

# Texas State Affordable Housing Corporation

## Fawn Ridge Apartments

12420 Sawmill Road, The Woodlands, Texas 77380

**Owner:** EC Fawn Ridge, LLC

**Date Built:** 1979

**Management Company:** Envolve Communities

**Property Manager:** Teresa Pope

**Inspection Date & Time:** July 20, 2023 at 8:30 a.m.

**Inspector's Name:** Celina Mizcles Stubbs

<b>Occupancy at Time of Report:</b>	97.4%	<b>Average Occupancy Over Last 12 Months:</b>	90.3%
<b>Number of Units: 120</b>			
<b>Number of One Bedrooms:</b>	32	<b>Number of Two Bedrooms:</b>	56
<b>Number of Three Bedrooms:</b>	32	<b>Number of Four Bedrooms:</b>	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 – see comment		
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:** The property is overall in good condition. The parking lot deficiencies noted in last year's report were repaired. However, the reviewer did note a few areas of tree root elevation and a few buildings were noted to have brush on the roofs and/or gutters.

**Observation:**

- This is the second year the reviewer has noted that the gutters need to be cleaned. TSAHC suggests management review the current preventive maintenance plan and make revisions as needed to ensure roof and gutters remain free of debris.

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	1	Sexual Assault
Drug Related Activity		
Gun Related Activity		
Domestic Violence		

# Texas State Affordable Housing Corporation

Disturbance	4				
Other	2	Noise - 1 and Family Violence - 1			
			<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		
<b>COMMENTS:</b> Based on a review of The Woodlands Police Department call logs dated April 18, 2023 - June 18, 2023, there were a total of 20 calls. Seven of the 30 calls are listed in the chart above. Management hosts resident safety meetings and works with a courtesy officer that resides onsite and conducts daily property walks to help deter criminal activity. The courtesy officer conducts light checks and informs the property manager of any issues and/or incidents.					

<b>SECURITY PROGRAM Part II</b>			<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		
<b>COMMENTS:</b> Management stated the Maintenance Supervisor conducted the last risk assessment in June 2023.					

<b>OFFICE</b>			<b>YES</b>	<b>NO</b>	<b>N/A</b>
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 Sprinkler and fire extinguisher permits are required annually.					
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 (Two laundry facilities)			X		
➤ Business Center					X
➤ Pool					X
➤ Other: Bike Racks and Gazebo			X		
<b>COMMENTS:</b> Management disclosed computers are on order and will be installed in the community room.					

<b>KEY CONTROL</b>			<b>YES</b>	<b>NO</b>	<b>N/A</b>
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		
<b>COMMENTS:</b>					

# Texas State Affordable Housing Corporation

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"> <li>➢ Pest control services are provided weekly; a few buildings are treated each week.</li> </ul>			
5) What is the policy for following up on completed service requests? <ul style="list-style-type: none"> <li>➢ The property software system automatically selected completed work orders at random for management to follow up on.</li> </ul>			
6) What is the property's after-hours emergency policy? <ul style="list-style-type: none"> <li>➢ The answering services contacts the on-call maintenance personnel to address after-hour emergency work orders.</li> </ul>			
7) What capital improvements have been scheduled or completed for this budget year? <ul style="list-style-type: none"> <li>➢ The property recently completed a full property rehab; therefore, there are no capital improvements scheduled.</li> </ul>			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
8) Unit Interior and Appliance upgrades <ul style="list-style-type: none"> <li>➢ N/A- the property recently completed a full property rehab.</li> </ul>			
9) Building Exterior and Curb Appeal repairs <ul style="list-style-type: none"> <li>➢ N/A- the property recently completed a full property rehab</li> </ul>			
10) Amenity upgrades <ul style="list-style-type: none"> <li>➢ N/A- the property recently completed a full property rehab</li> </ul>			
11) Other repairs or replacements <ul style="list-style-type: none"> <li>➢ N/A- the property recently completed a full property rehab</li> </ul>			
Number of service requests received:	51		
Number of requests open from prior periods:	0		
Number of service requests completed:	47		
Number of service requests completed within 24 hours:	31		
Number of outstanding service requests:	4		
12) On average, how many days does it take to complete a work order? <ul style="list-style-type: none"> <li>➢ On average, it takes 1.5 days to complete work orders</li> </ul>			
<b>COMMENTS:</b> According to the Work Order Report, the 4 pending work orders are non-emergency items.			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth		4	
Resident Referral (Current/Prior)	\$0	5	
Locator Service			
Printed/Internet Advertising: RentCafe (\$64 per month)Property Website, Internet Searches, and HousingCafe.	\$768	20	
Other Source: HUD, Other, and local Housing Authority		12	
<b>TOTAL</b>	<b>\$768</b>	<b>41</b>	<b>0</b>
<b>The rental activity reflected in the above table was for the month of: 5/3/23 – 6/3/23</b>			
	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		
<b>COMMENTS:</b>			

