

U. S. Department of Housing and Urban Development Jacksonville Field Office Charles Bennett Federal Building 400 West Bay Street Suite 1015 Jacksonville, Florida 32202-4439

June 27, 2018

James Harrell Chairman of Board Tampa Park Apartments, Inc. 707 East Harrison Street Tampa, FL 33602

Sybil Kay Andrews Wells Vice Chairman of the Board 2207 E. 21<sup>st</sup> Avenue Tampa, FL 33605

SUBJECT: Notice of Termination

Tampa Park Apartments I

Tampa, Florida

HAP Contract Number: FL29M000266

iREMS number: 800004492

Dear Mr. Harrell and Ms. Wells:

The purpose of this letter is to notify Tampa Park Apartments, Inc. ("Owner"), as the Owner of Tampa Park Apartments I, that HUD is terminating the Housing Assistance Payment contract of Tampa Park Apartments I ("Project"), due to the Owner's default under HUD requirements. Pursuant to the Housing Assistance Payments ("HAP") Contract executed by Owner and HUD December 15, 1992 and the Housing Assistance Payments Basic Renewal Contract Multi-Year Term executed on July 10, 2014 by Owner, North Tampa Housing Development Corporation, as Contract Administrator, and HUD (collectively, the "HAP Contract"), and the HUD regulations found in Title 24 of the Code of Federal Regulations, the Owner is required to maintain the Project in a decent, safe and sanitary condition. Owner has failed to do so.

More specifically, the HAP Contract states in relevant part:

<u>Section 14. Maintenance</u>. The Owner agrees to: (a) maintain and operate the contract units and related facilities so as to provide decent, safe, and sanitary housing as defined by HUD; (b) regularly clean and maintain all common areas, equipment and grounds and make repairs with reasonable promptness; and (c) respond promptly to HUD's Physical Inspection Reports and to implement corrective actions within a reasonable time.

## Section 26. Owner Default Under Contract

a. Events of Default. HUD may consider the Owner to be in default under this Contract when the Owner has: (1) violated or failed to comply with any provision or obligation of this Contract, including correction of any deficiency identity by HUD in its reviews of the Owner's administration of this Contract; (2) asserted or demonstrated an intention not to perform some or all of his/her obligations under this Contract tor any lease; (3) violated or failed to comply with any applicable HUD regulation or with any term of the HUD-held or

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- insured mortgage or regulatory agreement or any lease; or (4) furnished any false statement or misrepresentations to HUD in connection with HUD mortgage insurance loan processing or administration of this contract.
- b. Corrective Action. Upon determining that a default has occurred, HUD will notify the Owner, by certified mail, of the nature of the default, the actions the Owner must take to cure the default, and the time within which the Owner must complete the corrective actions. If the Owner does not implement the requested actions, or other corrective action acceptable to HUD, within the prescribe time or does not do so to the satisfaction of HUD, HUD may terminate this Contract in whole or in part... [.]"

On October 1, 2015, May 11, 2016, June 21, 2017, and most recently on May 11, 2018, the Real Estate Assessment Center ("REAC") inspected the Project and the Project received scores of 54c, 59c, 56c\*, and 42c, respectively. The inspection reports identified serious deficiencies, including health and safety deficiencies, that demonstrate the Owner is continually in default of the HAP Contract.

Following each of the 2015, 2016 and 2017 inspections, the Owner was notified of the default pursuant to HUD's protocol and was instructed to (1) Conduct a survey of 100% of the Project, identifying all physical deficiencies; (2) Correct all of the physical deficiencies identified at the Project from the survey, including, but not limited to, those deficiencies identified in the REAC inspection; (3) Provide tenants with a copy of the "Notice of Default" (4) Execute the certification that the Project is in compliance with HUD's physical condition standards of 24 CFR 5.703 and state and local codes, and that the Owner has provided the tenants with the "Notice of Default"; and (5) Submit the completed survey and certification within 60 days of receipt of HUD's NOD to the stated contact person.

The Owner failed to satisfactorily respond to the conditions of the November 18, 2015, Notice of Default ("NOD"). In response to the NOD issued on November 7, 2016, the Owner provided a certification confirming the completion of the required 100% survey and indicating all stated deficiencies had been completed and the physical condition of the project was in compliance with the Physical Condition Standards of 24 CFR § 5.703 and state and local codes. Notwithstanding this certification, the Project again failed the REAC Inspection conducted on June 21, 2017, resulting in an original score of 49.52. The Owner appealed this score and the score was adjusted to a 56 by REAC on August 3, 2017. HUD again notified the Owner in a NOD dated July 6, 2017, that Owner was in default of the HAP Contract for breach of contractual obligations under the HAP Contract and for failure to maintain HUD's decent, safe and sanitary standards. In this correspondence, Owner was notified that failure to take necessary corrective action and failure to provide a Certification of Compliance, within 60 days from the date of the NOD, HAP Contract could be terminated. A satisfactory response to the items identified in the July 6, 2017 NOD was not received.

The Owner was notified in the July 6, 2017 NOD that HUD would reinspect the property to confirm compliance with the HAP Contract. On May 11, 2018, this inspection was conducted. The Project failed again with a score of 42c, noting several repeated deficiencies. Specifically, the May 11, 2018 report notes several instances of level 3 sharp edges; several instances of level 3 infestation; several instances of level 3 interior door damage; several instances of level 3 inoperable/not lockable windows; and several instances of level 2 and 3 damaged door hardware/locks.

The Owner has had several opportunities to correct the reported deficiencies and demonstrate that the Project is being maintained in decent, safe and sanitary condition; however, the Owner has repeatedly failed to do so.

The decision to terminate the HAP Contract is based on the Owner's continual failure to maintain the property in decent, safe, and sanitary condition in violation of the HAP Contract and 24 C.F.R. § 5.703. 24 CFR §5.703 specifies that, "HUD housing must be decent, safe, sanitary and in good repair."

Effective August 1, 2018, HUD will terminate HAP Contract FL29M000266, and begin the process of relocating the Section 8 Residents and terminating the subsidy payments under Section 8 HAP Contract FL29M000266. You are required to cooperate with HUD's procedures for termination of the Contract and relocation of the residents of this property. Please provide a current rent roll upon receipt of this Notice.

HUD will provide all current Section 8 residents with notices of the HAP termination and their rights and obligations during the transition.

Please note that, effective immediately, you may not accept new Section 8 tenants at Tampa Park Apartments I, under HAP Contract FL29M000266. Further, you may not increase the Section 8 tenants' share of their rent during their lease term or pending the relocation of those eligible Section 8 tenants.

Pursuant to Section 21 of the HAP Contract, HUD directs the Owner to submit a full accounting of the finances at this property for years 2015 through 2018 to date. Note, any disbursements of project revenue for purposes other than maintaining and repairing the project when this property was not in decent, safe, and sanitary condition will be required to be restored to a project account that is acceptable to HUD.

If you have any questions relating to this Notice please contact Laurelei McKnight, Director, Asset Management Division, Jacksonville Satellite Office at 904-208-6015.

Sincerely,

Ruben Brooks

Director, Southeast Region

Multifamily Housing

cc: Mayor Bob Buckhorn, City of Tampa

North Tampa Housing Development Corporation

Alesia Scott-Ford, Field Office Director

Denise Cleveland-Leggett, Regional Administrator

Departmental Enforcement Center

Office of Asset Management Portfolio Oversight

Office of Property Disposition