June 12, 2014

Honorable Members of the Los Angeles City Council
City of Los Angeles
200 North Spring Street, 3rd 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 10th 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
The Honorable Herb J. Wesson Jr., Council President CD10 councilmember.wesson@lacity.org
The Honorable Gil Cedillo, Councilmember CD1 councilmember.cedillo@lacity.org
The Honorable Paul Krekorian, Councilmember CD2 councilmember.krekorian@lacity.org
The Honorable Bob Blumenfield, Councilmember CD3 councilmember.blumenfield@lacity.org
The Honorable Tom LaBonge, Councilmember CD4 councilmember.Labonge@lacity.org
The Honorable Paul Koretz, Councilmember CD5 paul.koretz@lacity.org
The Honorable Nury Martinez, Councilmember CD6 councilmember.martinez@lacity.org
The Honorable Felipe Fuentes, Councilmember CD7 councilmember.fuentes@lacity.org
The Honorable Bernard Parks, Councilmember CD8 councilmember.parks@lacity.org
The Honorable Curren D. Price Jr., Councilmember CD9 councilmember.price@lacity.org
The Honorable Mike Bonin, Councilmember CD11 councilmember.bonin@lacity.org
The Honorable Mitchell Englander, Councilmember CD12 councilmember.englander@lacity.org
The Honorable Mitch O’Farrell, Councilmember CD13 councilmember.ofarrell@lacity.org
The Honorable Jose Huizar, Councilmember CD14 councilmember.huizar@lacity.org
The Honorable Joe Buscaino, Councilmember CD15 councildistrict15@lacity.org
Gerry Miller, Chief Legislative Analyst gerry.miller@lacity.org
John Wickham, Chief Legislative Analyst Office john.wickham@lacity.org
Richard Williams, Office of the City Clerk Richard.williams@lacity.org
Miguel Santana, City Administration Officer Miguel.santana@lacity.org