



DATE: October 26, 2015

TO: Barbara Harris, Director of Neighborhood Development

FROM: Internal Audit Division

SUBJECT: Greenbriar Housing, LLC (Partnership Village I) 2013-2014
(No Response Required)

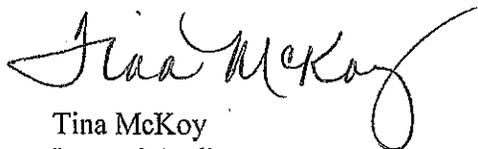
The Internal Audit Division has performed our compliance review for the year ended December 31, 2014 of Greenbriar Housing, LLC ("Borrower"), which consists of 32-single apartment units for low-income homeless individuals located at 131 to 133 Greenbriar Road. These studio units are called the Partnership Village I and are managed by Partnership Property Management. The Management Office is located at 135 Greenbriar Road.

The Borrower received a loan on February 19, 1999 for \$289,000 from the City of Greensboro ("City") to help in the initial building of the apartment units. This is a non-interest bearing loan with final payment due March 1, 2030. The balance at December 31, 2014 per the Neighborhood Development Department and the audited financial statements was \$278,171. Principal payments were to begin March 1, 2001 at 50% of gross receipts after deducting all normal and reasonable operating and capital expenses actually incurred and payments into the Replacement Reserve Account. There was no payment due on March 1, 2015 for year ended December 31, 2014.

Ms. Von Patrick, Neighborhood Outreach Specialist for the Planning Department, inspected 15 percent of the units and no repairs were noted for the property at the time. A copy of the report was provided to the Site Manager for her records.

We examined selected program documentation maintained by the Borrower for compliance with the loan agreement. Based on our review, it appears that the terms of the loan agreement have been met without exception.

We would like to thank Ms. Robbyn Terry, Regional Property Manager; Mr. Harry Lee, Property Site Manager; Ms. Sandy Lucas, Director – Asset Management; and the staff of Partnership Property Management 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
Mike Cooke, President, Partnership Homes, Inc.
Sandy Lucas, Director of Asset Management, Partnership Property Management



NEIGHBORHOOD DEVELOPMENT

October 21, 2015

Partnership Village I - Greenbriar Housing, LLC
Sandy Lucas, Director – Asset Management, Partnership Property Management
4600 Dundas Drive
Greensboro, NC 27407

Re: Partnership Village I Limited Partnership 1999 Loan Agreement - \$289,000
Loan Balance December 31, 2014 -- \$278,171

Ms. Lucas:

City of Greensboro staff conducted an on-site monitoring visit of Partnership Village I on August 18, 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.

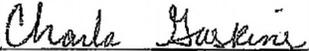
- **Certification of Tenant Incomes:** The files were in good condition. All necessary documents as well as proper income certification were made available for review.
- **Lead Based Paint:** The property is not subject to lead-based paint requirements. No findings or concerns.
- **Residential Lease:** All leases are for one year; six months is the minimum in the agreement. No lease will extend past two (2) years. No findings or concerns.
- **Rents:** The February 1999 project created 32 studio units for low-income residents (45% of AMFI). No Greensboro Consortium HOME Program funds were expended on these properties therefore the NCHFA/LIHTC guidelines regarding occupancy and tenancy requirements are used for this review along with city loan agreement requirements. Affordability is for 18 years. Rent for all units fall below the 2015 AMFI 45% rent of \$442/month including utilities. All requirements are met with no findings or concerns.
- **Property Standards:** The units are in overall good condition with no items noted for repair. The grounds were also in good condition.
- **Contractual Compliance:** The purpose of the February 1999 construction agreement is to regulate and restrict occupancy, rents, operation, ownership, and management of the property. Partnership Village I is in compliance with the agreement insurance requirements as well as the rest of the agreement. No findings or concerns noted.

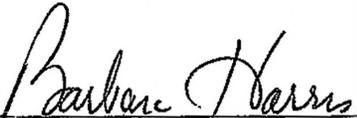
Property Base Indicators

Red Flag Indicators	Threshold	Property results	Red Flag
Physical Occupancy FY 13/14	>85%	97.5%	-
Average Vacant Unit Offline Time	<45 Days	21.1 Days	-
Adhering to HOME and/or Agreement	Achieved	Yes	-
Change in Revenue	Positive	No	
Affirmative Marketing Policy	Adherence	Yes	-
Property Taxes Paid On Time	Achieved	Yes	-

Summary: There is one red flag indicator in this report for a negative change in revenue. Overall the property is well maintained and provides decent housing to qualified residents. The property results of Partnership Village I are excellent and show positive thresholds in regard to the physical occupancy and average vacant unit off-line time. No reply to Neighborhood Development is required at this time.

Neighborhood Development staff appreciates the assistance and documentation that Ms. Robbyn Terry, Regional Property Manager; Mr. Harry Lee, Property Site Manager; Ms. Sandy Lucas, Director – Asset Management; and the Partnership Property Management staff provided during the monitoring visit.


Charla Gaskins
Federal Compliance Coordinator


Barbara Harris
Director, Neighborhood Development