

MUNICIPAL FACILITIES COMMITTEE
Minutes from the Special Meeting of April 16, 2026

MEMBERS: Matthew Szabo, Office of the City Administrative Officer, Chair (CAO)
Matias Farfan, Office of the Chief Legislative Analyst (CLA)
Matthew Hale, Office of the Mayor (Mayor)

The meeting was called to order at 10:03 a.m.

General Public Comment: No public comment.

Item 3 Report from the General Services Department requesting authority to negotiate and execute a lease agreement with PSP Investment Group, LLC, for temporary office space for Bureau of Engineering for the Los Angeles Convention Center Expansion and Modernization project at 1100 South Flower Street, Suite 2200, in Council District 14, subject to Council approval.

Disposition: Approved with discussion.

Matthew Szabo, CAO, requested that Item No. 3 be taken out of order to precede Item No. 1.

Matias Farfan, CLA, inquired whether the initial lease term of four years aligns with the Los Angeles Convention Center Expansion and Modernization project timeline. Nur Malhis, Bureau of Engineering (BOE), stated that the final completion date of the project is May 2029 plus a closeout period for another year. Mr. Farfan asked if the same number of staff will be present for the closeout period. Mr. Malhis replied that the number of staff is expected to decrease for the closeout period. Mr. Farfan inquired about the possibility of ending the lease early if the project ends earlier than the scheduled lease term. Lisa Schechter, General Services Department (GSD), responded that GSD will go back to the landlord to renegotiate if the Committee instructs a term change. Richard Louie, BOE, explained that the lease term was negotiated for longer than the project timeline in case the closeout lasts longer. Mr. Louie emphasized that BOE is currently borrowing cubicles from other divisions and is in a dire need for space.

Mr. Farfan raised concerns on the use of the Municipal Improvement Corporation of Los Angeles funds if the lease is longer than the project timeline. Ha To, CAO, stated that bond proceeds will fund the lease cost including the closeout period. Mr. Farfan asked if there will be a need for another funding source if the closeout period ends before the lease term ends. Ms. To replied that there is a possibility of needing another funding source if the closeout period ends within a lease term.

Item 1 Minutes of the March 26, 2026 Regular Meeting.

Disposition: Approved on consent.

Item 2 Report from the General Services Department requesting authority to negotiate and execute a lease amendment with Milan Rei VIII for office space for the Los Angeles Housing Department at 6400 Laurel Canyon Boulevard, Suite 610, in Council District 2, subject to Council approval.

Disposition: Approved on consent.

Item 4 Report from the Economic and Workforce Development Department requesting authority to negotiate and execute a non-profit lease agreement with WWHY Inc., doing business as West Valley Homes Yes, to provide homelessness services at 13277-D Van Nuys Boulevard, in Council District 7, subject to Council approval.

Disposition: Approved on consent.

Item 5 **Continued from March 26, 2026:** Report from the General Services Department requesting authority to negotiate and execute a lease agreement with Five Keys Schools and Programs to operate a Tiny Home Village at 401 Arroyo Seco Parkway, in Council District 14, subject to Council approval.

Disposition: Approved on consent.

Item 6 **Continued from March 26, 2026:** Report from the General Services Department requesting authority to negotiate and execute a lease agreement with Hope the Mission to operate an interim housing site at 1533-1535 Schrader Boulevard, in Council District 13, subject to Council approval.

Disposition: Approved on consent.

Item 7 Report from the Economic and Workforce Development Department requesting authority to declare 10900, 10901, 10920, 10921, 10930 and 10931 South Clovis Avenue as exempt surplus property and to negotiate and execute an Exclusive Negotiating Agreement with SoLa Impact for the development of the Lanzit site, subject to Council approval.

Disposition: Approved with discussion.

Blair Miller, Economic and Workforce Development Department, provided a brief presentation on the report regarding the Exclusive Negotiating Agreement with SoLa Impact for the development of the Lanzit site modular housing.

Matthew Hale, Mayor, asked about the details of the competitive solicitation process and the reason that this project was selected. Ms. Miller responded that the competitive solicitation had a response from the Watts Labor Community Action Committee and SoLa Impact. Steve Shack, CAO, added that SoLa Impact's project was chosen as it does not require City subsidies. Matias Farfan, CLA, inquired if a Disposition and Development Agreement (DDA) will be back for Municipal Facilities Committee (MFC) consideration. Yolanda Chavez, CAO, stated that the DDA may not come back to the MFC.

Item 8 **Continued from February 26, 2026:** Report from the Bureau of Engineering on the Los Angeles Mall infrastructure assessment.

Disposition: Noted and filed with discussion.

