

**GRANT AGREEMENT  
FRIENDS OF LA LOMA ADOBE**

This agreement dated \_\_\_\_\_ is between THE FRIENDS OF LA LOMA ADOBE, a California non-profit public benefit corporation (“FLLA”) and City of San Luis Obispo, a California Municipal Corporation and Charter City (“City”) (jointly referred to as the “Parties”) with reference to the following:

**WHEREAS**, FLLA has requested that City contribute to FLLA’s efforts to rehabilitate the La Loma Adobe (“Adobe”), located at 1590 Lizzie Street, San Luis Obispo, by providing financial support towards planning, design, specifications, and engineering for the stabilization and rehabilitation of the Adobe at this location, and

**WHEREAS**, the City and FLLA have an established Memorandum of Understanding (2017) that sets forth the relationship and mutual goals of both parties to rehabilitate the Adobe, thereby serving both a public and municipal purpose, and

**WHEREAS**, addressing the long-term protection and stewardship of the Adobe is among the City’s 2023-25 Major City Goals, and

**WHEREAS**, City has approved grant funding (the “Grant”) for the FLLA project in its 2023-25 Financial Plan pursuant to FLLA’s proposal, and

**WHEREAS**, City has determined that, ultimately, the Adobe and its surrounding grounds will serve a broad spectrum of citizens interested in historic preservation, education, open space protection, native and culturally appropriate landscape restoration, and passive recreational trail use, while also serving as a vital community gathering place, and

**WHEREAS**, FLLA intends to prepare plans and specifications for the Adobe in a manner that is consistent with the Secretary of the Interior’s Standards for Rehabilitation, State of California Historic Preservation Office standards, the City’s Historic Preservation Ordinance and Historic Context Statement, as well as the Historic Resource Evaluation (Applied Earthworks, 2021), the Historic Structures Report (Architectural Resources Group, 2023) that have been prepared for the Adobe.

**NOW, THEREFORE**, CITY and FLLA for and in consideration of the mutual benefits, promises and agreements set forth herein, do agree as follows:

**1. Planning for Rehabilitation of the Adobe**

On or before June 30, 2025, FLLA shall complete plans, specifications, and engineering for 1.) the structural stabilization of the Adobe and, 2.) the rehabilitation of the Adobe in accordance with the selected period of significance identified in the Historic Resources Evaluation (2021) and the rehabilitation treatments identified in the Historic Structures Report (2023) and the proposal made by the firm Architectural Resources Group. The anticipated scope of work is attached herein as Exhibit A

**2. Grant Amount and Allowed Expenses**

City agrees to pay to FLLA grant funds in the sum of \$100,000, to be used to complete planning for rehabilitation of the Adobe defined in Section 1. Funds will be allocated in two installments, as follows:

- a. Installment # 1 will be in the amount of \$85,000 to be used for the plans, specifications, and engineering tasks described in Section 1, above, as well as associated engineering elements such as mechanical, electrical, plumbing, and any American Disability Act requirements.
- b. Installment # 2 would be generated from a reserve of \$15,000 held by the City to be utilized as necessary to resolve the property line dispute described in Section 6. If funds from the reserve remain after the dispute is resolved, then the City will grant the remaining reserve to FLLA for purposes entirely to support further efforts consistent with the purposes set forth in Section 1. Any such allocation to FLLA under Installment # 2 is also subject to the conditions stated in Section 10 (Periodic Reports and Financial Assurance).

Any amounts used by FLLA for purposes other than those stated in (a) and (b) above shall be reimbursed to the City, subject to the terms of Paragraph 3 below, and any funds not expended by FLLA by June 30, 2025, or as otherwise extended pursuant to Paragraph 9, shall be returned to the City.

### **3. Use at Other Sites**

If FLLA determines that rehabilitation of Adobe at the site specified, above, is impractical or inadvisable for any reason, then FLLA may not use these funds for any other purpose without prior written approval of City.

### **4. Fundraising Plan**

The City's payment of grant funds is intended to promote the subsequent implementation of the physical rehabilitation of the Adobe. FLLA shall prepare, by June 30, 2025, a fundraising and / or business plan that provides evidence of sufficient capacity-building to manage the rehabilitation and identifies financial match prospects from donor groups that articulates a "best-guess" path to completing the rehabilitation of the Adobe.

### **5. Ownership of Assets**

City is the owner of the property and building. FLLA will prepare, or direct the preparation of, stabilization and rehabilitation documents for the benefit and use of both the City and FLLA.

### **6. Property Line Dispute**

City acknowledges that there currently exists a property line dispute between the City property at 1590 Lizzie Street and the adjacent property at 1580 Lizzie Street. As the property owner of the Adobe, the City is the only entity with proper legal standing to resolve the dispute. Resolution of the dispute is critical to the successful stabilization and rehabilitation of the Adobe, and City hereby commits to use its best efforts to resolve the dispute in a timely manner, at its sole cost and expense. City and FLLA acknowledge that failure to resolve the dispute in a timely manner may impede FLLA's ability to comply with the terms of this agreement, in which case City shall favorably consider an extension of the timelines set forth herein, pursuant to Section 9. Nothing in this Agreement shall be construed as an obligation to the City to resolve the dispute by any particular date.

## **7. Permits**

FLLA shall apply for and obtain all necessary building and other related permits to construct the stabilization and rehabilitation phases of the project in conformance with local, state, and federal laws. City shall waive all City building and other related permit and processing fees applicable to the project, unless timely building plan review necessitates City using an outside contractor; any external costs borne by City for building and other related permit processing shall be at FLLA's expense. This agreement does not authorize any construction or otherwise alter or impact the exercise of the City's independent regulatory and land use authority, to the extent applicable.

