

Secretary Marcia Fudge
U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, DC 20410

March 11, 2022

Re: Millennia Management LLC; Millennia Housing Management Ltd.

Dear Secretary Fudge:

Millennia Management Company LLC and Millennia Housing Management LTD., (“Millennia”) came to your attention last May when you visited Kansas City and heard from tenants of Gabriel Towers about Millennia’s poor management practices and the variety of problems at Gabriel Towers that tenants encounter which threaten their health and safety. At that time, news reports said that you promised a full investigation of the issues that the tenants raised. Since then, news reports have indicated that tenants are disappointed with HUD’s response to their concerns and that HUD has refused to provide information about, or investigate, Millennia’s operations outside of Gabriel Towers.¹

Even prior to the issues brought to your attention regarding Gabriel Towers, the National Alliance of HUD Tenants (NAHT) became aware of terrible conditions persisting within Millennia’s portfolio, starting with Stonybrook Apartments in Riviera Beach, FL in 2017. Thereafter, NAHT learned about the terrible housing conditions in many other Millennia properties, including Forest Cove Apartments and Cordoba Courts. As a result, NAHT started the Millennia Task Force to further investigate Millennia and to demand that HUD and Millennia take actions to improve the housing conditions. In 2018, two NAHT board members and NAHT’s then executive director Michael Kane flew to Georgia to tour Forest Cove Apartments. NAHT and the tenants of Forest Cove Apartments then planned an action to call attention to the deplorable conditions which included mildew, black mold and massive rat holes. They later joined a rally in downtown Atlanta, calling attention to the deplorable conditions at Forest Cove Apartments, where over 300 people attended. Despite meetings with HUD to raise these concerns, HUD would make no commitment to NAHT to conduct a Headquarters-level review of Millennia’s practices and poor housing conditions.

¹ Fortino, Jodi, KCUR radio, KC Tenants Access HUD of Scaling Back Investigation into Millennia Companies, available at <https://www.kcur.org/news/2021-06-16/kc-tenants-accuses-hud-of-scaling-back-investigation-into-millennia-companies>. See also <https://www.houstonchronicle.com/news/houston-texas/houston/article/KC-Tenants-frustrated-with-HUD-investigation-into-16255440.php>.

We have conducted a broad-ranging investigation of Millennia properties across the country and we have focused specifically on conditions in their properties located in Black neighborhoods and the impact on Black residents. Some of our findings are documented here.

We urge HUD to conduct an investigation of Millennia that includes its operation of project-based rental assistance (“PBRA”) properties nationally, with particular focus on the many properties in Black neighborhoods that Millennia has operated for years with hazardous and slum conditions and with HUD’s full knowledge and ratification. Millennia, as documented in this letter, has a policy and practice of under-resourcing properties and failing to correct terrible conditions that affect residents for many years. What efforts that are made at remediation are often not funded by Millennia but by local officials and those few efforts only involve a plan of limited investment, so the work is poorly done and does not correct underlying infrastructure and systems failures, leaving residents at risk.

Millennia is one of the largest owners and operators of HUD project-based Section 8 housing in the country.² According to Dunn and Bradstreet, Millennia Housing Management generates \$198.28 million in sales annually.³ Millennia reports that it was ranked #3 on the list of Top 50 Affordable Housing Owners and #7 on the list of Top 10 Companies Completing Acquisitions by Affordable Housing Finance in 2020.⁴

Millennia’s conduct at Gabriel Towers and elsewhere and its broad impact on people of color warrants HUD’s full attention to ensure that assisted families are living in habitable housing. There is strong evidence that Millennia has failed at many properties to provide decent, safe and sanitary conditions for tenants of the PBRA properties that Millennia owns and manages, in violation of its contracts with HUD. The documented evidence also shows that HUD has overlooked health and safety issues despite repeated poor Real Estate Assessment Center (“REAC”) scores at properties owned and managed by Millennia.

These claims about the conditions that Millennia provides for tenants are very serious. Residents of PRBA properties are disproportionately people of color, older adults, people with disabilities and families with children.⁵ These families are more vulnerable to health and safety problems, less able to have access to the resources to combat poor conditions, and generally unable to

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<https://www.prnewswire.com/news-releases/the-millennia-companies-announces-the-promotion-of-debra-moore-to-vice-president-of-human-resources-301155070.html#:~:text=With%20a%20portfolio%20of%20over,Affordable%20Housing%20Finance%20in%202020>

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https://www.dnb.com/business-directory/company-profiles/millennia_housing_management_ltd.6573f14e951b403a6dcb2b4a2121fe14.html

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<https://www.prnewswire.com/news-releases/the-millennia-companies-announces-the-promotion-of-debra-moore-to-vice-president-of-human-resources-301155070.html#:~:text=With%20a%20portfolio%20of%20over,Affordable%20Housing%20Finance%20in%202020>

⁵ HUD, 12 Month Tenant Characteristics Report (2021),

https://www.hud.gov/sites/dfiles/Housing/documents/Tenant_Characteristics_Rpt.pdf

relocate, even away from locations that pose significant health threats to them, given the site-based nature of the program.

