



County of Monterey

Item No.

Board Report

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

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In the matter of:

Carmel Lagoon Scenic Road Protective Structure (SRPS), Ecosystem Protection Barrier (EPB), and Interim Sandbar Management Plan (ISMP) Project (REF120051)

- a. Certify the Final Environmental Impact Report/Environmental Assessment (FEIR/EA) for the Carmel Lagoon Scenic Road Protective Structure (SRPS), Ecosystem Protection Barrier (EPB), and Interim Sandbar Management Plan (ISMP) ('Carmel Lagoon Project') (SCH#:2014071050);
- b. Select the Scenic Road Protective Structure at the Mid Slope Wall (alternative 5.3.2.5 of the FEIR/EA) and Sandbar Management Plan (No EPB) (alternative 5.3.3.2 of the FEIR/EA), with the potential for individual garden walls along the property lines (alternative 5.3.2.4 of the FEIR/EA), and the potential long-term solution to the Sandbar Management Plan being a Home Elevation Program (alternative 5.3.2.3 of the FEIR/EA) as the preferred project;
- c. Direct staff to seek funding for the design, permitting, construction, and ongoing maintenance of a Scenic Road Protective Structure at the Mid Slope Wall (alternative 5.3.2.5 of the FEIR/EA) and Sandbar Management Plan (No EPB) (alternative 5.3.3.2 of the FEIR/EA);
- d. Direct staff to coordinate with County of Monterey Department of Emergency Management to further investigate implementing a Home Elevation Program as described in Alternative 5.3.2.3 for homes in the floodplain adjacent to the Carmel Lagoon and return to the Board at a later date with a proposed Program; and
- e. Adopt a Mitigation Monitoring and Reporting Plan.

CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA") action: Certify the FEIR/EA for the Carmel Lagoon SRPS, EPB, and ISMP project which consists of the 2016 Draft EIR, the 2024 Revised Draft EIR, and the Final EIR consistent with Section 150088.5 of the CEQA guidelines.

RECOMMENDATION:

It is recommended that the Board of Supervisors consider adopting a resolution to:

- A) Certify the Final Environmental Impact Report/Environmental Assessment (FEIR/EA) for the Carmel Lagoon Scenic Road Protective Structure (SRPS), Ecosystem Protection Barrier (EPB), and Interim Sandbar Management Plan (ISMP) ('Carmel Lagoon Project') (SCH#:2014071050);
- B) Select the Scenic Road Protective Structure at the Mid Slope Wall (alternative 5.3.2.5 of the FEIR/EA) and Sandbar Management Plan (No EPB) (alternative 5.3.3.2 of the FEIR/EA), with the potential for individual garden walls along the property lines (alternative 5.3.2.4 of the FEIR/EA), and the potential long-term solution to the Sandbar Management Plan being a

- Home Elevation Program (alternative 5.3.2.3 of the FEIR/EA) as the preferred project;
- C) Direct staff to seek funding for the design, permitting, construction, and ongoing maintenance of a Scenic Road Protective Structure at the Mid Slope Wall (alternative 5.3.2.5 of the FEIR/EA) and Sandbar Management Plan (No EPB) (alternative 5.3.3.2 of the FEIR/EA);
- D) Direct staff to coordinate with County of Monterey Department of Emergency Management to further investigate implementing a Home Elevation Program as described in Alternative 5.3.2.3 for homes in the floodplain adjacent to the Carmel Lagoon and return to the Board at a later date with a proposed Program; and
- E) Adopt a Mitigation Monitoring and Reporting Plan.

SUMMARY/DISCUSSION:

The primary objective of the Carmel Lagoon Project is to implement a solution to improve the functions and values of the ecosystem in and around the Lagoon by restoring the Lagoon's historic hydrologic, pre-management conditions to the extent feasible to protect and improve habitat for fish and wildlife while maintaining flood protection (Attachment A). Staff recommends certifying the Carmel Lagoon Project FEIR/EA, approving the SRPS Mid Slope Wall (alternative 5.3.2.5 of the FEIR/EA) and Sandbar Management Plan (No EPB) (alternative 5.3.3.2 of the FEIR/EA), with the potential for individual garden walls along the property lines (alternative 5.3.2.4 of the FEIR/EA), and the potential long-term solution to the Sandbar Management Plan being a Home Elevation Program (alternative 5.3.2.3 of the FEIR/EA), and to provide direction to staff to seek funding for the design, permitting, construction, and maintenance of the SRPS at mid slope, ongoing sandbar management, and a potential home elevation program (Attachment B).

