

September 11, 2021

**VIA E-MAIL**

City of Los Angeles  
Budget and Finance Committee  
c/o Mandy Morales - Legislative Assistant

Re: City Should Not Authorize Reserve Fund Loan for Eminent Domain for  
Hillside Villa Apartments  
Item No. 3 - Budget and Finance Committee Agenda 9/13/21  
Council File No. 21-0600-S101

---

Dear Budget and Finance Committee Members:

This office represents 636 NHP LLC, the owner of the Hillside Villa Apartments (“HVA”), located at 636 N. Hill Place, Los Angeles, CA 90012.

Yesterday afternoon, we received the Budget and Finance Committee Agenda for Monday, September 13, 2021, which includes as Item No. 3 the Cedillo/de León Motion regarding the potential acquisition of HVA. Back in early August, on the 5<sup>th</sup>, I called and left a message followed by an email to Matt Hale, Councilmember Krekorian’s Chief of Staff, requesting a meeting/discussion prior to this item being placed on the agenda. Mr. Hale never responded to my voicemail or email and thus no such meeting/discussion ever occurred. Monday’s Agenda includes a vague reference to this motion being handled in “closed session” with an assertion of Government Code Section 54956.3(e)(3). We object to the closed session. Closed session is a pretext and an improper attempt to shield this Committee’s actions from the public, HVA and HVA’s counsel.

Over the last two years, 636 NHP LLC and this office on its behalf, have made numerous requests to meet and/or discuss the City’s proposed forced taking of HVA. Our repeated requests have included elected City officials, senior City staff and members of this Committee. Although our requests have been received by the City, our telephone messages, emails and letters have gone unanswered.

Neither this Committee’s nor the City’s ends justify the City’s means proposed and undertaken thus far. The City’s conduct to date is not consistent with good, or even fair, governance. Out of 124 units at the property, **less than 40** units are affected by the expired affordability covenants (meaning that their rents were increased to market effective 2/1/21, after having been severely restricted for over 30 years). Even according to the dollar amounts mentioned in the City’s own (low-ball) reports, the City would be spending more than \$1.5 million

City of Los Angeles  
September 11, 2021  
Page 2

per “affected” unit in the building. From our vantage, it would cost the City significantly more. The forced taking of HVA at a cost of at least \$1.5 million per unit affected by the covenant expiration would be colossally inefficient and wasteful.

636 NHP LLC reiterates to this Committee that the forced taking of HVA is simply not necessary.

Has your staff informed you that the vast majority of the remaining 85+ units in the building are either currently occupied by, or offered to, Section 8 voucher holders? The tenants in those 85+ units are not in any way impacted by the expiration of the covenants or the 2/1/21 rent increases.

Many, if not most, multi-family property owners throughout the City have resisted renting to Section 8 voucher tenants. In contrast, HVA is and has always been voluntarily renting the majority of its non-restricted units to Section 8 voucher holders. These Section 8 households are already significantly rent protected by the program and would not benefit from the City’s forced taking of HVA.

Councilmember Cedillo has stated that he could resolve the problem of the expired covenants by “fast-tracking” the affected household for Section 8 vouchers. Why has he or the City not done so? This is a much easier, and vastly less expensive, solution. To the extent the tenants affected by the expired covenants do in fact end up receiving Section 8 vouchers, HVA would be very happy to accept them as ongoing residents.

The Section 8 Housing Choice Voucher Program is an established program that is welcomed by HVA and would address tenant concerns about residency cost. What is the City doing to explore this simple solution, which would achieve the mutually-shared goal of minimizing tenant displacement much more quickly and at a fraction of the cost than a forced, unnecessary taking of the property?

The City has made unsupported and incorrect assumptions to predicate the forced taking campaign concerning this property. The City’s actions have violated federal, state, and local laws and procedures, including the City’s requirements and procedures and the Eminent Domain Law. The ownership of HVA opposes the taking of its property.

