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HISTORICAL MONUMENT

DOMENIKA LYNCH
General Manager

125 PASEO DE LA PLAZA, SUITE 300
LOS ANGELES, CA 90012

TEL: (213) 485-6855

MEMORANDUM

TO: Honorable Members of the Los Angeles City Council

FROM: Domenika Lynch, General Manager, El Pueblo de Los Angeles

DATE: Friday, October 9, 2026

SUBJECT: Proposed Lease with Universidad Nacional Autónoma de México, USA, for the Second Floor of the Sepulveda House

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PURPOSE

El Pueblo de Los Angeles Historical Monument Department respectfully submits to the City Council the proposed key terms for a lease with Universidad Nacional Autónoma de México, USA (UNAM USA) for the second floor of the historic Sepulveda House. The El Pueblo de Los Angeles Historical Monument Commission approved the key terms on September 24, 2026, and authorized the Department to advance the agreement, subject to Council approval. Attached are its report and the proposed key terms. Please note a slight modification has been made to the original key terms approved by the Commission.

This agreement would bring a long-vacant part of the Sepulveda House back into use. UNAM USA would pay for its rehabilitation and offer educational and cultural programming to the public. The Department asks Council to approve the key terms and make the finding needed to support a directly negotiated lease.

RECOMMENDATIONS

That the City Council:

1. **APPROVE** the slightly revised proposed key terms for a lease between the City of Los Angeles and UNAM USA for the second floor of the Sepulveda House, as approved by the El Pueblo de Los Angeles Historical Monument Commission on September 24, 2026, and set forth in the attached Commission report.

   Slight revision on key terms: Under the "Base Rent" section of the term sheet, replaced:

   "$4,675.50 per month (based on January 2026 market value assessment), increased by CPI each year."

   with: "$4,675.50 per month (based on January 2026 market value assessment), starting upon Substantial Completion of the proposed rehabilitation, increased by CPI each year."

2. **FIND**, pursuant to Los Angeles City Charter Section 371(e)(10) and Los Angeles Administrative Code Section 10.15(a)(10), that the use of competitive bidding for the proposed lease agreement with UNAM USA would be undesirable and impractical. UNAM USA brings a specialized educational mission, academic resources, and a direct cultural connection to El Pueblo's heritage. It proposes to fund the complex historic rehabilitation and reuse of the long-vacant second floor of the Sepulveda House without an immediate capital outlay by the Department. UNAM USA has also committed to provide at least 15 free public educational and cultural events each year and free community use of the renovated conference room and library, subject to availability and prior coordination. An RFP for a tenant would not advance the City's purpose of securing this combination of UNAM USA's educational programming, investment in the historic space, and ongoing public benefits.
3. **AUTHORIZE** the General Manager of the El Pueblo de Los Angeles Historical Monument Department, with the assistance of the City Attorney, to finalize and execute a lease substantially consistent with the approved key terms, subject to approval as to form and legality by the City Attorney and compliance with applicable City requirements.

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FISCAL IMPACT

UNAM USA would pay for the rehabilitation. As the project developed, its architect revisited the early construction estimate. The newer review accounts for electrical, lighting, and air-conditioning work that may cost more than first expected, as well as internet, audiovisual, and security systems that were missing from the earlier estimate. It places the preliminary cost between $736,290 and $1,429,320.

These figures are for planning. The final cost will become clearer when the plans are complete and contractors price the work. The review also identifies costs that are not included in this range.

Under the proposed key terms, the value of approved rehabilitation work would be credited against rent, subject to a minimum rent of $1 per month. UNAM USA would remain responsible for the utilities, maintenance, and other costs assigned to it under the lease. The Department does not anticipate an immediate capital outlay for the rehabilitation.

The Department respectfully requests Council's consideration of these recommendations.

The proposed lease offers an opportunity to care for a historic City building while opening it to more learning, cultural exchange, and community use. With the Commission's approval of the key terms, the Department respectfully requests Council's approval to move this partnership forward.

Respectfully,

Domenika Lynch

General Manager

El Pueblo de Los Angeles Historical Monument

ATTACHMENTS

1. Slightly revised Key Terms
2. September 24, 2026, Commission report, including proposed lease key terms
3. UNAM USA community benefits and proposed programming
4. UNAM-LA Parametric Cost Basis, Methodology and Contractual Framework
5. UNAM USA Acceptance of terms

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ATTACHMENT A

Revised UNAM Lease Agreement: Key Terms

Key terms of proposed lease agreement between Universidad Nacional Autonoma de Mexico, USA (UNAM USA) and the City of Los Angeles' El Pueblo de Los Angeles Historical Monument Department to rehabilitate and lease the second floor of the Sepulveda House.

LESSOR	El Pueblo de Los Angeles Historical Monument
LESSEE	Universidad Nacional Autonoma de Mexico en Los Angeles (UNAM USA)
LOCATION	12 Olvera St, Los Angeles, CA 90012 (Second Floor of the Sepulveda House)
USE	Office space to manage and provide educational and cultural programming
SQUARE FEET	Approximately 3,117
TERM	15-year term with opportunity to negotiate new lease
RENTAL RATE	• $4,675.50 per month (based on January 2026 market value assessment), starting upon Substantial Completion of the proposed rehabilitation, increased by CPI each year. • Market value of rehabilitation to be applied as a credit to rent. • Minimum rent after credit: $1 per month • To the extent that the market value of rehabilitation may exceed the credit applied to rent during the term of this lease, no further credit or compensation shall be due or issued. • Rent credit shall not be applied toward non-rent costs that are the responsibility of Lessee (maintenance, utilities, and other costs noted below).

