

**Senate Banking, Housing, and Urban Affairs Subcommittee on Housing,
Transportation, and Community Development**

“Oversight of the HUD Inspection Process.”

September 22, 2016

Testimony of Senator Marco Rubio

- Thank you, Chairman Scott, for holding today’s hearing on this important issue.
- Providing safe and sanitary conditions for people receiving housing assistance is central to HUD’s mission, so it’s disturbing to see taxpayer dollars wasted like this, and disappointing that HUD failed to provide a witness today.
- I would like to welcome two witnesses that will be testifying on the second panel, Ms. Tracy Grant and Major Josh Lewis.
- Both of these Floridians have done much to help my state and the entire country through their work to make these conditions known, and I want to thank them for taking the time to travel up to Washington to testify before this committee today.
- I became involved with this situation about a year ago, when the tenants of Eureka Gardens took their case to the public. These tenants bravely made their voices heard while they faced threats of eviction from the landlord, Global Ministries Foundation (GMF).
- Since then, residents at other GMF properties and at derelict section 8 properties around the state have spoken of their troubles and I am proud to represent their voices here today.
- When I visited Eureka Garden Apartments in Jacksonville, I saw crumbling staircases, exposed electrical wires, and boarded-up windows that would trap a child inside if there was a fire.
- I saw an apartment that hadn’t been painted in 13 years. I saw pieces of wood with exposed nails put up in place of a door, in a unit with small children.

- This was all evident even after GMF rushed crews to the property to make cosmetic repairs just 48 hours before I arrived.
- I spoke with tenants who had been through a lot over the last few years and heard stories like some of the ones you will hear Ms. Grant tell today – stories of neglect, crime, and bureaucratic indifference from HUD.
- When Senator Nelson and I visited Windsor Cove Apartments in Orlando, we saw standing water in apartments, damaged roofs, collapsed ceilings, and breathed air that reeked of mold.
- We spoke with residents who had lived there for multiple years now, trapped in a facility with conditions that no one should have to endure.
- When I visited Stonybrook Apartments in Riviera Beach, I saw even more of the same.
- An unwillingness to repair these properties is unfortunately par-for-the-course for GMF.
- They willfully neglect the well-being of their tenants, as you will hear Major Lewis testify.
- These are the three GMF properties I have visited in the state of Florida. In each case, HUD has enabled fraud and abuse to continue, all while taxpayer money continues to flow into the pockets of these slumlords.
- Bureaucratic red tape, miscommunication, and a lack of urgency have plagued this Administration's response.
- But nothing displays how broken this program is better than HUD's inspection process.
- The passing score in HUD's inspection process is a 60 out of 100.

- If a property scores above this threshold, HUD gives it the stamp of approval, declaring that the conditions are “decent, safe, and sanitary” – an approval that traps tenants at the property and keeps money flowing to the landlord.
- What I have discovered in Florida, however, is that HUD has compromised the integrity of its standards.
- Last year, the inspection of Windsor Cove gave it a passing score of 90 points out of 100.
- The next inspection, which occurred a week after Senator Nelson and I visited the property, gave it a failing score of a 48.
- That inspection found a projected 86 life-threatening deficiencies on the property. From one score to the next, this kind of inconsistency is beyond belief.
- Eureka Gardens received a score of over 80 out of 100 during the summer inspection that occurred just before the tenants brought forth their complaints.
- After months of back-and-forth repairs, hospitalizations from gas leaks, alleged lead poisoning, and incessant mold outbreaks, HUD’s follow-up inspection gave the property a score of 62 out of 100.
- Just barely passing, if you can imagine that.
- Right after that inspection, in a letter sent to GMF after visiting the property, the Deputy Assistant Secretary for Multifamily Housing wrote that “HUD officials do not believe the property would currently pass another REAC inspection,” despite the fact that an inspection had just happened barely a month before.
- The slumlords at Global Ministries Foundation caused this problem, but HUD enabled it.

- And the twin vices that so often afflict massive federal welfare programs – bureaucracy and corruption – have prevented the kind of action necessary to protect the tenants, and allowed this crisis to go on for far too long.
- This is why I introduced and passed three amendments to the HUD appropriations legislation the Senate considered back in May.
- These amendments would enact a clear, 15-day deadline for property owners to respond to physical deficiencies, make tenant protection vouchers available to residents living at properties with imminent health and safety risks like GMF’s properties, and order a nationwide audit of HUD’s inspection process.
- Senator Nelson and I have also introduced legislation that would enact a tenant survey in order to better identify problem properties like GMF’s.
- The problems found at these properties are not limited to the state of Florida. GMF owns properties in Alabama, Indiana, Louisiana, North Carolina, New York, Georgia, and Tennessee – where similarly bad conditions have led to federal investigations.
- GMF owns over 5,000 taxpayer-funded units across the nation.
- And beyond GMF, if HUD is falsely certifying the living conditions at this many properties for one organization, then it is probably doing the same thing for many other entities.
- I look forward to hearing from today’s witnesses about the effects of GMF’s fraud and HUD’s neglect, and hope we can continue working together to investigate GMF and pass legislation to fix HUD’s faulty inspection process.