

COASTAL CONSERVANCY

Staff Recommendation
September 5, 2024

LIGHTHOUSE COVE LOWER COST ACCOMMODATIONS PROJECT

Project No. 24-035-01
Project Manager: Peter Jarausch

RECOMMENDED ACTION: Authorization to disburse up to \$835,000 to the City of Crescent City to undertake the Lighthouse Cove Lower Cost Accommodations Project which consists of adding up to three lower cost units that will accommodate up to 20 people and renovating the existing restrooms at the City of Crescent City’s Lighthouse Cove RV Park in Del Norte County.

LOCATION: Crescent City, Del Norte County

EXHIBITS

Exhibit 1: [Project Location Map](#)

Exhibit 2: [Project Photographs](#)

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 eight hundred and thirty-five thousand dollars (\$835,000) to the City of Crescent City (“the grantee”) to undertake the Lighthouse Cove Lower Cost Accommodations Project which consists of adding up to three lower cost units that will accommodate up to 20 people and renovating the existing restrooms at the City of Crescent City’s Lighthouse Cove RV Park in Del Norte County (the “project”).

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 and Proposition 68 as the source of that funding. Evidence that all permits and approvals required to implement the project have been obtained.

Findings:

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

1. The proposed authorization is consistent with Chapter 10 of Division 21 of the Public Resources Code, regarding Lower-Cost Coastal Accommodations. The proposed project is consistent with the current Conservancy Project Selection Criteria.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize a \$835,000 grant to the City of Crescent City (the “grantee”) to undertake the Lighthouse Cove Lower Cost Accommodations Project which consists of adding up to three lower cost family/group vacation rental units at the Lighthouse Cove RV Park and renovating the existing restrooms to meet ADA standards (the “project”). The RV Park is located on the Crescent City waterfront and adjacent to Elk Creek in Del Norte County.

This project has greater than local benefit. Visitors from many parts of California travel to Del Norte County in the summer. They come to enjoy the natural beauty, escape the inland heat, and increasingly, to escape wildfire smoke. The need for clean coastal air is particularly acute in late summer and early fall. Tourists from around the world also travel to Del Norte County to experience the redwoods. In addition, as part of the Pacific Coast Bicycle Route, there is a steady stream of bicyclists traveling through the area and in need of overnight accommodation.

Existing accommodation in and around Crescent City is in very high demand during the summer. Local hotels are expensive during the high season, and it is rare to find an available camping spot in Redwood National and State Park campgrounds. The two largest campgrounds, one at Jedediah Smith State Park and the other at Mill Creek, are very scenic and typically booked six months in advance. The limited number of camping spots as well as the costs associated with staying in a hotel are a barrier for equitable access to the coast.

The project consists of creating three new lower cost accommodations at the Lighthouse Cove RV Park, which is owned and operated by the grantee. In particular, the project consists of purchasing and installing two new cabins and renovating an existing apartment. The cabins sleep up to six each with a queen bed, bunk beds, and a futon. They also include a small kitchen and bathroom and are designed to be accessible for people with disabilities. These cabins will be located in spots previously rented out to RV campers. The 1,200 square foot apartment is on the second floor of an existing building at the RV Park. It will sleep eight with three queen beds and a futon. It also has a kitchen and bathroom and has a view of the ocean. The apartment is currently in need of renovation to bring it up to vacation rental standards.

Site Description: The Lighthouse Cove RV Park is centrally located on the City of Crescent City waterfront in Del Norte County with quick access to both the natural environment as well as shops and restaurants. The Elk Creek estuary forms the northern and western boundaries of the RV Park. To the south is a sandy beach and Crescent City Harbor. The area is protected by jetties and has few waves making it an attractive spot for families to enjoy the water. The California Coastal Trail is located just outside of the RV park and provides an easy connection to the Crescent City Harbor, Beachfront Park, and the Battery Point Lighthouse. The City's indoor pool is also just a short walk away along the California Coastal Trail.

The RV Park is owned and operated by the City of Crescent City. This makes it possible to set rates for the cabins and the apartment to ensure that the units will always be lower-cost accommodations.

Grant Applicant Qualifications: The City of Crescent City is well qualified to undertake this project. It has experience renovating the RV Park, constructing sections of the California Coastal Trail, and improving access to their waterfront. The City has also recently secured significant funding for the renovation of Beachfront Park. After an extensive public outreach effort partially funded by a grant from the Conservancy, the community has decided on the improvements it would like to see at Beachfront Park and the City is now implementing those plans.

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 is a good investment of state resources as it contributes to the State's objective to provide lower-cost accommodation on the California coast. The proposed project has a reasonable budget, and the grantee is ready to construct the project.

3. Project includes a serious effort to engage tribes. Examples of tribal engagement include good faith, documented efforts to work with tribes traditionally and culturally affiliated to the project area.

