

## **ATTACHMENT A DISCUSSION**

### Introduction

Long Range Planning activities include: 2010 General Plan implementation, Local Coastal Program (LCP) update, Board Referrals, as well as preparing and processing other policy and regulatory documents as required (e.g. changes in State law). County staff has been assigned to develop these items. However, professional services are needed to assist County staff with specific technical studies and analysis to help prepare regulations and environmental analysis. This work requires special expertise that County staff does not have, such as analysis related to ecology, economics, cultural resources, hydrology, noise, airport planning, modeling, etc.

Estimated funding necessary to address all of the technical requirements for Long Range Planning efforts greatly exceed the funding approved in the adopted budget for FY 14-15. RMA requested an augmentation of \$1,460,000 to fund long-range planning consultant efforts related to General Plan Implementation and the Carmel River Lagoon and Causeway projects. On June 10, 2014, the Board approved increased funding of \$1,000,000 to help offset FY 2014-15 expenditures related to technical support for General Plan Implementation, Carmel River Lagoon, Local Coastal Plan, and the Salinas Valley Basin Water Study. RMA was directed to return to the Board for additional discussion on how \$1,000,000 would provide for these issues. With funding up to \$1,000,000 appropriated in the adopted budget for FY 14-15, staff is recommending that funding be allocated for the following priority tasks/consultant work products for FY 14-15, with estimates of outlying year funding identified for each of the categories.

### **General Plan Implementation**

Consultant work associated with the 2010 General Plan implementation includes two primary categories:

1. Existing contract with EMC Planning. Certain technical tasks were initiated in a contract with EMC for about \$1,000,000. That contract has a term that runs until June 30, 2015 and about \$450,000 has been expended through FY 13-14. Outstanding tasks associated with this contract include technical support related to: wells, drainage, biology and wastewater.

FY14-15 Funding:	\$280,925
Anticipated FY15-16 funding needs:	\$358,915
Longer term funding needs:	TBD

2. “Other consultant work” includes activities not included in the EMC contract such as: Housing Element Update, Salinas Valley Water Study, and Airport Land Use Compatibility Plans Updates.

#### *Housing Element*

The Housing Element is State mandated and is updated on a specified timeline. The County’s next update must be completed by December 31, 2015. If the County does not complete the Housing Element by the due date state funding (grants) for housing related activities will likely be withheld. Historically, this effort has been largely funded through redevelopment tax increment that is no longer available. County staff has completed a consultant selection process to prepare the Housing Element update. The effort is estimated by Veronica Tam and Associates to cost \$45,000, all of which will be needed in FY 2014-15. Any work needed after June 30, 2015 would be completed by staff. The work can

begin as soon as the funding is confirmed and a Professional Services Agreement is executed.

FY14-15 Funding:	\$45,000
Anticipated FY15-16 funding needs:	\$0
Longer term funding needs:	After Year 2020

#### *Salinas Valley Water Study*

There are two parts to this request:

- 1) Board Referral requesting an interim report and water study related to existing condition of the Salinas Valley basin by December 2014. This is a technical document requiring consultant expertise, as well as oversight from both the MCWRA and RMA. There is no legal obligation to prepare this study.
- 2) Policy PS-3.1 requires a 5-year report due in 2018 that evaluates the health of Zone 2C which is part of the Salinas Valley water basin. This was negotiated as part of a Settlement Agreement adopted by the Board of Supervisors.

Funding for both components was estimated at \$500,000, and it is more cost effective to engage one consultant to prepare both pieces. Monterey County Water Resources Agency (MCWRA) and County Counsel staff have been working with a consultant to refine the costs and timing to provide a more definitive cost estimate for the work that is needed.

On July 8, 2014, the Board of Supervisors will consider authorizing the Resource Management Agency Director to execute a Professional Services Agreement with the firm Brown and Caldwell to perform the 2010 General Plan Salinas Valley Groundwater Basin Zone 2C Study. The Study is estimated by Brown and Caldwell to cost approximately \$774,000. Based upon the schedule and cost estimate set forth in the draft agreement, approximately \$387,000 will be needed in FY 2014-15. Additionally, approximately \$75,000 will be needed in FY 2014-15 to pay for the Agency's services as provided in the MOU. Monterey County Water Resources Agency will be contributing \$75,000 to the study. The total needed in FY 2014-15 is therefore approximately \$462,000.

