

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: 2003

Management Company: Envolve, LLC

Property Manager: Tywonji Gordon

Inspection Date & Time: April 4th, 2023, at 10:00 a.m.

Inspector's Name: James Matias

Occupancy at Time of Report:	97.8%	Average Occupancy Over Last 12 Months:	99.7%
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) 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: Based on the photos submitted for review, the property appears to be in good condition. The items identified in last year's report are also not an issue at this time. The landscaping is well maintained, and the perimeter fences are intact with no issues.

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		
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 observation)	

COMMENTS: Management provided the reviewer with 3 months of incident reports (January - April 2023). Two incidents occurred during that period, and they are noted above. 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.

Observation:

- **Management stated that light checks are conducted monthly by maintenance. Exterior and parking lot lighting is a critical component to the security of the property and the tenant's sense of security. It is recommended that light checks are conducted weekly moving forward.**

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 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 extinguisher (annually)	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: 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:

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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? ➤ Pest control services are provided weekly. Two buildings are serviced on each visit in addition to units that request service. All buildings are done quarterly.			
5) What is the policy for following up on completed service requests? ➤ Management stated completed work order slips are left with the residents.			
6) 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.			
7) What capital improvements have been scheduled or completed for this budget year? ➤ There were no capital improvements completed in the last budget year. The improvements to the irrigation system discussed last year have also not been approved, scheduled or completed. No other improvements have been scheduled for the remainder of the current budget.			
Detail of Ongoing Repairs and Replacements Completed in Last Budget Year			
8) Unit Interior and Appliance upgrades ➤ Interior upgrades are completed as needed for move outs.			
9) Building Exterior and Curb Appeal repairs ➤ None			
10) Amenity upgrades ➤ No amenity upgrades were completed in the last budget year.			
11) Other repairs or replacements ➤ None			
Number of service requests received:	83		
Number of requests open from prior periods:	0		
Number of service requests completed:	69		
Number of service requests completed within 24 hours:	27		
Number of outstanding service requests:	14 (see comment)		
12) On average, how many days does it take to complete a work order? ➤ On average it takes about 15 days to close a work order.			
COMMENTS: Management said the Work Order report provided is not a good reflection of how quickly they complete work orders. According to Management it takes less than 2-3 days on average unless parts need to be ordered. Observation: <ul style="list-style-type: none"> • More frequent use of the management software should be utilized to show how efficient the maintenance team is with completing work. A large portion of the outstanding work orders were due to items listed as "Call". These appear to be duplicate work orders that are not being deleted or closed. In addition, the close date on many of the work orders appears to match. The work order report shows that work orders are being closed in large batches. It is suggested that management close work orders more frequently and delete duplicate work orders, so the reports do not reflect inefficiency in the maintenance program. 			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth		1	1
Resident Referral (Current/Prior)			
Locator Service		2	
Printed/Internet Advertising		10	
Other Source – Facebook (1)		1	
TOTAL	\$0	14	1
The rental activity reflected in the above table was for the months of February and March 2023.			
	YES	NO	N/A
2) Is the property doing bilingual advertising?		X	

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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:

LEASE RENEWAL	YES	NO	N/A
1) Does it appear that an effective lease renewal program is in place? If no, please comment below.			
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: 40% (see comments)	6 months: 67%	12 months: 81.8%
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?	0%		
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? ➤ Management stated the last rent increase was in November of 2022 and the average increase was \$15.			
9) How many households are currently on month-to-month leases? ➤ They do not have any month-to-month leases.			
10) What is the charge for month-to-month leases? ➤ N/A			

COMMENTS: Management stated they recently had a lower retention rate because they've had numerous tenants that failed to recertify with HUD. In addition. The property had five move outs (20%) that were due to a management decision not to renew.

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:	1
3) Number of completed one-bedroom units at time of activity report:	1
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:	2
7) Number of uncompleted one-bedroom units at time of activity report:	2
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
6112A	(1x1) Vacant: Ready
6124D	(1x1) Vacant: Almost Ready
6133D	(1x1) Vacant: Full turn needed

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		

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6) How often are occupied units inspected? ➤ Occupied units are inspected: Quarterly
7) How often are vacant units inspected? ➤ Vacant units are inspected: Daily
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 5 business days.
COMMENTS: The maintenance and make ready teams appear to be doing a much better job turning units efficiently. During last year's review, the vacant units showed lengthy turn times.

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 chart below.							
<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		
N/A – see comment below							
COMMENTS: Management appears to be doing a great job budgeting and following the budget.							

REVENUE			
FOR THE MONTH ENDING: FEBRUARY 2023		YEAR TO DATE AS OF: FEBRUARY 2023	
Gross Potential	\$143,648	Gross Potential	\$287,296
Budgeted Rental Income	\$139,918	Budgeted Rental Income	\$279,836
Actual Rental Income Collected	\$141,197	Actual Rental Income Collected	\$277,443
Variance + (-)	\$1,279	Variance + (-)	(\$2,393)
Other Revenue	(\$5,004)	Other Revenue	(\$3,691)
Total Budgeted	\$141,078	Total Budgeted	\$282,196
Total Collected	\$136,199	Total Collected	\$273,764
Variance + (-)	(\$4,879)	Variance + (-)	(\$8,432)
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: Management stated the \$4,700 amount that is over 90-days old is owed to "aa-ecmex" for Management fees (Envolve Community Management LLC).					0-30 Days:	\$1,570	
					30-60 Days:	\$621	
					60 Days and Over:	\$4,474	
					TOTAL	\$6,665	

DELINQUENCIES					YES	NO	N/A
1) Is the delinquency report up to date?					X		

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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 04/11/2023 was used to complete this section.	0-30 Days:		\$5,720
	30-60 Days:		\$1,477
	60 Days and Over:		(\$230)
	TOTAL		\$6,967

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 the 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. ➤ Management is required to attend training throughout the year through Envolve University which is an in-house management training program. In addition, they completed Cyber Awareness, Fair Housing, leasing, and slips, trips and falls.			
COMMENTS:				

OWNER PARTICIPATION		YES	NO	N/A
1)	Does the owner have access to the software system utilized to manage the property?	X		
2)	Are reports submitted to the owner at least monthly?	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? ➤ The Manager can approve unbudgeted expenses up to \$1,000 and the Reginal Manager can approve items up to \$5,000.			
COMMENTS:				

SUMMARY OF OBSERVATIONS AND FINDINGS
No Findings.
Observations:
<ul style="list-style-type: none"> Management stated that light checks are conducted monthly by maintenance. Exterior and parking lot lighting is a critical component to the security of the property and the tenant's sense of security. It is recommended that light checks are conducted weekly moving forward. More frequent use of the management software should be utilized to show how efficient the maintenance team is with completing work. A large portion of the outstanding work orders were due to items listed as "Call". These appear to be duplicate work orders that are not being deleted or closed. In addition, the close date on many of the work orders appears to match. The work order report shows that work orders are being closed in large batches. It is suggested that management close work orders more frequently and delete duplicate work orders, so the reports do not reflect inefficiency in the maintenance program.

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