The Hillside Villa Apartments is a 124-unit affordable housing development, located in the Chinatown neighborhood at 636 N. Hill Place, Los Angeles, CA 90012. The apartments were constructed with loan assistance from the then Community Redevelopment Agency of Los Angeles (CRALA). In exchange for the loans totaling approximately $5.5 Million, a thirty year affordable housing covenant, was negotiated with the property owner (Council File No. 19-0771). The affordable housing covenant is soon to expire in September 2020.

Fifty-nine of the 124-units units are set to transition from being affordable housing units to market rate units when the covenant expires. Inasmuch as the property owner has indicated that he wishes to exercise his rights as to the expiring covenant, fifty-nine families will be vulnerable to the existing high cost housing market in the City and Southern California region where a two bedroom apartment rents for $2,500 a month.

A possible policy solution to assist the many families impacted by the expiration of this housing covenant and others similarly situated, is to initiate eminent domain proceedings—a process that allows government agencies to take over land for public purposes, along with just monetary compensation to the property owner.

Charter Section 581 (e), authorizes the Board of Public Works to “exercise the power of eminent domain, subject to Council authorization.” As such, the Bureau of Engineering, with the assistance of the Housing & Community Investment Department, and in consultation with the City Attorney, need to report in 30 days with recommendations for the acquisition of private property located at 636 N. Hill Place, Los Angeles, CA 90012, and other similarly situated housing developments whose affordable housing covenants are now reaching an expiration date.

I THEREFORE MOVE that the Bureau of Engineering, with the assistance of the Housing and Community Investment Department, and in consultation with the City Attorney, be directed to report in 30 days with recommendations for the acquisition of private property located at 636 N. Hill Place, Los Angeles, CA 90012, and on the required procedures to acquire the property through eminent domain, and to report on the use of eminent domain to acquire other similarly situated housing developments whose affordable housing covenants are now reaching an expiration date, which would effectively remove affordability requirements, and allow the property owner to raise rents to market-rate.

PRESENTED BY: GILBERT A. CEDILLO
Councillmember, 1st District

SECONDED BY: