The Strand Hotel: A Case Study in Faith or Failure
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Reprinted from URBAN MISSION, May 1990

The Bresee Institute for Urban Training, the cover label for a wide variety of training programs located at the First Church of the Nazarene in Los Angeles, California, shares its near-downtown milieu with a wide variety of vibrant experiments in Christian witness. The Strand Hotel was one of those experiments and provides the grist of examination, discussion, and reflection in the following case study. It is the story of two men who met while rock climbing in the late 1960s, and found that their joint spiritual climb in the urban jungle of Los Angeles some twenty years later was fraught with even more difficult, dangerous, and complex obstacles than Yosemite.

Combining Business and Ministry
Jerry Vogler was a real estate broker who didn't enjoy the ethics of his business. Jim Hooker was an entrepreneur. Not only had they mountain-climbed together, but long ago, Jim had introduced Jerry to his wife-to-be. Jerry was a Roman Catholic. Jim was born again in 1979 and forthwith attended a charismatic church. They began to meet regularly at a men's prayer breakfast and form a genuine spiritual bond. Jerry's own spiritual life began to grow. Together they dreamed of a joint business "adventure" partnered with ministry, and plotted to form a business that would serve the urban poor - perhaps a downtown hotel that would not only house welfare recipients but also would offer Bible studies, counseling, spiritual sharing, kitchen facilities, maybe even a dining hall.

Jerry contributed to the partnership his business and accounting acumen. Jim knew the downtown scene somewhat, the issues of the homeless and skid row hotels. They scanned the newspaper and discovered the 160-unit Strand Hotel for sale in the Los Angeles Times, a designated welfare hotel intended for "single resident occupancy" (SRO). It was located at 729 S. Union Ave., about two miles west of City Hall, in a section of Los Angeles populated by immigrant Central Americans, where tenement housing stood in the shadow of glistening skyscrapers on the other side of the Harbor Freeway. The hotel cost was $2.5 million.

Jerry and Jim enlisted limited partnerships, pooled their resources, and dipped deeply into their own life savings, pension plans, and home mortgages.

They didn't look at the deal simply as businessmen. It was saturated in prayer and a sense of God's purpose. Jerry says that he "knew it was right," and that, through prayer, "we wouldn't make a mistake." Jim, in reflection, is not sure that he had such assurances. He says that he never had any special revelation, never felt directly led by the Lord, but in a general sense he felt that what they were doing was in the Lord's will and that "he would cover for us."

Rude Awakenings
The sale was plagued with difficulties. In the interest of maintaining proper Christian ethics, Jerry and Jim made several requests that the seller seemed "100 percent committed not to honor." They compromised where they could, but held the line at the non-negotiable. In prayer, they persevered and knew that God must have been in it when the seller finally yielded to their demands. On December 6, 1984, they took over ownership of the property.

It soon became apparent just what a "smart guy" the seller had been. It seems that he may have made substantial profits on an insurance settlement for fire damages to the building, and then had turned around and sold it at a good gain. Upon purchase, they inherited the seller's on-site manager, a man whom they describe as morally bankrupt. Over 200 people had been staying at the hotel without being officially signed in. Furthermore, the hotel was a center for prostitution and drugs. Later, in a Los Angeles Times expose, the hotel was cited at the top of the list for welfare fraud, over $150,000 worth, under the old management. The scam involved the signing of welfare hotel vouchers by the management for housing not provided in exchange for a financial cut of the voucher value.
Jerry and Jim were rudely awakened to the nature of the "parish" about two weeks after purchase when they walked into the lobby and found their new manager mopping up blood off the lobby floor. Two of the patrons had had a disagreement and one had taken a liquor bottle and slashed his adversary behind the ear, leaving a 4-5 inch gash. Later that afternoon, six bullet holes were discovered in the aggressor's hotel door.

