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**COUNTY OF LOS ANGELES**

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**Chief Executive Officer**  
Fesia A. Davenport

"To Enrich Lives Through Effective and Caring Service"

October 07, 2025

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**EXERCISE OF OPTION TO PURCHASE  
LEASE NO. 0646  
DEPARTMENT OF PUBLIC SOCIAL SERVICES  
3833 SOUTH VERMONT AVENUE, LOS ANGELES, CA  
(APN: 5037-018-055)  
(SECOND DISTRICT) (3 VOTES)**

**SUBJECT**

Requesting delegation of authority to the Chief Executive Officer, or her designee, to exercise the option to purchase (Purchase Option) the property located at 3833 South Vermont Avenue (Property) at a pre-negotiated price from Exposition Park West Asset Leasing Corporation (Owner), for the Department of Public Social Services (DPSS) as set forth in Lease No. 0646 (Lease). The Property is approximately a 133,147-square-foot office building, including a parking structure of approximately 525 parking spaces. Once due diligence is complete, we will return to the Board of Supervisors (Board) for approval to acquire the Property.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed delegation of authority to exercise the Purchase Option does not constitute a project under the California Environmental Quality Act (CEQA).
2. Authorize and direct the Chief Executive Officer, or her designee, to execute and deliver written notice to exercise the Purchase Option to the Owner set forth in the Lease.
3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the Purchase Option and to take actions necessary and appropriate to exercise the Purchase Option.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to take the initial step with respect to the proposed acquisition of the Property by exercising the Purchase Option provided to the County of Los Angeles' (County) in the Lease. The Property is an improved free-standing building with approximately 133,147 square feet of office space and an adjacent parking structure with approximately 525 parking spaces, currently leased by DPSS. The Property includes approximately 82,679 square feet of land.

DPSS has leased and occupied the Property since August 1, 2001, and the Lease will expire on July 31, 2031.

For over 24 years, the Property has served as a multi-service building providing participants with services for various programs offered by DPSS. The programs include Customer Service Center VI, Appeals and State Hearings, Greater Avenue for Independence, In-Home Supportive Services, and a K-Step Montessori Child Care Center.

These programs provide services for CalFresh and Medi-Cal participants and general inquiry, respectively; provides State hearings to guarantee applicants and participants of public assistance the right to a fair hearing; administers the Welfare-to-Work Program to ethnically and culturally diverse communities within a region of the County; provides services to participants 65 years of age or older, blind or disabled persons, so that they can remain safely in their own homes; and offers child care services for CalWORKs children in the surrounding community.

The Property is occupied by a combined total of 702 DPSS staff, contractors, and security personnel. The parking structure provides 525 parking spaces, with free street parking also available. The Property continues to meet DPSS' space and parking needs and is ideally located in a geographically appropriate area.

The Lease includes an option to purchase the Property on July 31, 2026, for a purchase price of \$20,443,823.

Exercising the Purchase Option and acquiring the Property will save DPSS approximately \$12,870,000 in Lease costs for the remaining balance of the Lease term from August 1, 2026, through July 31, 2031, plus an additional \$390,000 in renewal and replacement fund contributions as required per the Lease for a total savings of \$13,260,000.

If the County does not exercise the Purchase Option, the Lease does provide a second option to purchase the Property at the expiration of the Lease, July 31, 2031, for a purchase price of \$18,310,882. While the purchase price would be reduced by \$2,132,941, we do not recommend waiting to exercise the second option to purchase because, rather than saving, DPSS will incur an additional approximately \$12,870,000 in Lease costs plus an additional \$390,000 in renewal and replacement fund contributions as required per the Lease. The total cost incurred by the County if the Property is purchased under the second option to purchase would be \$31,570,882 compared to \$20,443,823 if the Property is purchased under the Purchase Option.

In addition to the Property purchase price and rent payments due until the purchase date, the Lease requires the County to pay the cost of title insurance, any transfer or recordation fees, and costs of staff, agents, consultants, and attorneys retained by the Owner.

The Lease requires the County deliver written notice of intent to purchase the Property, no later than November 2, 2025, which is 270 days prior to the scheduled purchase date of July 31, 2026.

Based upon a review of available industry data, it is determined that the Purchase Option set forth in the Lease for a purchase price of \$20,443,823 or \$152.11 per square foot is lower than other recent office sales in the market, which sold between \$156 and \$379 per square foot.

DPSS has elected to exercise the option to purchase the Property so that it may continue providing essential services to the public and surrounding areas. Purchasing this Property would prove to be an asset for DPSS and the County and would aid the County's efforts to reduce its overall lease footprint and costs associated with leasing, as well as take advantage of all the funds the County has already paid towards the Property in rent payments.

We recommend exercising the Purchase Option because DPSS programs serving the area and nearby communities have been located at the Property for almost 25 years. There is a continuing need for these programs for the foreseeable future.

While exercising the Purchase Option is an initial step to lock in a below market purchase price for the Property, prior to acquisition, the County must still complete all due diligence of the Property and return to the Board for authority to purchase the Property, which requires appropriate findings under CEQA. The 270 days written notice to the Owner of the County's intention to purchase the Property should provide sufficient time to complete the needed Property due diligence and return to the Board for authority to purchase the Property.

### **Implementation of Strategic Plan Goals**

The recommended actions support North Star 1- Make Investments that Transform Lives, providing that we aggressively address society's most complicated social, health, and public safety challenges.

The potential purchase is consistent with North Star 3 – Realize Tomorrow's Government Today and is also consistent with Strategic Asset Management Goal – Maximize use of County space and achieve cost savings, and Key Objective No. 3 – Optimize Real Estate Portfolio.

The potential Property acquisition supports the above goals and objectives by continuing the County's use of an existing operational facility that provides necessary community support and social services. Furthermore, the acquisition of the Property would eliminate the need for the County to continue to pay rental payments under a lease of private property and would ensure the County receives full autonomy and site control of this real estate asset under County ownership.

### **FISCAL IMPACT/FINANCING**

DPSS will continue paying the current monthly rent of \$214,500 unless and until such time as the County has purchased the Property. Under the Lease, in addition to base rent, the County pays operating expenses (OPEX) of approximately \$438,832 monthly. OPEX is an ongoing expense whether County continues to lease or acquires the Property.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Section 23530 of the California Government Code authorizes the Board to purchase real property necessary for use by the County for buildings or other public purposes.

Additionally, as required by Government Code Section 65402, notice of the proposed acquisition was submitted to the City of Los Angeles on August 5, 2025.

**ENVIRONMENTAL DOCUMENTATION**

The exercise of the Purchase Option is not a project under CEQA since it is an activity excluded from the definition of a project by section 21065 of the Public Resources Code and is an administrative activity of government under section 15378(b) of the State CEQA Guidelines since the action would not result in direct or indirect physical changes to the environment.

Approval of the recommended actions does not approve the acquisition of the property. The Chief Executive Officer, or her designee, will return to the Board in the future if acquisition of the Property is recommended, along with recommendations for appropriate CEQA findings, and any funding-related matters as necessary.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The exercise of the Purchase Option by providing written notice will have no impact on current DPSS services because operations for DPSS' participants will remain the same.

Respectfully submitted,



FESIA A. DAVENPORT

Chief Executive Officer

FAD:JMN:JTC:JLC

HD:MGR:RH:DC:ns

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Public Social Services