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: 84%

# Texas State Affordable Housing Corporation

3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?	2%		
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? > There was a contract rent change in March 2023, however rent increases have not been implemented.			
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			
<b>COMMENTS:</b>			

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:	0
4) Number of completed two-bedroom units at time of activity report:	2
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:	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:	1

Units Walked	
Unit #	Brief Description
45	Vacant (2x1): Unit is made-ready however the stove needs to be cleaned and the left burner is out.
51	Vacant (2x1): Unit is made-ready.
66	Vacant (3x1): The unit is not made-ready, it needs a thorough cleaning.

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: Weekly			
8) How many vacant units are in progress of being made ready? > There are three vacant units, two of which are being made ready as noted in the chart above.			
9) What is the company policy on the number of days to turn vacant units? > The company policy is to turn units within 5-7 business days.			

**COMMENTS:** Management needs to complete the work needed in units 45 and 66 for them to be considered made-ready.

# Texas State Affordable Housing Corporation

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% or greater in the charet 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
Property Personal	\$94,736	\$112,832	\$18,095	16%	Bonus Maintenance
Property Administrative	\$20,319	\$23,596	\$3,276	13.8%	Resident Retention, Legal Expenses – Eviction, Employee Incentives and Consultants

**COMMENTS:**

REVENUE					
FOR THE MONTH ENDING: June 2023			YEAR TO DATE AS OF: June 2023		
Gross Potential		\$136,751	Gross Potential		\$813,736
Budgeted Rental Income		\$134,938	Budgeted Rental Income		\$800,952
Actual Rental Income Collected		\$136,011	Actual Rental Income Collected		\$813,650
Variance + (-)		\$1,073	Variance + (-)		\$12,698
Other Revenue		-\$269	Other Revenue		\$3,428
Total Budgeted		\$135,913	Total Budgeted		\$807,052
Total Collected		\$135,742	Total Collected		\$817,078
Variance + (-)		-\$171	Variance + (-)		\$10,026

**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		
<b>COMMENTS:</b> The payable – Aging Detail report as of 7/20/2023 was used to complete this section. Over 79% of the over 60-day and over balance is unpaid property management fees.	0-30 Days:		\$10,271
	30-60 Days:		\$1,302
	60 Days and Over:		\$2,410
	TOTAL		\$13,983

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 <sup>st</sup> of the month. On the 6 <sup>th</sup> a 10-day Notice to Vacate is issued along with a late fee assessment.			
3) When is legal action taken against delinquent accounts?			
➤ Legal action is taken on delinquent account on the 17 <sup>th</sup> .			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?	X		
<b>COMMENTS:</b> The Delinquency dated 7/20/2023 was used to complete this section. Management confirmed there are a couple tenants on a Fraud Repayment Plan.	0-30 Days:		\$716
	30-60 Days:		\$1,157
	60 Days and Over:		\$1,009
	TOTAL		\$2,882

RETURNED CHECKS	YES	NO	N/A

# Texas State Affordable Housing Corporation

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.  
 ➤ Site staff is required to complete Envolve in-house trainings.

**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?  
 ➤ Any amount over budget or unbudgeted requires owner approval.

**COMMENTS:**

SUMMARY OF OBSERVATIONS AND FINDINGS
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**Observation:**

- This is the second year the reviewer has noted that the gutters need to be cleaned. TSAHC suggests management review the current preventive maintenance plan and make revisions as needed to ensure roof and gutters remain free of debris.

**No Findings.**

Texas State Affordable Housing Corporation



# Texas State Affordable Housing Corporation





# Texas State Affordable Housing Corporation



Community Room



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Unit 45



# Texas State Affordable Housing Corporation

