



Board Report

File #: RES 20-014, **Version:** 1

Adopt Resolution to:

- a. Approve and authorize the Director of the Resource Management Agency (RMA) of the County of Monterey to sign and submit the Grant Agreement, Notice of Unrecorded Grant Agreements, and all necessary documents to apply for and receive up to \$2.5 million in grant funds from the Wildlife Conservation Board for the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project (“Project”);
- b. Certify that, subject to Project approval, the County of Monterey will comply with all federal, state and local environmental, public health, and other appropriate laws and regulations applicable to the Project and will obtain or will ensure that the other project partners obtain all appropriate permits applicable to the Project; and
- c. Commit further to the terms and conditions specified in the Grant Agreement. (ADDED VIA ADDENDA)

RECOMMENDATION:

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

- a. Approve and authorize the Director of the Resource Management Agency (RMA) of the County of Monterey to sign and submit the Grant Agreement, Notice of Unrecorded Grant Agreements, and all necessary documents to apply for and receive up to \$2.5 million in funds from the Wildlife Conservation Board for the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project (“Project”);
- b. Certify that, subject to Project approval, the County of Monterey will comply with all federal, state and local environmental, public health, and other appropriate laws and regulations applicable to the Project and will obtain or will ensure that the other project partners obtain all appropriate permits applicable to the Project; and
- c. Commit further to the terms and conditions specified in the Grant Agreement.

SUMMARY:

On January 28, 2020, the Board of Supervisors certified the Final Environmental Impact Report/Environmental Assessment (FEIR/EA) for the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project (“Project”) and makes the Project eligible for certain grant funds. This certification marked a critical milestone for the proposed Project, and the Board at a future date will consider whether to approve the Project.

On December 20, 2019, RMA applied to the California Wildlife Conservation Board (WCB) for a \$2.5 Million Grant to fund the completion of the final designs and initiate construction of the Project. WCB is considering approval of the grant agreement to fund the Project at its February 26, 2020

board meeting. Staff recommends that the Board of Supervisors adopt a resolution (Attachment A) to authorize the Resource Management Agency Director to sign and submit all necessary documents to apply for and receive these grant funds from WCB for the Project. Staff will return to the Board to consider approving the Project at a later date. WCB grant funds designated for construction will not be expended until Board approval of the proposed Project and all necessary permits, approvals, and funding are completed.

DISCUSSION:

The proposed Project is a multi-benefit, green infrastructure project that will reduce flood risks and restore riverine habitat where natural and built environments intersect at the mouth of Carmel Valley. The Project is

part of a larger green infrastructure plan to reduce flood risks and improve self-sustaining hydrologic function of the Carmel River, its adjoining floodplain, and the Carmel River Lagoon. Key elements of the Project include removing sections of the south bank levees flanking the river to redirect flood flows into the adjoining floodplain, reconnecting the south bank floodplain with the Lagoon by allowing water to flow underneath a new causeway along State Route 1 (aka Highway One), and restoring floodplain habitat in former agricultural fields.

The Project previously benefitted from WCB funding in 2011, through Agreement WC-1059CF, Project ID 2010174, which allocated \$2.5 million for project management, engineering design, permitting, environmental review, construction, and restoration. That grant terminated on December 31, 2018, with significant accomplishments achieved for design and environmental review. \$1,781,857 of the original \$2.5 million award designated for project construction and restoration was not utilized.

WCB is a committed funding partner in support of the Project and invited the County and Big Sur Land Trust (BSLT) to submit a new WCB grant proposal for the Project. On December 20, 2019, RMA submitted Grant Application to WCB requesting \$2.5 Million to fund the completion of the final designs and initiate construction of the Project, once Project approval has occurred and a notice to proceed has been issued. WCB recognizes the Project as meeting the goals of WCB and funds were made available to the Wildlife Conservation Board for the enhancement or restoration of fish and wildlife habitat and for the development of public access facilities for hunting, fishing or other wildlife-oriented recreational uses. The WCB is proposing to grant to the County a sum not to exceed two million five hundred thousand dollars (\$2,500,000), upon and subject to the terms of a grant agreement to be entered by and among the State of California--Wildlife Conservation Board, the County of Monterey, Big Sur Land Trust, California Department of Parks and Recreation, and Monterey Peninsula Regional Park District for Carmel River Floodplain Restoration and Environmental Enhancement Project ("Grant Agreement").

