



**Date:** December 11, 2008  
**To:** Andy Scott, Director of Housing & Community Development  
**From:** Internal Audit Division  
**Subject:** Autumn Drive and Camel Street Apartments 2006-2007

The Internal Audit Division has performed our compliance review of the year ended June 30, 2008 of Autumn Drive and Camel Street Apartments. These apartments are owned by the City of Greensboro.

These apartments are located at 1601, 1603 and 1605 Autumn Drive; and 315 West Camel Street which have 12 and 20 units respectively available for low-income families and individuals. These units are managed by Affordable Housing Management, Incorporated (AHMI). One of the units at Camel Street is used as a Property Manager's office for AHMI.

We accompanied Mr. Jim Teele, Rehabilitation Specialist and Ms. Abby Feinstein, Specialist Community Services of the Department of Housing & Community Development (HCD) as they inspected approximately 15 percent of the units and some repairs were noted for the property. These issues have been handed to the Property Director to address before they escalate into costly problems.

We examined selected financial transactions and program documentation maintained by the agency for compliance with the management agreement. Based on our review, it appears that the funds have been spent according to the terms of the management agreement.

We would like to thank Mr. Justin Brooks, Regional Property Manager; Ms. Joliene West, Property Site Manager; Ms. Debora Osborne, Finance Director; and the staff of Affordable Housing Management, Incorporated for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-2821.

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Mickey Kerans  
Internal Auditor

Handwritten signature of Len Lucas in black ink.

Len Lucas  
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager  
Jim Westmoreland, Acting Assistant City Manager for Economic Development  
David Levy, President of Affordable Housing Management, Incorporated



**Date:** December 11, 2008  
**To:** David Levy, Affordable Housing Management Inc.  
**From:** Michael Blair, City of Greensboro HCD  
**RE:** *FY08/09 Autumn Camel Apartments Programmatic Evaluation*

On October 29, 2008 HCD and Internal Audit (IA) staff conducted an on-site monitoring visit of the Autumn Camel Apartments.

The properties are owned by the City of Greensboro. Affordable Housing Management Inc. (AHM) manages the property (since 2000) and in this capacity is responsible to the City of Greensboro Department of Housing and Community Development for HOME Program and contractual compliance.

The purpose of the monitoring visit is to determine whether the property is meeting applicable HOME Program and contractual requirements. In this monitoring review attention was paid to HOME compliance along with financial management systems, a review of tenant files, and occupancy.

The period under review, along with current conditions, was from July 1, 2007 to June 30, 2008. In addition to examining various program materials, a physical inspection, and financial files, in the course of the review HCD and IA staff met with Mr. Justin Brooks, Regional Property Manager, Ms. Joliene West, Property Site Manager, Ms. Debora Osborne, Finance Director, and other on-site AHM staff.

The properties are located at 315 West Camel Street and 1601, 1603 and 1605 Autumn Drive in Greensboro, NC. They were acquired and rehabilitated in the late 1980's with \$1,708,568 in local bond funds. No HOME Program funds were expended on this property however they are serving as HOME replacement units for another project from 2007 through 2010.

#### Rental Affordability

Thirty-two (32) affordable 2/BR units were made available through this rehabilitation. The current 2008 Low HOME rent for a 2/BR unit is \$635/m.

The following table is generated from on-site tenant file review documentation:

<b>Reported Rents:</b>	<b>Rent</b>	<b>Utility</b>	<b>Total Rent + UA</b>
Autumn (12 units)	\$325	\$59	\$414
Camel (20 units)	\$325	\$97	\$430

Rent plus utilities do not exceed Low HOME limits on any of the units according to file documentation and rent rolls.

#### Tenant Income Eligibility and File Review

Resident incomes are certified annually according to the HCD file review. More than 20% of the tenant incomes have incomes at or below 50% of the AFMI. The tenant files reviewed were in very good condition and contained required back-up documentation.

#### Occupancy

The combined reported occupancy for all thirty two units has been 96.3% (Autumn - 92.9% and Camel - 98.5%) from January 2008 through October 2008. This is 16% higher than the April 2008 area occupancy rate of around 83%. The occupancy at the time of the visit was a combined 93.5%.

#### Affirmative Marketing and Section 8

Affordable Housing Management has a fair marketing plan that meets the City Affirmative Marketing Requirements. The Tenant Selection Policy is clear and understandable.

Section 8 housing vouchers are accepted however none of the current tenants receive this assistance.

#### Physical Inspection

HCD staff inspected six (6) units on October 29, 2008 and reported deficiencies that need attention in four (4) of those units. The two sites are in overall average condition per-HCD inspection staff however there are several reported maintenance and repair conditions at Camel Street that need attention. Please refer to the inspection report for details.

As a result of this review HCD staff is making zero (0) findings and two (2) concerns. A *finding* is defined by HCD as a project element that does not comply with a local, federal, or contractual, rule or regulation whereas a *concern* is either a potential finding or management weakness that should be improved to avoid future problems. An *observation* can be either a positive comment about the agency, a clarification of policy interpretation, or a suggestion that may improve a service or element of operations.

#### Concern 1 – Asphalt and Speed-bumps

The asphalt at Camel Street is not in very good condition especially around the dumpster. There is one large hole and three smaller holes (but still quite large) none of which are excessively deep but they are deteriorating. The speed-bumps should be painted.

Requested Action

A plan to repair/fix the above conditions should be prepared and executed.

Concern 2 – Shingles

The roof at Camel Street has raised shingles and missing shingles per the HCD inspection report.

Requested Action

Management should repair roof as needed to prevent damage. Report all eventual repairs to Internal Audit.

Concern 3 – Vacant Unit Turnaround Average

The vacant unit turnaround average was 85 days (max 113) for Autumn Drive but only 30 days (max 50) at Camel Street.

Requested Action


None. The vacant unit turnaround was very high for Autumn Drive although it is noted that the occupancy over the same period was exceptionally good.


HCD staff requests that management review the Internal Audit report which did not include any findings.

The concerns in this review, in our view, do not reflect negatively on property management staff and their work ensuring continued affordability compliance. The intent of the first and second concern is to encourage specific repair and maintenance actions. The intent of the third concern is to make management aware of relatively long times for off-line units.

It is HCD staff opinion that Autumn Drive and Camel Street Apartments are contractually compliant as well as HOME Program Compliant.

HCD staff appreciates the assistance provided during the monitoring visit by Affordable Housing Management staff.

  
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Michael Blair  
Specialist Grants Compliance

  
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Andy Scott  
Director HCD