



The Cecil Gets a Makeover

New Owner Plans to Reposition Troubled Inn As Affordable Hotel With Mainstream Appeal

By Anna Scott

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The new owner of the Cecil Hotel has launched an effort to transform the onetime drug-dealing magnet into Downtown's premier budget lodging establishment. However, the \$7 million plan faces one significant challenge.

Fred Cordova said his project will bring in a more affluent clientele while helping protect Downtown's low-income housing stock. But because the city Housing Department identifies the Cecil as a residential hotel, Community Redevelopment Agency regulations bar the raising of rents or the elimination of rooms during the renovation.

"The overall vision is to provide a tourist-oriented commercial hotel with a long-term component," Cordova said. "It will allow people who are coming into Downtown for one day, one month or longer to have a quality affordable accommodation."

While many Downtown stakeholders praise Cordova's plan, critics fear the project could push out those who call the Cecil home.

Built in 1927, the Cecil Hotel stands on Main between Sixth and Seventh streets, visibly planted between past and future. Like other aging area hotels, including the Alexandria, the King Edward and the Frontier, the Cecil has in recent years been a site of high crime and a home for low-income people and those with addiction and mental problems.

In 2003, then-owners John Deluca and Dale Lohrer spent millions to restore the Cecil's lobby and renovate its common areas and some of its rooms.

Now, while the air-conditioned entrance hall boasts stained glass skylights, blooming potted plants and marble floors, most of the 15-story hotel's 600 rooms are bare bones. There are dingy walls, spare furnishings and shared industrial toilets and closet-sized showers on each floor.

That is about to change.

Originally hired by Deluca and Lohrer to broker the Cecil's sale, Cordova - who is senior vice president of Colliers International Investment Services Group - was offered the hotel at an undisclosed discount when the owners could not find a buyer willing to pay the \$35 million asking price.

Cordova, who acquired the hotel in May, has long done business in the Historic Core and serves as chair of the Central City Association's Economic Development Committee. He said he sees an opportunity to capitalize on an untapped market.

"We're going to have 10,000 people in historic Downtown in a few years, and they're going to need a place for family and friends to stay," he said. Demand for an affordable hotel in the Historic Core, he noted, is soon "going to be far beyond what we're going to provide."

His plan, expected to take four to five years, calls for outfitting all of the Cecil's rooms with full bathrooms, flat screen TVs, refrigerators, air conditioning and new furniture salvaged from upscale hotels. The lobby-adjacent laundry room will be replaced in six to nine months with a 24-hour restaurant. Cordova also envisions new laundry facilities throughout the hotel as well as new businesses in the ground-floor retail space.

The Cecil's new name, he said, will debut by the end of the year, and will require only that "a few letters on the sign will change."

Cordova expects to finish upgrading 210 rooms that already had private bathrooms by the end of this month, he said during a recent tour of the building. Heavy remodeling on the 400 remaining rooms is expected to begin by November.

So far, responses to Cordova's plan seem largely positive.

"Historically, there have been concerns about that hotel," said Stephen Reinstein, senior vice president of ICO Investment Group, developer of the Pacific Electric Lofts, a converted apartment complex on the same block as the Cecil. "It will bring a variety of land uses to an area that for too long has been characterized by deterioration and lack of economic activity."

LAPD Central Division Capt. Jodi Wakefield said that since Cordova took over, there has been a decrease in 911 calls to the Cecil.

Bruce Baltin, senior vice president of PKF Consulting, which tracks the hotel industry, has advised Cordova on the project and said the renovated Cecil could fill a niche.

"As Downtown rates go higher in the other hotels, and that area continues to develop, I think there definitely is a market for it," said Baltin, who added that he foresees European tourists, business executives in the Fashion District and guests of nearby loft residents as future Cecil patrons.

Critics contend Cordova's plan ignores what has long been the Cecil's primary use - a residence for low-income individuals. Cordova estimates there are about 110 of them in the building.

CRA Project Manager Lillian Burkenheim said that like many area hotels, the Cecil "has always been an SRO that has been used on an ongoing basis by people in the area" as their primary housing.

Last spring and again this summer, the Housing Department compiled a list of the city's more than 200 residential hotels. All Downtown Los Angeles establishments that made the list are subject to CRA guidelines for residential hotel conversions.

The guidelines dictate that developers who convert any Downtown residential hotel must keep the building as affordable housing for at least 55 years; any rooms lost to renovation must be replaced with comparably priced units; and rents cannot be substantially raised.

While Cordova said he is complying with the CRA rules, he is also taking steps to remove the Cecil from the Housing Department's roster - as the prior owners attempted to do, unsuccessfully.

"It's not a residential hotel by state statute guidelines," Cordova said, because the majority of the hotel's rooms have historically been used by transient guests.

Cordova declined to elaborate, saying the issue is being worked out with city officials, including Ninth District Councilwoman Jan Perry.

Perry, who last year championed a yearlong moratorium on residential hotel conversions, said she has not yet heard details about Cordova's project.

Cordova said rates for long-term residents at the Cecil will not increase significantly after renovations.

Cecil General Manager Peter Kertenian said current rates for a single room are \$47-\$60 nightly; \$245-\$336 weekly; and \$800-\$900 monthly.

After renovations, Cordova said, starting nightly and weekly rates for a single room will be at the upper end of the current price range, and the monthly rate for a single room will remain \$800-\$900.

Monthly rates for people who have been at the hotel five years or more - which currently range from approximately \$259 to \$750, according to housing activist organization the Los Angeles Community Action Network - will also stay the same, Cordova said.

"I want to emphasize that we are not displacing anybody, but rather giving them nicer rooms for basically the same rate," Cordova said of the Cecil's long-term tenants. "It's a big windfall for the people that are there."

Carol Schatz, president of the Central City Association, applauded Cordova's plan and said she believes the developer has a "social purpose," as well as a profit-based one, behind his project.

"We need to preserve low-income housing, but we can't do it in such a way that it doesn't allow the neighborhood as a whole to improve itself," Schatz said. "I think he's creating something that works with a variety of income levels, which I think is what's needed in Downtown."

However, Becky Dennison, director of LACAN, sees Cordova's insistence that the Cecil is not a residential hotel as a potential sign that the developer could try to phase out residential tenants.

"Our concern is that as natural turnover happens, they'll just claim the building is now being used for something else when the policies were put in place to prevent that," Dennison said.

Cordova denied the charge, and said he hopes to increase the number of long and short-term guests at the hotel.

"If West L.A. can have their condo hotels where they charge \$500 a night and you can buy a condo for \$3 million, why can't we have something in historic Downtown that's the same concept on a much smaller scale?" he asked.

As to whether new long-term guests will be low-income residents, Cordova said, "We don't look at income levels as such. We just look at renting rooms."