

# CITY OF LOS ANGELES CALIFORNIA

## EAST HOLLYWOOD NEIGHBORHOOD COUNCIL

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## EAST HOLLYWOOD NEIGHBORHOOD COUNCIL

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## Business Committee

June 12, 2014

Honorable Members of the Los Angeles City Council  
City of Los Angeles  
200 North Spring Street, 3<sup>rd</sup> Floor  
Los Angeles, CA 90012

### **Subject: Hotel Living Wage Ordinance – Council File: 14-0223**

Dear Members of the City Council:

The East Hollywood Neighborhood Council business committee held its regularly scheduled meeting on June 11, 2014 and has some concerns with the proposed hotel living wage ordinance as proposed on June 10<sup>th</sup> by members of the city council's Economic Development Committee.

The Economic Development Committee's approval came despite a consultant's report finding that increasing the minimum wage for hotel employees could cost some workers their jobs. The Committee also voted to draft the new city ordinance without first analyzing the economic impact on those workers, many of whom are our residents working in hotels and living in the East Hollywood district.

The East Hollywood neighborhood district has only one hotel that may be affected and no hotels have been built in this area in the last 50+ years. We need more hotels to create new sustainable jobs in our area. There are no hotels in the pipeline or on the horizon to be built in the East Hollywood district. The Blue Sky report findings clearly states the LWO will affect new hotel development which further decreases the attractiveness of any hotel developer building a job creating hotel in the East Hollywood district. Hotels employ more people than any other type of real estate development, not only during construction but also for the life of the asset. Hotel developments create long term jobs for members of our community and it is long term jobs that have been historically most endangered by an increase in the minimum wage.

East Hollywood is also an area designated in the President's Promise Zone initiative in an effort that will lend federal support to areas with high poverty rates to increase economic security, expand educational opportunities, increase access to quality, affordable housing, improve public safety and create jobs. The

Promise Zones were designed to receive a competitive advantage for the reasons cited, but most importantly to create jobs.

We have listened to our local businesses citing employment reduction as a key reason to oppose the bill. We have also heard the arguments in favor focusing on higher living standards in a city that has priced out many residents. Indeed, what good are more jobs if someone needs to have two of them just to pay the rent? However, the long term effects of this ordinance in an area that is just beginning to thrive must be balanced against the short term benefit for the city as a whole. The Promise Zone initiative will give us incredible tools to address the issues this ordinance seeks to mend without the possibility of hindering future growth.

The Economic Developments Committee's recommendations are not consistent with the Promise Zone initiative and we respectfully ask that the LWO motion be amended to specifically exclude the East Hollywood District and the entire Promise Zone areas from the proposed LWO ordinance so that we may work to attract hotel developers to the East Hollywood District and Promise Zone areas and create new sustainable jobs in our district!

Respectfully,



Leeor Maciborski  
Business Committee, Co-Chair  
East Hollywood Neighborhood Council

Cc: Via email

The Honorable, Eric Garcetti, Mayor [mayor.garcetti@lacity.org](mailto:mayor.garcetti@lacity.org)  
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