

United States Senate

WASHINGTON, DC 20510

COMMITTEES:
COMMERCE, SCIENCE, AND
TRANSPORTATION
FOREIGN RELATIONS
SELECT COMMITTEE ON INTELLIGENCE
SMALL BUSINESS AND
ENTREPRENEURSHIP

April 14, 2016

The Honorable Secretary Julián Castro
U.S. Department of Housing and Urban Development
451 7th Street, Southwest
Washington, D.C. 20410

Dear Secretary Castro:

For over five months, my office has been involved in the investigation of shocking health and safety conditions at Eureka Garden Apartments (Eureka Garden) in Jacksonville, Florida. It is appalling that American taxpayer dollars have been wastefully spent over the years to fund a facility that has repeatedly put hundreds of people and their families at risk. I am writing to highlight these many problems and to ask for the U.S. Department of Housing and Urban Development (HUD) to conduct a thorough review of its inspection process.

As you may know, following reports of code violations at the Westside complex, my Jacksonville staff toured Eureka Garden in early October 2015. They witnessed crumbling stairs disguised with duct-tape and covered with apparent black mold, faulty electric wiring covered with a garbage bag, and a distinguishable natural gas odor being sucked from an outdoor piping system into residents' air-conditioning, among other obvious health and safety issues. HUD confirmed these conditions in an inspection of the property in October 2015, in which physical deficiencies were found in at least 340 of the 400 units. According to HUD's own criteria, almost 50 of those deficiencies represented "Exigent Health and Safety concerns," including mold, water damage, exposed wires, carbon monoxide hazards and leaking gas pipes.

Despite these findings, just three months earlier in July 2015, HUD gave Eureka Garden an 85 out of 100 score in its Real Estate Assessment Center (REAC) inspection. Although many of the problems were witnessed during the summer inspection, HUD representatives defended the passing score to my staff in a meeting last October, saying they did not contribute to the assessment of the property as they are not relevant criteria under HUD's inspection process. Had it not been for the residents calling attention to their dire situation, the facility would not have been reviewed again for another two years.

Your Department recently notified my office that the most recent inspection of Eureka Garden gave the complex a REAC score of 62 out 100, despite the many repairs that have been completed since the last REAC inspection. This discrepancy indicates something is clearly wrong with the REAC scores. Your Department visited Eureka Garden again on March 17th and 18th and witnessed what my staff and the city of Jacksonville has seen all along – Eureka Garden remains in poor condition.

After visiting Eureka Garden most recently, the Deputy Assistant Secretary for Multifamily Housing wrote in a letter that “HUD officials do not believe the property would currently pass another REAC inspection.” However, HUD’s protocol has placed enough confidence in the previous inspection that it has renewed GMF’s \$6 million contract for Eureka Garden. In doing so, HUD has knowingly certified a substandard facility because of a faulty inspection process.

Your Department is ultimately responsible as the steward of the taxpayer funding that supports this property. Therefore, to address these concerns, I respectfully request a timely response to the following questions:

- With conditions at Eureka Garden going unidentified for so long, what does HUD plan to do about reforming its inspection process to identify problems earlier and to ensure passing grades are not given to failing properties?
- Will HUD explore a broader reform of inspection that expands the role of and resources available for state and local partners to regularly check the status of HUD-certified facilities to ensure greater accountability?
- Will HUD enact systematic changes that will allow it to intervene over management in a failing property sooner?
- Does the Department plan a re-inspection of the complex?

During this difficult time, I am proud of the Eureka Garden community for standing up and coming together on behalf of their vulnerable neighbors. This community has demonstrated great strength by collectively voicing their concerns and showing resiliency in the face of bureaucratic indifference and property mismanagement. It is time they are given the respect and quality of life they so deserve after waiting far too long for critical improvements to be made at Eureka Garden.

Thank you for your attention to this matter. I look forward to your prompt response.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Marco Rubio', with a long horizontal flourish extending to the right.

Marco Rubio
U.S. Senator