Per the terms of the Grant Agreement (Attachment B), the WCB's obligation to disburse funds under the Grant Agreement is conditioned upon, among other things, the County authorizing the execution and performance of the Grant Agreement and the carrying out of the Project by the County. While certifying the FEIR/EA on January 28, 2020 was a necessary step for the Project, the Board of Supervisors at a future date will consider whether to approve the Project.

As the intended Grantee, the County must sign and submit the required Grant Agreement. Each property owner [BSLT, California State Department of Parks and Recreation (State Parks), and Monterey Peninsula Regional Park District (MPRPD)] must also sign the Grant Agreement authorizing the Grantee (County) to enter and use its property for the Project.

In addition, the County must sign a separate Notice of Unrecorded Grant Agreement [(NOUGA)] with each property owner, except State Parks (Exhibit G to the Grant Agreement). The County must also record NOUGAs on behalf of the state.

OTHER AGENCY INVOLVEMENT:

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

FINANCING:

Total estimated Project costs, including soft costs, are \$37.5 million. Expenditures by the County, to date, for the Project total \$1,199,919, of which \$153,919 was funded by the County General Fund and \$1,046,000 by grant funding. In addition, Monterey County has provided in kind contributions through RMA staff resources included as part of the adopted budgets over the past 10 years.

The Resource Management Agency (RMA) Facilities Master Plan Projects Fund, Fund 404, Appropriation Unit RMA015, as part of its FY 2019-20 Adopted Budget included an augmentation of \$21,132 to cover costs associated with Project permitting. RMA staff time for project management and preconstruction activities is funded as part of FY 2019-20 RMA Adopted Budget, Fund 001, Appropriation Unit RMA013.

To date, Project cosponsors, the County and BSLT, have secured over \$14 million in grant funds toward the Project; approximately \$9.25 million remain active and unspent. The County was recently notified of a \$300,000 planning grant award from the National Fish and Wildlife Foundation (NFWF). Currently, the agreement for the NFWF grant funds is being drafted. The County has two grant applications totaling \$25.4 million (toward the \$23.5 million gap) pending award decision: \$2.5 million for WCB grant funding and \$22.9 million for FEMA Hazard Mitigation Grant Program (HMGP) funding. Matching funds are not required for the WCB grant application. The recording of the NOUGAs on the behalf of the State is at no cost to the County as the recording is not subject to payment of fees pursuant to Section 27383 of the Government Code. No expenditure of grant funds for construction will occur until all funding has been secured for the Project and a notice to proceed is issued.

If any additional grants are awarded and agreements prepared, RMA will return to Budget Committee and Board of Supervisors to consider executing the grant agreements and increasing Fiscal Year 2019-20 appropriations.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Authorizing the RMA Director to sign a Grant Agreement to accept grant funds for the Project supports the Board of Supervisors' Strategic Initiatives for Administration, Infrastructure, and Public Safety. This action represents effective, timely response to RMA's customers and facilitates the procession of the Project. If the Project is approved by the Board, it will provide for sustainable physical infrastructure with its associated flood protection and habitat benefits.

☐ Economic Development
☒ Administration
☐ Health & Human Services
☒ Infrastructure
☒ Public Safety

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Reviewed by: Melanie Beretti, Property Administration/Special Programs Manager

Approved by: Shawne Ellerbee, RMA Deputy Director of Administrative Services

Approved by: Carl P. Holm, AICP, RMA Director

Attachments:

Attachment A-Draft Resolution

Attachment B-WCB Grant Agreement

(Attachments are on file with the Clerk of the Board)

cc: Rachel Saunders/BSLT; Barbara Buikema/CAWD; Brent Marshall/State Parks; Rafael Payan/MPRPD; CRFREE Public Distribution List; CRFREE Regulatory Agencies Distribution List; File REF140048