



BEST INN

The People Concern, Los Angeles, CA

WRITTEN BY MARY TINGERTHAL FOR THE NATIONAL ALLIANCE TO END HOMELESSNESS

PROJECT OVERVIEW

The People Concern is one of Los Angeles County's largest social service providers, managing 19 permanent supportive housing developments and seven interim housing projects in Los Angeles County. It teamed up with the City of Los Angeles and the Housing Authority of the City of Los Angeles (HACLA) to serve as owner, manager and service provider of three projects HACLA had acquired under the State of California's Homekey program, one of which is the Best Inn on West Adams Boulevard in the City's Crenshaw district.

The Best Inn is a small property that formerly operated as a 23-unit motel. It is a squarish building with all units facing an interior courtyard, and the majority of them located on the second floor. The courtyard and the space beneath some of the second-floor units is dedicated to parking, which is accessed through a gated entrance. Common space is limited to the courtyard, so any activities must share the space with parked cars. The rooms are small at about 250 square feet, furnished, and each has a bathroom and closet. One of the units has been converted to a manager's unit, so there are 22 units targeted to homeless men and women with high acuity levels, many with mental illness and/or physical disabilities.

The property is located in an area with many restaurants and some convenience shopping, and is within walking distance of a bus stop.

ACQUISITION AND REHABILITATION OF THE PROJECT

The City of Los Angeles and HACLA took the lead on acquisition of the Best Inn. The City was interested in spreading Homekey resources to all 15 council districts so that each corner of the City would be served with this new program. Best Inn was a small property but the best one available in this particular council district, and was in reasonable physical condition. It had been operating as a motel until it was acquired. The community was supportive of seeing Best Inn come under new management and care. HACLA acquired the property and it was transferred to The People Concern in December 2020.

The total cost for acquisition and rehabilitation for use as interim housing was \$4,528,368 (\$196,884 per unit). Along with the acquisition cost of \$3,900,000 (\$169,565 per unit), the closing and due diligence costs were \$190,756 (\$8,293 per unit) and \$437,612 (\$19,026 per unit) was needed to prepare the property for interim housing.

Scope of Rehabilitation for Interim Housing

Several upgrades were required before the property could be used for interim housing.

- **Parking Upgrades.** One parking space was updated to meet ADA requirements.
- **ADA Compliant Bathrooms.** The bathroom in one unit was upgraded to full ADA compliance, including widening the doorframe to 36 inches.
- **Fire and Safety Upgrades.** A fire alarm system was installed throughout the building, including heat and smoke detectors.

Regulatory matters

The property is zoned for commercial use, and the property has been formally converted from a motel to interim housing.

There were no environmental concerns identified for the property.

PROPERTY OPERATIONS AND SERVICES

The property has been operating as interim housing since March 2021. It will continue to operate in this capacity until funding is secured to convert the property into permanent housing.

The People Concern operates several properties as interim housing in Los Angeles County, including the Best Inn. The organization provides on-site integrated services and case management to help program participants stabilize their health, gain critical life skills, and work towards finding a permanent housing solution.

The current operating budget for interim housing is approximately \$100 per person per night. For this site, the cost of management and operations is estimated at \$839,500 per year. Funding for the operation of the property is provided from a variety of city and county homelessness resources.



PLAN FOR PERMANENT HOUSING

It is anticipated that this property will operate as interim housing for at least five years.

The total development cost of converting the property to permanent housing is currently estimated at approximately \$1.5 million, or \$62,448 per unit (including the manager's unit). The site is very confined, so the only potential for adding units to the property would be through additional stories.

KEY SUCCESS FACTORS

- The Housing Authority of the City of Los Angeles (HACLA) worked closely with the Mayor and City Council to identify 15 properties (one in each Council district) which HACLA acquired through Homekey. This process addressed many of the neighborhood issues that may have been more challenging for individual developers.
- After the properties were identified, the City of Los Angeles sought owner/operator teams through a request for proposals process. This allowed The People Concern to consider which property would fit into its portfolio without having to mount a massive search. Ownership of the property was transferred from HACLA to The People Concern.
- As part of the transaction, LA City and County committed to funding operating subsidies and programming costs, annually renewable for up to three years. As part of the agreement for receiving funds from the Homekey program, the City and County are obligated to provide operating subsidies for interim housing developments for a minimum of five years, and must guarantee to provide operating subsidies for a total of ten years if necessary.



- The People Concern has a track record of successfully managing interim housing developments where people can stabilize and work towards more permanent housing appropriate for their needs. The Best Inn property is likely to remain interim housing for at least five years.

Contact Information

The People Concern (<https://www.thepeopleconcern.org/>)

Housing Authority for the City of Los Angeles (HACLA) (<https://home.hacla.org/>)

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