LEASE START DATE	Upon execution by the parties and attestation by the City Clerk (after approval by Board and City Council)
REHABILITATION INVESTMENT	UNAM will fund the rehabilitation and adaptive reuse of the premises. Preliminary independent cost analyses indicate that the cost of the proposed rehabilitation may range from approximately $736,000 to $1.43 million or more, subject to final plans, construction bids, and City review.
REHABILITATION PLANS AND MILESTONES	Prior to the commencement of any work, the Lessee shall submit architectural plans and detailed specifications for construction and rehabilitation for approval by the General Manager of the El Pueblo de Los Angeles Historical Monument Department (the "Lessor"). All submissions must comply with the Secretary of the Interior's Standards for Rehabilitation, relevant building codes, and all applicable local, state, and federal requirements. Following approval by the Lessor, the Lessee shall provide finalized plans to the City Department of General Services and the Bureau of Engineering. Lessee shall obtain all required permits and approvals—including from the Department of Building and Safety—and shall post all required construction and completion bonds prior to the start of work. **Rehabilitation Milestones** To ensure consistent progress, the Lessee shall adhere to the following milestones: **Permit Acquisition:** All renovation permits must be secured within 6 months of the Lease commencement date. **50% Project Completion:** Lessee shall demonstrate 50% project completion within 18 months of the Lease commencement date. **75% Project Completion:** Lessee shall demonstrate 75% project completion within 28 months of the Lease commencement date. **Substantial Completion:** The Lessee shall achieve "Substantial Completion" of all agreed-upon capital improvements within thirty-six (36) months from the Lease commencement date. "Substantial Completion" shall be deemed achieved only upon the Lessee's

	submission of the following to the Lessor: (a) **Final Permits:** Final sign-off from the Department of Building and Safety (LADBS) and the Office of Historic Resources, Department of City Planning, on all rehabilitation permits. (b) **Certificate of Occupancy:** A valid, final Certificate of Occupancy issued for the 2nd floor of the Sepulveda House. (c) **Life Safety Certification:** Final sign-off from the Fire Department on all fire alarm and suppression system upgrades. (d) **Operational Verification:** Written certification from a qualified engineer or the City's designated facility representative that all utility systems (HVAC, Electrical, Plumbing) are fully operational. (e) **Lien Waivers:** Unconditional lien waivers from all general contractors, subcontractors, and material suppliers involved in the project. **Verification; extensions.** Verification of interim milestones shall be performed by the City's designated facility representative. Milestone completion deadlines are subject to extension at the sole discretion of the Lessor's General Manager. **City's Right to Terminate** In the event that the Lessee fails to achieve any of the above milestones by their deadline, the City shall provide written notice of default. If the Lessee fails to cure said default within thirty (30) days of such notice, the City shall have the unilateral right to terminate this Lease.
EXTERIOR SIGNAGE	UNAM may install exterior signage on Sepulveda House identifying its presence as permitted by City law and subject to the approval of applicable City authorities and El Pueblo's General Manager.
UTILITIES	Lessee is responsible for all utility costs, including submetered electricity, gas, water, and waste/recycling services associated with the Premises (e.g. the electrical meter must be separately submetered or sectioned off)
	The access door located on the second floor providing access to the view deck

ACCESS DOOR TO VIEW DECK	shall remain accessible as designated by El Pueblo and shall be under the exclusive control of El Pueblo de Los Angeles Historical Monument and not the Tenant.
CUSTODIAL SERVICES	Suite and hallway cleaning to be managed by the tenant. Public restrooms shall be maintained by the City.
MAINTENANCE AND REPAIR	• Interior maintenance is the responsibility of the Lessee. • The City will maintain the breaker, the water supply up to the backflow device serving the floor, and the chilled-water supply to the air handler for the HVAC unit serving the floor. • The City's Building Maintenance Division will maintain the building's elevator and fire life safety system. The Lessee will reimburse the City for its pro rata share of these costs. Based on the Sepulveda House's total area of 5,900 square feet and the second floor's area of 3,117 square feet, UNAM's pro rata share is approximately 52.83%. Current estimated annual costs are: • Fire life safety system: $6,280 • Elevator maintenance: $7,200 • Total annual cost: $13,480 • **UNAM's estimated annual share: $7,121.48** These estimates are based on current costs and may fluctuate from year to year based on actual service needs and required component replacements. • UNAM must participate in and comply with the City's annual fire life safety testing schedule and requirements. • Any upgrades to the fire life safety system or lighting triggered by UNAM's construction will be considered tenant improvement costs and will be the responsibility of the Lessee.
COMMON AREA MAINTENANCE (CAM)	Lessee shall pay Common Area Maintenance (CAM) fees to Lessor. Such fees, covering exterior janitorial services and designated exterior security, shall be calculated based on the leased square footage. At the current rate of $0.36 per square foot, the monthly CAM obligation is $1,122.00.
INTERIOR SECURITY	Responsibility of Lessee.
PARKING	Parking is not provided under this facility use agreement. Monthly parking passes are available for purchase. Lessee guests must pay parking fees.
COMMUNITY	**Educational and cultural programming:** UNAM will organize and execute 15

BENEFITS	public events per year, the content, size, and expected turnout of which are represented on the attached list of examples. The events will be offered at no cost to the public. **Public access to and use of premises:** The conference room/library will be available for use by local residents, students, and non-profit and community organizations at no cost. Subject to availability and prior coordination with UNAM, it may be reserved in advance.
OTHER	1. Ordinance-mandated provisions to be included in lease (see separate document). 2. Contractor and subcontractors will need to comply with California prevailing wage laws, as the rehabilitation will constitute a "public works" project within the meaning of California Labor Code Section 1700.

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TEL: (213) 485-6855

MEMORANDUM

TO: El Pueblo de Los Angeles Historical Monument Authority Commission

FROM: Domenika Lynch, General Manager, El Pueblo de Los Angeles

DATE: Thursday, September 24, 2026

SUBJECT: Approval of Key Terms and Authorization to Execute a Lease Agreement with Universidad Nacional Autónoma de México, USA (UNAM USA) for the Second Floor of the Sepulveda House

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PURPOSE

The purpose of this report is to request Commission approval of the proposed Key Terms for a lease agreement between the City of Los Angeles (El Pueblo de Los Angeles Historical Monument Department) and Universidad Nacional Autónoma de México, USA (UNAM USA), for the second floor of the historic Sepulveda House.

