



## Board Report

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**File #:** RES 21-100, **Version:** 1

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In the matter of:

**Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) (REF140048)**  
(SCH#2011021038) Consider adopting a resolution to:

- a. Certify that the Board has considered the previously certified Environmental Impact Report/Environmental Assessment for the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project (SCH#2011021038);
- b. Approve the Carmel River Floodplain Restoration and Environmental Enhancement Project, generally consisting of removing a portion of the existing south bank Carmel River levee, grading to restore the floodplain to accommodate conveyance of flows, construction of a 360 foot long causeway to convey flows under California State Route 1 into the south arm of the Carmel Lagoon, elevation of 23 acres out of the floodplain for future use as an agricultural preserve, construction of trails, and restoration of native habitats;
- c. Authorize the Director of the Housing and Community Development Department to apply for and obtain the encroachment permit from California Department of Transportation (Caltrans) for the causeway construction component of the Project, and to apply for permits and entitlements from the Coastal Commission and other agencies on behalf of the County; and
- d. Adopt a Mitigation Monitoring and Reporting Plan.

[Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE), State Highway Route 1, Carmel, CA, 93923, Carmel Area Land Use Plan, Assessor's Parcel Numbers (APNs) 243-071-005-000, 243-071-006-000, 243-071-007-000, 243-021-007-000, 157-121-001-000 and 243-081-005-000, 243-071-008-000]

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

- a. Certify that the Board has considered the previously certified Environmental Impact Report/Environmental Assessment for the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project (SCH#2011021038);
- b. Approve the Carmel River Floodplain Restoration and Environmental Enhancement Project generally consisting of removing a portion of the existing south bank Carmel River levee, grading to restore the floodplain to accommodate conveyance of flows, construction of a 360 foot long causeway to convey flows under California State Route 1 into the south arm of the Carmel Lagoon, elevation of 23 acres out of the floodplain for future use as an agricultural preserve, construction of trails, and restoration of native habitats;
- c. Authorize the Director of the Housing and Community Development Department to apply for and obtain the encroachment permit from California Department of Transportation (Caltrans) for the causeway construction component of the Project, and to apply for permits and entitlements from the Coastal Commission and other agencies on behalf of the County; and
- d. Adopt a Mitigation Monitoring and Reporting Plan.

### SUMMARY:

The Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project is a multi-benefit, "green infrastructure" Project that will reduce flood risk and restore riverine habitat where natural and built environments intersect at the mouth of the Carmel Valley. The Project is intended to reduce repetitive, high-loss flooding by directing high river flows to the restored floodplain, then to the river mouth under a new causeway on State Route 1 (SR 1). The causeway will significantly reduce ponding and upstream backwater

flooding. The CRFREE Project received a Government Alliance on Race and Equity (GARE) score of 6 out of 6 due to the Project's contribution to the community as defined by the Racial Equity Tool (RET).

The property on which the project will be constructed is owned respectively by State Parks, the Monterey Peninsula Regional Parks District (MPRPD), and Big Sur Land Trust (BSLT). The County, in most cases in conjunction with BSLT, will serve as the applicants for permits and approvals for the construction of the project, with BSLT and other entities to be responsible generally for the long-term responsibilities under the permits. These cooperative arrangements are set forth in a proposed Amendment and Complete Restatement of Memorandum of Agreement, attached to this report as Attachment B. In addition, the County and Caltrans have previously entered into a Cooperative Agreement for the construction of the causeway component of the Project.

The County of Monterey is the lead agency under the California Environmental Quality Act (CEQA) for the CRFREE Project. The Board of Supervisors certified the Environmental Impact Report/Environmental Assessment (EIR/EA) on January 28, 2020. The EA is a National Environmental Protection Act (NEPA) document that has been used by the US Fish and Wildlife Service (USFWS) to issue a Finding of No Significant Impact (FONSI) for the floodplain portion of the project. The County expects Caltrans will issue a FONSI for the causeway portion of the project.

