

# Texas State Affordable Housing Corporation Compliance Review Observation Report

<b>Fawn Ridge Apartments</b>			
12420 Sawmill Road, The Woodlands, Texas 77380			
Owner: EC Fawn Ridge, LLC		Date Built: 1979	
Management Company: Envolve LLC		Property Manager: Teresa Pope	
Inspection Date & Time: August 14, 2024, at 10:00 a.m.		Inspector's Name: Mercedes Moody	

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		
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Unit #	USR Designation	Comments
N/A		

**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		

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b) Frequency of service provided	X		
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	
<b>COMMENTS:</b>			

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		
<b>COMMENTS:</b>			

RESIDENT FILE REVIEW	YES	NO	N/A
1) Does the owner maintain all records relating to initial resident income certifications, together with supporting documentation and TSAHC required forms?	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 year's review was conducted virtually. The tenant files were in overall good condition; however, the 2024 initial certifications did not verify assets, see observation below.

**Observation:**

- During the tenant file review, it was observed that assets were not verified for all 2024 move-in files. Per Section 2.6d (page 35) of the TSAHC Compliance Manual, at initial certification and every 3rd year, all assets must be documented and verified. Owners are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts. Management is advised that findings will be issued if HOTMA changes are not fully implemented by January 1, 2025. Please refer to the following free training materials:
  - TSAHC's updated Compliance Manual effective 1/1/2024 located here: <https://www.tsahc.org/property-managers/property-manager-downloads>
  - TDHCA has posted free trainings that can be located here:
    - Income Determination Change w/HOTMA: <https://www.youtube.com/watch?v=XbB8i2Hj4lA> Forms Training (Income Certificate training at minute 59:56): <https://www.youtube.com/watch?v=Ahng07hQAv0>

*If a new household moves in to 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 1<sup>st</sup> page of the lease for the new household occupying the unit.*

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Unit	Finding	Corrective Action Requirement

**COMMENTS:**

## SUMMARY OF FINDINGS AND OBSERVATIONS

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**No findings**