Approval of these Key Terms will authorize the General Manager, with the assistance of the City Attorney and subject to City Council approval, to draft, finalize, and execute a lease agreement.

This partnership will reactivate a long-vacant historic asset, provide no-cost educational and cultural programming to the public, and secure substantial private capital investment in City infrastructure without immediate out-of-pocket capital costs to the Department.

BACKGROUND

The second floor of the historic Sepulveda House has remained underutilized for many years. Activating vacant historic spaces through mission-driven partnerships directly aligns with El Pueblo's mandate for historic preservation, expanded public access, and rich cultural programming.

UNAM USA proposes rehabilitating and activating the space as a public educational and cultural center offering exhibitions, academic lectures, Spanish-language instruction, workforce development, and community programming. UNAM is one of the world's premier public research universities and maintains a longstanding commitment to Los Angeles through its Center for Mexican Studies.

Due to UNAM USA's unique institutional capacity, specialized educational mission, cultural alignment with El Pueblo's heritage, and willingness to fully finance a complex historic preservation project, staff recommends proceeding with a sole-source lease agreement. Preliminary independent cost analyses indicate that the required rehabilitation investment will range from **$736,000 to $1.43 million or more**, depending on final approved plans and construction bids.

BENEFITS TO EL PUEBLO

- **Historic Preservation & Capital Investment:** Secures $736K–$1.43M+ in private investment to rehabilitate an underutilized City asset in compliance with historic standards.
- **Guaranteed Public Programming:** Delivers a minimum of 15 free public events annually (lectures, exhibitions, cultural presentations) and accessible community spaces.
- **Community Access:** Makes the renovated 2nd-floor library/conference room available for free use by local residents, students, and community non-profits.
- **Strategic Civic Alignment:** Elevates El Pueblo's cultural role ahead of major regional milestones, including LA28, the Olvera Street Centennial, and LA250.
- **Sustainable Operational Model:** Establishes clear cost-recovery mechanisms for utilities, building maintenance, and Common Area Maintenance (CAM).

KEY LEASE PROVISIONS & OVERSIGHT HIGHLIGHTS

(The complete itemized term sheet is attached as **Attachment B**)

- **Premises & Use:** Approximately 3,117 sq. ft. on the 2nd floor of Sepulveda House for managing and executing educational/cultural programming.
- **Term:** 15-year with opportunity to negotiate new lease
- **Rent Structure:** Market rate established at $4,675.50/month ($56,106/year). Rent payments will be offset by a credit for approved capital improvements down to a minimum rent of $1.00/month.
- **Cost Recovery & Maintenance:** Lessee is responsible for all submetered utilities, routine interior maintenance, and a Common Area Maintenance (CAM) fee of $1,122.00/month ($0.36/sq. ft.). Lessee will reimburse the City on a *pro-rata* basis for elevator and Fire/Life Safety maintenance.
- **Strict Construction Milestones:**
    - Permits secured within **6 months**.
    - 50% project completion within **18 months**.
    - 75% project completion within **28 months**.
    - **Substantial Completion required within 36 months** (including final permits, Certificate of Occupancy, Fire/Life Safety sign-offs, and lien waivers).

- **Enforcement:** Failure to meet Substantial Completion within 36 months grants the City the unilateral right to terminate the lease upon 30 days' uncured notice.

FISCAL IMPACT STATEMENT

The proposed lease ensures the long-term stewardship of the Sepulveda House and formalizes a sustainable cost-recovery structure. The market rental value of $56,106 per year (plus annual CPI adjustments) will be offset by necessary capital improvements ($736K–$1.43M+), preserving this historic asset without out-of-pocket capital outlay from the Department. Ongoing operational costs are offset by utility submetering, direct interior maintenance obligations, CAM fees, and *pro-rata* building system reimbursements.

RECOMMENDATION

That the Commission:

1. **APPROVE** the Key Terms for the Lease Agreement between the City of Los Angeles and UNAM USA for the second floor of the Sepulveda House as specified in this report and Attachment B;
2. **AUTHORIZE** the General Manager of the El Pueblo de Los Angeles Historical Monument Department, with the assistance of the City Attorney's Office, to draft and execute a lease agreement based on these terms, subject to approval by City Council; and
3. **DELEGATE** authority to sign the agreement and related compliance documents to the General Manager and Department staff.

RECOMMENDATION MOTION

"Move that the El Pueblo de Los Angeles Historical Monument Authority Commission approve the proposed Key Terms for a lease agreement with Universidad Nacional Autónoma de México, USA (UNAM USA) for the second floor of the historic Sepulveda House, and authorize the General Manager, with the assistance of the City Attorney and subject to City Council approval, to draft, finalize, and execute the lease agreement."

The Board further delegates authority to the General Manager to execute the agreement. Pursuant to Department policy, both the General Manager and the Senior Accountant shall sign all contracts, and the Assistant General Manager may sign in the absence of either party.

Respectfully submitted,

Domenika Lynch
General Manager
El Pueblo de Los Angeles Historical Monument

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Attachments

A. UNAM Community Benefits
B. Lease Agreement Key Terms
C. UNAM Document Community Benefits

ATTACHMENT A:

SUMMARY OF PROPOSED COMMUNITY BENEFITS

- Free educational and cultural programming for Los Angeles residents. UNAM will organize and execute 15 public events per year (these include academic lectures, exhibitions, and cultural presentations featuring scholars, artists, and thought leaders).
- Spanish-language instruction, certifications, and continuing education opportunities.
- Workforce development and leadership training programs for students and community members.
- Programs focused on Mexican, Mexican-American, and Los Angeles history, arts, literature, and culture.
- Youth engagement opportunities connecting students with higher education, civic participation, and cultural heritage.
- International cultural exchange and academic collaboration.
- Increased visitation and activation of El Pueblo through year-round programming.
- Support for long-term City goals related to historic preservation, cultural tourism, LA28, the Olvera Street Centennial, and LA's 250th Birthday Celebration in 2031.
- Significant private investment in the preservation and adaptive reuse of the historic Sepulveda House.
- Public access to and use of premises: The renovated conference room/library will be available for use by local residents, students, and non-profit and community organizations at no cost. Subject to availability and prior coordination with UNAM, it may also be reserved in advance.