During the June 10, 2014 Budget Hearings the estimated cost for the Study in FY 14-15 was \$270,000, which was to come out of the \$1,000,000 for general plan implementation. Based on the latest cost estimate for this Study and associated Agency Services, this is an increase of \$192,000 from what was anticipated for FY 14-15.

FY14-15 Funding:	\$270,000
Anticipated additional funding (FY14-15):	\$192,000
Longer term funding needs:	\$387,000

A multi-jurisdictional grant application to the US Bureau of Reclamation would have provided funding for a basin study of Salinas Valley and Carmel Valley totaling \$1,000,000, but staff received notice that our application was not awarded any funding.

#### *Other*

A number of tasks were identified in a Budget Change Proposal (BCP) submitted by RMA related to General Plan implementation. The costs shown in the BCP submitted for this year are summarized by the following funding needs:

FY14-15 Funding:	None
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Anticipated FY15-16 funding needs: \$290,000  
Longer term funding needs: \$158,000-345,000

Significant costs related to Community Plans and Rural Centers are not included, and would be anticipated to occur in outlying years. The range shown is partly related to the cost for supplemental environmental documents, with an unknown cost at this time. Staff continues to search for grant opportunities to assist with this work.

### **Local Coastal Program Tasks**

Long Range Planning staff began the update of the Local Coastal Program (LCP) in June 2012. In September 2012 the Board of Supervisors endorsed the management process for preparing, amending and adopting updates to the LCP (REF120071). With current estimates of upcoming tasks and the need for technical assistance, the estimate to fund consultant assistance is approximately \$435,000 over a two year period. This includes an allocation of \$180,000 for consultant work to complete the technical studies through FY 2015-16. Additional costs for FY 15-16, and likely beyond, are for consultants to prepare environmental documents for the update.

FY14-15 Funding: \$99,075  
Anticipated FY15-16 funding needs: \$335,000  
Longer term funding needs: TBD

Some technical work is being funded with grants, and staff continues to search for grant opportunities.

### **Carmel Lagoon**

Staff has been directed to perform work relative to projects Carmel Lagoon that require funding. Work for FY 14-15 includes preparation of environmental documents to satisfy Federal and State requirements that must be completed in 2015 to meet obligations of a MOU entered with US Army Corp of Engineers and national Marine Fisheries Services. A significant portion of the consultant effort is underway and being completed in FY 2013-14. Consultant funding requested for this task is \$300,000 for FY 2014-15 to complete the environmental work.

FY14-15 Funding: \$300,000  
Expected FY15-16 Funding: not applicable  
Longer term funding needs: not applicable

Staff is involved with other related projects on the Lower Carmel River, including: a drainage and floodplain management strategy for CSA-50 as well as floodplain restoration and causeway projects. Technical support for these projects is being funded by other sources, and staff continues to search for grant opportunities.

### **Additional Information**

Some tasks which require consultant assistance are being addressed with other funding sources, including grants. These tasks and costs are not addressed in this report. For example, the traffic studies required to determine development traffic impact fees, as part of the General Plan implementation, are being funded from other sources. We have also funded tasks related to energy and climate change with a grant we were awarded from the federal government. We also

have applied for or have been awarded grants for efforts related to energy, climate, sea level rise, sustainability, and coastal planning. We will continue to search for and apply for grants to supplement County funding.

Current funding does not include significant future efforts related to the following:

- Community Plan preparation for Chualar, Pajaro, Boronda, and Fort Ord
- Infrastructure and Financing Studies for Rural Centers
- Environmental documents for LCP updates
- Some Technical Reports for LCP updates
- Environmental documents for Community Plans, Rural Center studies, and certain tasks requiring additional environmental consultant support

### **Options**

The above discussion is staff's recommendation for funding priorities for this fiscal year. Other options for the Board to consider include the following:

- 1) Provide alternative direction on priorities. It is possible that adjustments to the priorities outlined above, or alternative methods of getting the work funded or completed, will surface as the upcoming fiscal year progresses.
- 2) Allow flexibility in how the money is allocated. RMA requests flexibility to work with the CAO-Budget Office to utilize the \$1,000,000 as to which tasks the funds are allocated. Staff requests the ability to shift money if the needed funding identified for any of the tasks is less than the above estimates. Any of these tasks could take a different shape that will not require the estimated amount to complete. For example, staff has applied for grants that could free up some of that money for this fiscal year.
- 3) Adjust the dollar limit allocated for FY 14-15. If funding is reduced, staff would reallocate staff resources to other project/priorities.