

President Trump makes millions from giant Brooklyn housing complex that faces annual HUD inspections for falling score

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Starrett City's HUD score sat at 89, but has dropped to 70. HUD can terminate a contract with a landlord with two scores of 60.

President Trump nets millions of dollars each year from a huge Brooklyn apartment complex that's been racking up increasingly dismal inspection scores from the federal government, documents show.

And the complex known as Starrett City in East New York is about to be inspected again, but this time — for the first time — by his administration.

Trump, who holds a 4% stake in Starrett City via a revocable trust, reported the complex generated at least \$5 million in income for him last year through April 15, according to financial disclosure forms he filed last week.

Starrett City, a sprawling complex of 46 buildings and 5,881 apartments that sits far out in Brooklyn on the edge of the Belt Parkway, is the nation's biggest federally subsidized apartment development.

U.S. Department of Housing & Urban Development officials say Starrett City has received \$491.7 million in federal subsidies since May 2013, including \$76.8 million last year and \$38.3 million so far this year.

With all that taxpayer money flowing in, the complex is subject to regular HUD inspections. Officials walk the grounds looking for damage, documenting flaws and assessing the owner's ability to keep up with repairs. Doors, walls, bathrooms, kitchens, roofs, smoke detectors — all are inspected.

Records make clear that Starrett City's inspection have trended in the wrong direction for a long time.

In January 2007, Starrett City scored 89 out of 100. That's just below the top score of 90 or above that allows HUD to reinspect only every three years.

The score led HUD to begin inspecting the facility every two years.

In 2009 the score dropped to 77, putting it a tier further down that required annual inspections, records show.

On Tuesday Starrett City officials said the score fell that year as they repaired brick facades as required by the city. The owners spent \$30 million to bring the buildings up to code.

But the numbers dropped even lower during the last inspection in October, when Starrett City received its lowest score — 70.

In New York, 85% of the 1,416 landlords receiving Section 8 funding got a better score in their last inspections, records show.

The company said the HUD inspector had cited the complex for what they described as “a series of minor, non-safety issues.”

In the last few weeks, however, Starrett has struggled to address yet another issue: a major leak that shut down the cooling pipes that service air conditioning in all its buildings.

With the recent wave of 90-degree days, the owners this week handed out electric fans to bring tenants some relief.

Longtime tenant Luis Serrano, 63, a social services trainer, noticed workers digging up the pipes this week. He said for the most part, management has been very good over the years, but the now 43-year-old complex is showing signs of aging.

“The complex is very good but it’s older,” he said. “As it’s gotten older I think more of these things have occurred.”

Starrett City is now in talks with HUD about the upcoming inspection. No date has been set, but HUD spokesman Jereon Brown said it would take place “sometime this summer.”

The difference from past inspections is that HUD is now run by Trump’s appointee, Ben Carson.

The drop from 89 to 70 put Starrett City closer to the score of 60 HUD deems unacceptable. HUD can terminate a contract with a landlord with two scores of 60.

“Normally when you see a facility with a significant decline in scoring there are several factors,” Brown said. “One is the age of the facility, the other is to review and look for a change in management or ownership.”

Complex spokesman Bob Liff emphasized that Trump plays no role in managing the complex. Trump’s father, Fred, was a limited partner when it was built in 1974 and Trump and his siblings inherited that interest when his father died.

The 4% stake Trump holds was placed in a trust shortly before he became President Jan. 20.

Liff emphasized that the complex “responds immediately to maintenance issues as they arise, whether routine as in response to some of the information in the HUD scores or the more pressing current need to replace aging dual temperature pipes discovered to be leaking during a routine maintenance in the seasonal switch from heating to cooling.”

Trump’s receipt of income from Starrett City creates a potential conflict for Carson, who will have ultimate say over HUD’s next score of the complex.

During his confirmation hearing, Carson wouldn’t answer directly when asked if he would make sure Trump and his family didn’t make any money via his agency.

“I can assure you that the things that I do are driven by a sense of morals and values, and therefore I will absolutely not play favorites for anyone,” he said.

The White House did not respond to a request for comment.