REAC Failures

Poor conditions are reflected in the REAC inspection scores used to judge the physical condition of HUD's insured and subsidized properties, including PBRA properties. HUD itself has acknowledged that health and safety violations inside units only reflect a small percentage of the REAC score for a property and the same or similar conditions at different properties may result in very different scores.⁶

There are many more concerns about the way that HUD has failed to direct, manage, and evaluate the performance of the operators of PBRA properties in general. As HUD's Inspector General wrote in its 2020 Report on Top Management Challenges:

REAC inspections have repeatedly produced substandard and inconsistent results in public housing, multifamily, and healthcare facility inspections. When program participants fail inspections, HUD management is typically slow or completely fails to act. PIH allows PHAs to use Federal funds to hire REAC consultants, resulting in an insider group of REAC Inspectors who coach PHAs and multifamily owners on manipulating the system. HUD acknowledges that the current REAC system permits owners to pass inspection even if they fail the unit inspections. **Egregious health and safety violations inside living units are valued at less than one percentage point of the overall score.** On multiple occasions, healthcare and multifamily facilities that made few or no changes between REAC inspections would receive substantially different scores in later inspections.⁷

HUD's current REAC inspection process fails to provide timely identification of and remediation for serious violations. If a property scores 60 percent or less in the overall inspection scores, REAC designates them as substandard or troubled, which requires HUD to monitor the property

⁶ REAC scores have been criticized as not being a reliable way to assess conditions over time at individual PBRA properties, because of inaccuracies in how they are administered and inconsistencies in how they are enforced, especially for low performing properties. They are, however, currently the only measure of performance nationally available for PBRA properties. See, e.g. General Accounting Office, "HUD Should Improve Physical Inspection Process and Oversight of Inspectors." March 2019. And see ProPublica, "HUD Inspect: Is Publicly Subsidized Housing Decent, Safe and Sanitary?," November 16, 2018, available at <https://projects.propublica.org/hud/>.

⁷ HUD Inspector General, "Top Management Challenges Facing the U.S. Department of Housing and Urban Development in 2020 and Beyond," available at <https://www.hudoig.gov/sites/default/files/2019-12/TMC%20-%20FY%202020.pdf> (emphasis added). See also GAO (2019, March). Real Estate Assessment Center: HUD Should Improve Physical Inspection Process and Oversight of Inspector. (GAO-19-254), finding that properties with poor unit conditions could still pass a REAC inspection.

closely, the owner to develop a corrective action plan, and possibly conduct a follow up inspections.⁸

However, in some instances, by the time the properties receive a score of 60 or lower, these properties have already experienced deferred or nonexistent maintenance or capital improvements for years or even decades. Moreover, there is no effective, implemented system to address a pattern of repeated violations which may leave residents at risk for many years. We have found numerous properties with low REAC scores over three or more years, with the violations apparently unaddressed and unremediated.

HUD has not taken appropriate actions in these cases of poor performance by PBRA owners and operators, although they are available to it, as described in HUD Notice 2018-08, which describes HUD's tools to deal with properties suffering from poor housing conditions, including:

- Require new management
- Impose civil money penalties
- Full or partial contract rent abatement
- Transfer contract to another project or owner
- Suspension or debarment from federal housing programs
- Receivership
- Recapitalization
- Other regulatory or contractual remedies

Our investigations show that HUD is failing to use these tools and that HUD continues to allow owners and managers like Millennia to benefit from HUD's neglect. Many of Millennia's properties have years-long patterns of failing REAC scores, repeated violations, and terrible conditions that Millennia has failed to address in a meaningful, sustained way. Promises of rehabilitation of the sites and improved conditions have not been met or have been significantly delayed. Millennia and others have pleaded poverty to local and state officials to get funding for renovations rather than fund them directly and have not produced the promised changes. We describe a few of those Millennia properties in this letter, but there are many more with the same, or worse, problems.

HUD's Inspector General found that ensuring availability of affordable housing that is decent, safe, sanitary and in good repair was a top management challenge in 2020, but there has been, tragically, no substantive change in HUD's efforts that would ensure decent, safe and sanitary housing.⁹

⁸ Dep't of Hous. and Urban Dev., Notice H 2018-08 Servicing of Projects That Do Not Meet HUD's Physical Condition Standards and Inspection Requirements (PCS&IR) or Fail to Certify That Exigent Health and Safety (EH&S) Deficiencies Have Been Resolved as Required 6-7 (Oct. 29, 2018).

⁹ HUD Inspector General, "Top Management Challenges Facing the U.S. Department of Housing and Urban Development in 2021," p. 228-20, *available at* https://www.hudoig.gov/sites/default/files/2020-12/TMC%202021_0.pdf.

Over a period of years, Millennia acquired properties from, and eventually the whole portfolio of, Global Ministries Foundation which was the subject of multiple investigations by HUD and others based on investigations of financial misconduct and poor management.¹⁰ There were no notable improvements when Millennia operated, and later acquired, these properties. Indeed, what work Millennia has done to repair these developments has been shoddy and has failed to address major conditions issues, including the presence of pervasive mold.

