
COASTAL CONSERVANCY

Staff Recommendation
June 1, 2023

**CARMEL RIVER FLOODPLAIN RESTORATION AND
ENVIRONMENTAL ENHANCEMENT AUGMENTATION**

Project No. 08-036-02
Project Manager: Trish Chapman

RECOMMENDED ACTION: Authorization to disburse up to \$2,000,000 to the County of Monterey to augment the Conservancy grant, previously authorized on February 3, 2022, to construct the Carmel River Floodplain Restoration and Environmental Enhancement Project in Monterey County.

LOCATION: Lower Carmel River, Monterey County (Exhibit 1)

EXHIBITS

Exhibit 1: [Project Location Map](#)

Exhibit 2: [February 3, 2022 Staff Recommendation](#)

RESOLUTION AND FINDINGS

Staff recommends that the State Coastal Conservancy adopt the following resolution and findings.

Resolution:

The State Coastal Conservancy hereby authorizes the disbursement of an additional two million dollars (\$2,000,000) to the County of Monterey to augment the grant authorized by the Conservancy on February 3, 2022, for a total authorized amount of six million two hundred and fifty thousand dollars (\$6,250,000) to construct the Carmel River Floodplain Restoration and Environmental Enhancement Project (“Project”), in Monterey County, subject to the conditions of the February 3, 2022, authorization.

Findings:

Based on the accompanying staff recommendation and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization remains consistent with Chapter 5.5 of Division 21 of the Public Resources Code, regarding Integrated Coastal and Marine Resources.

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2. The proposed project remains consistent with the current Conservancy Project Selection Criteria.
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STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize a \$2 million augmentation to its existing grant to the County of Monterey (“County”) for a new total grant amount of up to \$6,250,000 to construct the Carmel River Floodplain Environmental Enhancement Project (“Carmel River FREE”). The original grant amount was authorized by the Conservancy on February 3, 2022 (Exhibit 2). As described in Exhibit 2, the Carmel River FREE project will restore floodplain function on the south bank of the Carmel River just east of Highway 1. The project will result in 92 acres of restored floodplain habitat, reduced flooding in urban areas north of the river, enhanced groundwater recharge, and reconnection of the south bank floodplain on either side of Highway 1. Public access is also incorporated into the restoration design. Construction is expected to begin in 2024, and staff is recommending the additional funding to help address a significant increase in the estimated cost of construction. The County is also requesting an additional \$6.5 million from the Federal Emergency Management Agency (FEMA) and an additional \$4 million from the Wildlife Conservation Board.

Other than the increase in project costs, there are no other changes to the project as described in the February 3, 2022 staff recommendation.

Site Description: See Exhibit 2.

Grant Applicant Qualifications: See Exhibit 2.

CONSISTENCY WITH CONSERVANCY’S PROJECT SELECTION CRITERIA:

The proposed project remains consistent with the Conservancy’s Project Selection Criteria, last updated on September 23, 2021, as described in the February 3, 2022, staff recommendation (Exhibit 2).

PROJECT FINANCING

Coastal Conservancy (proposed authorization)	\$2,000,000
Coastal Conservancy (previous authorization)	\$4,250,000
Wildlife Conservation Board (\$4 million pending)	\$6,267,644
Department of Water Resources (DWR) Urban Streams	\$900,000
DWR Integrated Water Management Grant (pending)	\$898,451
DWR CA Budget Surplus Funds	\$2,000,000
DWR Flood Corridor	\$3,923,255

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DWR Coastal Flood	\$5,147,149
FEMA/CalOES Hazard Mitigation (Pending)	\$29,577,805
Big Sur Land Trust Stewardship Fund	\$2,000,000
Project Total	\$56,964,304

Conservancy funding for this augmentation is anticipated to come from a Fiscal Year 2022/23 appropriation from the Greenhouse Gas Reduction Fund (GGRF) to the Conservancy for the Climate Ready program for purposes of nature-based projects that address sea level rise (Budget Act of 2022, as amended by AB 178, Chapter 45, Statutes of 2022). The Greenhouse Gas Reduction Fund Investment Plan and Communities Revitalization Act (Health and Safety Code (HSC) Sections 39710 – 39723) requires that GGRF funds be used to 1) facilitate the achievement of reductions of GHG emissions consistent with the Global Warming Solutions Act of 2006 (HSC Sections 38500 *et seq*), and 2) to the extent feasible, achieve other co-benefits, such as maximizing economic, environmental and public health benefits and directing investment to disadvantaged communities (HSC section 39712(b)). The Global Warming Solutions Act of 2006 sets forth (among other things) certain GGRF funding priorities (HSC Section 38590.1). The California Air Resources Board (“CARB”) has adopted guidelines that establish program goals that agencies must achieve with their GGRF funds.

Consistent with the CARB 2018 Funding Guidelines, the proposed project will help the Conservancy meet its GGRF program goals because the project will:

- Facilitate GHG emission reductions (which includes carbon sequestration) and further the purposes of AB 32 and related statutes;
- Maximize economic, environmental, and public health co-benefits to the State;
- Encourage projects that contribute to other State climate goals; and
- Leverage funds to provide multiple benefits and to maximize benefits.

The proposed project will meet these objectives by: 1) restoring riparian habitat which will increase carbon sequestration; 2) reducing flooding thereby reducing economic impacts to businesses and residents and avoiding future emissions by reducing the need for future cleanup and rebuilding; 3) contributing to public health by providing a new public access facility; and 4) leveraging over \$31 million in non-state funding.

As listed above, the County will be providing more than \$50 million from other sources to leverage Conservancy funds, including over \$31 million from non-state sources.

Unless specifically identified as “Required Match,” the other sources of funding and in-kind contributions described above are estimates. The Conservancy does not typically require matching funds or in-kind services, nor does it require documentation of expenditures from other funders or of in-kind services. Typical grant conditions require grantees to provide any funds needed to complete a project.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project remains consistent with the Conservancy's Enabling Legislation as described in the February 3, 2022, staff recommendation (Exhibit 2).

CONSISTENCY WITH CONSERVANCY'S [2023-2027 STRATEGIC PLAN](#) GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 3.2**, the proposed project will restore 92 acres of floodplain habitat.

Consistent with **Goal 3.3**, the proposed project will create an agricultural preserve over 36 acres of coastal lands.

Consistent with **Goal 4.3**, the proposed project is a multi-benefit, nature-based climate adaptation project that will reduce flooding of commercial and residential properties, restore riparian habitat and function, benefit listed species, and include public access.

CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/STATE WATER QUALITY CONTROL PLAN:

The proposed project remains consistent with the Local Watershed Management Plan/State Water Quality Control Plan as described in the February 3, 2022, staff recommendation (Exhibit 2).

CEQA COMPLIANCE:

In its February 3, 2022, authorization, the Conservancy adopted findings pursuant to the California Environmental Quality Act (CEQA). The project elements have not changed since the February 3, 2022, authorization, and there have been no changed circumstances or new information that triggers the requirement for additional documentation under CEQA.

Therefore, no further review pursuant to the California Environmental Quality Act is required.