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ATTACHMENT B

UNAM Lease Agreement: Key Terms

Key terms of proposed lease agreement between Universidad Nacional Autonoma de Mexico, USA (UNAM USA) and the City of Los Angeles' El Pueblo de Los Angeles Historical Monument Department to rehabilitate and lease the second floor of the Sepulveda House.

LESSOR	El Pueblo de Los Angeles Historical Monument
LESSEE	Universidad Nacional Autonoma de Mexico en Los Angeles (UNAM USA)
LOCATION	12 Olvera St, Los Angeles, CA 90012 (Second Floor of the Sepulveda House)
USE	Office space to manage and provide educational and cultural programming
SQUARE FEET	Approximately 3,117
TERM	15-year term with opportunity to negotiate new lease
RENTAL RATE	• $4,675.50 per month (based on January 2026 market value assessment), increased by the CPI each year. • Market value of rehabilitation to be applied as a credit to rent. • Minimum rent after credit: $1 per month • To the extent that the market value of rehabilitation may exceed the credit applied to rent during the term of this lease, no further credit or compensation shall be due or issued. • Rent credit shall not be applied toward non-rent costs that are the responsibility of Lessee (maintenance, utilities, and other costs noted below).
LEASE START DATE	Upon execution by the parties and attestation by the City Clerk (after approval by Board and City Council)
REHABILITATION INVESTMENT	UNAM will fund the rehabilitation and adaptive reuse of the premises. Preliminary independent cost analyses indicate that the cost of the proposed rehabilitation may range from approximately $736,000 to $1.43 million or more, subject to final plans, construction bids, and City review.
REHABILITATION PLANS AND MILESTONES	Prior to the commencement of any work, the Lessee shall submit architectural plans and detailed specifications for construction and rehabilitation for approval by the General Manager of the El Pueblo de Los Angeles Historical Monument

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Department (the "Lessor"). All submissions must comply with the Secretary of the Interior's Standards for Rehabilitation, relevant building codes, and all applicable local, state, and federal requirements. Following approval by the Lessor, the Lessee shall provide finalized plans to the City Department of General Services and the Bureau of Engineering. Lessee shall obtain all required permits and approvals—including from the Department of Building and Safety—and shall post all required construction and completion bonds prior to the start of work.

Rehabilitation Milestones

To ensure consistent progress, the Lessee shall adhere to the following milestones:

Permit Acquisition: All renovation permits must be secured within 6 months of the Lease commencement date.

50% Project Completion: Lessee shall demonstrate 50% project completion within 18 months of the Lease commencement date.

75% Project Completion: Lessee shall demonstrate 75% project completion within 28 months of the Lease commencement date.

Substantial Completion:

The Lessee shall achieve "Substantial Completion" of all agreed-upon capital improvements within thirty-six (36) months from the Lease commencement date. "Substantial Completion" shall be deemed achieved only upon the Lessee's submission of the following to the Lessor:

(a) **Final Permits:** Final sign-off from the Department of Building and Safety (LADBS) and the Office of Historic Resources, Department of City Planning, on all rehabilitation permits.

(b) **Certificate of Occupancy:** A valid, final Certificate of Occupancy issued for the 2nd floor of the Sepulveda House.

(c) **Life Safety Certification:** Final sign-off from the Fire Department on all fire alarm and suppression system upgrades.

	(d) **Operational Verification:** Written certification from a qualified engineer or the City's designated facility representative that all utility systems (HVAC, Electrical, Plumbing) are fully operational. (e) **Lien Waivers:** Unconditional lien waivers from all general contractors, subcontractors, and material suppliers involved in the project. **Verification; extensions.** Verification of interim milestones shall be performed by the City's designated facility representative. Milestone completion deadlines are subject to extension at the sole discretion of the Lessor's General Manager. **City's Right to Terminate** In the event that the Lessee fails to achieve any of the above milestones by their deadline, the City shall provide written notice of default. If the Lessee fails to cure said default within thirty (30) days of such notice, the City shall have the unilateral right to terminate this Lease.
EXTERIOR SIGNAGE	UNAM may install exterior signage on Sepulveda House identifying its presence as permitted by City law and subject to the approval of applicable City authorities and El Pueblo's General Manager.
UTILITIES	Lessee is responsible for all utility costs, including submetered electricity, gas, water, and waste/recycling services associated with the Premises (e.g. the electrical meter must be separately submetered or sectioned off)
ACCESS DOOR TO VIEW DECK	The access door located on the second floor providing access to the view deck shall remain accessible as designated by El Pueblo and shall be under the exclusive control of El Pueblo de Los Angeles Historical Monument and not the Tenant.
CUSTODIAL SERVICES	Suite and hallway cleaning to be managed by the tenant. Public restrooms shall be maintained by the City.
MAINTENANCE AND REPAIR	• Interior maintenance is the responsibility of the Lessee. • The City will maintain the breaker, the water supply up to the backflow device serving the floor, and the chilled-water supply to the air handler for the HVAC unit serving the floor. • The City's Building Maintenance Division will maintain the building's elevator and fire life safety system. The Lessee will reimburse the City for its pro rata share of these costs.