## **8. Funding Source Recognition**

FLLA will ensure recognition of the roles of the City in providing funding through this Agreement. The City shall be identified as a funding source in all applicable publications, press releases, and other promotional materials. In addition, FLLA will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

## **9. Amendments**

The City and FLLA may amend this Agreement at any time by mutual agreement provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the City Council. Such amendments will not invalidate this Agreement, nor relieve or release the City or FLLA from its obligations under this Agreement, except as expressly provided in writing in any subsequent amendments.

## **10. Periodic Reports and Financial Assurance**

The FLLA shall provide quarterly reports on both project progress and on the use of City funds. These reports shall be due at the end of the first month after the end of the calendar quarter (i.e., January, April, July, and September). City reserves the right to request and receive copies of invoices, account statements, or audits of FLLA's financial records pertinent to the Adobe.

## **11. Assignment**

The FLLA will not assign or transfer any interest in this Agreement without the prior written consent of the City.

## **12. Conflict of Interest**

No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the project, will have any personal financial interest, direct or indirect, in this agreement; and the FLLA will take appropriate steps to assure compliance.

FLLA agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

## **13. Severability**

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

#### **14. Entire Agreement**

This Agreement constitutes the entire agreement between the City and the FLLA for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the FLLA with respect to this Agreement.

#### **15. No Agency or Employment**

The FLLA is solely responsible for all activities supported by the Grant. Nothing in this Agreement creates a partnership, agency, joint venture, employment, or any other type of relationship. The FLLA shall not represent itself as an agent of the City for any purpose, and has no authority to bind the City in any manner whatsoever. FLLA and all of its agents, representatives, or participants in any manner in the performance of its obligations and duties hereunder, shall be employees, independent contractors, or volunteers solely of FLLA. They shall not for any purpose be considered employees or agents of the City.

#### **16. Termination**

The City Council may terminate this agreement, after a public hearing and upon ten (10) days written notice to FLLA. Said termination shall be effective thirty (30) days after City mails notice of termination of agreement to FLLA. Any remaining funds and liabilities in excess of costs actually incurred as of the date of notice of termination pursuant to Section 3 above shall revert to City upon said termination.

#### **17. Effect of Prior Agreement**

The terms of the Memorandum of Understanding (MOU) executed between the Parties on May 24, 2017, including without limitation the terms of indemnification and insurance requirements, remain in full force and effect. To any extent the MOU is inconsistent with this Agreement, this Agreement prevails. A true and correct copy of the MOU is attached hereto as Exhibit B and incorporated herein.

#### **18. Notice**

For purposes of notice under this agreement, all notices shall be considered effective upon being sent by certified mail to the following addresses:

City:

City of San Luis Obispo  
990 Palm Street  
San Luis Obispo, CA 93401  
Attn: City Manager

FLLA:

The Friends of La Loma Adobe  
P.O. Box 13253  
San Luis Obispo, CA 93406  
Attn: President, Board of Directors

**CITY OF SAN LUIS OBISPO, A MUNICIPAL CORPORATION**

By: \_\_\_\_\_  
Derek Johnson, City Manager

APPROVED AS TO FORM:

By: \_\_\_\_\_  
J. Christine Dietrick, City Attorney

**THE FRIENDS OF LA LOMA ADOBE, A CALIFORNIA NON-PROFIT CORPORATION**

By: \_\_\_\_\_  
Robert Jorgensen, President

## **Exhibit A**

### **La Loma Adobe**

#### **Scope of Work 2023 – 2025**

The Friends of La Loma Adobe (FLLA) operates under a Memorandum of Understanding (MOU) with the City of San Luis Obispo who is the owner of the adobe and property. This MOU recognizes the importance of this historic and cultural resource and appreciates that FLLA has the interest and ability to cooperate on these goals. To further those goals, FLLA has commissioned an Historic Resource Evaluation, an Historic Structures Report, an archaeological study using remote-sensing technology and conducted many small repair and stabilization projects on the building.

As part of their biannual budget process, in 2023, the City Council allocated \$100,000 toward the rehabilitation and adaptive reuse of the adobe. The intent of that allocation was to bring the adobe project to a “shovel-ready” condition. Presuming the City resolves the standing property-line dispute, FLLA intends to meet that goal by performing the following, listed in order of importance:

#### **Structural Stabilization.**

Prepare an engineered design, analysis & construction documents for the structural stabilization and rehabilitation of the adobe. This includes evaluation of the structural systems in relation to Building Code requirements, basic loads from people and furniture in the building as well as seismic loads.

#### **Historic Feature Treatment.**

Produce design and construction documents for the treatment of the existing historic fabric and features of the building. This includes evaluation of each surface, interior and exterior including walls, ceilings, and floors for its ability to tell the story of the adobe and to accommodate future uses of the building.

#### **Visitor Access.**

Articulate the site and building design to provide visitor access.

#### **Project Priorities.**

Identify a priority list of elements of the project which responds to a logical sequence of construction and budget limitations.

#### **Cost Estimate.**

Calculate an estimate of the probable construction cost of the various elements or phases of construction.

During this two-year process, FLLA intends to raise funds through donations and grants for the construction and it is likely that FLLA will return to the City Council for additional funds and fee waivers, as may be allowable.

**Exhibit B**

**La Loma Adobe**

**Copy of Memorandum of Understanding**