

Low-income housing complex in Jacksonville, Florida under investigation

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14 November 2015

Global Ministries Foundation (GMF), a large “non-profit” real estate company, is under federal investigation after being exposed by local media in Jacksonville, Florida for the deplorable living conditions residents must suffer at its Eureka Gardens housing complex.

The latest inspection by the city on November 4 found that 37 of the 103 units scheduled for inspection were not up to code, and the US Department of Housing and Urban Development (HUD) has stated that if the worst violations are not repaired in the timeline they have laid out many units could be condemned, forcing residents to seek housing elsewhere.

GMF, which is valued at over \$500 million, generates \$100 million in revenue each year through the ownership of 61 rental properties across 11 states, composing some 11,000 units. Many of them, like Eureka Gardens, are in extremely poor working class neighborhoods where many of the residents rely on Section 8 housing vouchers to help pay rent.

Eureka Gardens, which is located on Jacksonville’s west side, is home to some 866 residents spread across 400 apartments. Of the 866, 52.9 percent are under the age of 17, and 28.3 percent are children aged 5 years and younger. The complex is also home to 47 disabled persons.

Long plagued with high crime rates, the complex was threatened last year with the loss of its Section 8 status by Jacksonville. City councilman Warren Jones sought to have it removed from HUD eligibility due to the crime problem.

In August of this year, the housing complex underwent a routine inspection by HUD, which issued a passing score of 85b to the complex. Residents of Eureka Gardens, outraged at the results of the inspection, wrote a letter to HUD, which was copied to city leaders detailing some of the main violations that the HUD inspectors missed.

Among the violations cited by residents were mold in numerous apartments, leading to multiple breathing problems for various residents, including numerous emergency room and doctor visits; plumbing and air conditioning that is in disrepair, causing leaks and water damage in many apartments which also aggravated the mold problem; screens removed from most windows and doors by property management leading to poor ventilation; improper and faulty electrical wiring; pest infestation in many apartments, including roaches, bedbugs, spiders and termites; appliances that are not kept in good working order leading to the danger of gas leaks and electrical fires; and poorly maintained sidewalks and staircases.

The letter also listed multiple examples of illegal behavior on the part of the property’s on-site management including: “payments to allow felons to stay on the property, buying food stamps from tenants, backdating of documents, offering leases that are shorter than one year and theft of rent payments.”

Tenants reported that complaints about conditions have been met with threats of eviction notices. The letter goes on to state that “the office has eliminated the drop box for payments to be made outside of business hours, resulting in numerous tenants being unable to make their payments in a timely fashion due to the office being closed on evenings, weekends, and holidays.” Tenants also asserted that late fees are often not appropriately explained or even posted and appear to be inconsistently administered.

The letter also states that residents with proven disabilities are often denied first floor apartments, in violation of the Americans with Disabilities Act.

In response to the letter, the city of Jacksonville’s code inspection office, along with the city fire marshal, conducted a two-day inspection of the property in early October. They inspected 165 of the 400 units, finding violations in 163 of the apartments. Only three of these

violations were found to be due to the negligence of the tenants—the rest were found to be the responsibility of the landlord.

Some of the biggest violations included: damaged and collapsing ceilings due to water leaks; faucets, bathtubs, and showers that are cracked or otherwise damaged; faulty wiring and damaged electrical receptacles; and holes and cracks in walls and ceilings. They also found faulty smoke detectors, a lack of carbon monoxide detectors, structurally deficient stairs, faulty windows, and faulty pilot lights in stoves.

WJXT, a local non-affiliated television station reported that a subsequent inspection of the housing complexes by an engineering firm found that of the 200 staircases on the property only nine percent were serviceable, 24 percent needed maintenance, 65 percent were repairable, and three percent (six staircases) needed to be replaced.

During the course of the investigation it emerged that residents had been forced to sign an addendum to their lease stating that if they wanted air conditioning units installed in their apartments (there is no central air conditioning and the apartments do not come with window units) they were required to be installed by an “approved” contractor who required a fifty dollar fee. This “approved contractor” was Mark Garrard, husband to the property manager Holly Garrard, who is not a licensed contractor with the State of Florida. GMF has subsequently replaced Garrard as the property manager and has been forced to refund the fifty dollar fees to residents.

On October 20, hundreds of residents of Eureka Gardens were forced to evacuate in the middle of the night when natural gas filled their homes. WJXT reports that a maintenance crew contracted by the property management had shut off gas to all of the units in the complex simultaneously to make repairs. After the repairs were completed the maintenance crews turned the gas back on late at night.

The pilot lights, however, need to be individually relit in each apartment, and, due to the connection of all of the gas lines, the relighting of one pilot means that gas can flow through the whole system. Because it was the middle of the night many residents were sleeping or not present. Gas filled the entire complex and many panicked residents were sickened and hospitalized. The city fire marshal, along with hazmat units, were called out to the scene and had to shut the gas back off for the complex. The tenants had not been informed of the pending repairs until the morning of the day they were scheduled to take

place.

In late October many residents of those apartments inspected by the city received written warnings from management stating that they had ten days to “get their apartments in shape” for the follow-up inspection or face eviction. Among the repairs demanded by management was the requirement that residents have working smoke detectors, which, according to HUD, is the landlord’s responsibility. Management subsequently extended the deadline to November 30.

Following the city’s inspection, HUD voided the previous passing score and re-inspected all of the units. The result of the new HUD investigation will not be made public until sixty days after the owner of GMF, Reverend Richard Hamlet, signs off on the report. It has been reported that HUD has launched an investigation into the business practices of GMF.

Hamlet, who is paid an annual salary of \$485,000, initially claimed ignorance, stating that he was being targeted because he was an evangelical Christian. He additionally tried to avoid speaking with the media but was later forced to pledge “reforms” due to intense scrutiny.

Because GMF is a registered non-profit they are exempt from paying property taxes, relieving the company of approximately \$250,000 dollars in property taxes per year on six Jacksonville properties. An audit from 2012-2013 showed that “Hamlet reported close to \$7.2 million in revenue for the six Jacksonville properties alone. The \$7 million came from tenant assistance payments—federal tax dollars granted by the U.S. Department of Housing and Urban Development.

“For all six properties \$4.5 million went to operating costs, including payroll and administrative needs. Only \$242,757 went towards repairs and maintenance and \$576,080 went back into Hamlet’s bank accounts as profit.”



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