We urge you, Secretary Fudge, to establish a Headquarters-level team that includes the Office of the Inspector General and the Office of Housing that will examine the specific issues that we raise here, develop and ensure better monitoring and enforcement of the agency's condition standards to protect the health and safety of assisted residents and use new strategies to ensure that PBRA residents actually live in decent, safe and sanitary conditions.¹¹ We provide a list of actions that HUD could take to make that happen later in this letter.

Millennia Properties and its Pattern of Health and Safety Violations in Properties with Black Households

Our investigation has led us to conclude that Millennia's properties in Black neighborhoods and those that have high populations of Black residents have a much higher incidence of unresolved health and safety violations than Millennia properties in neighborhoods with higher populations of white residents.

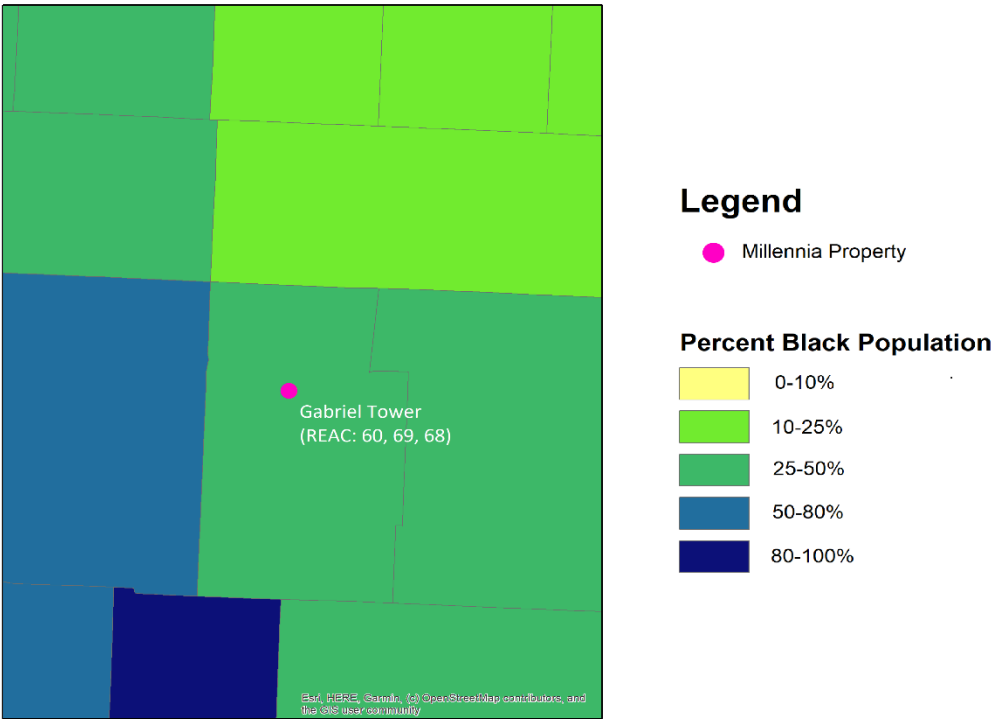
Our investigation also shows that Millennia has a pattern, as part of its practice of under-resourcing these properties, of allowing long-standing code violations that present health and safety risks to persist over years. Millennia has a pattern of making repeated promises to make repairs and correct violations, providing occasional superficial repairs that do not fix underlying problems and that are often funded by external sources, such as tax credits, rather than by Millennia, and then, despite the infusion of tax credits, continuing to have serious code violations and conditions that threaten the health and safety of residents.

Gabriel Towers

Gabriel Towers is one example of a Millennia PBRA property that reflects both poor management by Millennia and the failures of HUD's system of accountability for PBRA properties. It is located in a census tract that is majority Black and Hispanic, with a population that is 38.194% Black, 39.66% Hispanic and 20% white.

¹⁰ Disgraced non-profit rental company, Global Ministries Foundation, again operating in Memphis, <https://www.news4jax.com/news/2016/08/03/hud-raids-global-ministries-foundation-offices/>

¹¹ We are aware that HUD is moving towards replacing its failed REAC system with a new system called NSPIRE. However, NSPIRE, even if it gives appropriate low scores for risk factors to health and safety of residents, will be inadequate unless there is a comprehensive enforcement process that does not rely on self-certifications to demonstrate compliance or tolerate repeated major violations that present health and safety risks.



The occupancy of Gabriel Towers, designed for seniors and people with disabilities, is majority Black. It has a long series of near-failing REAC scores; its score in 2019 was 60, in 2016 it was 69, in 2017 it was 68, and its score has dipped as low as 40 in 2014.

