

COASTAL CONSERVANCY

Staff Recommendation
November 30, 2023

DEL NORTE SEA TO MARKET

Project No.23-081-01
Project Manager: Peter Jarausch

RECOMMENDED ACTION: Authorization to disburse up to \$260,100 to the Family Resource Center of the Redwoods to construct a direct-to-consumer fish processing and sales facility, consisting of a filet station, restroom, and storefront, at the Crescent City Harbor in Del Norte County.

LOCATION: Crescent City, Del Norte County.

EXHIBITS

Exhibit 1: [Project Location Map](#)

Exhibit 2: [Project Photos](#)

Exhibit 3: [Project Letters](#)

RESOLUTION AND FINDINGS

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

Resolution:

The State Coastal Conservancy hereby authorizes a grant of an amount not to exceed two hundred and sixty thousand one hundred dollars (\$260,100) to the Family Resource Center of the Redwoods (“the grantee”) to construct a direct-to-consumer fish processing and sales facility (the “project”), consisting of a filet station, restroom, and storefront, at the Crescent City Harbor, in Del Norte County.

Prior to commencement of the project, the grantee shall submit for the review and written approval of the Executive Officer of the Conservancy (Executive Officer) the following:

1. A detailed work program, schedule, and budget.
2. Names and qualifications of any contractors to be retained in carrying out the project.
3. A plan for acknowledgement of Conservancy funding.

4. Evidence that all permits and approvals required to implement the project have been obtained.
5. Evidence that the grantee has entered into agreement with the Crescent City Harbor District sufficient to enable the grantee to implement, operate, and maintain the project.

Prior to commencing the project, the grantee shall enter into and record an agreement pursuant to Public Resources Code 31116(d) sufficient to protect the public interest in the improvements.

Findings:

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

1. The proposed authorization is consistent with Chapters 3 and 7 of Division 21 of the Public Resources Code, regarding Climate Resilience and Urban Waterfront Restoration respectively.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria.
3. The Family Resource Center of the Redwoods is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize disbursement of up to \$260,100 to the Family Resource Center of the Redwoods to construct a direct-to-consumer fish processing and sales facility (the “project”), consisting of a filet station, restroom, and storefront, at the Crescent City Harbor in Del Norte County. The project will support commercial fishing by providing new economic opportunities for small scale fishermen who operate out of the Crescent City Harbor; it will also increase access to local fish for residents in Del Norte County. Due to urgent sea level rise, the facility has been designed to allow for immediate relocation to adapt to rising sea levels.

The Crescent City Harbor serves as a commercial boat basin for salmon, shrimp, tuna, cod, and Dungeness crab fishing vessels as well as a basin for recreational watercraft. It also supports several local businesses that directly serve the fishing community. The harbor has struggled as fish stocks have slowly decreased and fishing regulations intended to protect fisheries have become more restrictive. The salmon fishery was cancelled in 2023. Last year, runs on the Klamath River were the fourth lowest in 40 years. More recently on August 21, 2023, the Pacific Fisheries Management Council closed the nearshore groundfish fishery in northern California. This has directly impacted vessels who take tourists out sportfishing from the Crescent City Harbor. Agriculture, forestry, fishing, and hunting together make up the fourth largest economic sector in Del Norte County and fishing represents a third of this sector, or approximately 150 well-paying jobs.

The Crescent City Harbor currently lacks the infrastructure to support small scale fishermen with local processing and direct marketing. There are two wholesale buyers, Caito and Pacific Choice Seafood, who ship most of what they purchase out-of-state for processing. These national buyers and processors set the prices as well as determine the amounts and species that they will take. This in combination with a consolidation in the industry during the pandemic has led to a decrease in prices and severely limited the availability of local seafood in Del Norte County. In order to keep working waterfronts viable and commercial fishermen supported, local processing and marketing infrastructure must be developed as an alternate path to national supply chains.

Small-scale fishermen who often have an unused quota of certain species do not have any way to bring those fish to market locally. To do so they need a small-scale processing facility that meets the California Retail Food Code, the temporary Food Facility Code, and the local public health requirements for retail processing. Fishermen who want to use the facility will also need to be trained in safe food handling. Once these requirements are met, fishermen will be able to sell to local restaurants or directly to consumers. A 2012 grant from the Conservancy helped fund the construction of a restroom and filet station at the Crescent City Harbor. It is well used by recreational fishermen but was not intended as a commercial facility and therefore was not built to meet the code requirements for use in processing fish to be sold to restaurants and consumers.

