

CITY OF LOS ANGELES

CALIFORNIA

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Honorable Members of the City Council
City of Los Angeles
Room 395, City Hall
Los Angeles, CA 90012

Attention: Adam Lid, Legislative Assistant

COUNCIL FILE NO. 25-0357 GSD REPORT BACK OVERVIEW OF THE CITY'S LEASED OFFICE PORTFOLIO

On April 4, 2025, the City Council adopted a Motion (Rodriguez – Harris-Dawson, Council File No. 25-0357) instructing the General Services Department (GSD), with the assistance of the City Administrative Officer (CAO), to provide an overview of the City's current office lease portfolio, including an inventory of office space and costs associated with each lease. The Motion also directed the Information Technology Agency (ITA) and the Chief Legislative Analyst (CLA) to report on at-home workstation costs, departmental telecommuting policies, and policies in other jurisdictions.

This report responds to GSD's portion of the directive by summarizing the City's office lease inventory and costs. Furthermore, this report has been discussed with and reviewed by the Municipal Facilities Group of the CAO.

BACKGROUND

The Department of General Services (GSD) manages a total of 360 leases, consisting of both payable and receivable agreements. Of those, 202 are receivable leases, wherein the City serves as the landlord. These agreements include commercial, residential, and nonprofit uses that generate revenue or provide community-serving benefits.

GSD also administers 158 payable leases, representing facilities where the City is the tenant and assumes an ongoing financial obligation. These leases support a broad range of municipal functions, including public safety operations, homelessness response, infrastructure needs, and administrative services.

Of the payable portfolio, 36 leases are primarily used for office space, accommodating Council field offices, departmental administrative functions, courthouse operations, and other specialized governmental uses throughout the City.



While these leases are categorized as office space, several support specialized operational needs rather than traditional administrative functions. Examples include temporary office locations for the Los Angeles Police Department (LAPD) to maintain continuity of operations during station renovations or construction, as well as office facilities procured and funded directly by departments such as the Los Angeles Housing Department (LAHD) to ensure the localized delivery of public services.

A comprehensive inventory of all 36 office leases, including the occupying department and a brief description of each site's use, is provided in the attached exhibit (See Exhibit A) to enhance transparency and provide context regarding the operational necessity of these facilities.

Here is a summary of the 158 leases by use type:

USE AND DESCRIPTION	No of Leases	Percentage of Portfolio
Hotel - Inside Safe Hotels	43	27.2%
Office Use - Majority or completely used as office space	36	22.8%
Bridge Housing - property is privately owned or by other agencies	19	12.0%
Parking Leases - RV Storage, support leases, or projects	15	9.5%
Telecommunications	13	8.2%
Ground Leases - Property owned by other agencies or City Depts (i.e. LAWA) for City use, usually Fire Stn	11	7%
Industrial - Yard spaces, asphalt plant (temp)	9	5.7%
Commercial - Warehouse, vehicle storage, berth agreements, reclamation facility	9	5.7%
No-Cost Lease - No cost to City for LAPD use, or from LADWP for Day Laborers, Family Justice Ctr.	3	1.9%
TOTAL	158	100%

Together, these leases illustrate that although office space is essential to daily municipal operations, a substantial portion of the City's payable lease commitments are dedicated to direct service delivery, emergency response, and infrastructure support.

From a strategic perspective, office leases present the greatest opportunity for long-term cost containment through space optimization, consolidation, and evaluation of hybrid work models. In contrast, many non-office leases are mission-critical facilities with limited relocation flexibility due to operational, zoning, or programmatic requirements.

OFFICE LEASE INVENTORY

Currently, GSD administers 36 active office leases on behalf of City departments. The portfolio primarily consists of 29 general funded, five special funded, and two no-cost office leases.

General Funded Leases

- Council Offices: A total of 11 leases provide office space for elected officials operations, ensuring accessible locations for constituent services and community engagement throughout the City, (i.e. Council District Offices).
- LAPD & City Attorney Courthouse Offices: A total of nine (9) leases provide dedicated office space supporting LAPD and City Attorney operations within courthouse facilities for official court-related functions.
- Specialized Facilities: A total of nine (9) leases funded provide highly specialized workspace that supports unique operational, regulatory, and intergovernmental functions that cannot be readily accommodated within existing City-owned facilities. These include the LAPD Inspector General, the Mayor's Sacramento Office, temporary co-working space (5 City Departments) utilized to address short-term capacity needs, LADOT headquarters space within the Caltrans District 7 building to facilitate interagency coordination, the Civil, Human Rights, and Equity Department (CHRED), the LADOT Parking Violation Hearing Office, and dedicated LAPD administrative space.

Special Funded and No Cost Leases

- Housing Dept: Three (3) leases are directly funded and paid by the Los Angeles Housing Department (LAHD), ensuring that associated rental costs are borne by the department's special funds rather than the General Fund while supporting the delivery of housing programs and community-based services citywide.
- LA Sanitation: One (1) lease is directly funded and paid by the Bureau of Sanitation (LASAN), ensuring that associated rental costs are appropriately borne by a special fund rather than the General Fund. The space accommodates the relocation of approximately 110 employees from the Public Works Building due to capacity constraints and supports essential operational functions.
- Los Angeles Department of Building and Safety (LADBS): One (1) lease is directly funded and paid by LADBS special funds, ensuring that associated rental costs are borne by the appropriate fund rather than the General Fund.