In January 2020, local news reports described a rental inspection report of a Gabriel Towers Apartment showing pest entry holes in six locations in the apartment, mouse droppings in the unit and a stove that caused the fuses to trip every time it was turned on.¹²

By June 9, 2020, after tenants formed a tenant union, Millennia promised a series of actions to remedy a series of violations that were significant—including fixing air conditioning that has been dysfunctional for weeks. Millennia’s promises included:

- Formal recognition of their tenant union
- Air conditioning fixed by Weds (Thurs at the latest), and immediate reparations for all tenants if that does not occur
- Deep clean stairways, elevators, all common spaces, and remove trash within the next week
- Response within 48 hours to all maintenance requests and a new tracking system, to be implemented in the next week, so tenants can know when their issue will be resolved
- Functioning washer/dryers by July 1

¹² KCTV, Health Department finds rat droppings, rat holes and more in Elder KC apartment complex, January 14, 2020, available at <https://bloximages.newyork1.vip.townnews.com/kctv5.com/content/tncms/assets/v3/editorial/4/a7/4a7ab12e-371f-11ea-96b1-2306ebb2607a/5e1e4459cdf70.pdf.pdf>

- Elevator repairs by July 1 and contractor replacement if they fail to fix the problems
- Carpet replacement in all units and hallways within the next 60 days
- No evictions while demand remain unmet
- No retaliatory evictions, ever.¹³

In 2020, Gabriel Towers was found to be in violation of the contract Millennia held with the city of Kansas City that gave Millennia a tax break because of poor conditions at the property. Those violations included lack of air conditioning during the summer months of 2020, mold, live cockroaches, and evidence of other pests.¹⁴

Similar issues were reported in June 2021, and they continue to exist since your visit to the property. HUD continues to ignore the jeopardy in which the agency puts residents of Gabriel Towers.

Sandpiper Cove

In Galveston, Texas, Compass Pointe Apartments, now known as Sandpiper Cove, is located in a racially segregated area and in a flood plain, with a neighborhood population that is 44.9% Black, 2.08% Hispanic and 32.92% white. Sandpiper Cove has a tenant population that is disproportionately Black; 77.25% of Sandpiper Cove's residents are Black, 11.4% Hispanic and 11.4% white. Of its households, 66.5% have one or more children. Built in 1971, the project consists of 23 buildings on approximately seven acres, encompassing 192 housing units. It is operated through an extension of a HAP contract executed in 2012.

Millennia purchased the property in 2015, the same year that Sandpiper Cove failed its REAC inspection with a score of 40c. Despite Millennia's promises to HUD and the City of Galveston about planned corrective actions at the time of purchase, substantive repairs were not made. Poor maintenance and substandard repairs, failure to fix underlying problems, and a lack of effective management have all contributed to massive failures by Millennia in providing decent, safe and sanitary housing.

A 2016 inspection by the Texas Department of Housing and Community Development showed tripping hazards, exposed wires/panels, blocked fire exits, roach infestations, lack of electricity, and problems with fire extinguishers.

Sandpiper Cove is located in a FEMA Special Flood Hazard Area which requires elevations of 12 to 13 feet above base level. Instead of replacing, or elevating units at the property, Millennia

¹³ <https://www.facebook.com/kctenants/posts/554468221883760>

¹⁴ KSHB, Company could lose tax break because of conditions at KC apartment building, December 8, 2020, available at <https://www.kshb.com/news/local-news/company-could-lose-tax-break-because-of-conditions-at-kc-apartment-building>; <https://www.kshb.com/news/local-news/gabriel-tower-landlord-remains-in-default-of-agreement-with-city-agency>.

proposed to build a nine-foot wall around the property which will make the property look even more like a correctional institution and will not protect tenants from flooding or water damage caused by flooding.



Photo of Sandpiper Cove, available at <https://www.google.com/url?sa=i&url=https%3A%2F%2Fwww.apartmentguide.com%2Fapartments%2FTexas%2FGalveston%2FSandpiper-Cove-Apartments%2F100034892%2F&psig=AOvVaw3zI5moQNksqJ5c6VJwUHRs&ust=1629219239896000&source=images&cd=vfe&ved=0CAsQjRxqFwoTCMi01uKAtvICFQAAAAAdAAAAABAR>

Today, and despite two series of newspaper stories documenting Millennia’s failures there,¹⁵ Sandpiper Cove has infestations of pests and mold, sewer backups, documented issues with emergency fire exits, tripping hazards, damaged roofs, inoperative smoke detectors, clogged drains in bathrooms and kitchens, and ceiling damage. All of these were listed in HUD’s Notice of Default, dated May 15, 2019, which resulted in a failing REAC score of 33. Similar problems were noted in October 2019 when a state report found broken/missing hand railings, kitchens with damaged, missing, or inoperable stoves, sinks and cabinets, and leaking plumbing.¹⁶ Because of COVID, inspections by the state and HUD in 2020 and 2021 were not conducted. Recent visitors to Sandpiper Cove have documented that these conditions still exist.

