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New Life for the Alexandria Hotel

City Money for Affordable Housing Is Part of Major Renovation

by Kathleen Nye Flynn

The venerable Alexandria Hotel, a historic if dilapidated building in the heart of Downtown, is about to get a new future as an affordable housing complex backed by municipal money. The 463-room facility will undergo a major renovation.

The City Council last Wednesday approved a plan to take nearly \$12 million from the Bunker Hill Trust Fund for the project. Additionally, the developer will receive \$35 million in tax-exempt bonds to buy and renovate the structure without displacing tenants. The Community Redevelopment Agency approved the project July 20.



San Diego-based Amerland Group will fix up the 1906 Alexandria Hotel, providing new air conditioning and other amenities. Photo by Gary Leonard.

The Alexandria, at Fifth and Spring streets in the Historic Core, is seen as an opportunity to maintain low-income housing in an area that is rapidly being filled with high-end condos. The 1906 hotel is renowned for its 60-foot-high lobby with marble columns and staircase, and its history as a Hollywood hub.

A century after its opening, however, the building primarily holds low-income residents, and in recent years has come under scrutiny for its decrepit

conditions. The property's small rooms lack air conditioning, its historic common areas are only used for filming and its electrical and plumbing systems are in sore need of replacement.

Additionally, the building holds a number of parolees. Last November, *Los Angeles Downtown News* reported that 17 registered sex offenders were living in the Alexandria.

San Diego-based Amerland Group is buying the building for \$30 million from current owner Martin Yacobian Sr. and spending another \$16 million, from both bonds and loans, to remodel it. The company has completed 11 low-income housing projects, but this marks its first acquisition in Downtown Los Angeles.

"Our vision is to create safe, quality, affordable housing, and we looked at the Alexandria and saw people in need and wanted to help their situation," said Jules Arthur, an Amerland partner.

The city's financial support came after extended negotiations between various Downtown groups. The funds will enable the hotel to retain all its current residents and offer additional, long-term affordable housing units - along with a complete update of its accommodations and services.

"This hotel has been in a dilapidated state for 30 years," said Kimberly Yu, planning deputy for City Councilman José Huizar, whose 14th District includes the Alexandria. "It's a hotel that will need a lot of care and maintenance, so when we were approached by a developer who wanted to keep it as affordable housing, we were very supportive."

Community Concerns

The renovation will provide air conditioning and kitchenettes in all the rooms, refurbished common areas, computer rooms, classes and a gym, among other amenities. But despite the promises and plans, some residents worry they will be displaced.

"The community here is the most important thing," said Theresa Haffer, 60, who has lived in the building for four years. She came from Hollywood after her rent was doubled and she was forced out. "We want to be able to stay here and not be swept away. At my age I can't afford to be relocated."

Arthur said Amerland has received support from neighboring developers.

"The level of housing of the hotel will complement the high-end condos around it," Arthur said. "Every city needs affordable housing for the people who work in the service industry."

Becky Dennison, CEO of the civil rights group Los Angeles Community Action Network, which helped the Alexandria tenants fight for the

affordability options, said this is one of the largest projects of its sort in the area.

"It's the first big project in the Historic Core that's a very prime property for those who would prefer to service higher-income level people there," she said.

Dennison added that the process has required compromises on all sides. For example, she said, the building could have held a mental health facility, but that developers of high-end projects nearby fought it. But overall, she said it is so far a success.

"It has the potential to definitely be a model project that doesn't displace folks and that doesn't change the character of the area," she said.

Looking for Money

While civic groups and private forces played a role, government figures also enmeshed themselves in the negotiating process. In March, the CRA asked Amerland to offer lower rents than were proposed when they first tried to purchase the building in October 2005. Since then, City Council members, the CRA and LACAN have worked to find the funding to keep the units priced as affordable housing.

Huizar worked with Ninth District City Councilwoman Jan Perry to find \$11.9 million for the project. Perry, whose district is adjacent to the Alexandria, moved the money from the Bunker Hill Trust Fund to share with Huizar's district. The \$35 million approved by the Council will come from multi-family tax-exempt bonds.

"Without the city's participation, this project would have been very difficult," Arthur said. "It's a great marriage of private industry with public support."

Current plans call for about 130 units to be designated for very-low income residents, who earn 30-35% of the area medium income. The rest will be priced at affordable housing levels.

Last week, the CRA board and the City Council asked the CRA staff to find another \$4 million to secure 64 additional very-low income housing units in the Alexandria. Agency officials said they hope to get the money from Section 8 housing funds and the Los Angeles Housing Department.

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