For 51 years, the County of Monterey has performed Interim Sandbar Management Activities on Carmel River State Beach, along the Carmel Lagoon, on an annual basis (Attachment C). These activities generally include placing sandbags along the north side of the Carmel Lagoon to protect low-lying homes from flooding when the lagoon levels rise, installing temporary pumps with generators to pump urban stormwater drainage over the sandbag wall and into the lagoon, and trenching a pilot channel through the sandbar that naturally occurs across the Carmel River mouth at the Carmel River State Beach. This pilot channel allows the lagoon to overtop the beach, thus breaching the sandbar before the lagoon water surface elevation reaches a high enough stage to flood low lying adjacent homes. These activities are currently performed annually under permits from the US Army Corp of Engineers (USACE), the California Coastal Commission (CCC), the California Department of Fish and Wildlife (CDFW) (sometimes referred to as the 'permitting agencies'), and with permission from the California Department of Parks and Recreation (State Parks) for access. The interim sandbar management activities have substantially reduced the frequency of flooding of low-lying homes near the Carmel Lagoon (area known as "the Fourth Addition"), but the management activities do not entirely eliminate the potential for flooding, and flooding has occurred on numerous occasions despite sandbar management occurring. A long-term solution that balances the risk of sandbar management to critical habitat and federally listed endangered species with the need to provide ongoing flood risk reduction activities has been sought since 2005 in consultation with regulatory agencies and stakeholders. Allowing the Lagoon system to function naturally is expected to lead to the river naturally breaching or migrating to the north at times, which could potentially damage Scenic Road and the State Parks parking lot.

The proposed project in the FEIR/EA was the result of extensive conversations with agencies and stakeholders in 2005-2007. Staff's recommendation to approve an alternative to the proposed project is the result of extensive conversations with stakeholders, agencies, and technical advisors since 2011. The County has studied long-term solutions and found such solutions to be complicated in this unique dynamic, fragile, and scenic area.

In 2016, the County released a Draft Environmental Impact Report (DEIR) that studied an Environmental Protection Barrier (EPB) in the Lagoon to reduce flooding risks at the Fourth Addition neighborhood and at the Carmel Area Wastewater District (CAWD) facilities, construction of slope protection wall along Scenic Road (SRPS) to protect Scenic Road from a "northerly breach" of the lagoon and from wave erosion that threatens to undermine the roadway, and ongoing interim sandbar management (ISMP) until the EPB and SRPS were in place. The County received numerous comments on the DEIR including the lack of ability to obtain necessary permissions to construct an EPB in the Lagoon on property owned by State Parks. Given that construction of the EPB was found to be infeasible from a regulatory standpoint, and containing significant unavoidable impacts to noise, and aesthetics, and the numerous comments raising technical and legal concerns, the County elected to prepare a Revised Draft EIR (RDEIR). In 2024 the County released a RDEIR for public review and comment that considered a wide range of alternatives to the EPB, adding to those previously considered in the DEIR. Comments were received on the RDEIR and all comments received have been responded to in the Final EIR for the project.

Staff recommends that the Board avoid solutions that require construction of structures that hold back or direct water, as such structural solutions are expensive, have the potential to fail over time, have environmental impacts, and benefit less than 30 private properties and Carmel Area Wastewater District (CAWD) infrastructure. Though an EPB would allow the lagoon to rise to an elevation over 15 feet NAVD88 without flooding residences and structures adjacent to the lagoon, it would require significant construction and infrastructure maintenance, an ongoing maintenance access deed across the adjoining properties, and include aesthetic impacts to the natural view of the lagoon, and would require the ongoing running of water pump systems to remove water from the landward side of the wall thus including significant noise impacts. For these reasons, staff recommends that the sandbar management continue while a home elevation program is explored. Additional study and coordination with CAWD is required as their facilities could be impacted by rising lagoon levels that could occur without an EPB or sandbar management.