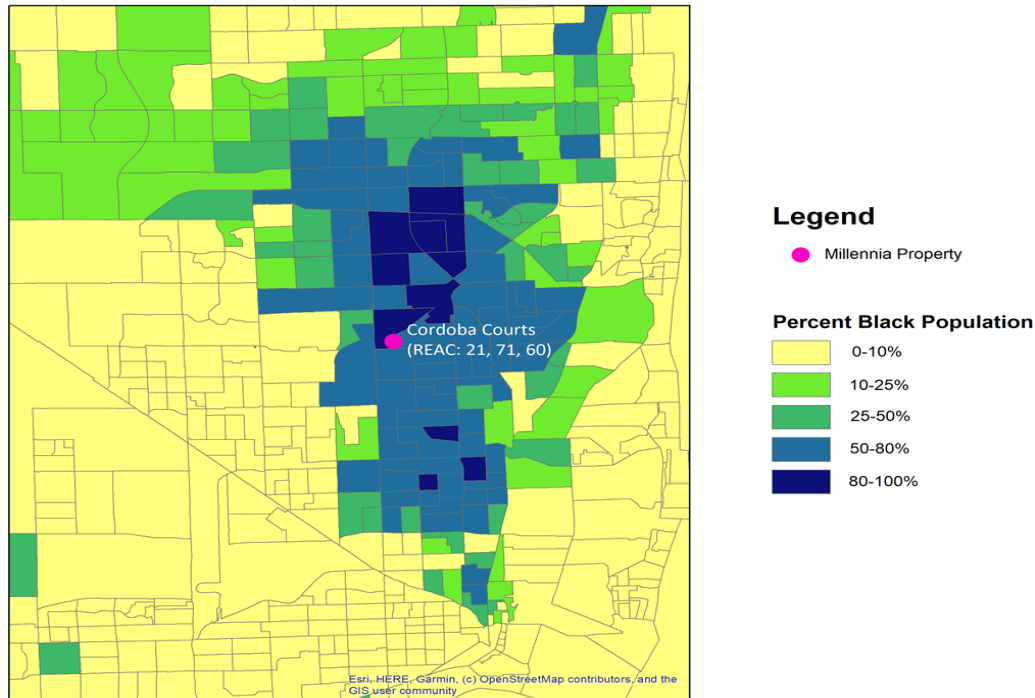
Millennia, with a trail of broken promises behind it documented by multiple state and federal inspections, sold Sandpiper Cove over the objections of local advocates trying to hold them accountable. HUD should hold Millennia accountable for the horrendous conditions that it subjected tenants to during its ownership. HUD has been aware of all of these problems for many years, as there have been not one, but two highly public exposes of conditions at the property, and yet HUD continues to not hold Millennia accountable. HUD has direct knowledge of these violations and has done nothing with its authority to bring the property back into compliance.

Cordoba Courts

¹⁵ See attachment A, Houston Chronicle

¹⁶ Further details about Sandpiper Cove are detailed in a letter from Texas Housers to the HUD Inspector General, attached here as Attachment B.

Cordoba Courts, located in Opa-Locka, Florida is located in a census tract that is 91% minority, with Black residents constituting 69% of the population. 83% of the residents are Black and 17% are Hispanic.



Millennia brought Cordoba Courts in 2016. In 2018, when Cordoba Courts was “Criticized as a Slum” in local headlines¹⁷ and had a REAC score of 60c, local residents said that Millennia made the property look better but never addressed underlying systemic conditions at the property.

A resident, Shalonda Rivers, testified before a Congressional Committee in late 2019 on behalf of her local tenant association and the National Low-Income Housing Coalition, about terrible conditions at the property starting in 2013, including sewer backups, leaks in the roof, AC installation failures, pest infestation and high mold levels. HUD, made aware of the problems, did nothing. Millennia made promises but rarely followed through. The performance-based contract administrator, North Tampa Housing Authority, has done nothing.¹⁸

A 2018 story identified many problems at Cordoba Courts, describing the HUD inspection that found 41 health and safety violations, “broken fire alarms, holes in walls, mold and mildew, missing doors, and exposed electrical wires.” Millennia promised to improve the problems. But

¹⁷ Minta, Molly, Miami New Times, “Cordoba Courts in Opa-locka Criticized as a Slum,” September 5, 2018, available at <https://www.miaminewtimes.com/news/slum-conditions-at-cordoba-courts-in-opa-locka-10698557>

¹⁸ Ms. Rivers’ testimony before the House Financial Services Committee, Subcommittee on Housing, Community Development and Insurance, November 20, 2019, is provided as Attachment C.

by 2020 the problems still remained; in early 2020 the city issued 89 warnings for dozens of apartments; residents cited sewer backups in bathtubs and toilets, mold, rat and possum infestations, and the city fined Millennia \$200,000 for the violations.¹⁹