	Based on the Sepulveda House's total area of 5,900 square feet and the second floor's area of 3,117 square feet, UNAM's pro rata share is approximately 52.83%. Current estimated annual costs are: • Fire life safety system: $6,280 • Elevator maintenance: $7,200 • Total annual cost: $13,480 • **UNAM's estimated annual share: $7,121.48** These estimates are based on current costs and may fluctuate from year to year based on actual service needs and required component replacements. • UNAM must participate in and comply with the City's annual fire life safety testing schedule and requirements. • Any upgrades to the fire life safety system or lighting triggered by UNAM's construction will be considered tenant improvement costs and will be the responsibility of the Lessee.
COMMON AREA MAINTENANCE (CAM)	Lessee shall pay Common Area Maintenance (CAM) fees to Lessor. Such fees, covering exterior janitorial services and designated exterior security, shall be calculated based on the leased square footage. At the current rate of $0.36 per square foot, the monthly CAM obligation is $1,122.00.
INTERIOR SECURITY	Responsibility of Lessee.
PARKING	Parking is not provided under this facility use agreement. Monthly parking passes are available for purchase. Lessee guests must pay parking fees.
COMMUNITY BENEFITS	**Educational and cultural programming:** UNAM will organize and execute 15 public events per year, the content, size, and expected turnout of which are represented on the attached list of examples. The events will be offered at no cost to the public. **Public access to and use of premises:** The conference room/library will be available for use by local residents, students, and non-profit and community organizations at no cost. Subject to availability and prior coordination with UNAM, it may be reserved in advance.
OTHER	1. Ordinance-mandated provisions to be included in lease (see separate document). 2. Contractor and subcontractors will need to comply with California prevailing wage laws, as the rehabilitation will constitute a "public works" project within the meaning of California Labor Code Section 1700.

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ATTACHMENT C (SEE UNAM DOCUMENT OF COMMUNITY BENEFITS)

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Academic and Cultural Programming

The program evolves from recognizing one's roots to binational leadership.

"Deep Roots: UNAM in the Heart of LA"
Guiding Principle: Historical and linguistic validation (DTLA 2040).

UNAM Topic	Activity
History of El Pueblo	**Keynote Lecture:** "Mexico in Los Angeles: 1781-2026". Historians from UNAM revisit the founding of the city. **Ideal Location at El Pueblo: Pico House** **Attendance Goal: 60 people**
Spanish in the USA	**Certification:** Launch of "Advanced Spanish for Heritage Speakers" courses. Revaluing the language not as a barrier, but as a professional skill (SIELE Certification). **Ideal Location at El Pueblo: Casa Sepúlveda** **Attendance Goal: exams and courses, about five people daily for certification and 10 people daily for courses**
5 de Mayo	**5 de Mayo – History, Memory, and Community Celebration Commemoration Program: "5 de Mayo: From Puebla to Los Angeles."** This annual event will combine a keynote talk by UNAM historians on the historical significance of the Battle of Puebla with community performances, music, and youth-led presentations reflecting on the evolution of 5 de Mayo in the United States. **Ideal Location at El Pueblo: Pico House** **Attendance Goal: 500 people for 1 day**
Tradition and Death	**UNAM-LA Mega-Altar:** A replica of the famous Mega-Altar from University City, but installed in Olvera Street, dedicated to Chicano and Mexican figures. **Ideal Location at El Pueblo: Pico House** **Attendance Goal: 500 people daily for three days**

Guiding Principle: Development of creative skills for young people (LA County Strategic Plan).

UNAM Topic	Activity
Gastronomy and Culture	**Diploma program:** "Anthropology of Mexican Food." It's not about cooking, but about food history and culture, supporting local restaurant owners (Legacy Businesses). **Ideal Location at El Pueblo: El kiosko** **Attendance Goal: 300 people**
Digital Arts	**Cultural Hackathon:** Young Mexican-Americans digitizing their families' historical archives for the UNAM digital repository. **Ideal Location at El Pueblo: Casa Sepulveda** **Attendance Goal: 20 people daily**

"Mexico before the World: Cultural Olympiad"
Guiding Principle: Excellence and Cultural Diplomacy (LA28 Framework).

UNAM Topic	Activity
Muralism and Resistance	**Exhibition:** "From San Ildefonso to Los Angeles". The history of muralism (Siqueiros on Olvera Street). **Ideal Location at El Pueblo: Pico House** **Attendance Goal: 500 people**
Concert Music	**Concert:** The UNAM Philharmonic Orchestra Ensemble performing works by Mexican composers in public spaces of the Historic Center. **Ideal Location at El Pueblo: Pico House** **Attendance Goal: 500 people**
Cultural Olympic Venue	**Casa México-UNAM:** Intensive daily program. Theater, high-quality folk dance performances, and lectures for international visitors. **Ideal Location at El Pueblo: El Kiosko** **Attendance Goal: 400 people for a week**

"Community Well-being and Resilience"
Guiding Principle: Mental health and social fabric (LA County Plan - Arts & Healing).

UNAM Topic	Activity
Human Rights	**Seminar:** "Human Rights Advocacy". Culture of legality and migrant rights through film and literature. **Ideal Location at El Pueblo: Casa Sepúlveda** **Attendance Goal: 50 people daily**
Women's Literature	**Encounter:** "Writers from Two Worlds." Mexican and Chicana authors in dialogue about gender and the border (UNAM Culture). **Ideal Location at El Pueblo: Casa Sepúlveda** **Attendance Goal: 70 people by day**
Sustainability	**Project:** "Sustainable Neighborhood". Experts from UNAM (National Autonomous University of Mexico) provide advice on urban gardens and sustainability in historical areas. **Ideal Location at El Pueblo: El Kiosko** **Attendance Goal: 40 people** **Workshops.** Young writers and creators from Los Angeles, sharing their binational perspective on life. **Ideal Location at El Pueblo: Casa Sepulveda** **Attendance Goal: 40 people**

"Binational Leadership and the Future"
Guiding Principle: Consolidating the legacy (DTLA 2040).

