



Legislation Details (With Board Report)

File #: 24-299 **Name:** Status update on the CRFREE Project (REF140048)
Type: General Agenda Item **Status:** Agenda Ready
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On agenda: 5/13/2024 **Final action:**
Title: Receive a status update on the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project (REF140048).

Sponsors:

Indexes:

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Attachments: 1. CIC Report, 2. Attachment A - CRFREE Grant Funding Summary

Date	Ver.	Action By	Action	Result
5/13/2024	1	Capital Improvement Committee		

Receive a status update on the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project (REF140048).

It is recommended that the Capital Improvement Committee:

a. Receive a status update on the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project (REF140048).

SUMMARY

On June 15, 2021, the Board of Supervisors approved the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project (Project). The 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. Following the CRFREE Project construction, over 150 properties in County Service Area 50 (CSA 50) will be entirely removed from the 100-year floodplain, and all of the property within the CSA 50 jurisdictional boundary will have 100-year flood elevations reduced by up to 2 feet following a Federal Emergency Management Agency (FEMA) Letter of Map Revision (LOMR). Public trails will be constructed to connect California Department of Parks and Recreation (State Parks) land to the west of Highway 1 with Monterey Peninsula Regional Parks District land to the east. Big Sur Land Trust will maintain 35 acres of the CRFREE project area property for agricultural use to preserve the historic agricultural nature of the property. Key construction aspects of the 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 under Highway 1, connecting the south lower Carmel River Floodplain with the south arm of the Carmel Lagoon. The Project is entirely grant funded and is expected to become fully funded and ready to begin the construction bid process in late 2024.

DISCUSSION

Housing and Community Development (HCD) and Public Works, Facilities and Parks (PWFP) staff are working with the CRFREE Project co-sponsor Big Sur Land Trust (BSLT) to complete pre-construction and fundraising related tasks ahead of construction of the CRFREE Project. Currently, CRFREE construction work is anticipated to begin in 2025, pending the resolution of the FEMA environmental review process and

subsequent grant award. The flood risk reduction benefits and full public access will follow Project completion, currently anticipated to be in 2028.

In January 2022, staff brought an update to the Capital Improvement Committee (CIC) and advised phasing of the CRFREE Project to take advantage of construction funds from the Department of Water Resources (DWR) Flood Corridor Grant, then anticipated to expire in late 2023. In mid-2022, FEMA advised staff that any construction on the CRFREE project could jeopardize the County of Monterey's eligibility for the CalOES/FEMA Hazard Mitigation Grant Program (HMGP). Due to the potential risk to the bulk of the CRFREE grant funding, work to bring a phased Project to construction was paused. At present, 95% plans are completed for the CRFREE Project and have been recombined into one bid package. The DWR flood corridor grant was extended by the State of California in 2022, and now remains valid until the end of 2028.

The County of Monterey applied for the CalOES/FEMA HMGP funds in 2019. In 2022, FEMA began environmental review of the CRFREE Project, in addition to the existing CRFREE environmental review pursuant to the California Environmental Quality Act and National Environmental Policy Act, which has concluded. FEMA's review process remains on hold due to a lack of concurrence between the State Historic Preservation Officer (SHPO) and the U.S. Army Corps of Engineers (USACE) regarding the disturbance of a historic resource by the undergrounding of the Carmel Area Wastewater District's (CAWD) above ground pipelines in the south arm of the Carmel Lagoon. The CAWD undergrounding project is mitigation for the CRFREE Project. In October 2023, the USACE brought the dispute to the Advisory Council for Historic Preservation (ACHP) for a ruling. In November 2023, the ACHP provided a ruling that the USACE had not applied the criteria of adverse effect correctly and was not justified in making a finding of No Adverse Effect for this undertaking. The ACHP proposed that the USACE revise its finding of effect and then proceed to develop a Memorandum of Agreement (MOA) and historic property treatment plan (HPTP) in consultation with SHPO and other consulting parties. In December 2023, the USACE advised the County and other parties that it had revised its finding of effect and was working with CAWD to revise the HPTP as well as to prepare the MOA. In late February 2024, the USACE provided a draft MOA and the HPTP to SHPO for review. In April 2024, SHPO communicated to CAWD that the MOA is not sufficient and has recommended further archeological study of the site. At this time, the County is meeting monthly with FEMA, CalOES, CAWD and the USACE to share updates of progress. Once concurrence is reached, FEMA can publish the CRFREE environmental assessment, and subsequently issue a Finding of No Significant Impact. This will then allow FEMA to publish a large project notification and facilitate the grant funding process.

County staff continue to work on final design and pre-construction tasks to prepare the CRFREE Project to be shovel ready when all grant funding is received. Current work is being undertaken to complete necessary agreements, including finalizing a long-term maintenance agreement with landowners, temporary construction easements, right of entry permits, and utility relocation agreements. On April 3, 2024, the Monterey Peninsula Regional Parks District's (MPRPD) Board approved the proposed CRFREE long-term management MOU and authorized the General Manager to sign the MOU. The CRFREE long-term management MOU will be brought to the Board of Supervisors in May 2024. Permanent and temporary easements, deeds, acquisitions, and right of entry permits will also be brought before the Board of Supervisors for approval in mid-2024. The next important milestone for the CRFREE Project is the Caltrans ruling for ready to list, anticipated in fall of 2024.

Completion of the FEMA environmental review and CalOES large project award process is currently anticipated before the end of 2024. At that point it is anticipated that the CRFREE Project will be fully funded. Once the Project is fully funded, staff will present the proposed Bid Books, which will include the Project Plans and Specifications, to the Board of Supervisors for approval, prior to initiating the bid process for construction of the Project. It is currently anticipated that construction of the CRFREE Project will begin in June 2025 and that the Project will be completed by mid-2028.

OTHER AGENCY INVOLVEMENT

Big Sur Land Trust (BSLT) is a co-sponsor for the CRFREE Project. BSLT, California Department of State Parks and Recreation (State Parks) and Monterey Peninsula Regional Parks District (MPRPD) are property owners within the Project area. Through a Cooperative Agreement with Caltrans, the County of Monterey is acting as the Lead Agency for the Project pursuant to the California Environmental Quality Act.

FINANCING

Based on the December 2023 95% engineering plans cost estimate, CRFREE is anticipated to cost \$57.5 million, and will be entirely grant funded (Attachment A). Grant funds have been awarded from the Department of Water Resources (DWR), the Wildlife Conservation Board, and the California State Coastal Conservancy. A grant award agreement for funds from the DWR Integrated Regional Water Management Group (IRWMG) grant program will be presented to the Board of Supervisors for approval in May. Upon bid approval, Caltrans will award the CRFREE Project \$1 Million Dollars. A future funding agreement with MPRPD will contribute \$500,000 for the left turn lane which is a component of the CRFREE Project to allow access from State Route 1 to MPRPD and BSLT property. In March 2024, the County was awarded \$3 million in the FY24 federal appropriations process for the CRFREE project. Receipt of this funding is pending the preparation of a funding agreement by Caltrans. Quarterly reimbursement requests are submitted in a timely manner to minimize cash flow impacts. There is no impact to the General Fund as a result of this recommendation.

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Approved by: Craig Spencer, Director, Housing and Community Development

The following attachment is on file with the Clerk of the Board:

Attachment A - CRFREE grant funding summary