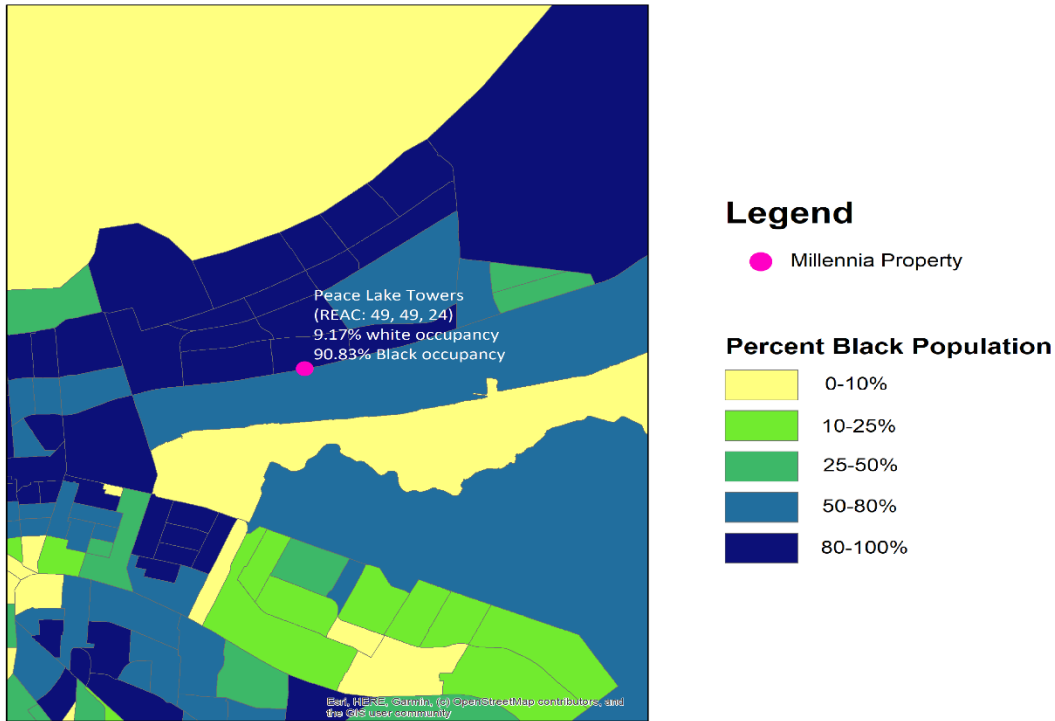
After a string of shootings at the property in early 2021, the tenant association requested that Millennia meet to discuss safety issues and security at the property. Millennia refused to meet with the tenant association and took no action to secure the property. This forced the tenant association to file a lawsuit seeking to enforce their right to safe and secure housing. Rather than addressing the issues at the property, Millennia asked the Court to dismiss the lawsuit claiming tenants cannot obtain a court order to enforce the lease and tenants must be injured by a landlord's failure to keep a property safe before seeking relief from a court. The court denied Millennia's request to dismiss the lawsuit and the case remains pending in a Florida state court.

By March 2020, Cordoba Courts had a 21c REAC score. In April 2021, Millennia sought to raise the rents at the property and the tenant association objected to HUD because of the serious problems at the property. HUD responded that the rent increase was justified because it was part of Millennia's upcoming preservation transaction. HUD took no additional actions against Millennia.

In late 2021 Millennia closed on a deal to renovate and preserve the property and some renovations have begun. The residents remain skeptical about what will happen next because of Millennia's poor communication and ongoing refusal to engage with the residents. Millennia did not engage the residents in its redevelopment plan and it has not provided a written relocation plan to the residents. When Millennia relocated tenants to make repairs in 2018, the repairs were supposed to take a few weeks, but the tenants lived in a hotel for more than a year. The tenant association is also concerned that the redevelopment will not address the cause of the significant mold issues at the property. Indeed, what improvements that have been made to date are insufficient, poorly done, and fail to address the mold.

Peace Lake Towers

¹⁹ Miami Herald, "Building Owner fined \$200K for moldy apartments is asking the city for a 'fresh start'", February 3, 2020; The Miami Times, "Deplorable Conditions at Cordoba Courts persist." June 17, 2019; The Miami Times, "Affordable Housing Matters: This slum and blighted Opa-Locka housing has got to go", June 6, 2018.



Most of the residents at Peace Lake Towers are Black, approximately 90.8%. The complex is located in New Orleans, in a census tract that is 95.33% Black. With 130 units, it is a property reserved for seniors and persons with disabilities. Over the past years it has had three failing REAC scores in a row: 49b in 2020, 49c in 2019 and in 2017, a 24c, which triggered Millennia’s take over of the management of the property.

In 2018 local news reports described the property as having elevator problems requiring residents to walk down the stairs, and the lack of hot water. In 2019 a litany of complaints included rats, mold, hot water and air conditioning failures, and flooding. Millennia promised a renovation and was given the benefit of the doubt by HUD, while residents continued to suffer for years due to unexplained delays and deferred maintenance.²⁰

Millenia's neglect of the property, first as a property manager, and then as an owner, made the property more vulnerable when Hurricane Ida hit in 2021. When the storm hit, they were forced to evacuate the building and tenants were ultimately housed in an extended stay hotel via a pass-through contract. Tenants were told that the first group of 40 tenants would be able to move back into fully renovated units before the close of 2021, and another waive would be moved within the first quarter of 2022.²¹ However, as of the date of this writing, no tenants have been moved back into renovated units.

²⁰ Id.