To address this problem, two local fishermen worked with the Del Norte and Tribal Lands Community Food Council (DNATL CFC) which is under the umbrella of the Family Resource Center of the Redwoods to develop the proposed project. The Family Resource Center of the Redwoods operates the food bank in Del Norte County and stewards the Del Norte Food Security Taskforces made up of over 30 local stakeholders. One of the key goals of the DNATL CFC is to shift eating behaviors to healthier habits through access to fresh food and education.

In 2021, DNATL CFC launched the North Coast Fresh from the Sea Program to connect local fishermen with those in need of food along the rural northern California coast. That program has been successful and enabled several fishermen to sell their full quota of Rockfish for the first time in several years. In order to expand this successful program, and bring more fresh food to market, DNATL CFC proposes to construct a small processing facility at the Crescent City Harbor. The establishment of a fish processing facility will allow local catch to be supplied at a larger scale to restaurants, institutions, and tourists, as well as to CalFresh customers and through the local food bank.

The project consists of the installation of three small structures at Crescent City Harbor which are needed to sell fish commercially: a filet station, a restroom for the filet station, and a small storefront. With urgent sea level rise adaptation in mind, the structures will be constructed with modified shipping containers that can be readily picked up and moved in the future as the sea level rises. The containers are placed on foundations and will be connected to utilities. The project is also being funded by a grant to Family Resource Center from the National Oceanic and Atmospheric Administration (NOAA) for approximately \$276,000, specifically for the filet station, but due to Del Norte County Department of Public Health requirements, the project must also include a dedicated restroom and a separate storefront for sales. See Exhibit 2 for

pictures of the proposed structures. The Conservancy's grant will make it possible to complete the purchase and installation of the restroom and storefront and allow the processing facility to open.

Site Description: The project site is located in the Crescent City Harbor (Exhibit 1) on land owned by the Crescent City Harbor District. Roughly 20 miles south of the Oregon Border, Crescent City Harbor is the main draw of the urban waterfront in Crescent City, Del Norte County. Visible driving north or south on Highway 101, the Harbor offers a viewshed that encompasses the landmark Battery Point Lighthouse (1856) to the north, commercial and recreational boats and the Pacific to the west, the rocky peninsula known as Whaler Island and coastal views down Crescent Beach to the south, and an expanse of permanently protected redwood forests and shoreline to the southeast. Functionally, Crescent City Harbor in Del Norte County is the only "safe harbor" and commercial fishing port on the coast from Eureka, California to Brookings, Oregon. While Northern California has seen a dramatic drop in seafood landings by poundage since the 1950s, Crescent City continues to hold a significant portion of recent seafood landings for the region. Businesses located in the Harbor include a fish processing plant, a fishing supply merchant, a ship repair warehouse, and approximately 38 leases for businesses operating on the 80-acre area managed by the Harbor District.

The new processing facility will be located in the northeast corner of the parking lot for the Inner Boat Basin at the Crescent City Harbor. Fishermen will have easy access to the facility from their boats which are berthed in the Inner Boat Basin. This is also a convenient location for retail sales. It will be visible from Highway 101, the central through route for locals and tourists. The Del Norte County weekend Farmer's Market is also held in this same parking lot and will bring more customers directly to the storefront. The Crescent City Harbor District is very supportive of the project and is currently negotiating a lease with the Family Resource Center. The Harbor District sees new enterprises such as these as critical to supporting its own economic future.

Grant Applicant Qualifications: The Family Resource Center of the Redwoods, which includes DNATL CFC, is well positioned to manage this project. The DNATL CFC has experience implementing multiple grants, including US Department of Agriculture block grants focused on improving food security in Del Norte County. They also helped support the Yurok Tribe's Food Sovereignty Initiative by supplying some of the traditional seafood items needed by Tribal Elders. The Family Resource Center of the Redwoods brings its expertise and understanding of food distribution within Del Norte County and its on the ground knowledge gained through operation of a foodbank. Together they bring both the food safety and distribution experience required to make this project a success, as well as the connections to institutional purchasers in Del Norte County.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA:

The proposed project is consistent with the Conservancy's Project Selection Criteria, last updated on September 23, 2021, in the following respects:

Selection Criteria

1. Extent to which the project helps the Conservancy accomplish the objectives in the Strategic Plan.

See the “Consistency with Conservancy’s Strategic Plan” section below.

