



# City of Greensboro

Date: September 28, 2004  
To: George E. Carr III; I. Norwood Stone; Andy Scott  
From: Internal Audit  
Subject: Redwood Street Limited Partnership / Coley Jenkins Elderly Housing 2002-2003

The Internal Audit Division has performed a program and compliance review of the current year's operations of Coley Jenkins Elderly Housing, which received a loan in the amount of \$556,000 from the City of Greensboro to help in the construction of 40 residential units on Redwood Street. These units are called Coley Jenkins Independent Living Center.

These units were in transition from Project Homestead's management which filed for bankruptcy in January. Most recently they were managed by Beacon Management until September 6, 2004, at which time Wynnefield Properties took over as managing agency. Senior Resources of Guilford is currently assisting in providing supportive services for residents.

We accompanied Mr. Bill Black, Rehabilitation Supervisor of Housing & Community Development as he inspected approximately 15% of the units and found these in need of repairs. Most of these repairs are complete but one is still outstanding.

We examined selected financial transactions and program documentation maintained by the agency for compliance with the loan agreement. The City's loan is non-interest bearing and repayment is due in full December 1, 2027. Upon review of the financial statements prepared by their external auditors, we noticed their concerns about this property continuing in operations long term. This appears to be due to the generation of revenues not substantial enough to cover the day-to-day operations and property taxes. We recommend the Housing & Community Development Department closely monitor this property in order to protect the City's interest. We request a written and signed response from Redwood Street Limited Partnership before and after the management change and the department of Housing & Community Development by October 12, 2004.

We would like to thank Ms. Kim Payne, Property Manager and Ms. Marlene Streets, Regional Property Manager of Wynnefield Properties for their courtesy and cooperation during this compliance review. If there are any questions or comments concerning the details of this review, we can be reached at 373-2823.

Len Lucas  
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development  
George E. Carr, III, President of Beacon Management, Incorporated  
I. Norwood Stone, President of Wynnefield Properties, Incorporated



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