



DATE: May 17, 2022

TO: Michelle Kennedy, Director of Neighborhood Development

FROM: Internal Audit Division

SUBJECT: Berryman Square Development LLC – FY 2018-2019
(No Response Required)

The Internal Audit Division has performed our compliance review for the year ended December 31, 2019 of Berryman Square Development LLC (“Partnership”). The Partnership received a loan in the amount of \$1,142,625 from the City of Greensboro (“City” or “Lender”) to help finance the acquisition and rehabilitation of forty-four (44) units located at 200 Berryman Street. These units are called Berryman Square (“Project”) and are managed by Affordable Housing Management, Incorporated.

The City’s loan bears interest at zero (0.0%) percent per annum. The loan is on a non-recourse basis for a term commencing on the closing date and terminating on February 28, 2036. On the first day of February 2017 and continuing on each February 1 thereafter, the Borrower shall make principal payments to Lender as per the following schedule:

Payment Date	Amount	Payment Date	Amount
February 1, 2017	\$18,121	February 1, 2027	\$9,834
February 1, 2018	\$18,121	February 1, 2028	\$9,834
February 1, 2019	\$18,121	February 1, 2029	\$9,834
February 1, 2020	\$18,121	February 1, 2030	\$9,834
February 1, 2021	\$18,121	February 1, 2031	\$9,834
February 1, 2022	\$14,846	February 1, 2032	\$2,666
February 1, 2023	\$14,846	February 1, 2033	\$2,666
February 1, 2024	\$14,846	February 1, 2034	\$2,666
February 1, 2025	\$14,846	February 1, 2035	\$2,666
February 1, 2026	\$14,846	February 1, 2036	\$2,666

The loan shall be payable in full, if not sooner paid, upon maturity. A principal loan payment of \$18,121 was due on February 1, 2020; and the City received a principal payment of \$18,121 on February 3, 2020. The loan balance at year ended December 31, 2019 was \$1,088,262.

A physical inspection of the Project has been delayed due to COVID-19 precautions. The last physical inspection was performed by Ms. Von Patrick, Neighborhood Outreach Specialist of the Planning Department, on August 22, 2019. She inspected approximately 15 percent of the units; and there were

no repairs noted for the property at the time. Also, the exterior buildings and grounds were noted to be in excellent condition.

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

We would like to thank Ms. Debbie Osborne, Finance Director; and the staff of Affordable Housing Management, Incorporated for providing the documentation needed to complete 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: Chris Wilson, Deputy City Manager
Larry Davis, Assistant City Manager
Cyndi Blue, Manager of Housing Services, Neighborhood Development
Caitlin Bowers, Community Development Analyst, Neighborhood Development
Charla Gaskins, Federal Compliance Coordinator, Neighborhood Development
David Levy, Executive Director, Affordable Housing Management, Incorporated



NEIGHBORHOOD DEVELOPMENT

May 16, 2022

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

Dear David 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 Berryman Square Development LLC for a loan to help finance the acquisition and rehabilitation 44 family apartment units located at 200 Berryman Street. The scope of the compliance monitoring addresses the desk review of administrative files for rent, occupancy, and tenant eligibility requirements.

The purpose of this monitoring is to determine compliance with agreement requirements, rules, and regulations during fiscal year 2018-2019. On May 11, the desk review of Berryman Square 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. There were no findings or concerns resulting from this monitoring review, therefore an official response is not required. If Affordable Housing Management, Inc. 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 Osborne, Finance Director, provided during this 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

Michelle Kennedy
Director


cc: Chris Wilson, Deputy City Manager
Larry Davis, Assistant City Manager

Cyndi Blue, Manager of Housing Services, Neighborhood Development
Caitlin Bowers, Community Development Analyst, Neighborhood Development
Tina McKoy, Internal Auditor, Executive

RENT AND OCCUPANCY COMPLIANCE
 MONITORING REPORT
COMPLIANCE DESK MONITORING REVIEW

Project Name: Berryman Square
 Reviewer: Charla Gaskins

Compliance for FY 2018-2019
 Desk Monitoring Completion Date: 1/13/20



QUESTIONS	YES	NO	N/A	NOTES
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A. RENT REQUIREMENTS					
1.	Did the project use proper utility allowances to calculate maximum rent levels?	X			
2.	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			
3.	Do the rents listed in the RCRS Project Compliance Report demonstrate that the maximum gross rent for 24 floating assisted units did not exceed the applicable definition of LIHTC 60% rents?	X			
4.	Do the rents listed in the RCRS Project Compliance Report demonstrate that the maximum gross rent for 20 floating assisted units did not exceed the applicable definition of LIHTC 50% rents?	X			

B. OCCUPANCY REQUIREMENTS					
1.	Were 20 floating LIHTC 50% units occupied by households with incomes at or below 50% of the area median income?	X			
2.	When a tenant's income rose above 140 percent of AMI, was the next available comparable unit rented to a LIHTC-eligible tenant?	X			
3.	Did the property maintain a physical occupancy of 85% or greater?	X			The physical occupancy during FY 18-19 was 97.7%. Note that this indicator is now aligned with the time period being monitored--July 1, 2018 - June 30, 2019.
4.	Was the average vacant unit offline time for the property less than 45 days?	X			The average vacant unit offline time was 28.5 days during FY 18-19. Note that this indicator is now aligned with the time period being monitored-- July 1, 2018 - June 30, 2019.

C. TENANT ELIGIBILITY					
1.	Did incoming tenants occupying assisted units have incomes below 60 percent AMI?	X			
2.	Was a waitlist maintained?	X			

QUESTIONS		YES	NO	N/A	NOTES
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2.	Was a waitlist maintained?	X			
3.	Were incoming tenants listed on the waitlist?	X			One of the eleven incoming tenants were on the waitlist.

D. TENANT FILES

1.	Did the RCRS Report support that project documentation submitted to the City was accurate?	X			
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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.
2.	Was insurance maintained on the property?	X			
3.	Was the City of Greensboro named as the insured on the property?	X			