2. Project is a good investment of state resources.

The proposed project will benefit the working waterfront at the Crescent City Harbor by strengthening the local fishing industry. The new processing and sales facility will generate additional revenue for fishermen and provide access to fresh fish for residents of Del Norte County and the many tourists traveling through the area each summer. The fishing industry is facing difficult times with the recent closure of the salmon fishery, the unpredictability of the Dungeness Crab season, and the new limits on the harvest of rockfish. It will benefit the State of California through economic development of the waterfront at the Crescent City Harbor and the promotion of tourism.

The project will also serve as a demonstration for other Harbors along the California coast. The grantee is already fielding phone calls from other harbors who would like to replicate the small-scale fish processing facility. In addition, the grantee has secured significant match funding for the project with a successful grant from NOAA.

3. Project benefits will be sustainable or resilient over the project lifespan.

The project will continue to deliver benefits over an extended time period. It is well supported by the community and the structures themselves will not require significant maintenance. The fishing community will continue to be motivated to participate in the project because of the additional revenue from direct sales.

The fish processing facility will also help the Crescent City Harbor District’s efforts to be resilient to climate change by including urgent sea level rise adaptation measures. The Crescent City Harbor’s AB691 Sea-Level Rise Assessment evaluated all of the harbor-based structures for their vulnerability to sea-level-rise in 2050. In addition, Crescent City Harbor is also susceptible to tsunamis; portions of the harbor have been inundated in the past. While many of the structures are adjacent to the water and in low lying areas so that they can serve the fishing industry, the location of this new facility will be in a portion of the harbor that is less susceptible to sea level rise by 2050. In order to address the potential impacts from a Tsunami the containers will be attached to concrete pads so that they do not move off of their foundations. Due to the projected impacts of urgent sea level rise, the processing facility can be easily moved to a new location since it is constructed out of shipping containers. This gives both the project itself an ability to adapt as well as provides flexibility for the Crescent City Harbor District as they face new challenges.

4. Project delivers multiple benefits and significant positive impact.

The proposed project has multiple benefits to the community. First, it will provide an additional stream of revenue for the local fishing fleet, which has struggled due to a decrease in fishing stocks and new regulatory limits on how much can be caught. New markets for the fishermen result in consistent revenue for the Crescent City Harbor District through the fees that

fishermen pay to keep their boats in the harbor. Second, it will connect residents of Del Norte County to a local healthy food source as they will be able to purchase directly from the fishermen at the Harbor. Third, involvement of the DNATL CFC in the proposed project means that fresh local fish will also be available to residents who otherwise could not afford it.

5. Project planned with meaningful community engagement and broad community support.

The project has engaged with relevant communities since the start of the project. This is important to ensure that the project impact is not only meaningful but also aligned with the needs of those served by the project. Regular consultations, focus groups, and open forums have been used to gather information and to foster a sense of ownership and shared responsibility. The broader community is enthusiastic about the project’s potential to reduce environmental impact by promoting local sourcing and minimizing shipping requirements.

PROJECT FINANCING

Coastal Conservancy	\$260,100
NOAA	\$276,776
Project Total	\$536,700

Conservancy funding is anticipated to come from a Fiscal Year 2022/23 appropriation from the Greenhouse Gas Reduction Fund (GGRF) to the Conservancy for urgent sea level rise adaptation and coastal resilience needs (Budget Act of 2022, as amended by the Budget Act of 2023, SB 101, Chapter 12, Statutes of 2023). 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 39712(b)). The Global Warming Solutions Act of 2006 sets forth 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 greenhouse gas emission reductions (which includes carbon sequestration) and further the purposes of AB 32 and related statutes;
- Benefit Priority Populations (disadvantaged communities, low-income communities, or low-income households);
- Maximize economic, environmental, and public health co-benefits to the State;
- Foster job creation and job training, wherever possible;

- Avoid substantial burdens to disadvantaged communities and low-income communities; and
- Leverage funds to provide multiple benefits and to maximize benefits.