Councilmember Cedillo launched a City condemnation campaign and the City condemnation impacts over two years ago. He has claimed that he takes the eminent-domain route “reluctantly,” and only because the owner of HVA “renewed” on a “deal.” As Councilmember Cedillo and his staff are aware, there is significant and substantial documentary evidence that demonstrates there was no agreement consummated. There were numerous open issues and

City of Los Angeles  
September 11, 2021  
Page 3

written questions by the owner to Councilmember Cedillo and HCID representatives regarding possible deal points. Instead of responding, Councilmember Cedillo, HCID and the City went silent and instead began their campaign to forcibly take the property by eminent domain under the guise that the owner backed out of the agreement that never was.

How many properties in the City of Los Angeles have covenants set to expire over the next few years? The next decade? The answer to both questions: Many properties throughout the City and thousands, if not tens of thousands, of dwelling units. The City maintains the statistics. Why is the City improperly singling out this property when less than a third of HVA's units have been impacted by the expired covenants and the majority of the units are already voluntarily being rented to Section 8 voucher holders?

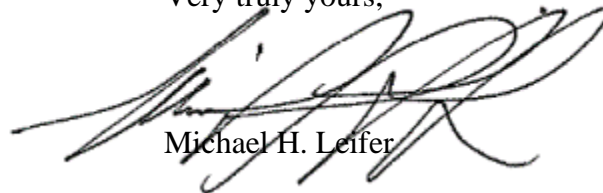
Why is the City singling out HVA when there are many other properties whose covenants are expiring and other multi-family owners may be willing to sell to the City?

636 NHP LLC, and this office, on its behalf, have attempted to seek information from the City and Councilmember Cedillo. We have made formal and informal requests to the City and Councilmember Cedillo regarding the alleged agreement he continues to assert was reached. Councilmember Cedillo and his staff have provided no response. Yet Councilmember Cedillo continues to make false representations of the existence of a "deal" in an attempt to justify the improper taking of the property and obtain City Council support for such improper taking.

Eminent domain should not be used in a retaliatory, arbitrary, and discriminatory manner as a cover relating to a politician's promises and assertions falsely announcing that the ownership of HVA backed out of a deal.

The City continues to refuse to meet with the owner to discuss strategies and options. The City's condemnation campaign is improper and is causing damage to the property.

Very truly yours,



Michael H. Leifer

MHL:mp

cc: City Clerk - [CityClerk@lacity.org](mailto:CityClerk@lacity.org)  
Paul Krekorian – [councilmember.krekorian@lacity.org](mailto:councilmember.krekorian@lacity.org)  
Matt Hale - [matt.hale@lacity.org](mailto:matt.hale@lacity.org)  
Bob Blumenfield – [councilmember.blumenfield@lacity.org](mailto:councilmember.blumenfield@lacity.org)

City of Los Angeles

September 11, 2021

Page 4

Kevin de León – [councilmember.kevindeleon@lacity.org](mailto:councilmember.kevindeleon@lacity.org)

Monica Rodriguez – [councilmember.rodriguez@lacity.org](mailto:councilmember.rodriguez@lacity.org)

Curren D. Price, Jr. – [councilmember.price@lacity.org](mailto:councilmember.price@lacity.org)

Nury Martinez – [councilmember.martinez@lacity.org](mailto:councilmember.martinez@lacity.org)

Gil Cedillo – [gilbert.cedillo@lacity.org](mailto:gilbert.cedillo@lacity.org)

Nithya Raman – [contactCD4@lacity.org](mailto:contactCD4@lacity.org)

Paul Koretz – [paul.koretz@lacity.org](mailto:paul.koretz@lacity.org)

Marqueece Harris-Dawson – [councilmember.harris-dawson@lacity.org](mailto:councilmember.harris-dawson@lacity.org)

Mark Ridley-Thomas – [councilmember.ridley-thomas@lacity.org](mailto:councilmember.ridley-thomas@lacity.org)

Mike Bonin – [councilmember.bonin@lacity.org](mailto:councilmember.bonin@lacity.org)

John Lee – [councilmember.lee@lacity.org](mailto:councilmember.lee@lacity.org)

Mitch O’Farrell – [councilmember.ofarrell@lacity.org](mailto:councilmember.ofarrell@lacity.org)

Joe Buscaino – [councilmember.buscaino@lacity.org](mailto:councilmember.buscaino@lacity.org)