Chief Executive Office.

COUNTY OF LOS ANGELES
Kenneth Hahn Hall of Administration
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CHIEF EXECUTIVE OFFICER
Joseph M. Nicchitta

"To Enrich Lives Through Effective and Caring Service"

September 01, 2026

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:

FIVE-YEAR LEASE AMENDMENT
DEPARTMENT OF PUBLIC SOCIAL SERVICES
5200 WEST CENTURY BOULEVARD, LOS ANGELES
(SECOND DISTRICT) (3-VOTES)

<u>SUBJECT</u>

Approval of a proposed five-year lease amendment to renew an existing lease to provide the Department of Public Social Services (DPSS) continued use of 52,054 square feet of office space and 126 on-site parking spaces for the Greater Avenues for Independence (GAIN) Region I office.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease amendment is exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.

2. Authorize the Chief Executive Officer, or his designee, to execute the proposed lease amendment with 5200 West Century Fee, LLC, a Delaware limited liability company (Landlord), for approximately 52,054 square feet of office space and 126 on-site parking spaces located at 5200 West Century Boulevard, Los Angeles (Premises) to be occupied by DPSS. This proposes a lease for a term of five years. The estimated maximum first year base rental and parking cost is $2,118,000. The estimated total of the proposed lease amendment cost, including parking, is $11,189,000, over the five-year term. The rental costs will be funded by State and federal funds with the current subvention rate of 80.11 percent by State and federal funds and 19.89 percent by net County cost (NCC) that is already included in DPSS' existing budget. The subvention rate may be subject to change in future years and NCC variance will be absorbed by DPSS. DPSS will not be requesting additional NCC for this action.

3. Authorize and direct the Chief Executive Officer, or his designee, to execute any other ancillary documentation necessary to effectuate the proposed lease amendment, and to take actions necessary and appropriate to implement the proposed lease amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

DPSS has occupied the Premises since 1999 to house the GAIN Region I office. The lease expired on March 22, 2026. Although the expired lease does have a holdover provision with holdover fees of 50 percent of the existing base rent, the Landlord agreed to waive any holdover fees through September 30, 2026, pending this proposed lease amendment renewal.

The GAIN program provides employment-related services to CalWORKs participants to help them find employment, stay employed, and move on to higher paying jobs, which will ultimately lead to self-sufficiency and independence. Services provided include supervised job search, vocational assessment, remedial education, vocational skills training, paid work experience, and on-the-job training opportunities. DPSS also conducts monthly job fairs and workshops at this location.

The Premises houses approximately 121 staff members with 121 workstations. DPSS staff operates on a hybrid work schedule consisting of three in-office days and two telework days per week. Approximately 50 percent of the GAIN program requires direct in-person interaction with participants. Staff members are on-site daily to provide employment-related services to participants. The Premises serves approximately 20 visitors per day with participant visits lasting up to two hours.

Negotiations with the Landlord have been challenging. DPSS requested to reduce its footprint and the Landlord was not amenable to the reduction due to the anticipated costs to demise the space. The Landlord also required a parking fee rather than continue to include parking at no additional cost. To mitigate this additional cost, DPSS reduced the number of parking spaces needed at this location due to the implementation of telework. Furthermore, the Landlord was only willing to renew on a short-term basis. The proposed lease amendment will provide time for DPSS to search for more suitable alternatives with the plan to relocate prior to the proposed lease amendment expiration.

The proposed lease amendment will enable DPSS to remain and serve the County of Los Angeles (County), avoid relocation costs, and interruption of services. The Premises is appropriately located within DPSS' Region 1 service area and is adequately served by public transportation.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan North Star 1 – "Make Investments That Transform Lives" – provides that LA County is a highly responsive organization investing in solutions that address our most complex societal challenges (health, jobs, housing, food insecurity, and recidivism) affecting our most vulnerable communities – one person at a time.

The proposed lease amendment is also consistent with the Strategic Asset Management Goal – Strengthen connection between service priorities and asset decisions and Key Objective No.4 – Guide Strategic Decision-Making.

The proposed lease amendment supports the above goals and objective by providing DPSS with adequate office space located in the appropriate service area and avoiding relocation costs and service interruption until DPSS secures a new permanent site.

The proposed lease amendment conforms with the Asset Management Principles outlined in Enclosure A.

FISCAL IMPACT/FINANCING

The estimated maximum first-year base rental and parking cost is $2,118,000. The aggregate cost associated with the proposed lease amendment over the entire term, including parking, is $11,189,000, as shown in Enclosure B-1. The proposed lease amendment costs will be fully funded by State and federal funds with the current subvention rate of 80.11 percent by State and federal funds and 19.89 percent by NCC that is already included in DPSS' existing budget. The subvention rate may be subject to change in future years and any NCC variance will be absorbed by DPSS. DPSS will not be requesting additional NCC for this action.