When the LAPD police came to make up their report, they asked incredulous questions of Jerry and Jim: "What are you doing here?" "How often do you come down here?" "How do you get to your car?" The woman officer told them that they'd be crazy not to carry guns and hire bodyguards, "and whatever you do, move your parked car around, varying your trip to it daily." Their brute-sized plumber, overhearing the conversation, was sufficiently frightened to plead for similar escort service. Jerry and Jim confessed that the alarmist views of the police "...scared the hell out of us." They hired a bodyguard/security officer, a huge ex-professional boxer from the Bay area.

Jim says that the situation was so bad, "it was unbelievable!" At least three times a week there were shootings involving the Strand. They would find shells on the roof from shooting battles with the hotel across the street. Once when they were exploring water leakage in the building, they found that the culprit was a bullet hole shot through the roof. They estimated that about fifteen prostitutes and twenty dope pushers plied their trade in the building. Pimps beat up on their human chattel regularly. A drug-overdosed body was removed every two or three weeks. Fire hose fights were common, leaving water washing down halls and dripping into rooms. Light bulbs were wantonly smashed.

In desperation, the pair met with the Lieutenant of Vice of the Ram-part Police Division and admitted to him that things were out of control. They wanted undercover agents assigned to the hotel and were willing to pay all costs. The lieutenant stunned them with the statement that he wouldn't send anybody into that hotel. It was "way too dangerous" and would need three or four teams of undercover agents. The lieutenant went on to say that pimps, in general, were the most violent people around, in that they have such a low regard for not only prostitutes, but for life in general.

Even more ominous was his revelation that his office has already filed action with the city attorney to close down the hotel within two weeks because it was a "public nuisance." According to him, the Strand was just "classy enough" to attract traffickers of heroin, the "poor people's coke." After a difficult discussion, they finally talked the lieutenant out of immediate action, and agreed to follow his recommendations.

1. The lieutenant's laundry list included the following:
2. Hire tough security officers who could get and maintain control of the building.
3. For every security officer needed, hire two or two and a half, so that they can cover for each other.
4. Do not permit any loitering around the front of the building.
5. Make sure that certain windows are shatterproof, especially those in doors.
6. Remove people who are causing trouble immediately.
7. That day, hand painted "No Loitering" signs was posted.

War in Progress
Jerry and Jim then contacted various security companies and found that none of them wanted to contract with the hotel. They also discovered that available security officers often were more brutal and sadistic than the people they were trying to control. They would deliberately taunt the pimps into violent confrontation. The new owners felt that the building had to go through a purge, a catharsis, even if some innocent people had to be kicked out. They could not afford, in their new strategy, the luxury of softness and compassion, but instead acted almost surgically in the biblical spirit of the conquest of Israel. They had to claim the turf with urgency and immediate action in order to root out any potential problems. A week later at three in the morning, on cue from the owners, six patrol cars with officers armed with shell flashlights, roused the residents in a definitive shakedown of the building.

The pair needed to hire a new manager, and found a tough Italian guy who had served twenty-four years in jail, but now was a Christian. They interviewed him on a day that it was "really bad," but were surprised and elated when he declared, "Man, I love it here!" From that day on, he took charge.
The purging of the physical facility was not enough. The three men sensed that there was a spiritual war in progress and decided to conduct regular prayer gatherings in the facility, open to Christian leaders within the community. The manager suggested that his home church friends in Bu bank ought to come and conduct a prayer meeting, laying hands on the building and walking the halls, defeating the principalities and the powers, and exorcising the spirits out of the place. Eight weeks after the purchase, Jerry and Jim recall walking into the lobby and sensing that the peace of God was there. Everything had changed. The hotel finally had been tamed.

**Victories**

Immediately, Christian policies were established for all employees. Those who did not want to work or cooperate were weeded out. Those that remained were told of the Christian nature of the business. The Spanish-speaking maids were targeted for special consideration and care. A poor, crippled, intimidated minister-resident was given chaplaincy responsibilities in which he blossomed and gained courage. Two outside ministers and their congregations were invited to conduct regular worship services. Rev. Joe Brown, the black pastor of Faith in Christ Ministries, not only offered Bible studies on Tuesdays and Sundays but also provided hot and cold meals for those who attended. Rev. Robert Alvarado of Victory Outreach provided similar services on Thursday nights. Jim Hooker himself conducted Wednesday and Friday times of worship, teaching, and healing. A certified Alcoholics Anonymous program was begun in the facility.