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<https://www.wdsu.com/article/seniors-cant-return-yet-to-2-new-orleans-senior-facilities-closed-after-hurricane-ida/37552599#>

Memphis Towers

Memphis Towers, located in Memphis' Medical District, is a 296-unit PBRA senior housing community comprising three eight-story apartment towers. Rent at Memphis Towers is \$815 per month, which is 108% of fair market rent. Memphis Towers has a population that is 88.2% Black and it is located in Census Tract 38, which is 72% Black.

After Global Ministries's federal funding was revoked,²² Memphis Towers was acquired by Millennia in August of 2016. Despite receiving a barely-passing HUD inspection score of 66 in 2016,²³ Memphis Towers tenants have reported that conditions have only worsened since the change in ownership. Notably, one tenant sued Millennia in 2018 after contracting Legionnaires disease.²⁴ In December 2020, Millennia entered into an agreement with the City of Memphis that results in Millennia paying half of what it would normally pay in property taxes for the next eleven years, amounting to \$42,953,920 in direct benefits to Millennia.

Despite their favorable tax status, Millennia has failed to provide tenants at Memphis Towers with a healthy and safe living environment, free from retaliation. Since Memphis Tenants Union began organizing at Memphis Towers in September 2021, there have been reports of black mold, a rat and insect infestation, overflowing trash chutes, a general lack of maintenance, dangerous and broken appliances, dangerous lack of accessibility, and a failure to place disabled tenants using walkers and wheelchairs to lower floors, despite concerns for their own safety. There is also a lack of security at Memphis Towers, with no full-time security staff and many tenants without operable locks on their doors, which has led to criminal assaults. Additionally, property managers refuse to issue tenants rent receipts and often issue suspect fees that, if not paid, are followed up by threats of eviction.

Tenants exercising their legal right to organize²⁵ in order to address the conditions have been met with blatant retaliation from all levels of Millennia management. Local management has denied tenants their right to a meeting space, harassed tenants for meeting with organizers, and threatened tenants with eviction for organizing. Representatives from Millennia have been flown in to issue retaliatory threats to residents and organizers. When Memphis Towers tenants have tried to report their living conditions to local HUD representatives, they have been met with inaction and indifference.

²²<https://wreg.com/news/problems-continue-at-apartments-formerly-run-by-global-ministries-foundation/>

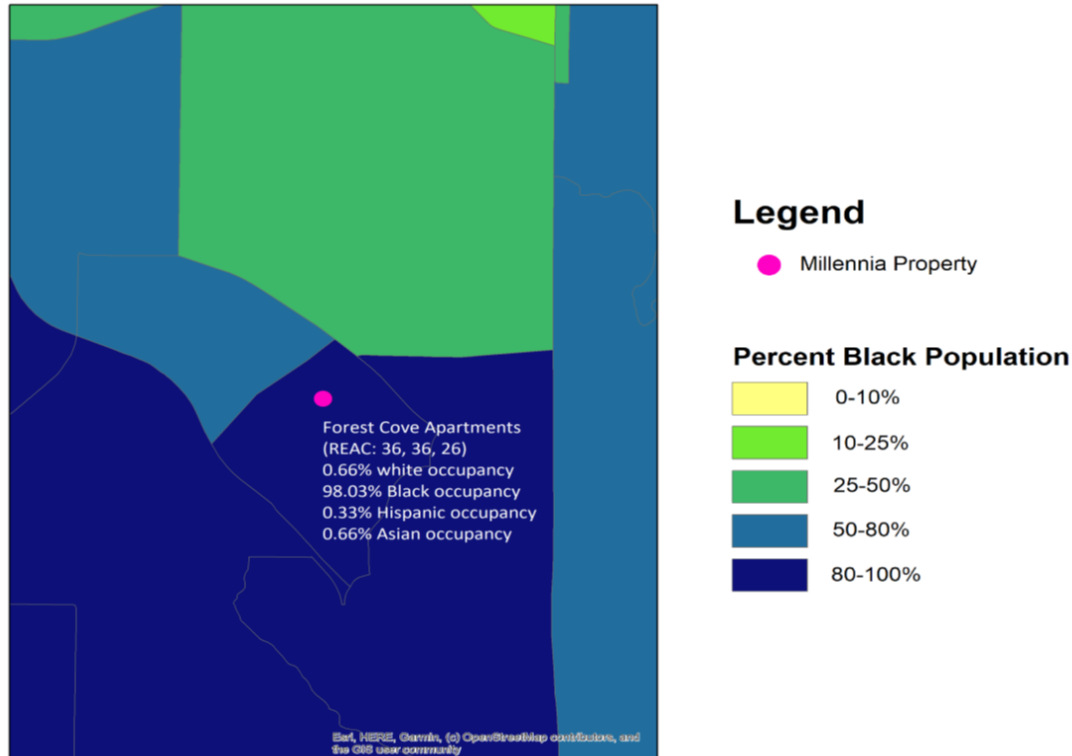
²³<https://wreg.com/news/residents-at-medical-district-apartment-building-say-theyre-living-in-filthy-conditions/>

²⁴<https://wreg.com/news/residents-at-medical-district-apartment-building-say-theyre-living-in-filthy-conditions/>

²⁵ https://www.hud.gov/sites/documents/DOC_12162.PDF

Forest Cove Apartments

Forest Cove, in Atlanta, is located in a census tract that has 0% white residents and 99% Black residents. Forest Cove has 396 units and a population that is 98.03% Black.