UNAM Topic	Activity
Latino Leadership	**Diploma of Excellence:** "Cultural Management and Community Leadership". Training the future leaders of Latin America with the UNAM seal of approval. **Ideal Location at El Pueblo: Casa Sepúlveda** **Attendance Goal: 30 people**
Architecture & the City	**Forum:** "The Latin American City of the Future". UNAM Faculty of Architecture and Urban Planners from LA reimagining public spaces in El Pueblo. **Ideal Location at El Pueblo: Pico House** **Attendance Goal: 60 people**

Retrospective

Exhibition: "5 Years of UNAM in El Pueblo". A showcase of results and projects from the community.
Ideal Location at El Pueblo: Pico House
Attendance Goal: 500 people

All cultural and outreach events that UNAM holds are free of charge. Similarly, UNAM is always willing to work in coordination with the public or with non-profit organizations and to allow them to use the space of the conference room/library free of charge, prior coordination.

Public Library and Community Access Initiative

The UNAM-Los Angeles conference room and library will operate as a free public resource dedicated to education, research, and community dialogue. In alignment with UNAM's mission of open knowledge and public service, the space will be available to local residents, students, and community-based organizations. Nonprofit organizations and NGOs may request use of the library and meeting space at no cost, subject to availability and prior coordination with UNAM-Los Angeles. This open-access model strengthens civic participation, supports grassroots initiatives, and reinforces El Pueblo as a hub of cultural learning and collective empowerment.

UNAM LOS ANGELES CULTURAL CENTER

Parametric Cost Basis, Methodology and Contractual Framework

Adaptive Rehabilitation of the Sepúlveda House (1887)

El Pueblo de Los Ángeles Historical Monument · Los Angeles, California

Project	UNAM Los Angeles Cultural Center — Adaptive Rehabilitation of the Sepúlveda House (1887)
Location	Sepúlveda House, El Pueblo de Los Ángeles Historical Monument, Los Angeles, CA
Lead Designer	Arroyo Solís Agraz
Prepared for	Universidad Nacional Autónoma de México and El Pueblo de Los Ángeles Historical Monument, City of Los Angeles
Subject	Parametric cost basis, methodology and contractual framework for the lease-investment agreement
Project phase	Conceptual design (AACE Class 4 — schematic design level)
Scope area	2,316 sf interior + 157.37 sf terrace = 2,473.37 sf total
Date	June 2026

This document sets out the methodology and recognized industry standards behind the project's parametric cost estimate, presents the estimated investment, and explains the contractual mechanisms under which a lease-investment agreement of this type can be executed at the present stage of the project. All sources are listed, with links, in the references section.

1. Purpose

This document supports the agreement under discussion between UNAM and El Pueblo de Los Ángeles for the adaptive rehabilitation and cultural use of the second floor of the Sepúlveda House. Its purpose is threefold: to explain the methodology and recognized industry standards behind the project's cost estimate; to present the estimated investment for the rehabilitation; and to set out the contractual mechanisms that allow an agreement of this nature to be executed at the current stage of the project.

The central point this document establishes is that an agreement in which an investment is credited in place of rent (a lease-investment agreement, or comodato in the Mexican civil-law sense) can be properly and responsibly executed on the basis of a parametric cost estimate, without requiring completed construction documents, construction bids, or a closed total price. This is standard practice in the United States public sector for projects of this type, and it is the appropriate path given the nature of a historic-building rehabilitation.

2. Cost Estimate Methodology

The reliability of any construction cost estimate is governed by how completely the project is defined at the time of estimating. The recognized framework for this in the United States building-construction sector is the classification system of AACE International (the Association for the Advancement of Cost Engineering), specifically Recommended Practice 56R-08, which applies the classification system to the building and general construction industries. The same five-class structure is incorporated into the ASTM International standard E2516-11. These standards are used by U.S. public agencies to communicate the reliability of project cost estimates.

The system defines five estimate classes according to the level of project definition, mapped directly to the design phases of a project. The numbering is inverse to intuition: Class 5 is the least-developed estimate, and Class 1 is the most-developed. The table below summarizes the classes, the design phase each corresponds to, and the expected accuracy range for building-construction projects.

Class	Definition	Design phase	Typical use	Accuracy
Class 5	0–2%	Pre-design / screening	Order-of-magnitude, viability	−20/−30% to +30/+50%
Class 4	**1–15%**	**Schematic design**	**Concept study, preliminary budget**	**−20% to +30%**
Class 3	10–40%	Design development	Budget authorization, control	−15% to +20%
Class 2	30–70%	Construction documents / bid	Tender, bid estimate, cost baseline	−10% to +15%
Class 1	70–100%	Final documents / bid	Definitive estimate, bid check	−5% to +10%

Source: AACE International RP 56R-08 and ASTM E2516-11, as compiled by Alberta Infrastructure (2025). See references.

The current estimate for the Sepúlveda House project corresponds to a Class 4 estimate, at the schematic-design level of definition. The project has a defined architectural concept, a validated

space program and a specific restoration strategy, but does not yet have developed engineering (structural, mechanical, electrical, plumbing) or construction documents. This is the appropriate and honest class for the present stage, and it is the class the standards designate for preliminary budgeting and authorization to proceed.

2.1 How to read the accuracy ranges

The percentages in the accuracy column express how far the estimate may differ from the final cost, depending on how developed the project is when the estimate is made. They are best understood with a concrete example.

At the current Class 4 stage, the accuracy range for building construction is approximately −20% to +30%. This means that if the estimate is, say, one million dollars, the actual cost on completion could be as low as roughly $800,000 (20% below) or as high as roughly $1,300,000 (30% above). The range is wide because much of the project is not yet defined.

As the project advances, the range narrows, because there are fewer unknowns. At design development (Class 3) the range tightens to about −15% to +20%; at construction documents and bidding (Class 2) to about −10% to +15%; and at final documents (Class 1) to about −5% to +10%. The range never closes to zero before construction is complete, and in a historic building it remains open even then, as explained in Section 6. In short: the less developed the project, the wider the cost range, which is why at this stage a range is given rather than a single figure. This is not imprecision in the work; it is the correct way to express a cost estimate at conceptual stage.