The purpose of today's Board action is to give the approval to Housing and Community Development Department (HCD) to take the steps necessary to apply for and obtain the permits and approvals for construction of the Project. HCD has presented a resolution for Board consideration that includes CEQA findings for project approval and adoption of a Mitigation Monitoring and Reporting Plan. (Attachment A)

#### DISCUSSION:

On January 28, 2020, the Board of Supervisors certified the EIR/EA. At that time, staff were working on resolving three outstanding matters: 1) Agreement with Carmel Area Wastewater District (CAWD), 2) regarding the matter of the Riverfield well, 3) Multi-agency memorandum of understanding (MOU). These outstanding items are substantively resolved. A draft MOU is being circulated for review and approval by partnering agencies and will be brought before the board for consideration once partnering agencies' review is complete and a final draft acceptable to the parties is ready. The public review draft of the MOU is attached. (Attachment B) The matter regarding the Riverfield well has been resolved with the cooperation of MRPD without the need for a formal agreement. CAWD and County staff have had several meetings to discuss the terms of a memorandum of agreement regarding funding for CAWD to move the south arm Carmel Lagoon above-ground wastewater pipelines below ground pursuant to mitigation measures in the EIR/EA. The County anticipates that approximately \$6.8 million for the CAWD undergrounding project will be funded from grant funds raised for the CRFREE project and is included in CRFREE cost estimates.

The certified Final EIR/EA evaluates a No-Build (no-action) project and three build alternatives to improve the natural and historic functions and values of the lower Carmel River and Carmel Lagoon. The build alternatives are: 1) Preferred Project, 2) Reduced Project Alternative, and 3) Secondary Channel Alternatives. (Attachment C) The alternatives vary in size, extent, and configuration, as laid out in Attachment C. Both the Preferred Project and the Secondary Channel Alternative meet the CRFREE Project objectives, but due to additional floodplain grading, the Secondary Channel Alternative is anticipated to be economically infeasible. The Reduced Project Alternative and the No Build Alternative do not meet the Project Objectives for flood hazard reduction and ecosystem benefits. HCD recommends the Board of Supervisors select Alternative 1, the Preferred Project, as it provides the most economically feasible and environmentally responsible flood reduction benefits.

The Preferred Project consists of two interdependent components: The Floodplain Restoration and the Causeway. The Floodplain Restoration component consists of: (1) removal of approximately 1,470 linear feet of non-structural earthen levees on the south side of the Carmel River channel on property owned by Big Sur Land Trust; (2) grading of approximately 103 acres to restore the site's ecological function as a floodplain by creating the hydrogeomorphic characteristics necessary to support natural floodplain restoration activities; (3) grading to elevate approximately 23 acres of existing farmland above the 100-year floodplain elevation to create an agricultural preserve; and (4) implementation of a resource management plan. The causeway component consists of replacing a portion of the SR 1 roadway embankment with a 360-foot-long overflow bridge to accommodate flood flows that enter into the south overbank area as a function of the removal of portions of the levees as described above, and to restore hydrologic connectivity between the Project site and the Carmel Lagoon. The Project will result in the reconnection and restoration of approximately 102 acres of historic floodplain. (Attachment D)

The recommended action to adopt the resolution to approve the Project will set off a two-year timeframe, allowing construction to begin in 2023, and be completed in the Fall of 2024, reducing the potential loss of grant funds already allocated towards construction. The two-year timeframe will include efforts to obtain environmental permits, obtain right-of-way acquisition, and relocate utilities. Project approval is necessary to begin these negotiations with Caltrans and the Utility companies. The County is the recipient of \$16,702,243 in grant funds, with a further \$28,096,149 applied for and pending final decision from the Department of Water Resources and the California Office of Emergency Services. Received grant funds earmarked for construction totaling \$5,165,000 from the Department of Water Resources for the Flood Corridor Program and Urban Streams program must be expended by December of 2022. As these funds are allocated for construction, which will not commence until 2023, the County may be at risk of losing these funds, unless an extension is allowed, which would create a potential funding gap. The Big Sur Land Trust and the County are working together to identify additional grant funds to close this gap, should it occur. Department of Water Resources Flood Control Program and Urban Streams grant funds earmarked for pre-construction and design activities totaling \$786,000 will reimburse expenditures in Fiscal Year (FY) 2021-22. Grant funds totaling \$7,817,007 from the Wildlife Conservation Bureau (currently held grant), the Department of Water Resources Coastal Flood (pending approval) and the California State Coastal Conservancy (SCC) (pending approval) grants must be used to reimburse construction related expenses by the end of 2024 and unspent construction funds will create an additional funding gap if construction does not begin on schedule in the Spring of 2023.

