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**Victory for Low-Income Tenants Facing Eviction After
Building's Affordability Covenant Expired**
*Chinatown Property Owner Reaches Agreement with City of Los Angeles
to Keep Rents Affordable for 10 More Years*

LOS ANGELES, July 8, 2019 — A tentative agreement between the City of Los Angeles and the property owner of the Hillside Villa apartments will extend the building's affordability covenant for another 10 years, with zero rent increases for low-income tenants. The owner, Thomas Botz, reached a deal with Los Angeles City Councilmember Gil Cedillo, weeks after Legal Aid Foundation of Los Angeles (LAFLA), National Housing Law Project (NHLP), and Morgan, Lewis & Bockius LLP filed a lawsuit on behalf of a group of residents facing eviction.

"The Hillside Villa Tenants Association has achieved an unprecedented victory for the residents at Hillside Villa and the community of Chinatown," said Natalie Minev, LAFLA Staff Attorney. "Just a few short months ago, tenants were facing imminent eviction and astronomical rent increases—now, their building will stay affordable for another decade."

Under the terms of a motion submitted to the Los Angeles City Council, the Housing and Community Investment Department will:

- Modify the building's affordability covenant to extend its affordability period by 10 years;
- Modify the existing loans terms to write-off the loan principal and accrued interest over a period of six years;
- Identify resources to provide rental assistance for lower and moderate-income tenants during years 7–10 of the agreement.

[View the terms of the full motion here.](#)

Botz had threatened to evict the majority of his tenants by July 31; LAFLA demanded he rescind his eviction notices after failing to comply with California law protecting tenants in affordable housing. He served the eviction notices on June 1, but LAFLA demanded he issue new, compliant 12- and six-month notices, which would have extended affordable rents for at least another year.

Hillside Villa, a 124-unit property located at 636 N. Hill Place in Chinatown, had been under an affordability covenant since its construction in the mid-1980s—which kept rents affordable for hundreds of low-income tenants for 30 years. The covenant's expiration in late 2018 cleared the way for Botz to attempt to charge market-rate rents, and low-income tenants began receiving notices their

rents would steeply increase the following year. Renters who did not agree to pay the higher rates—in some cases, by more than 90%—received notices terminating their tenancies as early as June 1. The lawsuit filed by LAFLA targeted the 12- and six-month notices of termination of the affordability restrictions, whose delivery to tenants and public entities were not timely or compliant.

Tenants will have input into the language of the final lease agreements associated with the new extension of affordability covenants.

“We’re glad that the tenants at Hillside Villa were included in the process and are able to have a meaningful role in determining their housing situation,” said Jonathan Jager, a LAFLA Staff Attorney. “The outcome of this is not only affordable rents, but additional protections that current affordable housing covenants take for granted yet were not included 30 years ago, such as a good cause eviction requirement. This is a fantastic example of what can happen when landlords, tenants, and local leaders work together to help solve our housing crisis”

“Los Angeles is seeing the worst housing crisis to date,” said Los Angeles Councilman Gil Cedillo, whose district includes Chinatown. “This deal ensures that the most vulnerable residents in my district get to stay in their homes and I am grateful to the tenants who have been steadfast, the Legal Aid Foundation of Los Angeles for their commitment to seeing this through, and to Mr. Thomas Botz, owner of Hillside Villa Apartments.”

“The Hillside Villa Tenants Association is incredibly excited about our victory, receiving a 10-year covenant extension,” noted Rene AlexZander, a resident of Hillside Villa and the president of the Hillside Villa Tenants Association. “Our victory is a large victory for us, but it is also a very small victory for the thousands of people who are facing illegal evictions and displacement through gentrification. The Hillside Villa Tenants Association is committed to taking our experiences and joining forces with other tenants throughout the city, fighting against the injustices of unethical landlords.”



Pictured above: Hillside Villa Tenants Association with LAFLA Staff Attorney Natalie Minev.



[About Legal Aid Foundation of Los Angeles](#)

Legal Aid Foundation of Los Angeles (LAFLA) seeks to achieve equal justice for people living in poverty across Greater Los Angeles. LAFLA changes lives through direct representation, systems change and community empowerment. It has five offices in Los Angeles County, along with four Self-Help Legal Access Centers at area courthouses and three domestic violence clinics to aid survivors.

[About National Housing Law Project](#)

National Housing Law Project's (NHLP's) mission is to advance housing justice for poor people and communities. NHLP achieves this by strengthening and enforcing the rights of tenants, increasing housing opportunities for underserved communities, and preserving and expanding the nation's supply of safe and affordable homes. Our organization provides technical assistance and policy support on a range of housing issues to legal services attorneys and other advocates nationwide.