The proposed project will meet these objectives by constructing a facility that will be resilient to sea-level rise, storm surge, and tsunamis as well as sell locally caught seafood directly to consumers. It will reduce greenhouse gas emissions by eliminating the need to transport all locally caught seafood to processing facilities that are outside of California and then reimport the same seafood to local stores and restaurants.

The project also benefits disadvantaged communities by reducing the cost of locally caught seafood by selling direct to consumers and by distributing locally caught seafood to those who qualify for food assistance. In addition, it helps protect jobs by developing a new revenue stream for the commercial fishing industry.

In selecting this project for a grant, the Conservancy has considered its Strategic Plan, the State Agency Sea Level Rise Action Plan, geographic areas of vulnerability, disadvantaged communities, and opportunities for federal financial support.

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 is consistent with Chapters 3 (Section 31113) and Chapter 7 (Sections 31300-31316) of the Conservancy’s enabling legislation on addressing the impacts and potential impacts of climate change on resources within the Conservancy’s jurisdiction and Urban Waterfront Restoration.

Pursuant to Section 31113(b), the Conservancy is authorized to award grants to nonprofit organizations and public agencies to undertake projects within its jurisdiction, including those that reduce greenhouse gas emissions or address extreme weather events, sea level rise, flooding, and other coastal hazards that threaten coastal communities, infrastructure, and natural resources. This project is within the Conservancy’s jurisdiction because it is within the Coastal Zone pursuant to Section 31006.

Pursuant to Section 31113(c), the Conservancy must prioritize grants for projects that maximize public benefits and have one of several purposes, including reducing hazards to harbors and ports.

Pursuant to Section 31113(d)(1)(B), the Conservancy must prioritize grants for projects that provide multiple public benefits, including, but not limited to, protection of communities, natural resources, and recreational opportunities.

Consistent with these provisions, the proposed authorization of a grant to the Family Resource Center of the Redwoods, a non-profit organization, will reduce the economic damage from hazards to the Crescent City Harbor, address extreme weather events and sea level rise by building resilient infrastructure, reduce greenhouse gas emissions by providing a local commercial fishery, and protect the local community by providing a local source of food.

In addition, pursuant to Section 31301, the Conservancy is authorized to provide grants to restore California's urban waterfronts through the encouragement of tourism, public access, and private sector development.

Pursuant to Section 31305, the Conservancy shall prioritize projects that exhibit innovation in sensitively integrating man-made features into the natural coastal environment.

Pursuant to Section 31307, the Conservancy is authorized to award grants to nonprofit organizations for the restoration of the urban coastal waterfront.

Pursuant to Section 31308, the Conservancy may provide up to the total cost of any urban waterfront project, including the local share of federally supported projects.

Consistent with these provisions, the proposed authorization of a grant to the Family Resource Center of the Redwoods, a non-profit organization, will restore an urban waterfront through private sector development. The project is also an innovative approach to integrating the facility into the harbor and provides a match for federal funding.

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

Consistent with **Goal 1.1, Commit Funding to Benefit Systemically Excluded Communities**, the proposed project will fund a project that benefits a systemically excluded rural community that suffers from unemployment and poverty. The project will benefit the tourism industry and commercial fishing industry in a systemically excluded community.

Consistent with **Goal 2.6, Piers and Waterfronts**, the proposed project will fund a pier and waterfront project to revitalize the waterfront at the Crescent City Harbor by constructing a direct-to-consumer fish processing facility.

Consistent with **Goal 4.1, Sea Level Rise Adaptation Projects**, the proposed project will construct a project that will increase the resilience of coastal resources to the impacts of sea level rise by placing the facility in a location which should not be impacted by climate change and making it easy to relocate in case sea level rise takes place more quickly than anticipated.

CEQA COMPLIANCE:

The proposed project is categorically exempt under California Code of Regulations section 15311, which exempts construction or placement of minor structures accessory to (appurtenant to) existing commercial, industrial, or institutional facilities. Here, the proposed project involves the construction of a new small store and commercial structure less than 2,500 square feet in floor area appurtenant to existing commercial fishing facilities. Upon approval of the project, Conservancy staff will file a Notice of Exemption.