

Good Evening,

I am writing to follow up on the decision made at the last City Council meeting to dismiss Option 3—the purchase and rehabilitation of a local motel, specifically the La Plaza Inn, for use as a long-term shelter for unhoused individuals.

After speaking directly with La Plaza Inn management, it is clear that the information presented at the last City Council meeting regarding this option was not fully accurate. Management stated they are very willing to participate in this effort and confirmed that no one from the City has contacted them in over a year regarding potential use of the property.

They further indicated that occupancy at the motel remains extremely low, both for travelers and for stays exceeding 30 days. As a result, the property generates minimal Transient Occupancy Tax revenue. While a COVID-era voucher program temporarily raised occupancy to approximately 50%, that program has long since ended. In the past year, only one or two families have been placed there using Merced County vouchers and they typically leave once the voucher expires. On average, the motel operates at approximately 1 to 2% occupancy and is frequently at zero occupancy for both travelers and long-term residents.

One of the stated reasons for rejecting this option was concern about displacing current residents. That concern was refuted by hotel management, who confirmed that long-term occupancy is minimal and inconsistent. Stays exceeding 30 days does not generate TOT revenue. The only period they are close to full is a month or two during harvest season.

Concerns about potential loss of TOT revenue are unsupported by current conditions. The City is not forfeiting meaningful revenue. In contrast, converting this underutilized property into a stable, long-term shelter would provide substantial and lasting community benefit by addressing urgent homelessness needs.

With the ongoing conditions at the G Street encampment, I request the City Council to reconsider this decision. Continuing to implement short-term, temporary solutions rather than a viable, already existing option fails to address the scale and urgency of the problem. Option 3 warrants a fact-based re-evaluation.

Thank you,

Julie Creighton