



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: 24-286

April 30, 2024

Introduced: 4/11/2024

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Approve and authorize the Director of Housing and Community Development (HCD) to execute an Agreement between the Monterey Peninsula Water Management District and the County of Monterey for funds from a Proposition 1 Round 2 Integrated Regional Water Management (IRWM) Grant to the Monterey Peninsula, Carmel Bay, and South Monterey Bay Planning Region to Complete the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project and related documents for the funding award of \$898,451 for the CRFREE Project (REF140048) (Attachment A);
- b. Approve and authorize the Director of HCD to execute Amendment 2 to Grant Agreement WC-1947CA between the County of Monterey and the Wildlife Conservation Board for the CRFREE Project floodplain restoration design and implementation (Attachment B); and
- c. Approve and authorize the Director of HCD or designee to sign reports and invoices as necessary for the California Department of Water Resources (DWR) Flood Corridor Program grant (SAP Contract No. 4600010665).

PRIOR CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) ACTION:

Approval of contract amendments and grant agreements is not a Project under CEQA. The Environmental Impact Report (EIR) for the CRFREE Project was certified by the Board of Supervisors on January 20, 2020. The CRFREE Project was approved, and the corresponding Mitigation Monitoring and Reporting Program (MMRP) was adopted by the Board of Supervisors on June 15, 2021.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Director of Housing and Community Development (HCD) to execute an Agreement between the Monterey Peninsula Water Management District and the County of Monterey for funds from a Proposition 1 Round 2 Integrated Regional Water Management (IRWM) Grant to the Monterey Peninsula, Carmel Bay, and South Monterey Bay Planning Region to Complete the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project and related documents for the funding award of \$898,451 for the CRFREE Project (REF 140048) (Attachment A);
- b. Approve and authorize the Director of HCD to execute Amendment 2 to Grant Agreement WC-1947CA between the County of Monterey and the Wildlife Conservation Board for the CRFREE Project floodplain restoration design and implementation (Attachment B); and
- c. Approve and authorize the Director of HCD or designee to sign reports and invoices as necessary for the California Department of Water Resources (DWR) Flood Corridor Program grant (SAP Contract No. 4600010665).

SUMMARY/DISCUSSION:

The Carmel River Floodplain Restoration and Environmental Enhancement Project (CRFREE Project) is a comprehensive effort to improve flood control and restore native riparian habitat, floodplain habitat, and hydrologic function to a portion of the lower floodplain along the Carmel River. Key aspects of the CRFREE Project are to: 1) Create notches in the levees along the south bank of the lower Carmel River, 2) Restore the south lower Carmel River floodplain, and 3) Build a causeway along Highway 1, restoring connectivity between the lower Carmel River Floodplain and the south arm of the Carmel Lagoon. The CRFREE Project is entirely grant funded and holds over \$57 million in grant funds from 10 funding sources.

In early 2023, the County applied for funding for the CRFREE Project from the Department of Water Resources (DWR) Integrated Regional Water Management (IRWM) Program. The IRWM is a collaborative effort to manage water resources in a region. The County of Monterey is an active member of the Monterey Peninsula, Carmel Bay, and South Monterey Bay IRWM Regional Water Management Group (RWMG). In May 2023, the DWR notified the RWMG of the IRWM Program award of \$898,451 for CRFREE Project construction. Approval of this recommendation will authorize the Director of HCD to sign the IRWM program funding subrecipient agreement for the amount of \$898,451 between the County and Monterey Peninsula Water Management District (MPWMD) (on behalf of RWMG) for construction implementation of the CRFREE Project (Attachment A).

The RWMG, via the MPWMD, has accepted an IRWM Program Grant Agreement between MPWMD and DWR to fund projects in the region (Attachment C).