Ohaji Abdallah, BOE, provided a brief presentation regarding the assessment of the Los Angeles Mall infrastructure for the use and development of office space. Mr. Abdallah noted that there is an amendment to the report to note that the GSD Maintenance team confirmed that water intrusion after a significant rain event is a concern for the suites assessed, which can be addressed per suite with selective demolition, water intrusion analysis, tenant improvements, and future maintenance funding.

Matthew Hale, Mayor, asked if the space optimization was considered for a specific department use or for a general move-in ready condition. Mr. Abdallah answered that the assessment was made for general use rather than for a specific department. Mr. Hale inquired about the order of suites that will be ready for move-in. Mr. Abdallah stated that the former Sbarro, Suite No. 22A, will be the most problematic development project due to the expansion joint running through the space, which will bring leakage. Mr. Abdallah added that all other suites will be move-in ready after demolition and creating an open office space, flexible for various space optimization projects.

Matias Farfan, CLA, asked whether there are individual Heating, Ventilation, and Air Conditioning (HVAC) systems. Mr. Abdallah replied that the HVAC systems are individually placed in each suite and are at end-of-life, requiring replacement unit by unit.

Item 9 **Continued from February 26, 2026:** Report from the City Administrative Officer - Municipal Facilities Group on the proposed use of the Los Angeles Mall, Suite 4 (former CVS).

Disposition: Approved as amended with the following instructions:

1. Remove report Recommendation No. 1 - Option B to convert the Los Angeles Mall, Suite No. 4, into a common workspace for City employees;
2. CAO to work with the Office of Finance (OOF) to leverage additional suites in the Los Angeles Mall and apply appropriate space standards for the OOF staff deployment plan, should Suite No. 4 be deemed insufficient; and,
3. Add Recommendation No. 1 - Option C to instruct CAO and GSD to engage other departments at Industrious to assess whether they will be more appropriate for Suite No. 4.

Albert Griego, CAO, provided a brief presentation on the proposed use of the Los Angeles Mall, Suite No. 4, with the consideration of the highest and best use as instructed by the MFC in the February meeting. Mr. Griego stated the two options considered are: a) space assignment for OOF staff currently at the Industrious building; and, b) development of a common workspace for City employees.

Diana Mangioglu, OOF, explained that 11,000 square feet at Suite No.4 is insufficient for the department's operational needs as it will be a significant reduction of space from the 38,000 square feet OOF previously occupied at the Garland building. Ms. Mangioglu noted that the department's telecommuting policy varies from two to four in-office days a week. Ms. Mangioglu added that the OOF plans to increase staff's in-office days. Ms. Mangioglu emphasized that, although staff have decreased from 220 to 190, Suite No. 4 is not large enough for the department.

Matthew Hale, Mayor, asked how much square feet of space OOF would need if staff were to come into the office five days a week based on the new space standards. Mr. Griego replied that each staff will require at least a six-by-six cubicle and the space will require common space and egress space, which will be significantly more than the space available at Suite No. 4.

Mr. Hale inquired whether OOF can use Suite No. 4 and other Los Angeles Mall suites. Ms. Mangioglu stated that feasibility will depend on how the other spaces look and how much space is available to accommodate the OOF staff.

Matias Farfan, CLA, asked about the current telecommute policy at Industrious. Ms. Mangioglu answered that the telecommute policy varies for each division. Ms. Mangioglu explained that minimum in-office days is two per week. Ms. Mangioglu further noted that some Audit and Enforcement staff come in three days per week while other Systems staff come in four days per week. Ms. Mangioglu added that staff who are not able to keep up with work tasks are brought in more frequently to the office.

Mr. Farfan inquired if the 30 staff located in the City Hall 10th floor will need to move out of the space. Ms. Mangioglu answered that they will be moved out of the 10th floor as it was a temporary solution and investments were not made for a long-term use. Matthew Szabo, CAO, noted concerns regarding underusage for the proposed common space use of Suite No. 4.

Item 10 Third Quarterly Status Report from the City Administrative Officer on the Citywide Leasing Account.

Disposition: Noted and filed.

Aira Wada, CAO, provided a brief presentation on the third quarterly status report for the Leasing program for Fiscal Year (FY) 2025-26. Ms. Wada noted that the year-end unexpended balance of \$2.4 million in the General Fund Leasing Account will be reappropriated to cover the anticipated budget reduction to the FY 2026-27 General Fund Leasing Account. Ms. Wada added that the Special Fund Leasing Account and A Bridge Home Leasing Account are projected to be on budget by year-end.

Item 11 **Continued from March 26, 2026:** Report from the General Services Department requesting information on opportunities to sell surplus properties or use City properties as part of joint development or lease agreement projects to generate revenue, in response to Council File 25-0600-S86, subject to Mayor and Council approval.

Disposition: Item continued to the next meeting.

Item 12 Adjournment – Next Meeting: Regular Meeting on Thursday, May 28, 2026.

The meeting adjourned at 10:41 a.m.