The Global Ministries Foundation bought the property in 2014 and according to news reports, Millennia began managing it in 2017.²⁶ While Millennia has been managing the property it has gone from 95% occupied to 60% occupancy.²⁷ In 2021, Global Ministries announced that Millennia was acquiring Forest Cove as part of the purchase of Global Ministry’s entire portfolio.²⁸ During the time that Millennia has managed the property, its REAC scores have remained failing. Reported maintenance issues include mold, leaks, rot, trash, with the property conditions described as “deplorable.”²⁹

²⁶Atlanta Civic Circle, “Long-Delayed sale, rehab of decaying Forest Cove Apartments on horizon,” April 22, 2021, available at

<https://atlantaciviccircle.org/2021/04/22/long-delayed-sale-rehab-of-decaying-forest-cove-apartments-on-horizon/>

²⁷ Id.

²⁸ Id.

²⁹Saporta Report, “Thomasville Heights residents stuck in deplorable apartments demand better, : September 19, 2018, available at

<https://saportareport.com/thomasville-heights-residents-stuck-in-deplorable-apartments-demand-better/columnists/maggie-lee/maggie/>

A 2018 story described failing air conditioning, holes in the ceiling, leaky pipes and other issues.

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In February 2021, residents described rats nesting in their stove and longstanding problems with trash and maintenance, and although change has been promised, no change has occurred.³¹

Residents of Forest Cove Apartments have been promised that they will be relocated with pass-through leases while renovation of the 50-year-old complex is completed and be able to return. Millennia claims it cannot pay for the relocation of the residents, despite the fact it is receiving nearly \$250,000 a month in Section 8 payments. However, residents continue to live in slum conditions, with the property described as uninhabitable.³² As of the date of this letter, renovations have still not begun and the city secured a condemnation order for the property in December 2021.

Millennia's problems in managing many of its properties are not isolated incidents and are unfortunately commonplace among larger PBRA owners. For example, a detailed analysis of PRBA properties in Houston, Texas and the nearby Woodlands suburb in 2019 showed significant race-based disparities and segregation connected with these properties.³³ Developments that were in majority white, non-Hispanic census tracts were uniformly in better

³⁰ WSB-TV, "Complex where baby grazed by bullet routinely fails HUD inspection, database shows," July 18, 2018, available at

<https://www.wsbtv.com/news/local/atlanta/families-march-against-crime-poor-living-conditions-after-baby-was-grazed-by-bullet/792626879/>

³¹ 11 Alive, Apartment residents fed up over 'deplorable' conditions, February 25, 2021, available at <https://www.11alive.com/article/news/local/forest-cove-apartments-atlanta-deplorable-conditions/85-d0865d00-ec18-4f01-9a83-59f2ef0712f2>

³² Saporta Report, "Long-delayed sale, rehab of decaying Forest Cove apartments on horizon, April 22, 2021, available at <https://saportareport.com/long-delayed-sale-rehab-of-decaying-forest-cove-apartments-on-horizon/atlanta-civic-circle/housing-affordability/seankeenan/>

³³ Texas Housers, "Unsafe." "Unsanitary." "Unequal." (January 2020), available at <https://texashousers.org/2020/01/02/unsafe-unsanitary-unequal-blog/>

condition than developments that were in high poverty census tracts with large concentrations of people of color. These developments have higher REAC scores, have better management, are better maintained, and are in safer neighborhoods with better access to jobs and amenities. The research uncovered the fact that developments in majority Black or Hispanic census tracts have low, sometimes failing REAC scores, are poorly maintained, often have hazardous conditions present, and are in neighborhoods that have suffered the worst effects of systemic racism and housing segregation.

Call for HUD Action to Restore PBRA Tenant Health and Safety in PBRA Housing

HUD has had, for decades, options at its disposal to ensure that households in the PBRA program live in decent, safe, and sanitary housing, free from discrimination and poor conditions that disproportionately impact people of color.

This includes the options as noted in HUD Notice 2018-08, described above, which essentially recite HUD's longstanding menu of options to address problem properties and problem owners, which are also embedded within the Housing Assistance Payments contracts. These actions have not been taken by HUD at any of the properties referenced above and tenants continue to suffer challenges to their health and safety without HUD action.

HUD's failure to more globally monitor performance in its PBRA portfolio to identify and redress these problem properties and owners violates its responsibilities at the most fundamental level. We seek change at the national level that requires your leadership to undo the consequences of HUD's failures with PBRA properties and give the families who live in these projects a decent, safe, and affordable home.

We request a response and meeting within 30 days from the date of this letter and offer our assistance to provide additional input and support for initiation of significant change.

Sincerely,

cc: