



Council Agenda Report

Item 6h

Department: Public Works
Cost Center: N/A
For Agenda of: 7/20/2021
Placement: Consent
Estimated Time: N/A

FROM: Matt Horn, Public Works Director
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SUBJECT: AUTHORIZATION TO APPLY FOR GRANT FUNDING FOR THE URBAN FLOOD PROTECTION GRANT PROGRAM

RECOMMENDATION

1. Adopt a Resolution entitled, "A Resolution of the City Council of San Luis Obispo, California approving the application for grant funds for the Urban Flood Protection Grant Program;" and
2. Authorize the City Manager to finalize grant agreement terms and execute the agreement (if awarded), including any amendments thereto.

DISCUSSION

Background

San Luis Obispo has experienced historically significant flooding due to the nature of its watershed. Most recently, in 1995, flooding caused damage throughout the San Luis Obispo watershed, with creeks breaching their banks and creek bank failures. In response to the damage, and to protect residents, businesses, and infrastructure, the City requested permits from regulatory agencies to repair the damage to public facilities. The Army Corps of Engineers and other regulatory agencies requested the City prepare a comprehensive Waterway Management Plan (WMP) that could be used as the basis for future project planning, decision making, and permitting.

The Waterway Management Plan (WMP) preparation was approved by Council in the fall of 1999. In January 2002, the WMP was presented to Council and direction was received for various aspects of the program which included flood protection levels, major capital projects, and design policies. On October 21, 2003, Council adopted the WMP, a three-volume document which includes components for stream management and maintenance, a drainage design, and a flood management plan identifying potential flood management projects.

Mid-Higuera Bypass Project

The Mid-Higuera Bypass Flood Risk Reduction Project (Mid-Higuera Bypass Project) is the highest priority project identified in the WMP and is located along the stretch of the San Luis Obispo Creek between Marsh Street and Madonna Road (See Figure 1).

This project will increase flood protection by removing sediment and creek vegetation overgrowth, creating pathways for flood waters to return to the creek, creating flood bypass channels within City open space, widening narrow sections of creek for increased capacity, and replacing the Bianchi Lane Bridge to widen the creek and increase flow capacity at that location.



Figure 1: Mid-Higuera Bypass Project Location

Current Project Progress

Since the Zone 9 Advisory Committee approved the Mid-Higuera Bypass project, a feasibility study, a Final Supplemental Environmental Impact Report (Final SEIR), and 90% level plans and specifications have been completed. The City is coordinating with County of San Luis Obispo staff on environmental permit applications for project construction. Additionally, City staff are coordinating with adjacent property owners for areas where work impacts the creek and are engaging in property appraisals where construction of the project's flood control elements would have permanent impacts to parcels.

Grant Applications – And Required Authorizing Resolution

Construction funding has not yet been secured for the project and staff have been seeking State grant opportunities to supplement the project budget. Staff applied for the Urban Flood Protection Grant Program from the California Natural Resources Agency in April 2020. On February 25, 2021, staff presented a virtual site walk to CNRA staff as part of being selected to advance to Step 2 of the Urban Flood Protection Grant Program. On June 9, 2021, staff were informed that the City's application has proceeded to Step 3 of the grant program. Staff is currently preparing the requested supplemental documentation for the CNRA Review Committee. The CNRA requires a signed authorizing resolution from the applicant's governing body. The recommended action and execution of the resolution (Attachment A) satisfies this requirement.

In addition to CNRA grants, staff have applied for the Coastal Watershed Flood Risk Reduction Grant Program, from the California Department of Water Resources, in November 2020. The City has been notified of a proposed funding award for that grant – if awarded, the City is expected to receive notification in Summer 2021.

The project's anticipated timeframe is as follows:

<i>Task</i>	<i>Anticipated Completion Date</i>
Final Design Completed	March 2022
Project Award	July 2022
Construction	September 2022 – November 2023

Previous Council or Advisory Body Action

At the January 21, 2020 meeting, Council authorized staff to pursue State and Federal for Affordable Housing, Transportation, and Water Quality grant funding. Council action specifically authorized staff to prepare and submit grant applications for the Mid-Higuera Bypass project.

As part of the 2021-23 Financial Plan, Council appropriated an additional \$100,000 in County Zone 9 grant funding to continue the final design phase of the project, in conjunction with prior County Zone 9 Advisory Committee recommendations.

Policy Context

The City's Financial Management Manual, Section 740, requires Council approval of all grant applications in excess of \$5,000 and delegates receipt and contract execution to the City Manager if delegation is allowed by the grantor agency. Staff received approval in accordance with policy at the January 21, 2020 meeting as discussed above.

Public Engagement

Zone 9 committee members and community members are provided updated reports on project status at bi-monthly committee meetings and have continued to support the City and County's design and environmental permitting efforts, as well as grant program coordination and application to secure construction funding.

City staff are currently engaging with property owners in the vicinity of the work to inform them of the project's overall benefits and to gather input on the project.

CONCURRENCE

The County Flood Control and Water Conservation District Zone 9 Advisory Committee concurs with this project and recommendation.

ENVIRONMENTAL REVIEW

A Final SEIR was prepared by County staff for the project focusing on the following mitigations: biological resources, cultural resources, air quality, visual resources, hazardous materials, drainage/erosion and sedimentation, and noise. On August 21, 2018, San Luis Obispo County Board of Supervisors certified the SEIR. SEIR State Clearinghouse Number is SCH2016021077.

In accordance with recommendations of the SEIR, County Staff are applying for permits with the Water Resources Control Board, California Fish and Wildlife, and Army Corp of Engineers.

FISCAL IMPACT

Budgeted: Yes

Budget Year: 2021-22

Funding Identified: Yes

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance
General Fund	\$0		
State: CNRA		\$6,000,000	
Federal:			
Fees			
Other: Zone 9	\$8	\$0	\$80,429
Total			

The total design fee to date of \$512,300 has been 100% funded by previous County Zone 9 allocations and is reimbursed quarterly by the County. Ongoing Zone 9 funding supports project design, permitting, grant review and application, and design contingency.

Total future project cost of \$9.5M, as outline below, may be funded by a combination of grant funding, such as the Coastal Watershed Flood Risk Reduction Grant Program or Urban Flood Protection Grant Program, and future Zone 9 budget appropriations. Zone 9 currently has an unreserved fund balance of approximately \$4 million that could support funding needs in excess of the \$6 million grant, and City staff are working with County staff to coordinate next steps to appropriate supplemental funding to cover the entire estimated project costs.

Mid-Higuera Bypass Flood Risk Reduction Project, Specification No. 90649	
	Estimated Costs
<i>Design Phase</i>	
Final Design, Planning, and Permitting	\$387,800
<i>Construction Phase</i>	
Construction	\$6,188,707
Environmental Compliance, Monitoring, and Maintenance	\$174,000
Construction Management	\$1,452,100
<i>Post-Construction/Grants Management</i>	
Grant Program Management and Reporting	\$441,000
Contingencies	\$868,361
<i>Estimated Total Project Cost</i>	\$9,511,968
CNRA Grant Request	\$6,000,000
Supplemental/Matching Funds Required:	\$3,511,968

ALTERNATIVES

Deny authorization to apply for grant funding. The City Council could choose to deny the request to apply for the Urban Flood Protection Grant program. This alternative is not recommended because this grant would provide critical supplemental funding sources for the completion of the Mid-Higuera Bypass project.

ATTACHMENTS

A – Draft Resolution to apply for CNRA grant funding