AACE is explicit that these published ranges are typical values, not predetermined figures applied automatically; the accuracy range for any specific estimate should be confirmed through risk analysis of the particular project. The ranges used here are consistent with that guidance.

3. How the Estimate Was Built

The estimate is parametric: it is derived from cost-per-square-foot benchmarks for comparable projects, adjusted for the specific conditions of this project. It draws on recognized cost-data sources for the United States construction market in the 2025–2026 cycle, with a focus on Southern California, including RSMeans / Gordian construction cost data, the Turner Construction and Turner & Townsend cost indices, Cushman & Wakefield construction reporting, and rehabilitation guidance from the California Office of Historic Preservation.

The industry benchmarks were then adjusted for the specific nature of this project. Three factors were applied: a Los Angeles location index of approximately 1.15 over the national average; a listed-historic-building factor of 1.25 to 1.50 over equivalent standard commercial construction, reflecting the minimal-intervention approach, reversibility requirements and California Historical Building Code obligations; and a small-area factor of 1.10 to 1.15, reflecting the adverse economies of scale of a project under 3,000 square feet.

The area basis for all calculations is 2,316 square feet of interior space plus 157.37 square feet of terrace, for a total of 2,473.37 square feet.

4. Estimated Investment

The table below presents the estimated investment for the rehabilitation, expressed as a range consistent with a Class 4 estimate. The range is the correct way to express a conceptual-stage estimate, where each line item carries a band of variation rather than a single deterministic figure. The contingency is carried at 7.5% on the low scenario and escalated to 15% on the high scenario, reflecting the uncertainty of a historic-building rehabilitation at this stage.

Line item	Low (USD)	High (USD)
General conditions	$70,000	$110,000
Dismantling and demolition	$28,000	$48,000
Windows and glazing systems	$15,000	$32,000
Woodwork	$5,000	$18,000
Restoration	$170,000	$260,000
Insulation	$12,000	$25,000
Finishes	$88,000	$140,000
Fire protection system	$11,000	$26,000
Air-conditioning system (HVAC)	$60,000	$150,000
Electrical installation	$58,000	$115,000
Light fixtures	$25,000	$58,000
Voice, data and low-voltage systems	$20,000	$58,000
Fixed furniture	$44,000	$68,000
SUBTOTAL	**$606,000**	**$1,108,000**
General contractor overhead (9%)	**$54,540**	**$99,720**
Profit (5%)	**$30,300**	**$55,400**
Contingency (7.5% low / 15% high)	**$45,450**	**$166,200**
TOTAL ESTIMATED INVESTMENT	**$736,290**	**$1,429,320**

Estimated investment range: $736,290 – $1,429,320 USD · $298 – $578 per square foot.
This range is consistent with the type of intervention (rehabilitation of a listed historic building), the location (Downtown Los Angeles), and current Southern California construction-market standards.

5. What the Estimate Does Not Include

As a parametric estimate at conceptual stage, the figures above do not include the following, which would be quantified as the project advances:

- **Soft costs.** Design and engineering fees, specialized consulting (structural, MEP, fire-life-safety, historic preservation, Title 24, ADA), and permitting support.

- **Regulatory charges.** Municipal permit fees, plan-check fees, and other regulatory charges.
- **Insurance and bonds.** Construction insurance and bonds, and any policies specific to work on a listed historic property.
- **Hazardous materials.** Abatement of hazardous materials (asbestos, lead) if identified during design or construction.
- **Furniture and equipment.** Loose furniture, audiovisual equipment, computer equipment and the final collection of the cultural center.
- **Other.** Utility costs during construction, and cost escalation if construction begins more than twelve months after the date of this document.

6. Contractual Framework for the Agreement

Two points are central to structuring the agreement between UNAM and El Pueblo, and both are well established in United States public-sector and construction-industry practice.

6.1 An agreement can be executed without construction documents, bids, or a closed total price

It is standard practice in the United States for a public entity to enter into a lease-investment agreement, in which an investment is credited in place of rent, on the basis of a parametric cost estimate at conceptual stage. The agreement does not require completed construction documents, construction bids, or a guaranteed total cost in order to be valid and responsible. The estimated investment establishes the planning envelope, and the instrument incorporates a mechanism to reconcile the final value as the project is developed and built.

The recognized mechanism for this reconciliation in building construction is the Guaranteed Maximum Price (GMP). Under U.S. practice, a GMP is itself established before the design is finished: in private projects the GMP is commonly set when construction documents are roughly 60% to 80% complete, and on U.S. federal projects it is generally established no earlier than 75% of construction documents and before 100% (codified at 48 CFR §536.7105-2). The GMP is most often paired with the Construction Manager at Risk delivery method, in which the builder is engaged early to provide cost input and progressively validate the budget, and then guarantees the maximum price. The agreed figure is adjusted through documented change orders for scope changes and unforeseen conditions. Any of these mechanisms allows the agreement to be signed now, on the basis of the estimated investment, with the final figure confirmed later through a defined and auditable process.

In short, the absence of a closed price at this stage is not an obstacle to executing the agreement. It is a normal condition of a project at conceptual stage, and it has established contractual solutions that protect both the public interest of El Pueblo and the investment of UNAM.

6.2 Even with completed construction documents and bids, a historic rehabilitation cannot guarantee a final price

It is equally important to be clear on a second point, because it bears directly on the expectation of a closed cost. In the rehabilitation of a historic building, a guaranteed final price cannot be established

even once construction documents are complete and construction bids have been received. This is not a limitation of the estimate; it is a structural characteristic of this type of work, and it is recognized across the industry: estimate-classification standards and cost-engineering practice both note that remodeling and rehabilitation carry materially higher uncertainty than new construction.

