

House oversight committee investigates HUD Brooklyn housing co-owned by Trump for possible conflicts of interest

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President Trump has a 4% ownership interest in Starrett City, a Brooklyn development that receives HUD money. The complex has earned him \$5 million from January 2015 through April. (Jesse Ward/for New York Daily News)

The House Committee on Oversight and Government Reform has opened an inquiry into the many potential conflicts of interest involved in President Trump's financial interest in the huge Brooklyn apartment complex known as Starrett City.

The complex, located in Brooklyn by the Belt Parkway, receives millions of dollars in subsidies from his administration and is facing an inspection by the U.S. Department of Housing & Urban Development (HUD) in the coming weeks.

The committee last week sent a letter to Trump's trust and HUD Secretary Ben Carson spelling out several obvious conflicts and demanding thousands of pages of documents and emails be turned over by July 28.

Trump recently reported a 4% ownership interest in the complex near Canarsie that netted him \$5 million from January 2015 through mid-April, and has reported an ownership interest as high as 19% in the recent past. His family has been part of the partnership that owns the lower- and middle-income apartments since the complex opened in 1974 as the nation's largest federally subsidized residential property.

For decades, Starrett City owners have received millions of taxpayer dollars from the federal government's subsidization of tenants there via the program known as Section 8, with more than \$490 million flowing from HUD since 2013.

In the 1990s, the owners tried to sell the place but HUD refused to sign off on the deal because the buyer's offer was so high the agency determined he would have to raise rents to stay afloat.

The Starrett City owners then tried another tack, seeking a refinancing that HUD ultimately approved in 2009.



Trump tapped Ben Carson to run the Department of Housing and Urban Development. Starrett City is the nation's largest federally subsidized residential property.

(BRENDAN SMIALOWSKI/AFP/Getty Images)

The letter, sent July 7 by Rep. Elijah Cummings, ranking minority member of the committee, and Rep. Hakeem Jeffries (D-Brooklyn), whose district includes Starrett City, red-flagged this transactional history as raising numerous potential conflicts going forward.

HUD, now run by Trump's appointee, Carson, would approve any new refinancing or sign off on a sale. The agency also sets the rate tenants must pay and can increase or cut the Section 8 subsidies if it chooses.

"There are numerous actions that the President or his administration could take to financially benefit himself, his family members or his business associates in Starrett City," they wrote, noting that Trump "is on both sides of the negotiation — he oversees the government entity providing taxpayer funds and he pockets some of that money himself."

The committee also raised questions about Trump's appointment of his family's event planner, Lynne Patton, to run the HUD regional office that oversees New York and would be directly involved in policies affecting Starrett City's bottom line.

The Daily News first reported Trump's appointment of Patton, who has zero government or housing experience, helped plan the wedding of Trump's son, Eric, and specialized in rounding up celebrities to appear at Trump golf course events.

Cummings and Jeffries said the long list of conflicts already facing Trump is "exacerbated" by the appointment of Patton, a longtime Trump loyalist.

"Not only do we have concerns regarding Ms. Patton's qualifications...and fitness for her new role with HUD, but we have serious concerns that her self-described loyalty to the President and his family could influence HUD's discretion on issues related to Starrett City," they wrote.

The News also disclosed that HUD inspectors have in the last eight years documented increasingly deteriorating conditions at the aging complex and that HUD is now about to begin a new inspection, setting up yet another conflict implicating Trump.

Sen. Charles Schumer (D-N.Y.) has vowed to monitor HUD's inspection of the Trump-tied buildings going forward.

The letter from Cummings and Jeffries demands all communications between the Trump organization and the Starrett City partnership generated since the election, along with all communications with HUD and the White House regarding Starrett City.

They also demand all emails and documents between Patton and HUD, Patton and the Trump organization and all matters in which Patton has been involved with the Trump family since she was first appointed to a HUD position.