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September 10, 2026

Budget and Finance Committee
Katy Yaroslavsky, Chair
200 N. Spring Street, Room 340
Los Angeles, CA 90012

Attention: Armando Bencomo, Legislative Analyst

DEPARTMENT OF GENERAL SERVICES UNFUNDED CAPITAL NEEDS - CF 26-0600-S74

During the 2026-27 Budget Deliberations, $11,000,000 was added to the Unappropriated Balance (UB) for deferred maintenance and capital repair projects that address public safety, liability mitigation, and compliance with the City's Financial Policies, including but not limited to street light improvements and fortification, street flooding mitigation, and security infrastructure. Council File: 26-0600-S74 instructs the General Services Department (GSD) to report to the Government Operations Committee with an updated list of deferred maintenance needs.

In the 2026-27 Budget, the Department of General Services Building Maintenance Division's (GSD/BMD) CTIEP funding for Deferred Maintenance was reduced by $4,481,169 (44.81%). CTIEP-GF was reduced by $3,256,955 and MICLA was reduced by $1,224,214. GSD/BMD's overall CTIEP funding was reduced by 20%. Due to these reductions, GSD's Building Maintenance Division (BMD) will be unable to fund many of the Capital Projects scheduled for this fiscal year.

This report identifies eleven capital and deferred-maintenance needs across City facilities that currently lack dedicated funding. Combined, these projects represent an estimated $22,336,000 to $23,836,000 in unfunded requirements. Several items involve active water intrusion, fire life-safety systems beyond their useful life, or structural conditions that pose escalating risk and cost the longer funding is delayed. Two projects (Fire Station #4 and the West Valley Municipal Center concrete floor settlement issue) carry cost ranges that are pending further engineering or construction-forces estimates and may increase.

GSD requests the transfer of the UB funding into its CTIEP accounts. BMD can work with the CAO to prioritize these projects to address the most critical needs.

Key Risk Areas:

- Fire Life-safety exposure: The Frank Hotchkin fire sprinkler system is beyond its useful life and, if it fails, could result in major water damage or failure to suppress a fire.

- Weather-driven urgency: The Roofs and Drains and City Hall South/East deck resealing needs are tied to anticipated El Niño winter rains and risk further water intrusion, including at the ITA Data Center, if not addressed before the season.
- Funding shortfall in Deferred Maintenance: The Deferred Maintenance Program was anticipated to receive $10,000,000 for FY 2026-27 but was funded at $5,518,831, leaving roughly half of identified projects unaddressed this cycle.
- Structural/geotechnical unknowns: The West Valley Municipal Center concrete floor settlement issue and Fire Station #4 waterproofing issues both have cost estimates pending further investigation, meaning final costs could exceed the figures shown below.

Project Detail

Project Name	Projected Cost	Description
Fire Station #4	$1,000,000 – $2,500,000	BMD costs are on hold pending a GSD Construction Forces estimate. Fire Station 4 is experiencing water intrusion from the 2nd-floor shower and restroom due to faulty waterproofing.
West Valley Municipal Center – Flooring	$1,000,000 (potential upward revision)	Uneven flooring at the West Valley Municipal Center was raised by Councilmember Blumenfield during Budget hearings. BMD has received two geotechnical investigation estimates: Bureau of Engineering testing ($10,703.31) or CFD-facilitated testing ($18,772). Total project cost could reach $1,000,000 or more depending on BOE's findings following exploratory work.
Boiler Assessment	$100,000	A professional evaluation of CHS steam boilers is needed to assess condition, required repairs, and ongoing operational and maintenance needs. These evaluations are critical in assisting BMD with an end-of-life determination in replacing the steam boilers before catastrophic failure could occur.
G34 Build Back	$236,000	Funding required for the build back at City Hall South G34 due to water intrusion from rain events two years ago. Scope includes replacing drywall, painting walls and ceilings, removing tile flooring, and replacing tile showers and plumbing fixtures. GSD is not funded for this work and the Custodial Services Division remains displaced from their offices.
Overhead Doors & Gates	$1,500,000	BMD’s Overhead Doors and Gates account was not funded in FY26-27. Currently, there are 5 roll up doors that need to be replaced at a cost of approximately $40,000 each. Additional funding is

Project Name	Projected Cost	Description
		required to replace end-of-life roll-up doors and gates providing security, egress, and ingress at LAPD facilities, yards and shops, and municipal buildings.
Deferred Maintenance Program	$5,000,000	Addresses the backlog of critical infrastructure deferred due to lack of funding, including HVAC chillers and cooling towers, ATS/UPS emergency-power generator systems, and fire life-safety systems. BMD anticipated $10,000,000 for 2026-27 but received $5,518,831, meaning approximately half of the projects identified for the year cannot be completed.
Frank Hotchkin Fire Life-Safety Sprinkler System	$5,000,000	The Frank Hotchkin fire life-safety sprinkler system is very old and beyond its useful life. Failure could result in major flooding damage or failure to suppress a fire.
CHE Structural Repair – Landscaping Build-back	$300,000	City Hall East structural repair build-back of the first-floor planter area. Water intrusion had caused sprawling of the pillars that support CHE. Waterproofing and first-floor structural repairs are nearing completion; warranty requires the repaired area to be restored (covered). This area needs to be covered due to Vandalism and Warranty requirements. Build-back is based on a BOE design.
Roofs and Drains	$2,000,000	At the request of CD10, the Adopted Budget carved out $350,000 of the annual roof allotment for two non-profit roof replacements and repairs. With an El Niño event anticipated, additional funds are needed for roof repairs and drain work.
Resealing City Hall South/East Deck	$5,000,000	Resealing of the deck from City Hall South to the Bridge Room is recommended to mitigate water intrusion during anticipated El Niño winter rains, including recurring intrusion at the ITA Data Center, as well as protecting the parking garages and LA Mall.
Unfunded Facilities	$1,200,000	GSD was not funded for certain new and existing facilities when built or transitioned back to City responsibility including the LAPD Evidence Warehouse, the Boys and Girls Club of the San Fernando Valley, and the Boyle Heights

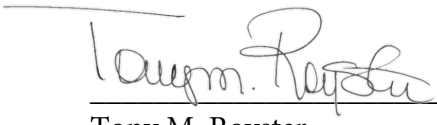
Project Name	Projected Cost	Description
		Neighborhood City Hall. This forces GSD to either forgo preventive maintenance—creating a backlog and compromising building systems—or divert funds from other facilities in its portfolio, extending the backlog elsewhere.
TOTAL ESTIMATED UNFUNDED NEED		**$22,336,000 – $23,836,000**

Notes on Cost Estimates

Figures reflect the best available estimates as of this report. Where a range or contingency is noted in the Description column, the low end of the range is used in the total above unless otherwise indicated. Costs for Fire Station #4 and the West Valley Municipal Center are subject to change pending further investigation by the Bureau of Engineering and/or GSD Construction Forces.

GSD requests the transfer of the $11,000,000 currently set aside in the UB into its CTIEP accounts to address these unfunded Capital needs. BMD can work with the CAO to prioritize these projects and address the most critical needs. Without this funding, building infrastructure will continue to be negatively affected and deteriorate at an accelerated rate, increasing costs. Equipment will require extensive and premature repair and replacement; and constituent frustration with failing infrastructure will continue to be an issue. This funding will also be instrumental in addressing important mayoral priorities, including homelessness, public safety, and preparations for the 2028 Olympic and Paralympic Games.

Should you have any questions or need additional information regarding this matter, please contact Sr. Management Analyst I Dwight Craft at (213) 924-6178.



Date: 09/10/2026

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