The Project Alternative to be approved by this action is the Mid-Slope SRPS as described in Alternative Component 5.3.2.5, as part of the "SRPS and Adaptive Sandbar Management (No EPB)" Project Alternative as described in Alternative 5.3.3.2. With direction from the Board, Housing and Community Development (HCD) and County of Monterey Department of Emergency Management (DEM) staff will coordinate to further develop a home elevation program based on Alternative 5.3.2.3 for homes in the floodplain adjacent to the Carmel Lagoon located south of 16th Street, known as the "Fourth Addition". This is the environmentally preferred alternative other than the No Project Alternative and will have no significant impacts with implementation of mitigation measures outlined in the Mitigation Monitoring Reporting Plan (MMRP) (Attachment D).

Certification of the FEIR/EA for this project and selection of the preferred project will allow HCD, in coordination with Public Works, Facilities, and Parks (PWFP), to add the mid-slope wall project to the County's Capital Improvement Program (CIP), seek funding for design, permitting, construction, and maintenance of the SRPS and funding for ongoing sandbar management, coordinate with DEM to explore funding opportunities for home elevation grant programs, and seek the necessary permits and agreements with State and Federal agencies. This is anticipated to take several years and will cost staff time from HCD and PWFP. Sandbar Management and any long-term solutions do come with risks and will require securing financing and staff time.

After review of all the comments received and after coordination with responsible agencies at the State level, staff recommends the Board: 1) certifies the FEIR; 2) select the environmentally preferred alternative SRPS at mid slope and no EPB project, including a sandbar management plan and the potential for garden walls in place of sandbags along individual property lines; 3) direct staff to explore a home elevation program (including protection or relocation of CAWD infrastructure) that could eventually eliminate the need for ongoing sandbar management in the future; and 4) direct staff to seek funding for the design, permitting, construction, and maintenance of the SRPS and ongoing sandbar management. Approval and implementation of the Project Alternative as recommended by Staff will provide ongoing flood risk reduction for the Fourth Addition neighborhood in the form of sandbar management comparable to previous years and will protect Scenic Road and State Parks infrastructure at Carmel River State Beach from further erosion from the Carmel River breaching to the north.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

An Environmental Impact Report (EIR) pursuant to CEQA and an Environmental Assessment (EA) pursuant to the National Environmental Policy Act (NEPA) have been prepared for the project. A Draft EIR/EA was prepared and circulated for public review and comment between December 2, 2016, and January 31, 2017, for 45 days (SCH# 2014071050). Over 40 comments were received on the Draft EIR questioning the project and calling for additional further review of impacts and alternatives. The County of Monterey, as lead Agency reviewed the comments and elected to prepare a Revised Draft EIR (RDEIR). The RDEIR was circulated for public comment between February 2, 2024, and March 20, 2024. The RDEIR revised only the following Chapters of the DEIR: Summary of the Environmental Impact Report; Environmental Setting, Impacts and Mitigation Measures; Alternatives; CEQA Considerations; and List of Preparers, as well as updated discussion and analysis in the following topical issues areas: aesthetics, biological resources, geology and soils, hydrology and water quality, and transportation. Additional comments were received during the review period on the RDEIR. A Final EIR has been prepared that responds to comments received on both the Draft EIR and RDEIR. The Draft EIR/EA, RDEIR, and Final EIR together constitute the FEIR/EA for the project.

The FEIR/EA found that the proposed project (the EPB, SRPS, and ISMP) could have significant and unavoidable impacts to aesthetics, and noise. However, alternatives to the project have been identified that could avoid and mitigate impacts to a less than significant level. The preferred project recommended by staff (mid-slope SRPS, no EPB, and ongoing

sandbar management) would avoid or reduce impacts to a less than significant level.

Impacts deemed less than significant with mitigation measures under CEQA and NEPA are described in the attached resolution (Attachment B), and more fully in the 2024 FEIR/EA (Attachment A). Staff are asking the Board of Supervisors to adopt a resolution to certify that it considered the FEIR/EA, to adopt CEQA findings for project approval and approve the Environmentally Superior Alternative project as described in the FEIR/EA and adopt a Mitigation Monitoring and Reporting Plan (MMRP) (Attachment D).