A building of 1887, with masonry party walls and timber floor and roof structures, inevitably presents conditions that are not visible until construction is underway: moisture damage, concealed deterioration from termite or insect activity, mortar decay, asbestos in old mastics, lead in paint. In buildings of this period these discoveries are a statistical near-certainty, not a remote possibility. In addition, work on the historic envelope and compliance with the California Historical Building Code can introduce requirements that only become defined during construction. For these reasons, full cost certainty is reached only at the completion of construction, and the industry standard is to carry a contingency through to project completion even after bids are in hand. Even a GMP retains this character: the guarantee covers what is shown or reasonably inferable from the documents, and genuinely unforeseen conditions in an existing building are addressed through documented change orders.

The practical consequence for the agreement is direct. Waiting for construction documents and bids in the expectation that they will yield a guaranteed final price would not achieve that result, because such a guarantee does not exist for a historic rehabilitation at any pre-construction stage. The appropriate path is therefore to execute the agreement now on the basis of the estimated investment, with a defined reconciliation mechanism, rather than to defer execution in pursuit of a certainty that the nature of the project does not allow.

7. Summary

The cost estimate for this project is a parametric Class 4 estimate prepared under the AACE International 56R-08 standard for building and general construction, the recognized framework of the United States public sector. It establishes an estimated investment range that is consistent with the type of intervention and the Los Angeles market.

An agreement in which the investment is credited in place of rent can be executed now on the basis of this estimate, without completed construction documents, bids, or a closed total price, through a recognized reconciliation mechanism such as a Guaranteed Maximum Price paired with a Construction Manager at Risk arrangement and documented change orders. Moreover, in a historic rehabilitation a guaranteed final price cannot be obtained even with completed documents and bids, because material uncertainties are resolved only during construction. Executing the agreement on the basis of the estimated investment, with a defined adjustment mechanism, is therefore both the standard practice and the responsible path for a project of this nature.

References

All sources below are publicly available and were used in preparing this document. Standards behind paywalls are cited together with a freely accessible official summary or compilation where available.

Cost estimate classification

AACE International, Recommended Practice 56R-08 — Cost Estimate Classification System as Applied for the Building and General Construction Industries. Official table of contents and abstract: https://web.aacei.org/docs/default-source/toc/toc_56r-08.pdf

AACE International, Recommended Practice 17R-97 — Cost Estimate Classification System (generic). Guide to Cost Estimate Classification Systems: https://library.aacei.org/pgd01/pgd01.shtml

Alberta Infrastructure — Classes of Construction Cost Estimates (Design & Technology Series #19, 2025), compiling AACE 56R-08 and ASTM E2516-11 accuracy ranges for building construction. Official government publication: https://www.alberta.ca/system/files/infra-tr-dt-series-19-estimates.pdf

Project phases and professional services

American Institute of Architects — AIA Document B101-2017, Standard Form of Agreement Between Owner and Architect (five basic-services phases). Official help and document portal: https://help.aiacontracts.com/public/articles/B101-2017

Contractual mechanisms

U.S. Code of Federal Regulations — 48 CFR §536.7105-2, Guaranteed Maximum Price (timing of GMP relative to construction documents in federal projects). Official Acquisition.gov: https://www.acquisition.gov/gsam/536.7105-2

AIA Contract Documents — Guaranteed Maximum Price (GMP) Contracts: A Comprehensive Guide. Official AIA learning portal: https://learn.aiacontracts.com/articles/guaranteed-maximum-price-gmp-contracts-in-construction-a-comprehensive-guide/

Historic property review (Los Angeles)

Los Angeles City Planning — Office of Historic Resources (review of designated Historic-Cultural Monuments). Official City of Los Angeles: https://planning.lacity.gov/about/historic-resources

Los Angeles Department of Building and Safety — Plan Review and Permitting. Official City of Los Angeles: https://www.ladbs.org/services/core-services/plan-check-permit

This is a preliminary parametric estimate at conceptual design stage. It is subject to adjustment as the project is developed and built, and it must not be used as a fixed or guaranteed contractual amount.

UNAM- USA

September 8, 2026

Subject: Acceptance of Proposed Lease Terms for Casa Sepúlveda

Domenika Lynch
General Manager
El Pueblo de Los Angeles Historical Monument
City of Los Angeles

Dear Ms. Lynch:

On behalf of UNAM-USA, I am pleased to confirm our acceptance of the lease terms proposed by El Pueblo de Los Angeles Historical Monument for Casa Sepúlveda, as transmitted to us, as the basis for moving forward with the corresponding approval and contracting process.

As an essential component of these terms, it is understood that the actual, documented final cost of the renovation and improvement work undertaken by UNAM-USA will be determined upon completion of the project. Once the final cost has been verified and approved in accordance with the applicable procedures, that amount will be recognized as a credit against the rent payable by UNAM-USA for a period of up to fifteen years, calculated on the basis of the rental rate and adjustments specified in the proposed lease terms.

UNAM-USA is prepared to proceed with the next steps contemplated by the City of Los Angeles. We therefore respectfully request that the proposal be presented first to the El Pueblo de Los Angeles Historical Monument Commission and, following its consideration and approval, to the Los Angeles City Council for the corresponding action.

Once the required approvals have been obtained, we will be ready to work with El Pueblo and the appropriate City offices on the preparation of the definitive lease agreement. The resulting instrument will reflect the foregoing terms, including the rent-credit arrangement for the final cost of the renovation and improvement work, and will be submitted for review and approval by both parties, including their respective legal and administrative offices, prior to execution.
We greatly appreciate your leadership and the support of the El Pueblo team throughout this process. UNAM-USA looks forward to continuing our collaboration toward establishing Casa Sepúlveda as the new home of UNAM in Los Angeles and as a space dedicated to education, culture, and service to the community.

Sincerely,

Dr. José Antonio Vela Capdevila
Director, UNAM-USA

cc: Tomás Humberto Rubio Pérez, Vice President for Administration, UNAM
Tamara Martínez Ruiz, Vice President for Institutional Development, UNAM
William Lee Alardín, Vice Provost for International Affairs, UNAM
Héctor Zavala Guzmán, Director, UNAM Los Angeles