

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

0220-05693-0002

Date: December 16, 2021

To: The Municipal Facilities Committee

From: CAO Staff *Kayla*

Subject: **QUARTERLY STATUS UPDATE ON CITY SPACE ASSIGNMENTS AND TENANT IMPROVEMENT PROJECTS (SPACE OPTIMIZATION)**

### **SUMMARY**

The Space Optimization Program (Space Opti) enables the City to avoid ongoing leasing costs by providing one-time funding to modify City-owned facilities, to accommodate the operational needs of the City's workforce in the provision of critical services to residents and businesses, avoiding increased leasing costs.

This report provides a status update on active projects that is reflected in the report Attachment, along with an update on options available for potentially co-locating the two new City departments (Community Investment for Families - CIFD and Youth Development - YDD) and the Los Angeles Housing Department (LAHD) Accessible Housing Program (AChP) unit at the Garland Building.

As part of the strategy to provide sufficient space to accommodate all three departments, conceptual approval is recommended for a proposed relocation of LAPD functions currently located at the Garland Building, to be consolidated within the Police Administration Building. The conceptual approval would then enable staff to conduct additional due diligence to assess feasibility and compliance with current City space standards, refine estimates for associated tenant improvement and develop an overall implementation timeline. Staff would then report back on the final proposed space plans for consideration by the Municipal Facilities Committee through subsequent reports.

### **RECOMMENDATION**

That the Municipal Facilities Committee provide conceptual approval of the proposed relocation of the Los Angeles Police Department (LAPD) units currently assigned to the Garland Building to the Police Administrative Building (PAB), subject to additional due diligence on the part of the program management team to determine the appropriate space standards that apply for the specific staff composition involved, and instruct staff to report back to the Committee with final recommendations that include any associated cost impact and overall implementation timeline to include co-location of impacted Departments at the Garland Building.

## **FISCAL IMPACT**

There is no additional impact on the General Fund at this time. There appears to be sufficient capacity within the current year Space Optimization Program budget to address the costs associated with the proposed relocation of LAPD staff from the Garland Building to the Police Administration Building.

However, there is a potential impact on the General Fund to the extent that there is not sufficient capacity within the Citywide Leasing Fund to address the cost of any subsequent tenant improvements that would be required to consolidate space within the Garland to accommodate new staffing for impacted units within LAHD, CIFD and YDD since Municipal Improvement Corporation of Los Angeles (MICLA) monies available for the Space Optimization program can only be used to fund improvements at City-owned facilities.

## DISCUSSION

At this time, there are 11 Space Optimization Projects, as summarized below with additional details provided in the report Attachment (updates reflected in bold font):

- Three projects under initial development (CIFD, YDD and LAHD AcHP);
- One in active construction (Planning, City Hall - 7th floor);
- One pending closeout (Civil, Human Rights and Equity Department);
- Five open requests (Building and Safety, two requests from City Attorney, Council District 8 and a joint request from Building and Safety and City Planning); and,
- One new request (Police).

The focus of this quarterly report is to provide an update on three of the “open” space requests, relative to the consideration of space assignments at the Garland Building for the two new City Departments (CIFD and YDD) and the LAHD AcHP, as presented in the remainder of the report discussion section.

### Garland Building - Space Assignment Options

Pursuant to MFC instructions at its meeting held on June 24, 2021, the General Services Department (GSD) hired a space consultant to determine the best options for consolidating vacant and underutilized space at the Garland Building. On October 5, 2021, GSD provided the consultant study results that identified 257 vacant spaces based on site inspections conducted. Of this total, the respective Departments (Finance, LAHD and Economic and Workforce Development) occupying this space only confirmed 77 vacant spaces.

GSD and CAO staff conducted additional due diligence and confirmed an updated vacancy count of 98, which would not be sufficient to accommodate the space needs for all three departments at the Garland Building, as summarized in the chart below:

Departments	Position Authority	Space Available at Garland	Unmet Space Needs <sup>ii</sup>
CIFD	71	51	20
YDD <sup>i</sup>	8	0	8
LAHD AcHP	101	0	101
<b>Total</b>	<b>180</b>	<b>51</b>	<b>129</b>

i. YDD has temporary workspace through March 2022 for existing staff (City Hall, 15th floor).

ii. Total increases to 137 with inclusion of eight positions for interns and other part-time staff and does not account for increases in common areas space (conference rooms, etc.).