According to Jim, his greatest frustration was that interested or converted residents had no place to go in order to escape the neighborhood. Once out of the hotel, they were pawns in the hands of the very cronies and relationships that had brought them to their condition in the first place. Also, they were not the type of people who would fit into the Wilshire row of sophisticated First Churches most near the facility. Jim also detected that the black males, who comprised 95 percent of the residents, seemed to express more pent-up hostility and bitterness towards authority than did the resident Latinos. When they did respond to the gospel, there seemed to be fewer support mechanisms, i.e., family or political structures, to help them integrate into the social fabric out-side. Robert's program did pro-vide ongoing rehabilitation options affiliated with Victory Outreach ministries, and persons from the hotel moved out almost weekly into these residential homes. In return for the efforts of these two men, the owners provided an average subsidy of $1,000 a month for expenses and services performed.

Joe and Robert provided an accounting of their ministries for the years 1985 and 1986, and together indicated that about 100 welfare recipients from the hotel had gotten off the dole, were fully employed, and contributing to the tax base. Joe also stated that fifteen runaways were reunited with their families through his intervention. Jerry and Jim question these figures, believing them to be "soft."

Because the Strand was a designated "welfare" hotel, one of about 170 in Los Angeles County, it was financed principally by the voucher system of the Division of Welfare and dependent entirely on referrals from the agency. Needy recipients would receive vouchers to designated hotels and present them to the manager in exchange for a room. In turn, the hotel would requisition the Welfare Division for reimbursement, initially for $8 a night per resident, later raised to $12, then to $15 because the County was "happy" with the cleansed environment. Within 90-120 days, the hotel was making a profit.

After the newspaper revelations concerning the voucher fraud of the previous management, the "bunko squad" descended on the hotel to investigate the current state of affairs. The detectives found the operation clean and fully account-able, clearing the name of the new management. They were thanked for the quality of the administration and told that they were saving Los Angeles County $130,000 as a result of their honesty.

**The Bribery Bind**

Yet the arrangement had some lethal drawbacks. Because these men only would make business decisions within certain spiritual parameters, they drew the line at what seemed to be an ongoing expectation of bribes. The Health Inspector had an informal policy of inducing gifts of $20 for "minor inspections" and $100 for "major inspections." Usually the requests came in the form of a need for payment for a doctor's
bill or a mechanic's charge, but because of the subtlety of the requests, the owners initially "got sucked into" minor contributions. On one occasion, the District Coordinator (one of thirteen who license these hotels) spilled out a story of family and economic problems, indicating that he needed an immediate $500. Jim referred him on to Robert Alvarado for groceries and spiritual help. He took up the offer.

It seems that the Strand may have had a history of pay-offs and the practice was stopped abruptly by the two men. Jerry and Jim soon discovered that people who buy welfare hotels, are, in the main, solely "out to make a buck." They concluded that, generally, the owners have no over-riding code of Christian morality. Apparently, bribes were the nature of the business, and the Strand wasn't dutifully playing the game.

Shortly thereafter, during the summer of 1986, welfare referrals dropped off dramatically and corrective citations jumped. Mean-while, endorsements from other social agencies came pouring in. They included: Para Los Ninos; Travelers Aid Society; Lutheran Social Services; El Rescate; Homing, Inc.; House of Ruth; Chrysalis Center; Seedling, Inc.; Native American Housing Services, and Centrum of Hollywood—all private agencies that were seeking low-cost housing alternatives for their specific constituencies. The United Way Group stated that the Strand was the only hotel fit for children. However, the Welfare Department insisted that a quota of rooms be left available for its own use, even while Strand were becoming more infrequent.