The City holds regular meetings with the Tolowa Dee-ni' Nation and Elk Valley Rancheria. The proposed project will be discussed during one of these regular meetings with the tribes. The City is also currently working to add Tolowa cultural elements to Beachfront Park which is a short walk from the RV Park. This is funded in part by a grant from the Conservancy.

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

The cabins are expected to have a lifespan of more than 20 years as will the apartment. The City is planning to set the rates so that by the end of the life of the cabins there will be sufficient funding to replace them.

The City will be able to maintain the lower cost rates because the initial costs are proposed to be covered by this recommended grant. This recommended grant will cover the initial capital improvements costs and the City will then only need to cover the long-term maintenance and management of the units. The City would not be able to maintain the lower cost rates without the Conservancy’s funding the capital improvements.

There is some risk to the project from a tsunami. The Crescent City Harbor is particularly susceptible to tsunamis due to the shape of the seafloor leading up to the harbor. The City will mitigate for this by anchoring the cabins to a concrete foundation. In the event that the cabins are damaged by strong currents and flooding from a Tsunami, the City’s insurance is expected to help cover the cost of repair or replacement.

Del Norte County and the City of Crescent City are currently not experiencing the impacts of sea level rise. Due to tectonic forces the ground is rising at approximately the same rate as sea level rise. More important for this area is flooding created from an increase in the frequency and intensity of winter storms. The City’s Lighthouse RV Park is in a relatively sheltered location behind the breakwater guarding the entrance to the Crescent City Harbor and therefore less susceptible to winter storms.

5. Project delivers multiple benefits and significant positive impact.

The proposed project will provide lower cost accommodations to a popular part of the California Coast. These accommodations will benefit both the visitors who will be able to spend the night as well as the local economy which relies on tourism. In addition, it will allow new visitors to experience the world-renowned local parks.

PROJECT FINANCING

Coastal Conservancy	\$835,000
Project Total	\$835,000

The expected source of funds for this project is the FY 19/20 (reappropriated FY 22/23) and FY 20/21 (reappropriated FY 24/25) appropriation to the Conservancy from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (Proposition 68, Public Resources Code Sections 80000-80173). Chapter 9 of Proposition 68 (section 80120-80121) allocates funds to the Conservancy to enhance and protect coastal and ocean resources by granting funds to public agencies and nonprofit organizations for development of lower-cost coastal accommodations. (Public Resources Code Section 80120(b)).

Consistent with the purposes of this funding source, the proposed project consists of the installation of two new cabins and the renovation of an existing apartment to provide lower cost accommodations. The project will be carried out in accordance with Chapter 10 of Division

21 regarding lower-cost coastal accommodations (see “Consistency with Conservancy’s Enabling Legislation” section below).

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The proposed project is consistent with Chapter 10 of Division 21 of the Public Resources Code, Sections 31411-31414. Pursuant to PRC Section 31412(a), the Conservancy may award grants and undertake projects as part of its Lower Cost Coastal Accommodations Program (Explore the Coast Overnight) to develop new, lower cost accommodations within one and one-half miles of the coast. The proposed project will develop three new lower cost accommodations on the waterfront in Crescent City.

Consistent with Section 31412(b) the new accommodations are affordable compared to the motels and hotels in the area and are available to low- and middle-income families. The City of Crescent City will develop an outreach plan to target low- and middle-income families.

Consistent with Section 31412(c)(1), the Conservancy continues to hold quarterly meetings with the California Department of Parks and Recreation and the California Coastal Commission regarding the development and selection of projects.

Consistent with Section 31413, the Conservancy’s implementation of the Explore the Coast Overnight Program is guided by a lower-cost accommodations assessment: “Explore the Coast Overnight – An Assessment of Lower-Cost Coastal Accommodations” (Assessment) which the Conservancy completed on March 14, 2019. The proposed project meets the criteria developed in the plan as the project is directly on the shore, will have lower cost rates, increase accessibility, and provide an enjoyable coastal experience. The City of Crescent City has also carefully considered the long-term maintenance costs of the project and has a viable plan for operations.

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

Consistent with **Goal 2.7, Explore the Coast Overnight**, the proposed project will build an Explore the Coast Overnight project to increase the supply of lower-cost overnight accommodations.

CEQA COMPLIANCE:

The proposed project is categorically exempt from review under CEQA pursuant to 14 California Code of Regulations Section 15303, which exempts projects consisting of the construction of limited numbers of new small facilities or structures and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure.

The proposed project consists of the installation of two new cabins within existing RV parking spots and the renovation of an existing apartment to turn it into a vacation rental unit. Thus, the project only involves the creation of new small structures and the conversion of an existing structure.

Upon approval of the project, Conservancy staff will file a Notice of Exemption.