



## Board Report

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**File #:** RES 20-196, **Version:** 1

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Adopt a resolution:

- a. To authorize the Resource Management Agency (RMA) Director, or their successor department head, to submit a grant application for up to \$5,147,149 in competitive grant funding from the California Department of Water Resources (DWR) Coastal Watershed Flood Risk Reduction Grant Program for the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project and take all required actions for submittal, including obtaining Counsel's signature on the verification page;
- b. That pursuant and subject to all of the terms and conditions of the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1; Wat. Code, § 79700 et seq.), the RMA shall submit a proposal to obtain funding for the CRFREE Project from DWR;
- c. That the Monterey County Board of Supervisors authorizes the RMA Director to execute the funding agreement with the DWR and up to three (3) amendments to extend the term of the agreement not to exceed a total cumulative term of ten (10) years; and
- d. That the RMA Director shall prepare the necessary data, make investigations, and take other such actions as necessary and appropriate to execute the CRFREE Project.

**RECOMMENDATION:**

It is recommended:

- a. That the Board of Supervisors adopt a resolution to authorize the Resource Management Agency (RMA) Director, or their successor department head, to submit a grant application for up to \$5,147,149 in competitive grant funding from the California Department of Water Resources (DWR) Coastal Watershed Flood Risk Reduction Grant Program for the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project and take all required actions for submittal, including obtaining Counsel's signature on the verification page;
- b. That pursuant and subject to all of the terms and conditions of the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1; Wat. Code, § 79700 et seq.), the RMA shall submit a proposal to obtain funding for the CRFREE Project from DWR;
- c. That the Monterey County Board of Supervisors authorizes the RMA Director to execute the funding agreement with DWR and up to three (3) amendments to extend the term of the agreement not to exceed a total cumulative term of ten (10) years, and
- d. That the RMA Director shall prepare the necessary data, make investigations, and take other such actions as necessary and appropriate to execute the CRFREE Project.

**SUMMARY/DISCUSSION:**

The Carmel River Floodplain Restoration and Environmental Enhancement Project (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 Carmel Valley. On January 28, 2020, the Board of Supervisors certified the Final Environmental Impact Report/Environmental Assessment (FEIR/EA) for the Project, making it eligible for certain grant funds. Board approval of this Project will be sought at a future date.

Key Project elements include removing sections of the south bank levees flanking the river to redirect floodflow 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 (SR-1 and aka Highway One) and restoring

floodplain habitat in former agricultural fields. The Project will reduce repetitive, high-loss, flooding by directing high river flows to the restored floodplain, then to the river mouth under a new causeway on SR-1. The causeway will eliminate ponding and upstream backwater flooding that damages residential and commercial areas on the north side of the river channel.

In 2017, the Coastal Watershed Flood Risk Reduction Program (Program) was established through California Assembly Bill 97, which authorized the use of funds from Proposition 1. The Funding Authority for the competitive grants is the Water Quality, Supply, and Infrastructure Improvement Act of 2014, which authorized \$7.545 billion in general obligation bonds to fund ecosystems and watershed protection and restoration, water supply infrastructure projects, including surface and groundwater storage, and drinking water protection. The California Department of Water Resources (DWR) is administering Proposition 1 funds for the Program, and \$24.3 million is available to fund projects in coastal areas that focus on multi-benefit flood risk reduction. Eligible projects must address flood risk and public safety, enhance coastal ecosystems, including fish and wildlife habitat enhancement, and promote natural resources stewardship and public access corridors for projects that intersect the California Coast or San Francisco Bay.

On August 7, 2020, the Resource Management Agency (RMA), in partnership with the Big Sur Land Trust, submitted a concept proposal letter on behalf of the County to DWR (Attachment A) seeking \$5,147,149 in grant funding for the Project. DWR invited the County to submit a full proposal. The submittal deadline for the full grant application is November 20, 2020. The grant funds would support project management costs, certain construction costs, and State Parks historical structures elevation costs.

If the grant funding is awarded, the County will be required to conserve, in perpetuity, any property improvements or property interests acquired pursuant to this Program, either by a recorded conservation easement, deed restriction, or similar limitation to fee title held and enforced by an identified third party. The County is already subject to this requirement through previous grants received from the DWR as well as the Wildlife Conservation Board and the National Fish and Wildlife Foundation. A criterium for the grant funds is that the work funded through the grant be completed by or before December 2023. The County will commit to have the road detour, utility relocation, elevation of State Parks historical structures, preparation for floodplain restoration, and related project management completed within the December 2023 time frame. If the application is successful and grant funds are approved, DWR will require the County to: adopt a resolution accepting the funds; execute a funding agreement with the State (Attachment B); and commit a local cost share (matching funds) up to 50% of the funding award. Funding awards are anticipated to be announced with 3 to 5 months from the close of the solicitation period.

The Board is requested to authorize RMA to submit a grant application for up to \$5,147,149 in competitive grant funding from the Program for the CRFREE Project (Attachment C). The Department of Water Resources *Attorney's Certification* accompanies the application (Attachment D). If the Project is selected to receive funding, Staff will return to the Board for approval to accept the grant award and increase budget appropriations.

#### OTHER AGENCY INVOLVEMENT:

RMA, in conjunction with its project cosponsor, the Big Sur Land Trust (BSLT), worked with the U.S. Fish and Wildlife Service (USFWS), Caltrans, State Parks, Carmel Area Wastewater District, and other project partners and regulatory agencies to advance the CRFREE Project.

#### FINANCING:

The proposed grant application will request up to \$5,147,149 in funding and requires a 50 percent (50%) local

cost share (match), which equates to \$2,573,575. The match may be decreased in 5 percent increments (5%) for protection of State transportation facilities up to 20 percent (20%), which could reduce the match to \$1,544,145. The match will be met utilizing up to \$2,573,575 of the \$22.9 million in federal grant funds applied for under the California Office of Emergency Services (CalOES) FEMA Hazard Mitigation Grant Program. Should the RMA not receive this CalOES Hazard Mitigation grant, the match will be met utilizing \$2,000,000 from the donation of land to the CRFREE project, and staff time contributed by BSLT (\$45,091), and reducing the amount applied for accordingly.

Total estimated Project costs, including preconstruction costs, are \$40.3 million. To date, the County and BSLT have secured over \$14 million in grant funds toward the Project, of which approximately \$10.8 million remains active and unspent. County Project expenditures, to date, total \$1,294,847, of which \$45,488 was funded by the County General Fund and \$1,248,359 by other grant funding. In addition, the County has provided in-kind contributions through RMA staff resources included as part of adopted budgets over the last ten years.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

If approved, this action authorizing RMA to submit a grant application to secure grant funds for the Project supports the Board of Supervisors' Strategic Initiatives for Administration and Infrastructure. If grant funds are secured, the County's cost to provide sustainable physical infrastructure offering flood protection and habitat benefits will be lessened.

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

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Approved by: Shawne Ellerbee, Assistant Director of Resource Management Agency  
Approved by: Carl P. Holm, AICP, RMA Director

**Attachments:**

Attachment A-8/7/2020 Concept Proposal Letter  
Attachment B- State DWR Funding Agreement  
Attachment C- Proposed Draft Grant Application  
Attachment D- Attorney's Certification  
Attachment E- Draft Resolution  
(Attachments are on file with the Clerk of the Board)