



**DATE:** September 30, 2020

**TO:** Stan Wilson, Director of Neighborhood Development

**FROM:** Internal Audit Division

**SUBJECT:** Windhill Court, LLC 2018-2019  
(No Response Required)

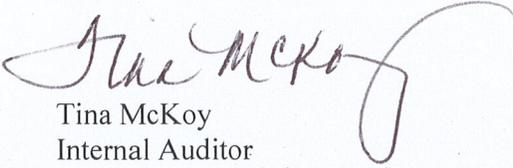
The Internal Audit Division has performed our compliance review for the year ended December 31, 2019 of Windhill Court, LLC, which received a non-interest bearing loan from the City of Greensboro (“City”) in the amount of \$506,131 on May 2, 2007. This loan helped support the construction of 64 apartment units for families in the Greensboro area. These units located at 101 Windhill Court are called Windhill Court Apartments (“Project”); and they are managed by Affordable Housing Management, Incorporated (“AHM”).

The loan repayment term 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 \$3,000 was due on May 1, 2020; and a payment of \$3,000 was processed by the City on April 27, 2020. The ending loan balance as of December 31, 2019 was \$466,331.

A physical inspection of the Project has been delayed due to COVID-19 precautions. The last physical inspection was performed on February 13, 2020. Ms. Von Patrick, Neighborhood Outreach Specialist of the Planning Department, inspected approximately 15 percent of the units. The units were noted to be in good condition. Also, the exterior buildings and grounds were noted to be in excellent condition.

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. Debbie Osborne, Finance Director; and the staff at Affordable Housing Management, Incorporated for providing the documentation for this review. 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: Larry Davis, Assistant City Manager  
Chris Wilson, Assistant City Manager  
Cyndi Blue, Manager of Housing Services, Neighborhood Development  
Lamont Taylor, Administrative Services Manager, Neighborhood Development  
Caitlin Bowers, Community Development Analyst, Neighborhood Development  
Charla Gaskins, Federal Compliance Coordinator, Neighborhood Development  
David Levy, Executive Director of Affordable Housing Management, Incorporated



NEIGHBORHOOD DEVELOPMENT

May 14, 2020

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

Dear Mr. Levy:

The City of Greensboro's Neighborhood Development Department is issuing this report based upon the monitoring function for the loan agreement between the City of Greensboro and Windhill Court LLC. for a loan to help finance the construction of 64 apartment units located at 101 Windhill Court. The scope of the compliance monitoring addresses a desk review of administrative files for rent, occupancy, and tenant eligibility requirement.

The purpose of this monitoring is to determine compliance with HOME and agreement requirements, rules, and regulations during fiscal year 2018-2019. On May 13, the desk review of Windhill Court was completed. Enclosed you will find the City of Greensboro's Fiscal Year 2018-2019 compliance monitoring review which documents the details of the review. Management should review the notes listed in the review and evaluate rent request processes to ensure compliance. There were no findings or concerns resulting from this monitoring review, therefore an official response is not required. If Affordable Housing Management would like to submit a response, the response should be submitted in writing to Charla Gaskins within 14 days of this letter.

Neighborhood Development staff appreciates the assistance and documentation that Debbie Osborn, Finance Director; Maria Ortiz-Pantoja, Compliance Specialist; and the staff of Affordable Housing Management, Incorporated provided during desk review. As a reminder, all project files are to be maintained for a period of seven years from the final payment under this agreement.

Sincerely,

Charla Gaskins  
Federal Compliance Coordinator  
Attachments

Lamont Taylor  
Fiscal Planning and Administration Manager

cc: Larry Davis, Assistant City Manager  
Chris Wilson, Assistant City Manager  
Cyndi Blue, Manager of Housing Services, Neighborhood Development  
Caitlin Bowers, Grant Administrator, Neighborhood Development  
Tina McKoy, Internal Auditor, Executive