Each of the three Departments have indicated a preference to remain in the Garland Building on the basis of operational considerations. As one option for accommodating all three Departments, it may be feasible to relocate the LAPD operations currently located at the Garland Building.

The LAPD has advised on potential options for relocating its LAPD operations from the Garland lease space to City-owned space within the PAB. Additional due diligence would be needed to fully vet this option and determine whether any proposed space modifications required to effectuate the relocation conforms with existing City space standards. However, as reflected in the chart below, the potential relocation of the LAPD operations would provide the additional space needed to co-locate the two new City Departments and the LAHD unit at the Garland Building.

<b>Garland Space Availability</b>	<b>Needs</b>	<b>Available</b>
Unmet Space Needs (co-location of CIFD, YDD, AcHP)	129	
Vacant Workstations Available for Reassignment		98
Additional capacity (subject to relocation of LAPD units)		45
<b>Garland Building Total</b>	<b>129</b>	<b>143</b>

Funding available within the Space Optimization program originates from MICLA funds that can only be used to fund tenant improvements at City owned facilities. Based on a rough order of magnitude developed by LAPD, there appears to be sufficient capacity within the 2021-22 Space Optimization program to fund the tenant improvements required to effectuate the proposed relocation of the LAPD operations to the PAB. However, since the Garland Building is a leased facility, the costs associated with space modification for the three impacted Departments would not be eligible for funding through the Space Optimization program. As part of a mid-year reconciliation of the Citywide Leasing program, staff will determine whether there is any funding capacity available to offset potential costs of improvements at the Garland Building.

At this time, staff are recommending conceptual approval for the proposed LAPD relocation and co-location of the three subject Departments at the Garland Building. This would enable staff to complete additional due diligence. This would include determining the appropriateness of the specific space improvements required, relative to current City workplace space standards and to validate the associated costs. The final detailed space plan developed by program staff would be subject to a final consideration by LAPD approval prior to a final consideration by MFC as part of a subsequent Space Optimization Quarterly report.

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Attachment

Item No.	Department/ Program	Site Location	MFC Approval/ Reported Date(s)	Obligated Funds	Lead Department	Project Phase	December Updates
<b>New</b>							
1	Los Angeles Police Department (LAPD)	Public Administration Building (PAB)	N/A	\$ -	LAPD/GSD	Conceptual	<p>LAPD reports that tenant improvements at PAB will be required in order to relocate the two LAPD entities (Audit Division and Officer Representation Section) currently housed at Garland building (in Suites 410 and 430) to PAB. The Audit Division and the Officer Representation Section (ORS) have an approximately total of 45 people; 35 in Audit and 10 in ORS, subject to walkthrough verification.</p> <p>Subject to conceptual approval of the LAPD staff relocation from Garland to PAB by the MFC and formal approval by LAPD management, additional due diligence is needed to determine the appropriateness of the specific space improvements based on the current City workplace space standards and the associated classifications.</p>
<b>Initial Development</b>							
2	Community Investment for Families Department (CIFD)	TBD	6/24/2021	\$ -	GSD	Initial Development	Final analysis of programming/space assignment options for CIFD, YDD and LAHD's AcHP is contingent on LAPD vacating their space, subject to MFC's conceptual approval of the LAPD relocation and additional due diligence and analysis. LAPD has indicated that their move to the PAB is under management review and pending funding for PAB alterations (refer to Item No 1 above).
3	Youth Development Department (YDD)	TBD	6/24/2021	\$ -	GSD	Initial Development	<p>Refer to Item Nos. 1 and 2 above.</p> <p>Using the former post office space is not feasible for YDD as their space needs have increased to 11 staff with the addition of three interns. They also need a conference room to hold Advisory Council meetings.</p> <p>YDD has temporarily secured space through March 2022 for existing staff on the 15th floor of City Hall, Mayor's Office space.</p>
4	Los Angeles Housing Department (LAHD) - Accessible Housing Program (AcHP)	Currently at 221 Figueroa Tower, 5th Floor Conference Room	2/27/2020	\$ -	GSD	Initial Development Phase)	<p>Refer to Item Nos.1-3 above.</p> <p>LAHD received a temporary space assignment for staff on the 5th floor conference room since March 2020 and initially developed a space plan to relocate the staff within their 14th floor by working with CBRE (using operating contract with TI component), to be funded by funds under the department's control. However, LAHD is no longer considering reconfiguration of the 14th floor as the reconfiguration would have provided only 89 total workstations while a total of 101 positions (78 positions for program and 23 for technical support) are authorized for the AcHP.</p> <p>There is a request from LAHD to relocate the AcHP staff within Garland by utilizing the space assigned to the 50 staff that will be transferred to CIFD from LAHD.</p>
<b>Active Development</b>							
5	Department of City Planning (DCP)	City Hall, Suite 750 (Suite 667 on hold)	1/30/2020	\$ 330,000	GSD/BOE	Construction Phase	The project on the City Hall 7th floor is substantially complete with a final closeout anticipated in the first quarter of 2022.
<b>Open/Outstanding</b>							
6	Department of Building and Safety (DBS)	201 Figueroa Tower, 8 <sup>th</sup> and 10 <sup>th</sup> Floors	1/30/2020	-	DBS/GSD	Open	CBRE reports that furniture and construction plans are under review by DBS. The project will require several phases of construction. DBS will need swing space elsewhere at FIG (no formal request for temporary space has been submitted yet).
7	City Attorney - North Valley Branch	MEND Building, 2 <sup>nd</sup> Floor (13460 Van Nuys Boulevard)	10/31/2019	\$2,040,000	GSD	Open	A verbal update from the City Attorney's Office was provided to GSD that the space may no longer be required due to the use of telecommuting options. A formal letter is pending from the City Attorney's Office to rescind this space assignment request and to clarify how the space needs will be accommodated.
8	Council District 8	5730 and 5732 S. Crenshaw Boulevard	2/25/2021	-	GSD	Open	There is a proposed interim and permanent use for this facility that is being addressed through separate reports with the intent to utilize a non-profit agency to facilitate community access to the facility through a license agreement that will be considered by MFC through a forthcoming report. Potential co-location of a junior arts center is to be considered by the Prop K Steering Committee.

