

LOCAL NEWS

Hilltop Apartments residents face exorbitant rent increase by owner, UC Regents

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SANTA CRUZ — Since the Hilltop Apartments came under new ownership in 2018, tenants at the complex on Western Drive in Santa Cruz have experienced a number of issues regarding utility billing, perpetual construction and rent increases, according to six-year Hilltop Apartments tenant Will Lorand.

"This is a pattern of manipulation that goes back four years," Lorand said. "And we've had four straight years of construction and by that I mean they threw roof tiles onto our sidewalks and porches. I had to help my elderly, handicapped neighbor to get over the debris and to her car to get to her medical appointments. I felt like I was in a war zone."

According to a spokesperson for Hilltop Apartments' owner, the Regents of the University of California, which is the governing body of the University of California, all of the actions taken at the complex since they took over



"Having recently purchased the Hilltop apartments as part of its investment portfolio, UC Investments has been working with its property managers to undertake needed and significant property rehabilitation to both interior and exteriors, as well as deferred maintenance projects," wrote senior communications strategist for the University of California Office of the President, Stett Holbrook. "These improvements have necessitated rental adjustments that, as implemented, have resulted in rents that remain in line with surrounding apartment communities."

In late March, about 75 residents of Hilltop's "classic unit" apartments were given a flier by Greystar, the UC Regents' property manager, which stated that because of upcoming renovations, residents of classic units had two options: terminate their lease early and move off-site by June 30, while renovations are made to their apartment unit — which, according to the flier, included the replacement of countertops, cabinets and appliances — or residents could temporarily transfer to another unit in the Hilltop Apartment complex until the renovations are complete. The flier also mentioned in parentheses that when the resident is moved back into their existing apartment unit, they will be charged a new rental rate.

For residents like Devin Fitzgerald, the rate for his one-bedroom, 657-square-foot apartment would be raised from the previous rate of about \$2,200 a month to \$3,500 a month, an increase of about 60% or \$1,300. According to the City of Santa Cruz's ordinance regarding the relocation of tenants due to large or exorbitant rental increases, the definition of a "large" rental increase is a 5-7% increase.

"It seemed like a clear attempt to remove existing tenants from their apartment just to increase the rent," said Fitzgerald.

Tenants were immediately suspicious of the flier and met as a group in early April to talk about their experiences. In order to assert their rights, and with the aid of Zav Hirshfield at Tenant Sanctuary, a number of residents of Hilltop Apartment formed a protective legal entity known as a tenant association.



"As soon as we had a meeting with tenants and other folks from the community, and started to advocate as a group, there was an immediate tone change from the property manager," Fitzgerald said. "After we gave management a letter from our association, most tenants were offered a new lease renewal with a 9% rent increase, and without renovations if they didn't want them. Some were offered a month-to-month lease to give them more time to decide if they wanted to relocate or stay. If they were able to be that flexible and communicative initially, it doesn't make any sense why they put us through this nonsense."

Through their research into Hilltop's ownership, which was not initially clear, members of the tenants' association discovered the owner of Hilltop Apartments is a corporation called Regency Broadway Properties. Although its jurisdiction is in Delaware, the corporation is listed with a street address of 1111 Franklin St. in Oakland — the headquarters of the Regents of the University of California, or the UC Regents. The tenants said they were shocked and confused to discover that the UC Regents are the actual owners of Hilltop Apartments.

According to Assembly Bill 1482, residents should only be asked to leave their housing unit because of a "substantial remodel," which means renovations that require a permit. Permits are not required for the superficial renovation work that will be done at Hilltop Apartments. However, if residents do move out, they lose their rights under the law and the UC Regents can raise the rent to what they perceive as market rate.

"In light of the renovations and the subsequent rent increases, Hilltop staff has been working directly with residents since March to provide a range of options including early lease termination without financial penalty for those who wished to relocate and temporary housing during the renovation process for those who wish to continue to reside at Hilltop in a renovated unit," said Holbrook. "The vast majority of Hilltop residents have elected to take one of these options, and the Hilltop team is working with the remaining few residents to address their specific circumstances."

Because of the behavior of the property management company, Greystar, and its employer, the Regents of the University of California, Lorand has chosen to move out of Hilltop Apartments permanently, as did a number of other tenants



"Throughout the next year, we're going to work toward finding solutions to the other issues we're having like facilities maintenance, and the utilities charges really need to start making sense," Fitzgerald said. "This seems like a good step in the right direction, but the issues here are not resolved."

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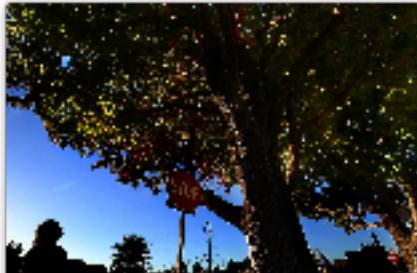
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