**City of Greensboro**  
**Neighborhood Development**  
**COMPLIANCE MONITORING REVIEW**



Project Name: Windhill Court  
 Reviewer: Charla Gaskins

Compliance for FY: 18-19  
 Desk Monitoring Completion Date: 5/13/20

| QUESTIONS | COMPLIANT |    |     | NOTES |
|-----------|-----------|----|-----|-------|
|           | YES       | NO | N/A |       |

| A. RENT REQUIREMENTS |  |   |  |   |  |
|----------------------|--|---|--|---|--|
| 1.                   | Did the project use proper utility allowances to calculate maximum rent levels?  | X |  |   |  |
| 2.                   | Was the total tenant rent charged for units below the HOME maximum rent?   | X |  |   |  |
| 3.                   | Is the total tenant rent charged for units at or below the rent listed in the loan agreement or below an approved rent increase?   | X |  |   | The City approved a rent increase on 11/8/18 for an effective date of 1/1/19. Reviewed utility allowances were found to have been retroactively updated effective 1/1/19. In May 2020, management submitted to the City and received approval for a rent request to retroactively increase rents to accommodate the utility increase. Management is reminded to submit a rent request when changes in utility allowances will result in total tenant rent exceeding approved limits. |
| 4.                   | If any in-place tenants had incomes above 80 percent of the area median income, were they charged 30 percent of their adjusted monthly income for rent and utilities?                              |   |  | X | Exempt due to low income housing tax credits pursuant to Section 42 of the Internal Revenue Code.  |
| 5.                   | Do the rents listed for HOME assisted units in the RCRS Project Compliance Report demonstrate that the maximum gross rent for 8 one-bedroom units and 24 two-bedroom units did not exceed 50% AMI? | X |  |   |  |
| 6.                   | Did the property meet the unit restrictions within each building?  | X |  |   | 40% of units in each building in the project must be occupied by households at or below 50% of the area median income.   |

| QUESTIONS | COMPLIANT |    |     | NOTES |
|-----------|-----------|----|-----|-------|
|           | YES       | NO | N/A |       |

| B. OCCUPANCY REQUIREMENTS |  |   |  |  |  |
|---------------------------|--|---|--|--|--|
| 1.                        | Did existing tenants have incomes below 50 percent AMI?  | X |  |  | HOME-assisted tenants met the income restriction.  |
| 2.                        | In projects where the HOME-assisted units float:   |   |  |  |  |
|                           | a. When a tenant vacated a HOME unit, was the next available unit made available to a HOME-eligible tenant?                      | X |  |  |  |
|                           | b. When a tenant's income rose above 80 percent of AMI, was the next available comparable unit rented to a HOME-eligible tenant? | X |  |  |  |
| 3.                        | Did the property maintain a physical occupancy of 85% or greater?  | X |  |  | The occupancy from July 1, 2018 to June 30, 2019 was 98.2%.  |
| 4.                        | Was the average vacant unit offline time for the property less than 45 days?   | X |  |  | The average vacant unit offline time was 60 days during FY 18-19. Management should seek ways to reduce this time. |

| C. TENANT ELIGIBILITY |   |   |  |  |  |
|-----------------------|---|---|--|--|--|
| 1.                    | Did incoming tenants have incomes below 50 percent AMI? | X |  |  |  |
| 2.                    | Was a waitlist maintained?                              | X |  |  |  |
| 3.                    | Were incoming tenants listed on the waitlist?           | X |  |  |  |

| D. PROGRAM DOCUMENTATION |  |   |  |  |  |
|--------------------------|--|---|--|--|--|
| 1.                       | Did the RCRS Report support that project documentation submitted to the City was accurate? | X |  |  |  |

| E. PROPERTY STANDARDS |  |   |  |   |  |
|-----------------------|--|---|--|---|--|
| 1.                    | Did the property pass the City's physical inspection for decent, safe, and sanitary housing? |   |  | X | This desk review did not entail a review of the physical property. However, it is noted that an inspection occurred on 2/13/20. There were no findings or concerns and results were reported in the FY 17-18 report. |
| 2.                    | Was insurance maintained on the property?  | X |  |   |  |
| 3.                    | Was the City of Greensboro named as the insured on the property?                             | X |  |   |  |
| 4.                    | Did the property adhere to the affirmative marketing policy?                                 | X |  |   |  |