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<b>Open/Outstanding</b>							
9	Departments of Building and Safety (DBS) and City Planning (DCP) joint additional space request	Marvin Braude Building (6262 Van Nuys Boulevard)	6/24/2021	\$ -	DBS/ DCP	Open	<p><b>Due to limitations in staffing capacity, the study has not yet been initiated. A planning session is pending in December/January to define next steps.</b></p> <p>The Marvin Braude facility serves as one of the City's Development Services Centers, with multiple co-located Departments assigned to the facility to maximize efficiencies and improve customer service in the building and planning development process. In September 2017, the Department of Building and Safety, City Planning and the Los Angeles Fire Department (LAFD) indicated a need for additional workspace within the Marvin Braude Building to accommodate the increase in the number of programs, staff, services and customer transactions at this location.</p> <p>Program staff worked with the impacted Department to assess potential space reallocation options, including potential reassignment of non-core functions to lease space. LAFD subsequently retracted its space request in January 2019.</p> <p>A funding request to utilize a consultant to perform a full space analysis to determine the feasibility of accommodating the space needs within this facility, along with other possible solutions. Recent funding of \$180,000 was provided through the 2020-21 Fourth Construction Projects Report (C.F. 20-1021-3) utilizing residual funding for completed projects within the Municipal Facilities program. Program staff will work with GSD to hire a space consultant. An update on the proposed next steps will be provided in the future Quarterly update.</p>
10	City Attorney - LA DOOR Program	LA Mall	subject to MFC review/ approval	\$ -	CTTY/GSD	Open	<p><b>In January 2021, the City Attorney's Office indicated a need for space availability within the LA Mall to house 10-15 staff for LA DOOR (Diversion Outreach &amp; Opportunities for Recovery) program. Based on additional programming details provided by the City Attorney's Office, GSD had determined that the LA Mall space under consideration (former post office , space No. 23 / 1,262 square feet) is not feasible. The City Attorney's Office is currently reassessing this request and an update will be provided in subsequent quarterly reports.</b></p>
<b>Final Close-out</b>							
11	Civil, Human Rights and Equity Department (CHRED)	LA Mall, Space Nos. 3A, 6, 15A & 18B	6/25/2020 1/30/2020	\$3,400,000	BOE	Final Close-out Phase	<p><b>The project is complete and the grand opening was held on September 13, 2021. The program management team is working on a final administrative closeout to ensure all the expenses are paid. Any remaining monies would be reverted back to the Space Optimization Program to fund new projects.</b></p>