must accompany the TIC submission.
86	The Unit Status Report (USR) needs to be updated with the recertification information.	Management must update the USR with the new income and effective date, as well as adjust the recertification button to "yes". This must be completed no later than 11/10/2022.
89	The Unit Status Report (USR) needs to be updated with the correct move in date.	Management must update the USR with the correct move in date (2/10/2021). This must be completed no later than 11/10/2022.

COMMENTS:

SUMMARY OF FINDINGS AND OBSERVATIONS

Observation:

- **All files reviewed were missing some documentation. For recertification files, the property has an initial file and a recertification file; only one file should be kept. Since numerous files are maintained there often appeared to be missing documentation. The items that were missing or not easily found include, the TSAHC Health and Safety form (all files), background screenings, Under \$5,000 Asset Form, initial applications, and supporting income and asset documents. Additional training on file structure and required eligibility documents is strongly recommended. At the bottom of the report, please find a sample file organization chart. The initial certification and all subsequent certifications along with the items listed should be kept in the file. It is also standard practice to separate them by a colored piece of paper to help differentiate between the years.**