On February 11, 2020, the County of Monterey accepted a \$2.5 million grant for floodplain restoration design and implementation from the State of California, Natural Resources Agency, Department of Fish and Wildlife, Wildlife Conservation Board (WCB), through Grant Agreement No. WC-1947CA between the WCB, County of Monterey, Big Sur Land Trust (BSLT), California Department of Parks and Recreation, and the Monterey Peninsula Regional Park District (MPRPD) (Attachment D). On August 24, 2023, the County of Monterey Board of Supervisors (Board) approved amendment 1 to the above grant to increase the total grant amount to \$7,236,000 (Attachment E). Approval of this recommendation will authorize the Director of HCD to sign Amendment 2 of the WCB grant WC-1947CA to correct the fund source on page 3 of Amendment 1 (Attachment B).

On June 18, 2014, the County of Monterey entered into a grant agreement with the DWR for a Flood Corridor Program grant (4600010665) of \$5 million for pre-construction and construction of the CRFREE Project (Attachment F). Per the grant agreement, HCD staff submit quarterly reports and invoices to DWR. Approval of this recommendation will allow the HCD Director to designate staff to sign the invoices and reports.

OTHER AGENCY INVOLVEMENT:

The Offices of the County Counsel and Auditor-Controller have reviewed the Grant Agreement as to form and legality, and fiscal provisions, respectively.

The MPWMD, which is designated as the RWMG Lead Agency to apply for State IRWM implementation grant funds, entered into the Grant Agreement with DWR, and a subsequent subrecipient agreement with the County of Monterey is before the Board today. The BSLT is co-sponsor for the CRFREE Project. Through a cooperative agreement with Caltrans, the County of Monterey is acting as the CEQA Lead Agency for the Project.

ENVIRONMENTAL REVIEW

Environmental review is complete for the CRFREE Project. The Project EIR was certified by the Board during a public hearing on January 20, 2020. The Project was approved by the Board on June 15, 2021, pursuant to Board of Supervisors Resolution No. 21-163. The U.S. Fish and Wildlife Service, lead agency for the floodplain restoration portion of the project, issued a finding of no significant impact (FONSI) pursuant to the National Environmental Policy Act (NEPA) on October 30, 2020. NEPA review was completed on April 23, 2021, when Caltrans, in its capacity as the lead federal agency for the causeway portion of the Project, issued a FONSI.

FINANCING:

Based on the December 2023 95% Design Engineers estimate, CRFREE is estimated to cost approximately \$57.8 million to complete the final design, construction, and restoration efforts, including construction management and soft costs (Attachment G). Approximately \$2.6 million in grant funds have been spent to date on the CRFREE Project. The County and BSLT currently have been awarded \$29.8 million in unexpended grant funds for the Project pre-construction, construction, and monitoring, with an additional \$27 million pending award from CalOES/FEMA. Funds from the DWR IRWM Implementation Grant will be used for funding CRFREE construction management activities during floodplain restoration. A 50% federal and/or local match is required for the DWR IRWM Implementation Grant which will come from the CalOES/FEMA grant. CRFREE is budgeted in Capital Project Fund 404, Unit 8564. Fund 404 has \$14,565,300 budgeted for Fiscal Year 2024/2025.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

If approved, this action supports the Board of Supervisors' Strategic Initiatives for Administration and Infrastructure. The Project will provide sustainable physical infrastructure and associated flood risk reduction and habitat benefits to promote the safety of area residents and visitors.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Damian Bye, Management Analyst II, (831) 755 5141
Reviewed by: Melanie Beretti, AICP, Acting Chief of Planning
Approved by: Craig Spencer, HCD Director *CS*

The following attachments are on file with the Clerk of the Board of Supervisors:
Attachment A - Proposed MPWMD-County Agreement

- Attachment B - Draft (Final) Amendment 2 - WCB-County/BSLT/CDPR/MPRPD Agreement
- Attachment C - DWR MPWMD Agreement with MPWMD
- Attachment D - WCB-County/BSLT/CDPR/MPRPD Agreement
- Attachment E - Amendment 1 WCB-County/BSLT/CDPR/MPRPD Agreement
- Attachment F - DWR-County Flood Corridor Program Agreement
- Attachment G - Grant Funding Summary