



September 29, 2015

TO: Barbara Harris, Director of Neighborhood Development

FROM: Internal Audit Division

SUBJECT: Windhill Court, LLC 2013-2014
(No Response Required)

The Internal Audit Division has performed our compliance review for the year ended December 31, 2014 of Windhill Court, LLC, which received a non-interest bearing loan from the City of Greensboro ("City") in the amount of \$506,131 on May 2, 2007. This loan helped support the construction of 64 apartment units for families in the Greensboro area. These units located at 101 Windhill Court are called Windhill Court Apartments; and they are managed by Affordable Housing Management, Incorporated ("AHM").

This loan repayment to the City is based upon an annual payment of \$3,500 beginning May 1, 2008 to May 1, 2012; \$3,200 from May 1, 2013 to May 1, 2017; \$3,000 from May 1, 2018 to May 1, 2022; \$2,000 from May 1, 2023 to May 1, 2027; \$1,200 from May 1, 2028 to May 1, 2035; and the remainder of balance due May 1, 2036. A payment in the amount of \$3,200 was due on May 1, 2015; and a payment of \$3,200 was processed by the City in April 2015. The current balance per the audited financial statements as of December 31, 2014 was \$481,931. The balance as of this date per Neighborhood Development's records was the same. However, as of this report's date, the current loan balance is \$478,731.

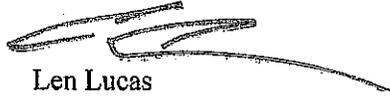
On August 13, 2015, Ms. Von Patrick, Neighborhood Outreach Specialist of the Neighborhood Development Department, inspected approximately 15 percent of the units. None of the units inspected required any repairs at the time.

We examined selected financial transactions maintained by the entity for compliance with the loan agreement. Based on our review, it appears that the terms of the loan agreement were met without exception.

We would like to thank Ms. Gail Campbell, Property Manager; Ms. Carol Nelson, Assistant Property Manager; Ms. Maria Ortiz-Pantoja, Compliance Specialist, and the staff at 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 373-4528.



Tina McKoy
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Chris Wilson, Assistant City Manager
Mary Vigue, Assistant City Manager, General Government Results Area
Caitlin Warren Bowers, Grant Administrator, Neighborhood Development
David Levy, Executive Director of Affordable Housing Management, Incorporated



September 25, 2015

David Levy, Affordable Housing Management, Inc.
Windhill Court Apartments
330 S. Greene St., Ste. B-11
Greensboro, NC 27401

Dear Mr. Levy:

Re: Windhill Court Apartments Limited Partnership Agreement - Dated May 2006
September 14, 2015 Loan Balance: \$478,731 (HOME)

City of Greensboro staff conducted an on-site monitoring visit of Windhill Court Apartments on August 13, 2015. The purpose of the monitoring review was to determine whether the terms of the loan agreement and other requirements were being met. This letter summarizes the results of the City's monitoring on the above date.

- **Certification of Tenant Incomes:** The files were in excellent condition and included all required documents as well as proper income certification.
- **Lead Based Paint:** The property is not subject to lead-based paint disclosure.
- **Residential Lease:** All leases are for one year.
- **Rents:** The May 2006 written agreement created 64 units, half of which are designated as HOME units (eight [8] one-bedroom and twenty four [24] two-bedroom units) with a HOME Program affordability period of 20 Years. Rents would not exceed the lower of either Low HOME Rents or LIHTC 50% rents for the HOME units. 2015 HOME rents are: Low HOME One Bedroom \leq \$551; Low HOME Two Bedroom \leq \$662, including utility allowances. Requirements were met; however, it should be noted that the rents are approaching the maximum allowable limit.
- **Property Standards:** The units were in good condition with no items noted for repair. The exterior was in excellent condition with no items noted for repair.
- **Contractual Compliance:** Windhill Court Apartments is in compliance with the agreement including the insurance requirement.

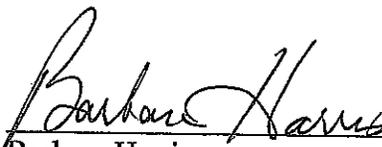
Red Flag Indicators	Threshold	Property results	Red Flag
Physical Occupancy FY 14/15	>90%	99.1%	-
Average Vacant Unit Offline Time	<45 Days	25.9 Days	-
Adhering to HOME and/or Agreement	Adherence	Yes	-
Change in Revenue	Positive	Yes	-
Affirmative Marketing Policy	Adherence	Yes	-
Property Taxes Paid On time	Achieved	Yes	-

Summary: Overall the property is well managed and provides decent housing to qualified residents. No reply to Neighborhood Development is necessary. The Internal Audit report did not request a reply or contain any findings

Neighborhood Development staff appreciates the assistance and documentation that Ms. Gail Campbell, Property Manager; Ms. Carol Nelson, Asst. Property Manager; Ms. Maria Ortiz-Pantoja, Compliance Specialist and the staff of Affordable Housing Management provided during the monitoring visit.



Charla Gaskins
Federal Compliance Coordinator



Barbara Harris
Director, Neighborhood Development

cc: Tina McKoy, Internal Auditor