Sufficient funding to cover the proposed rent for the first year of the proposed lease amendment term is included in the Fiscal Year (FY) 2026-27 Rent Expense budget and will be billed back to DPSS. DPSS has sufficient funding in its FY 2026-27 Operating Budget to cover the proposed rent for the first year. Future funding for the costs associated with the proposed lease will be addressed through the annual budget process for DPSS.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In addition to the terms previously stated, the proposed lease amendment also contains the following provisions:

- Upon commencement of the proposed lease amendment, the annual rental rate will decrease from $46.05 per square foot, per year to $36.84 per square foot, per year. Base rent is subject to fixed annual increases of 3 percent.

- The Landlord is responsible for all operating and maintenance costs of the building and all utilities and janitorial costs. The County has no responsibility for any operating and maintenance costs.

- The annual parking rate will be $1,584 per parking space, for 126 on-site parking spaces. This parking rate will be fixed for the entire five-year term.

- A comparison of the existing lease and the proposed lease amendment terms is shown in Enclosure B-2.

- The County does not have the right to terminate the proposed lease amendment early.

- Holdover at the proposed lease amendment expiration is permitted on the same lease terms and conditions except the monthly base rent during the holdover period will increase by 50 percent of the base rent at the time of the proposed lease amendment expiration.

- The proposed lease amendment will be effective and commenced upon approval by your Board of Supervisors (Board) and full execution of the proposed lease amendment.

Since DPSS sought to remain in the Premises, a flyer was not issued seeking new space. The Chief Executive Office conducted a market search of available office space for lease to negotiate an appropriate rental rate. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between $33.84 and $41.04 per square foot, per year. The base annual rental rate of $36.84 per square foot, per year for the proposed lease amendment represents a rate that is within the market range for the area. Further, relocation to a new building would require costly new tenant improvements and disrupt services. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

Co-working office space is not suitable due to the nature of services provided by DPSS at the Premises.

Enclosure C shows County-owned or leased facilities within the surveyed area, and there are no suitable County-owned or leased facilities available for this space requirement.

The Department of Public Works has inspected this facility and found it suitable for the County's occupancy. The required notification letter to the City of Los Angeles has been sent in accordance with Government Code Section 25351.

County Counsel has reviewed the proposed lease amendment and approved it as to form. The proposed lease amendment is authorized by Government Code Section 25351, which allows the County to enter into leases and agreements for the leasing of buildings, as necessary, to carry out the work of the county government.

The proposed lease amendment will continue to provide a suitable location for DPSS' GAIN program, which is consistent with the County's Facility Location Policy, adopted by your Board on July 24, 2012, as outlined in Enclosure D.

ENVIRONMENTAL DOCUMENTATION

This project is exempt from CEQA, as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and section 15301 of the State CEQA Guidelines (Existing Facilities). The proposed lease amendment, which involves the leasing of existing office space with minor tenant improvements within an existing building, with no expansion of the existing building, is within a class of projects that have been determined not to have a significant effect on the environment and meets the criteria set forth in section 15301 of the State CEQA Guidelines (Guidelines), and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, based on the proposed project records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled, pursuant to Government Code Section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

Upon your Board's approval of the recommended actions, a Notice of Exemption will be filed with the Registrar-Recorder/County Clerk and with the State Clearinghouse in the Office of Land Use and Climate Innovation in accordance with section 21152 (a) of the California Public Resources Code and will be posted to the County's website, pursuant to section 21092.2.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will adequately provide the necessary office space and parking for this County requirement. DPSS concurs with the proposed lease amendment and recommendations.

Respectfully submitted,

Joseph M. Nicchitta
Chief Executive Officer

JMN:JG:JTC
JLC:ANR:EG:ja

Enclosures

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

ENCLOSURE A

DEPARTMENT OF PUBLIC SOCIAL SERVICES
5200 WEST CENTURY BOUEVARD, LOS ANGELES

Asset Management Principles Compliance Form[1]

			Yes	No	N/A
1.	**Occupancy**		**Yes**	**No**	**N/A**
	A	Does lease consolidate administrative functions?[2]			**X**
	B	Does lease co-locate with other functions to better serve clients? [2]			**X**
	C	Does this lease centralize business support functions?[2]			**X**
	D	Does this lease meet the guideline of 200 sq. ft of space per person?[2] **Based on 121 staff, it is a 430 sq. ft. per person due to several conference rooms, interview rooms, a public lobby and service area, and the GAIN clothing boutique.**		**X**	
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline?[2] **126 spaces provides a 2.42/1000 parking ratio.**		**X**	
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?[2]	**X**		
2.	**Capital**				
	A.	Is it a substantial net County cost (NCC) program?		**X**	
	B	Is this a long-term County program?	**X**		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		**X**	
	D	If no, are there any suitable County-owned facilities available?		**X**	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			**X**
	F	Is Building Description Report attached as Enclosure C?	**X**		
	G	Was build-to-suit or capital project considered? [2]			**X**
3.	**Portfolio Management**				
	A	Did department use CEO Space Request Evaluation (SRE)?	**X**		
	B	Was the space need justified?	**X**		
	C	If a renewal lease, was co-location with other County departments considered?	**X**		
	D	Why was this program not co-located with other County departments?			
		1. ____ The program clientele requires a “stand alone” facility.			
		2. __X__ No suitable County occupied properties in project area.			
		3. __X__ No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. _____ The Program is being co-located.			
	E	Is lease a full-service lease?[2]	**X**		
	F	Has growth projection been considered in space request?	**X**		
	G	[1]Has the Dept. of Public Works completed seismic review/approval?	**X**		

[1]As adopted by the Board of Supervisors 11/17/98

[2]If not, why not?

