



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

March 24, 2016

**VIA EMAIL**

**revrichard@gmfonline.org**

Rev. Richard L. Hamlet, President  
GMF-Preservation Affordability Corp., Member  
GMF – Jacksonville Pool, LLC  
65 Germantown Court, Suite 409  
Cordova, TN 38018

**SUBJECT:** Eureka Garden Apartments, Contract No. FL29M000065, REMS No. 800004072  
Washington Heights, Contract No. FL29M000087, REMS No. 800037900  
Windsor Cove Apartments, Contract No. FL29E000006, REMS No. 8000045087

Dear Rev. Hamlet:

The purpose of this letter is to express serious concern about the conditions of several GMF properties in Florida, specifically Eureka Garden Apartments, Washington Heights, and Windsor Cove Apartments, following a visit by HUD officials to these properties on March 17 and 18, 2016. HUD is continuing to closely monitor the conditions at all GMF properties to ensure that the tenants are provided with decent, safe, and sanitary housing.

HUD's Real Estate Assessment Center ("REAC") performed an inspection of Eureka Garden Apartments on February 9 and 10, 2016. This REAC score shows that Eureka Garden Apartments is still in need of significant improvement. Observations made by HUD officials last week indicate that problems at Eureka Garden are even worse than reflected in the REAC report and have not been properly addressed by GMF. While the REAC score reflects a snapshot in time of the conditions at the property, after viewing the property last week and observing GMF's band aid approach to repairs, HUD officials do not believe the property would currently pass another REAC inspection. The violations found last week are outlined below. HUD directs you to address these problems immediately.

Exigent health and safety deficiencies were found at Eureka Garden including electrical hazards such as exposed wiring as a result of missing outlet cover plates and blocked egress including a window that would not rise higher than approximately twelve inches. All exigent health and safety deficiencies represent a serious risk to the tenants and must be addressed by GMF immediately.

During the REAC inspection, the inspector noted recent cosmetic mulching on the property. HUD officials noted last week that this mulch had begun to give way to show signs of serious erosion on the property. Using mulch as a quick fix to cover erosion, which would have resulted in further deducted points on the REAC score, is not a sufficient correction. GMF must address erosion and other similar systemic issues with long-term, permanent solutions.

Another on-going problem at Eureka Garden is the stairwells. Despite repeated assurances from GMF that the stairwells on the property would be replaced or repaired by August 1, 2016, there is significant evidence that indicates this deadline will not be met. In the meantime, maintenance staff on the property continues to use quick fixes to mask the problems, including covering holes with painted duct tape. Most of the stairwells on the property have significant holes and rusted and peeling paint. HUD demands that GMF engage as many contractors as is necessary to meet the August deadline for correcting the dangers presented by the staircases at this property.

Other systemic problems exist at Eureka Garden and must be addressed. HUD officials observed graffiti on buildings, collapsed utility closet ceilings, and significant potholes throughout the parking lots. GMF must continue to commit sufficient resources to make the necessary repairs in a manner that ensures long-term, permanent solutions at this property.

During their visit last week, HUD officials also visited another GMF property in Orlando, FL called Windsor Cove Apartments. This property was identified by GMF as one of their most troubled assets and the findings of HUD officials during their visit last week confirm these concerns. Problems plague both the exterior and interior of this property. On the exterior of the property, HUD officials observed broken and boarded up windows, broken glass, graffiti, and significant potholes. Inside the units, HUD officials yet again observed GMF's band aid approach to problems with masking tape painted over holes in closets, paint used in bathrooms and closets to cover untreated mildew, significant housekeeping issues, and roach infestation. Further, GMF is making no effort to turn and rent units facilitating a high vacancy rate and evidence of an owner that is not invested in providing decent, safe, and sanitary housing to meet HUD's mission. The condition of this property is unacceptable and will not be tolerated by HUD. GMF is directed to immediately address these and all the other issues at this property.

Yet another problematic GMF property in Jacksonville, FL is Washington Heights. Similar to Eureka Garden, Washington Heights received a barely passing REAC inspection score on December 2, 2015. Given the condition of this property last week, HUD officials also do not believe this property would pass a REAC inspection today. Observations made by the HUD officials during their visit last week indicate more of the same systemic problems at Washington Heights. HUD officials observed rusted exterior staircases, termite infestation of common areas, collapsed and fallen ceilings, graffiti, peeling paint, and other serious deficiencies.

HUD is extremely concerned by GMF's quick fix approach to maintenance at its properties. At all the GMF properties visited, HUD officials observed rusted appliances, decades-old cabinets, band aid fixes on stairs and holes in walls, and other instances of deferred maintenance that evidences GMF's lack of dedication to providing tenants with decent housing. Tenants deserve up to date housing and appliances that are not on their last legs. HUD is therefore directing GMF to immediately develop a comprehensive maintenance and modernization program to ensure that all tenants are living in with up to date, quality housing.

While HUD will continue to closely monitor the conditions at all of the GMF properties in Florida to ensure that GMF addresses these problems with long-term, sustainable and permanent repairs, HUD has lost confidence in GMF's ability to manage its large portfolio. As a result of its on-going inspections and observations at these properties, HUD recommends that GMF begin to work toward disposition of these properties to alternative ownership.

In closing, HUD does not consider a barely passing REAC inspection score to be a score that anyone involved should take pride in, rather GMF should understand that significant work is left to be done before these properties reach the level of decent, safe, and sanitary housing that the tenants deserve.

We appreciate your immediate attention to the matters identified in this letter as well as your cooperation with HUD staff, both on and off-site. Please refer any questions to Faye Mobley, Chief, Resolution Specialist Branch, at (678) 732-2019.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Priya Jayachandran', with a long horizontal stroke extending to the right.

Priya Jayachandran  
Deputy Assistant Secretary for Multifamily Housing