OTHER AGENCY INVOLVEMENT:

The County of Monterey is acting as the Lead Agency under CEQA for the Carmel Lagoon Project. As of January 1, 2024, Senate Bill SB 69 (Cortese, 2023) required that local agencies electronically file all Notices of Determination (NOD) with the Governor's Office of Planning and Research (OPR) in addition to filing the NOD with the County Clerk of the County where the project will be located. The Carmel Lagoon Project was initiated under the former Resource Management Agency. With Board approval of this action, the Department of Housing and Community Development (HCD) will have completed the majority of the FEIR certification process. With direction to further investigate a home elevation program, HCD staff will coordinate with DEM staff to bring a program before the Board for approval. The sandbar is currently and will continue to be managed by PWWP if permitted by the regulatory agencies (USACE, RWQB, CCC, CDFW). The USACE permit relies on Biological Opinions from the U.S. Fish and Wildlife Service and the United States Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) National Marine Fisheries Service (NMFS) also known as NOAA Fisheries. Comments were received on the DEIR and Revised DEIR by CCC, RWQCB, State Parks, CAWD, and CDFW. State Parks is the primary landowner.

FINANCING:

The adopted Fiscal Year (FY) 2024-2025 budget for Capital Project Fund 404, Appropriation Unit PFP057 includes \$60,000 for the Carmel Lagoon EIR (Project 7300). The budget was based on estimates made in early March 2024 during budget development. Staff will bring a report forward to the Budget Committee and then Board to true-up all capital project budget appropriations after year-end close. Carmel Lagoon EIR remaining project budget for FY 2024-25 is estimated to be \$189,696, thus staff will be requesting to increase appropriations by \$129,696. This is a roll forward and will not require additional financing.

These funds are intended for finalizing the FEIR/EA and will close out the Agreement with Denise Duffy and Associates (DDA). DDA was contracted to complete this EIR in 2014 and will complete the work with total estimated cost of \$1,547,252. An additional \$30,166 was expended with Balance Hydrologics to calculate the cost-benefit ratio in preparation for applying to the State of California, Governor's Office of Emergency Services (CalOES) for a Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant. Staff were encouraged by CalOES to withdraw the application due to no certified project EIR and no funding match for the proposed project.

Current sandbar management costs approximately \$175,000 per year for rental of heavy equipment, permit applications, and biological monitoring and is budgeted in PWWP Stormwater/Floodplain Management, General Fund 001, Appropriation Unit PFP061 and

financed with General Fund Contribution. Staff time is funded by HCD and PWFP Stormwater/Floodplain Management (001-PFP061) department budgets respectively. Ongoing adaptive sandbar management as proposed for approval of alternative 5.3.3.2 would have a higher cost than current practices due to increased monitoring needs.

The anticipated cost of the SRPS mid-slope wall alternative is approximately \$7.2 million, as estimated by Balance Hydrologics in 2023. Home elevation estimates are approximately \$230,000 per home as estimated in 2015 (Attachment E). If directed to do so, Staff will seek funding for the design, permitting, construction, and maintenance of the SRPS, and will seek funding sources for a home elevation program. Potential sources of grant funds include FEMA, CalOES, as well as other State and Federal agency funds for flood risk reduction and coastal erosion protection. Grants often require a local match of funds. The FEMA home elevation program requires that residents contribute 25% of the costs, with FEMA funding the remaining 75% with federal funds. A Property 218 assessment on the benefiting property owners could provide the resources to support the local match. This type of assessment is subject to voter approval.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

If approved, this action authorizing HCD to continue with the Project supports the Board of Supervisors' Strategic Initiatives for Administration and Infrastructure. The Project will provide physical infrastructure to reduce coastal erosion of a County Road, State Parks parking lot and facilities, and continued flood risk reduction activities to promote the safety of area residents and property.

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

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Approved by: Craig Spencer, Director, HCD **CS**

The following attachments are on file with the Clerk of the Board:

- Attachment A - Final EIR/EA (Website Link)
- Attachment B - Draft Resolution
- Attachment C - Background
- Attachment D - MMRP
- Attachment E - Cost summary