ENCLOSURE B-1

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

5200 W Century Blvd., Los Angeles

PUBLIC SOCIAL SERVICES

Basic Lease Assumptions

	Monthly	Annual
Leased Area (sq.ft.)	52,054	
Parking Spaces	126	
Rent (per sq. ft.)	$3.07	$36.84
Parking Cost per Space (126 spaces)	$132.00	$1,584.00
Term (Months)	60	5
Annual Rent Adjustment	3%	

	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total 5 Year Rental Costs
Annual Base Rent Costs	$1,918,000	$1,976,000	$2,036,000	$2,098,000	$2,161,000	**$10,189,000**
Annual Parking Cost	$200,000	$200,000	$200,000	$200,000	$200,000	**$1,000,000**
Total Annual Lease Costs	**$2,118,000**	**$2,176,000**	**$2,236,000**	**$2,298,000**	**$2,361,000**	**$11,189,000**

Footnotes

***Calculation note: All numbers are rounded up to ensure sufficient funds available to pay the specified expense.**

ENCLOSURE B-2

COMPARISON OF THE PROPOSED LEASE TO EXISTING LEASE

	Existing Lease: **5200 W Century Blvd, Los Angeles, 90045**	**Proposed Lease Amendment:** **5200 W Century Blvd, Los Angeles, 90045**	**Change**
Area (Square Feet)	52,054	52,054	No change
Term (years)	5 years	5 years	No change
Annual Base Rent	$2,397,000	$1,918,000	-$479,000 annually
Number of Parking Spaces	175	126	-49 spaces
Annual Parking Cost	$0	$200,000 ($1,584 per space annually)	+$200,000 annually
Total Annual Lease Costs payable to Landlord	$2,397,000	$2,118,000	-$279,000 annually
Rental rate adjustment	Annual adjustments fixed at 3 percent.	Annual adjustments fixed at 3 percent.	No change

ENCLOSURE C

DEPARTMENT OF PUBLIC SOCIAL SERVICES

SPACE SEARCH – 3 MILE RADIUS FROM 5200 WEST CENTURY BOULEVARD, LOS ANGELES

Property ID	Property Name	Address	Ownership	Property Type	GrossSQFT	Available
A071	PH - West District Office	6101 W Centinela Ave, Culver City, CA 90230	Leased	Multiple Use Building - Office	8912	None
P0000021	Edelman Mental Health Center	5860 Uplander Way, Culver City, CA 90230	Leased	Multiple Use Building - Office	25199	None
B006	6167 Bristol Parkway	6167 Bristol Parkway, Culver City, CA 90230	Leased	Multiple Use Building - Office	7950	None
Y393	Public Library - Hollypark Service Center	2150 W 120th St., Hawthorne, CA 90250	Owned	Multiple Use Building - Office	7776	None

FACILITY LOCATION POLICY ANALYSIS

Proposed lease amendment: Department of Public Social Services – 5200 West Century Boulevard, Los Angeles – Second District.

A. **Establish Service Function Category** – GAIN program

B. **Determination of the Service Area** – The proposed lease amendment will allow DPSS to continue providing services in the Region I service area.

C. **Apply Location Selection Criteria to Service Area Data**

- Need for proximity to service area and population**:** Continued need for services in the Los Angeles Region 1 area for GAIN

- Need for proximity to existing County facilities: N/A

- Need for proximity to Los Angeles Civic Center: N/A

- Economic Development Potential: N/A

- Proximity to public transportation: The location is adequately served by local transit services, i.e., the Metro C Line light rail, Metro Local bus routes 40, 111, 117, 120, 211, 232, and the Lennox Link bus route.

- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.

- Use of historic buildings: N/A

- Availability and compatibility of existing buildings: There are no alternative existing County buildings available that meet DPSS' needs.

- Compatibility with local land use plans: The City of Los Angeles has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.

- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease over the entire term is $11,189,000.

D. Analyze results and identify location alternatives

Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between $33.84 and $41.04 per square foot, per year. The base annual rental rate of $36.84 per square foot, per year for the proposed lease amendment represents a rate that is within end of the market range for the area. Further, relocation to a new building would require costly new tenant improvements and disrupt services. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost, and other Location Selection Criteria

The proposed lease amendment will provide adequate and efficient office space for 121 employees consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.