

where low-income tenants are targeted by landlords looking to capitalize on the influx of wealthy new residents, tourists, and real estate developers. Many of the “cultural institutions” named in the motion are key drivers of gentrification and displacement, including USC. One example of this is a building blocks away from the proposed hotel site on Exposition Boulevard, where 80 low-income tenants were served eviction notices when their building’s new landlords decided to turn the building into housing for (considerably wealthier) USC students.

Councilmember Price’s motion claims that “[t]his community requires additional hotel rooms to serve these growing tourist demands,” including the 2028 Summer Olympic and Paralympic Games. Ramping up hotel development around a mega-event 10 years from now is the last thing that any community needs, particularly in the face of our city’s current housing and homelessness crisis. A recent report from the California Housing Partnership and the Southern California Association of Nonprofit Housing shows that Los Angeles “has an extreme shortfall of affordable housing” and that the gap between the number of affordable units and low-income renters has risen to nearly 600,000.

We are seriously concerned by the trend of City Council-approved taxpayer subsidies that have allocated millions of public funds to Downtown and South L.A. hotel development, which could otherwise be used to support the development of affordable and low-income housing. The proposal to offer financial incentives and tax subsidies for a hotel development is particularly egregious at a moment when city officials are struggling to fund supportive housing for LA’s unhoused residents. We cannot accept a “shortage” of hotel rooms as a situation that demands urgency in this context, let alone public funds or even the time and energy of our elected leaders. Civic resources should not be spent on any project that does not directly benefit the community and existing residents, let alone puts them at further risk of displacement and homelessness.

The Mayor and Olympic Bid Committee have responded to community concerns regarding the diversion of civic resources towards the Olympics and thus away from humanitarian crises like homelessness by saying that they can “walk and chew gum at the same time.” But proposing tax breaks and other financial incentives for luxury hotels while claiming that there aren’t enough public funds for supportive housing demonstrates that the city can’t prioritize housing its residents at the same time that it’s bending over backwards to please the various business interests who will benefit from the Olympics and other key drivers of gentrification.

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Community Concerns and Opposition to Proposed Hotel Project at 3900 Figueroa Street

Since the NOlympics LA coalition formed to oppose the LA 2024/2028 Olympic bid, we have rejected the City and Bid Committee's claim that bringing the Games to Los Angeles will not lead to the displacement of low-income residents because "no new infrastructure" would need to be built. The proposed hotel project at 3900 Figueroa proves that the 2028 Olympics are already being used as an excuse to drive displacement of low-income and rent-burdened tenants in LA, as well as divert civic resources. We categorically oppose the proposed hotel project at 3900 Figueroa, which would:

- Demolish 8 Rent Stabilization Ordinance (RSO) buildings, including 32 RSO units in historic buildings, which would destroy existing affordable housing units and displace the families that currently live there.
- Divert public funds, through financial incentives and tax subsidies, to private hotel development, which could otherwise be utilized for the development of low-income housing.
- Prioritize private real estate and hotel development over the actual housing needs of the community and drive economic displacement.

This proposal makes it clear that the intended beneficiaries of the new hotel project are not the people who currently live in South LA, but instead, wealthy visitors, the tourism industry, real estate developers, and other monied interests. Prioritizing the needs of these interests and individuals is the exact process that underlies gentrification and drives rapid displacement.

The development as proposed would necessitate demolishing 8 RSO buildings, including 32 RSO units in historic buildings, and displacing the families that currently live there. Many of these families have been in their homes for more than 25 years, some for more than 40 years. They will see their entire lives uprooted and their supportive social networks shattered if they are forced to leave. How will these displaced residents benefit from increased availability of hotel rooms in the area? While the development proposal includes 82 "affordable" units, the affordable designation is often out of reach for families. As determined by HUD, the low-income tier (versus very or extremely low-income tiers) would require a family of three to earn a minimum of \$44,650 annually to be eligible for that unit, while the median income for a family of three in this area is \$26,638.

Building construction is not the sole cause of displacement, as the majority of people are displaced when they can no longer afford to live in their communities; displacement is an economic process as much as it is a physical one. This is of particular concern in South LA,