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August 15, 2023

Karen Bass
Mayor

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 395, City Hall
Los Angeles, CA, 90012

VIA EMAIL

RE: Request for Support Council File 23-0792 (Municipal Facilities Committee report 0220-06132-0000, dated July 31, 2023, relative to a Purchase and Sale Agreement between the City and Mayfair Lofts, LLC for the acquisition of the Mayfair Hotel to provide interim housing and support services for persons experiencing homelessness.)

Mayor Bass and Councilmembers:

At a special public meeting held August 15, 2023, the Board of Directors of the Downtown Los Angeles Neighborhood Council (DLANC) voted to support the purchase of the Mayfair Hotel with the following comments:

The proposed purchase of the Mayfair Hotel at 1256 W 7th Street, Los Angeles, CA 90017, is a part of the Mayor's Inside Safe Initiative, a comprehensive plan to address homelessness in the city. The current retention rate of the Inside Safe Initiative is roughly one in six individuals. The initiative has been marked by significant spending, with a breakdown of spending for fiscal year 2023-2024 as follows:

- \$92 million for hotel rentals
- \$18 million for damage to hotels from program participants
- \$6 million for staff bringing people in
- \$16 million for case management in hotels and helping people find housing
- \$16 million for overhead
- \$10 million for resident monitors at each hotel
- \$13 million (or \$21 per individual per day) for food
- \$1 million for participant belonging storage

- \$13 million for move-in subsidies to longer-term housing
- \$18 million in rental assistance (two years per participant at \$1833 per month)
- \$47 million (\$31 million of which is from state funding) for purchasing and operating

The acquisition of the Mayfair Hotel involves a mix of funding sources, with specific covenants pertaining to their designated use and future possibilities for leasing or selling the property. The budget also accounts for necessary renovations and space improvement, to be refined once a service provider is selected. The Municipal Facilities Committee Report states that if additional funding is needed for immediate repairs, it can be sourced from the replacement reserve anticipated in the operating budget or through the Inside Safe funding allocated toward acquisitions.⁵

These funds will be utilized for both the acquisition of the property and the necessary renovations to operate the Mayfair as interim housing.

The location of the Mayfair Hotel presents both opportunities and challenges. While the proximity to community services and hospitals is advantageous, the closeness to schools and other sensitive sites raises concerns. However, the purchase of this site represents a strategic opportunity to create a supportive environment for those in need, but careful consideration must be given to the potential impact on sensitive populations.

Pros and Cons of the Purchase:

Pros:

- Potential to prioritize housing for mothers with children and other sensitive populations
- Opportunity to integrate mental health and addiction treatment services on-site

Cons:

- Proximity to schools
- Potential for public nuisance and safety Need for careful allocation and management of CDBG funds and upkeep and building maintenance

Conditions for Support: DLANC supports the proposed purchase with the following conditions:

1. **Infrastructure Improvement (Fiscal '25 & '26 CDBG Funds):** To offset potential degradation of the surrounding communities DLANC requests that the City allocate Community Development Block Grants (CDBG) funds in Fiscal '25 & '26 to the community neighborhoods and infrastructure within a one-mile radius of the Mayfair Hotel. CDBG funds are typically used to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for low- and moderate-income persons. In this context, the funds should be strategically invested in:
 - **Trash Management and Neighborhood Beautification:** Implementing regular clean-up initiatives, providing additional waste disposal facilities, and investing in landscaping and public art to preserve the neighborhood's aesthetic appeal.
 - **Crime and Drug Prevention:** Enhancing security measures such as additional lighting, including increased public safety patrols, security cameras, and collaborating with local organizations to

provide support and treatment for those struggling with addiction.

- **Community Engagement and Support:** Develop community centers and programs that foster community integration, provide support for at-risk populations and mitigate the potential negative impacts of the homeless hotel in the neighborhood. Additionally, creating a community liaison officer to allow constituents, the local council office, and neighborhood councils to reach out regarding concerns.
2. **Priority Housing for Mothers with Children:** Given the presence of schools and family centers in the vicinity, a targeted approach to housing should prioritize mothers with children transferred from shelters. This will support family stability and educational continuity while utilizing the freed shelter beds for unhoused men from Council Districts 1 and 14.
 3. **Shelter Replacement Strategy:** Focus on Council Districts 1 and 14 to foster community integration. By ensuring that unhoused and encampment populations from within these two districts populate the hotel, the initiative aligns with local needs and community interests.
 4. **Onsite Mental Health and Addiction Treatment Services:** The provision of essential mental health and addiction treatment services onsite is vital. These services address underlying challenges faced by many of the individuals who will be housed at the Mayfair Hotel, contributing to their long-term well-being and integration into the community.

We ask that the City Council support the proposed purchase of the Mayfair Hotel, provided that the above conditions are met. We believe this acquisition represents a significant opportunity to address homelessness and improve the quality of life for DTLA stakeholders. We look forward to continuing our great work with you and your staff to make this vision a reality.

*** SUBJECT TO APPROVAL BY DLANC BOARD OF DIRECTORS AUGUST 16, 2023 ***

Sincerely,

Garrett South
Vice President of Admin,
DLANC

Samir Bitar
Chair,
DLANC Planning & Land Use Committee