A Mitigation Monitoring and Reporting Plan is included in the proposed resolution to approve the CRFREE Project. Impacts deemed less than significant with mitigation measures under the California Environmental Quality Act and National Environmental Policy Act are described in the attached resolution, and more fully in the 2020 certified Final EIR/EA. (Attachment E). HCD is asking the Board of Supervisors to adopt a resolution to certify that it considered the previously certified EIR/EA, to adopt CEQA findings for project approval and approve the preferred project as described in the EIR/EA, adopt a Mitigation Monitoring and Reporting Plan (MMRP), and authorize the Director of the Housing and Community Development Department or designee to obtain the encroachment permit from Caltrans for the causeway construction component of the Project, and to apply for permits and entitlements from the Coastal Commission and other agencies on behalf of the County.

OTHER AGENCY INVOLVEMENT:

Co-sponsor Big Sur Land Trust (BSLT) will be a co-applicant with the County for all Project permits and authorizations except for Caltrans approvals, which require one applicant. BSLT, California Department of State Parks and Recreation (State Parks) and MPRPD are property owners within the Project area. Through a cooperative agreement with Caltrans, the County of Monterey is acting as the Lead Agency under the

California Environmental Quality Act for the Project. Through a separate cooperating agreement between USFWS and Caltrans, the USFWS is acting as the Lead Agency under the National Environmental Policy Act. Caltrans District 5 is serving as a federal cooperating agency. In addition to the County, parties to the 2010 MOU and the currently circulating draft multi-agency MOU are BSLT, State Parks, MPRPD, Monterey County Water Resources Agency, and Monterey Peninsula Water Management District.

FINANCING:

The remaining tasks to complete the CRFREE Project is estimated to cost is \$42,034,954. Expenditures on Project design and environmental review to date total \$1,362,372, of which \$1,326,315 has been funded by grant funding, and \$36,057 has been funded by County Service Area (CSA) 23 Carmel Rancho, Fund 060. In FY 2020-21, HCD Staff have spent 533 hours working on the CRFREE Project, funded by Monterey County General Fund Appropriation Unit RMA013 as a Grant match requirement. The County expenditures on CRFREE are reimbursed from grants, causing a temporary impact on the General Fund. Project construction is contingent on acquiring the identified funding totals.

The County is the recipient of \$16,924,862 in grant funds. HCD will return to the Budget Committee and Board of Supervisors in the near future to accept grant funds from the SCC that have been earmarked for the CRFREE Project. A further \$28,096,149 in grant funds have been applied for and are pending a final decision from the Department of Water Resources and the California Office of Emergency Services. In FY 2021-22 an estimated \$776,075 is anticipated to be spent to complete design and pre-construction phase activities. Between FY 2022-23 and FY 2024-25 the remaining costs are anticipated to be covered by the anticipated grant funds, including staff time. (Attachment F)

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 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: Shandy Carroll, Management Analyst III (831) 784 -5643  
Approved by: Melanie Beretti, Housing and Special Programs Services Manager  
Approved by: Mike Novo, AICP, Interim Housing and Community Development Director

The following attachments are on file with the Clerk of the Board:  
Attachment A - Draft Resolution  
Attachment B - Draft multi-agency Memorandum of Understanding  
Attachment C - Comparison of Project Alternatives  
Attachment D - Project components  
Attachment E - Final EIR/EA <https://www.co.monterey.ca.us/home/showdocument?id=37889>  
Attachment F - Grant funding and cost summary by FY