- No Cost Leases: Two (2) leases have zero rent. One is a Council District 1 Field Office/Glassell Park Senior Center. The other is for the LAPD Scientific Investigation Division for space at the LA Regional Crime Lab located on the CalState LA campus.
- Annual General Fund Rent Expenditure FY 2025-26: \$11,379,514
- Average Annual Cost per Square Foot: \$37.36
- Average Monthly Cost per Square Foot: \$3.11
- Lease Term Ranges: 3-10 years, not including options

A detailed breakdown of leases by address, department, and cost is attached. (See *Exhibit A)

**Note that these only include the 29 leases paid by the General Fund. The five special funded leases and no-cost leases are not included.*

LEASE REVIEW AND APPROVAL PROCESS

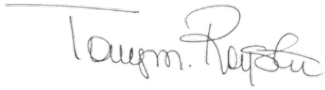
GSD, in coordination with the Office of the City Administrative Officer (CAO), reviews all departmental requests for office space. These requests are initiated as a written request to the Municipal Facilities Group (MFG) at CAO or are requested through a Council motion. GSD utilizes the Council approved City Office Space Standards and other pertinent work policies, ie. the Telecommute Policy, to help determine the amount of space needed for the requisite number of staff and identify opportunities for desk-sharing.

GSD first evaluates the availability of City-owned properties to meet the operational need. When suitable City space is not available, GSD's Real Estate Services Division conducts a comprehensive market search, utilizing real estate databases and industry resources to identify viable leasing options. These options are presented to the requesting department for evaluation. GSD then negotiates business terms that align with market conditions.

Following negotiations, GSD prepares a City Council report that is transmitted to the MFC for their review and approval. The MFC serves as the City Council's advisory body to the City Council on municipal real estate matters. The report includes several areas of information including but not limited to: the proposed lease terms, market analysis, the telecommute policy for that department, information on desk-sharing (if applicable), and a fiscal impact statement. If approved by the MFC, the report is transmitted to Council requesting authority to execute the agreement subject to Mayor and Council approval.

RECOMMENDATION

That the City Council, subject to the approval of the Mayor, receive and file this report.

A handwritten signature in black ink, appearing to read "Tony M. Royster". The signature is written in a cursive style with a horizontal line above the first few letters.

Tony M. Royster
General Manager

Attachment: Exhibit A - GSD Office Lease Portfolio

EXHIBIT A
General Funded Office Lease Portfolio
Fiscal Year 2025-26

<i>Contract #</i>	<i>Council Offices</i>	<i>Rentable SqFt.</i>	<i>Annual Cost</i>	<i>Address</i>
144402	CD 1	1,500	\$65,568	1137 W 6th, 90017
144446	CD 2	5,879	\$357,425	5250 Lankershim Blvd, 91601
142826	CD 4	4,215	\$169,370	13103 Ventura, 91604
144965	CD 5	5,443	\$30,000	5416 Wilshire Blvd, 90036
134978	CD 6	2,842	\$99,617	9300 W Laurel Canyon, 91331
132629	CD 7	1,934	\$103,058	14117 Hubbard, 91342
137427	CD 8	1,698	\$71,861	1968 W Adams Blvd, 90018
138073	CD 8	5,400	\$240,106	5462 Crenshaw, 90043
119872	CD 12	6,205	\$213,627	9207 Oakdale, 91311
124223	CD 13	3,964	\$169,167	1722 W Sunset, 90026
145928	CD 15	2,285	\$14,385	970 W 190th, Ste 150, 90520
	Sub Total	41,365	\$1,534,184	

<i>Contract #</i>	<i>Court House Office Space for LAPD and LA City Attorney</i>	<i>Rentable SqFt.</i>	<i>Annual Cost</i>	<i>Address</i>
139828	All Courthouses - custodial		\$178,606	see 140038-140046 below
140038	Van Nuys	1,477	\$63,694	14400 Erwin St, 91401
140039	Clara Foltz	1,174	\$52,921	210 W Temple St, 90012
140040	Hollywood	215	\$7,817	5925 Hollywood Blvd, 90028
140041	Metropolitan	7,722	\$333,002	1945 S Hill, 90012
140042	Airport	10,225	\$442,234	11701 S La Cienga, 90045
140043	San Fernando	2,450	\$89,080	900 Third St, 91340
140045	Sylmar	171	\$5,784	16350 Filbert, 91342
140046	Chatsworth	280	\$9,470	9425 Penfield Ave, 91311
124074	Long Beach	4,086	\$169,364	100 Oceangate, Ste 510, 90802
	Sub Total	27,800	\$1,173,367	

<i>Contract #</i>	<i>Specialized Facilities</i>	<i>Rentable SqFt.</i>	<i>Annual Cost</i>	<i>Address</i>
128379	LAPD Inspector General	12,252	\$499,921	350 S Figueroa St, Ste 1002, 90071
144952	Mayor's Sacramento Office	1,289	\$62,143	1121 S St, Ste 505, 95814
144768	Industrious, Temp Co-Working Space	42,000	\$1,673,100	444 S Flower, 90012
106618	LADOT, Caltrans District 7 Headquarters	109,186	\$3,123,569	100 S Main St, 90012
145816	CHRED	5,650	\$200,029	250 E 1st St, Ste 1000, 90012
136204	LADOT Parking Violation Hearing office	3,311	\$160,167	5990 Sepulveda Blvd, Ste 225, 91411
129204	LAPD	16,729	\$514,412	Confidential Site
122349	LAPD South Traffic Division	21413	\$436,504	4125 Crenshaw Blvd, 90008
137175	LADOT Parking /Traffic Control Unit	23,559	\$2,002,119	888 S. Vermont Blvd, 90005
	Sub Total	235,389	\$8,671,963	
29 GF Leases	TOTALS	304,554	\$11,379,514	

Effective Annual Rent Per Square Foot \$37.36
Effective Monthly Rent Per Square Foot \$3.11