



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

1250 Maryland Ave., S.W., Suite 200
Washington, DC 20024

Tel. (202) 708-3354 Fax (202) 401-5414



OFFICE OF GENERAL COUNSEL
DEPARTMENTAL ENFORCEMENT CENTER

VIA FACSIMILE

(334) 954-4496

VIA EMAIL

revrichard@gmfonline.org

DATE
3/20/2017

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
Jacksonville, FL

Notice of Default on the Housing Assistance Payments (“HAP”) Contract

Dear Rev. Hamlet:

This letter constitutes formal notice by the Secretary of the U.S. Department of Housing and Urban Development (“HUD”) that Global Ministries Foundation (“GMF”) – Jacksonville Pool, LLC (“Owner”), the owner of Eureka Garden Apartments (“Project”), is in default of the HUD Housing Assistance Payments (“HAP”) contract effective October 1, 1998, originally executed by your predecessor-in-interest, Eureka Garden Apartments, Ltd., and amended/renewed/assigned thereafter, with subsequent HAP Renewals, the latest HAP Basic Renewal Contract for a One Year Term with an effective date of April 1, 2016, as well as, the imminent renewal with an effective date of April 1, 2017. Pursuant to Paragraph 6 of the HAP Contract, the Owner “agrees to maintain and operate the Contract Units, unassisted units, if any, and related facilities to provide decent, safe, and sanitary housing including the provision of all the service, maintenance and utilities.” Additionally, pursuant to Paragraph 2 of the HAP Contract, the Owner warrants that all units will be kept in “good and tenantable condition and meet HUD’s Housing Quality Standards.” HUD’s Physical Condition Standards for such housing are set forth in HUD regulation 24 C.F.R. § 5.703, *et. al.*

On February 24, 2017, HUD’s Real Estate Assessment Center (REAC) inspected the project. During that inspection, serious deficiencies were identified, especially in the units of the project, and the project ultimately received a score of 59c*. Significant health and safety violations were cited, including infestations, missing smoke detectors, exposed or missing

electrical breakers or fuses, damaged stairs, unusable emergency exits, and misaligned chimney or ventilation systems. As the symbol “c” signifies, some of these deficiencies were exigent. This is an unacceptable result.

Moreover, the inspection report reflects that the property received just 43% of the possible points allocated to the units at the property. Further, the building exterior received just 54% of the possible points allocated to that portion of the inspection. These are also unacceptable results.

The failures of the property to meet HUD’s standards for decent, safe and sanitary housing in the units, the building exterior, and overall must be corrected.

Accordingly, the Owner shall take the following corrective actions:

1. Conduct a survey of 100% of the Project;
2. Correct all of the physical deficiencies identified at the Project from the survey, including but not limited to those deficiencies identified in HUD’s inspection;
3. Provide HUD with detailed, written weekly updates of the remediation progress at the Project. These weekly updates must include evidence of such progress, including but not limited to photos, invoices, and work orders;
4. Execute the enclosed “Project Owner’s Certification” that the Project is in compliance with HUD’s physical condition standards of 24 CFR 5.703, including compliance with all state and local codes;
5. Provide to HUD evidence sufficient to support these certifications, including but not limited to contractor reports, receipts, invoices, work orders, and photos.
6. The property must be restored to decent, safe and sanitary condition within 60 days. Submit the completed survey, certification, and documentation within that timeframe to:

Kathy Davis, Resolution Specialist
Nashville HUD Office - HUD Multifamily Southeast Region
235 Cumberland Bend, Suite 200
Nashville, TN 37228-1803

The Owner must take all necessary action to restore the Project to decent, safe and sanitary conditions. HUD retains the right to re-inspect the property or certain components of the property to confirm that the Owner is in compliance with its contractual obligations. Because the Owner is responsible for the entire Project, different units, areas, systems, etc. may be surveyed than those in the last inspection.

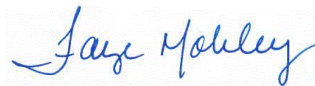
If the Owner fails to take the necessary corrective action, and/or fails the re-inspection, then HUD will consider all available regulatory and contractual remedies, including flagging the Owner and other parties responsible for the Project in HUD’s Active Partners Performance System (APPS), which may adversely affect eligibility for participation in HUD programs, as well as all actions allowed by the HAP Contract, Section 20(b)(3). Under the HAP Contract, HUD may take possession of the project in order to redirect rent and other payments toward

repairing damage and correcting the issues found by HUD's inspection, reduce or suspend housing assistance payments to the project, or abate the HAP Contract in its entirety.

HUD is aware that a new management agent took over at Eureka Garden earlier this year and has taken that fact into account in this notice. To that end, it is HUD's hope that the deficiencies identified in the REAC inspection will be resolved in a timely manner. HUD will maintain an active presence on-site at the Project throughout the corrective opportunity.

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 Kathy Davis, Resolution Specialist for the Southeast Region at (615)515-8550.

Sincerely,



Faye Mobley, Chief
Resolution Specialist Branch
HUD Multifamily Southeast Region

cc:

VIA EMAIL

Don Shea, Director and Contract Administrator
North Tampa Housing Development Corporation
(dons@thafl.com)

Mayor Lenny Curry
City Hall at St. James Building
117 West Duvall Street, Suite 400
Jacksonville, FL 32202
(MayorLennyCurry@coj.net)

**PROJECT OWNER’S CERTIFICATION THAT THE PHYSICAL CONDITION OF THE
PROJECT IS IN COMPLIANCE WITH HUD CONTRACTS AND THE PHYSICAL
CONDITION STANDARDS OF 24 C.F.R. SUBPART 5.703**

[Name of Project Owner:]_____ (the “Project Owner”), the owner of [Project Name:]_____ [City:]_____, [State:]_____ [Project Number:]_____ (the “Project”), by and through its duly authorized representative identified below, hereby certifies that:

1. All physical deficiencies at the project identified in the HUD inspection(s) of the project performed on _____ and the attached project owner’s survey of the project performed on _____ have been corrected and the project is in compliance with the physical condition requirements of all HUD contracts pertaining to the project and the Physical Condition Standards of 24 C.F.R. Subpart 5.703. The term “project” includes all units, common areas, building(s), grounds and systems.
2. To the best of the project owner’s knowledge, the project is in compliance with all State and local codes.
3. All tenants residing at Project have received a “Notice of Compliance, Disposition, and Enforcement Plan” relating to these physical deficiencies.
4. This certification is made by the project owner and is signed by a duly authorized representative of the project owner, who is so authorized by reason of his/her position as the [State Fully the Relationship Between Signer of Certification and Project Owner:]

All of the foregoing statements, as well as the date, signature and identifying information of the project owner and the signer that follows, are HEREBY CERTIFIED as true and accurate this _____ day of _____, 20_____.

Project Owner:

By: Signature:

Print Name:

Title:

WARNING: Federal statutes and regulations, including but not limited to 18 U.S.C. Subparts 287, 1001, 1010, and 1012; 31 U.S.C. Subparts 3729 and 3802; and 24 CFR Parts 24, 28, and 30, provide for criminal, civil or administrative penalties, sanctions or other regulatory actions with respect to false, fictitious, or fraudulent statements or claims presented in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development.