By October 6, 1986, it became apparent to the two men that there was an ongoing pattern of verbal approval but consistent neglect in the number of referrals coming their way. On that date, a meeting was attended by the Department of Public Social Services, Legal Aid, two members of the Grand Jury, SRO representatives and others to respond to a lawsuit against the County for not providing adequate shelter for the homeless in the voucher program. The suit dealt with such matters as dirty rooms, lack of security, and so forth. In the discussion that followed, it became quite apparent that many of the hotels cited continued to receive substantial business, while at the same time, the Strand's was being severely curtailed. Jerry Vogler confronted the group with its in-consistency, showing his irritation at the way matters had been handled. His words, though pre-meditated, seemed to effect the very injustice that he had named.

**Foreclosure and Defeat**

Prior to the October meeting, the welfare clientele had been in-creasing over the previous three weeks, due to the change of weather. By November, the referrals were down 62 percent; by December, 75 percent; by January 91 percent; and by February 95 percent. On September 24th, five rooms were cited for Health Inspection violations three weeks later, after the October 6th meeting, 125 rooms were cited. It became evident that the Strand needed legal advice, but because of the cash flow crisis, the Strand was put into foreclosure and sold in March, 1987.

To Jerry and Jim, the sale represented a personal loss of over $500,000. A total of $200,000 was lost on the sale itself because of the precipitous nature of the transaction. Another $150,000 had been used for upgrading the facility. The final $155,000 is being paid back to the limited partners who had in-vested in the project.

The two men are still licking their financial wounds and reflecting on the feasibility of mixing business and ministry. They have evidence to believe that some disaffected clients complained to the Welfare Division about the nature of the Christian witness in the hotel, and that this may have contributed to the hotel's demise. Their optimism about God's purposes in transforming the city through a profitable business venture is substantially shaken.

While the experiment was in process, these men shared their vision with Christian communities throughout Los Angeles, and honestly believed that "God would cover for them." But it has not happened as they thought. The Strand has reverted back into the old management style, the name is changed, and only the memories of their courage (or is it audacity? or naivete?) linger.

**The Wisdom of Hindsight**

I asked Jerry and Jim for some lessons out of their experience. They gave me these: "The real world is ugly
and corrupt. We should be wary of becoming dependent upon one single political arm of it. We were too dependent upon welfare voucher referrals-too many eggs in one basket. It is important to diversify your support systems." (Jim)

"Take on a small project rather than a big one for an initial experience. We never did fully conquer the turf of the fourth floor, and always felt somewhat intimidated by it. Perhaps we should have purchased a 30-unit hotel rather than 160 units. That way we could have controlled and managed it more closely and learned without the exaggerated risks." (Jim)

"God often does not work by our simple logic of cause and effect equations that necessarily produce his blessings. It seems that the benefits and rewards of our stay at the hotel are convoluted, abstract, and oblique, and only now beginning to surface in any intelligible way." (Jerry)

"There is a mystery about God that continues to trouble us. Here we took a den of sin and iniquity and reduced some-what the evil force. We still do not understand why God let it revert back to its former state. One thing we do know, and that is that we did not accept the reality of the situation, of the political environment that did us in. Perhaps it was not God who failed but our own political savvy." (Jerry)

"We just plain goofed! We made some bad business decisions that we would change in hindsight. Also, our response to crisis was principally business-oriented. There were times in which we needed spiritual power and wisdom and we didn't employ all of our own potential spiritual resources." (Jim)

"The city is caught in the clutches of a demonic presence that cannot be addressed by programs and policies. We are fighting spiritual powers, and they must be attacked with spiritual weapons. We saw some victories in the hotel at this level, and unfortunately encountered a much more pernicious manifestation of evil outside of the hotel. Our forces were too limited and local to defeat that." (Jerry and Jim)

And what now of these two men? Jerry is back restlessly into real estate. Jim has incorporated his "Turn Around Ministries" and has just found an old house that he wants to develop into a residential ministry for the dispossessed. In our debriefing session, the questions linger; the closure is not quite complete. But when you look into the faces of these men, you'll see not the frowns of failure, but the joy of explored faith.

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