

COASTAL CONSERVANCY

Staff Recommendation

April 23, 2026

**WOOD CREEK RESTORATION PHASE III:
FELT RANCH HABITAT RESTORATION IMPLEMENTATION**

Project No. 20-041-02

Project Manager: Amanda Townsel

RECOMMENDED ACTION: Authorization to disburse \$2,457,427 of funds from the National Fish and Wildlife Foundation to Northcoast Regional Land Trust to undertake the Wood Creek Restoration Phase III: Felt Ranch Habitat Restoration Implementation project, consisting of restoring tidal and habitat connectivity of Wood Creek, creating anadromous salmonid habitat, restoring wetlands, and conducting monitoring on Felt Ranch and the Freshwater Farms Preserve in Humboldt County.

LOCATION: Felt Ranch and Freshwater Farms Preserve, Freshwater Creek Watershed, Unincorporated Community of Freshwater, Humboldt County

EXHIBITS

Exhibit 1: [Project Location Map](#)

Exhibit 2: [Project Photos](#)

Exhibit 3: [Project Letters](#)

Exhibit 4: [California Environmental Quality Act: Statutory Exemption for Restoration Projects Concurrence Number: 21080.56-2023-028-R1](#)

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 up to two million four hundred fifty-seven thousand four hundred twenty-seven dollars (\$2,457,427) of funds from the National Fish and Wildlife Foundation to Northcoast Regional Land Trust to undertake the Wood Creek Restoration Phase III: Felt Ranch Habitat Restoration Implementation project, consisting of restoring tidal and habitat connectivity by realigning Wood Creek into a new

channel network, expanding and deepening existing channels, replacing an undersized culvert, creating anadromous salmonid habitat, restoring Sitka-Spruce forested wetlands, and conducting pre-and post-construction monitoring on Felt Ranch and the Freshwater Farms Preserve in Humboldt 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 the National Fish and Wildlife Foundation (NFWF) as the source of that funding along with NFWF’s disclaimer for publication and press releases.
4. Evidence that all permits and approvals required to implement the project have been obtained.
5. Evidence that the grantee has entered into agreements sufficient to enable the grantee to implement, operate, and maintain the project.
6. Recorded agreements pursuant to Public Resources Code Section 31116(d) sufficient to protect the public interest in the improvements and developments.

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 6 of Division 21 of the Public Resources Code, regarding Coastal Resource Enhancement Projects.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria.
3. Northcoast Regional Land Trust 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 a grant of \$2,457,427 of funds from the National Fish and Wildlife Foundation (NFWF) to Northcoast Regional Land Trust (NRLT) to undertake the Wood Creek Restoration Phase III: Felt Ranch Habitat Restoration Implementation project, consisting of restoring tidal and habitat connectivity by realigning Wood Creek into a new channel network, expanding and deepening existing channels, replacing an undersized culvert, creating anadromous salmonid habitat, restoring Sitka-Spruce forested wetlands, and conducting pre-and post-construction monitoring on Felt Ranch and the Freshwater Farms Preserve in Humboldt County (the “project”).

The project is the latest in a multi-phase, multi-partner effort to restore tidal connectivity and fish rearing habitat in the Freshwater Creek watershed, one of Humboldt Bay's largest tributaries.

The Conservancy has been engaged in the restoration of Wood Creek, a tributary to Freshwater Creek, for more than two decades. On January 27, 2005, the Conservancy authorized a grant to NRLT to acquire the 54-acre Freshwater Farms Reserve property. In 2010, the U.S. Fish and Wildlife Service (USFWS), the Conservancy, and NRLT completed Wood Creek Phase I (Phase I), restoring tidal influence to lower Wood Creek, constructing a network of tidal channels, and establishing critical habitat for listed salmonids and the federally endangered tidewater goby. On January 19, 2012, the Conservancy awarded a grant to NRLT to acquire an additional 20 acres adjacent to the Reserve, and on December 3, 2015, the Conservancy authorized funding to implement Wood Creek Phase II (Phase II), located upstream of Phase I. Phase II restored and reconnected historic tidally influenced wetlands, expanded brackish backwater habitat for coho salmon in the Freshwater Creek population stronghold, and linked restoration efforts across the upper and lower Wood Creek basin. On March 25, 2021, the Conservancy authorized a grant to the Buckeye Conservancy for the Wood Creek Restoration Phase III: Felt Ranch Habitat Restoration Planning Project (Phase III plans).

The project will implement the Phase III plans by restoring and reconnecting both the historical and the existing freshwater wetlands on Felt Ranch, a privately-owned working ranch, to the restored tidal channels of lower Wood Creek and Freshwater Slough, substantially enlarging the stream-estuary ecotone of Freshwater Creek and Humboldt Bay. The current configuration of Wood Creek within the project site is highly simplified and confined to a roadside ditch. The project will begin with construction of a new channel network, to be designated Felt Slough, consisting of one main channel and four secondary channels. The project will also construct multiple alcoves to capture flows from perennial freshwater seeps; incorporate large wood features in both channel and upland areas; and revegetate riparian hummocks with native species, including conifers that will eventually provide shade and large wood inputs for fish and wildlife habitat. Portions of the existing ditch on Felt Ranch, a straight, deeply incised drainage feature, will be filled, and five shallow ponds will be graded within the former ditch footprint to create seasonal habitat for herpetofauna.

The project will reroute Wood Creek into a new alignment beneath Felt Road via a newly constructed fish-friendly culvert. The new channel will provide substantially greater habitat complexity, including increased sinuosity, large wood features, and an on-channel pond that will offer high-quality rearing habitat for salmonids. Once realigned, Wood Creek will flow into the new Felt Slough channel network, described above, and subsequently into the restored Phase II project area downstream. The project will evaluate removal of the tide gate structure located on Freshwater Farms Reserve at the confluence of Wood Creek and Freshwater Slough. This structure mutes tidal inundation, constricts flow in Freshwater Slough, and acts as a fish barrier during low tide.

The project will enhance existing agricultural wetlands by creating higher-quality Sitka spruce forested wetlands along the margins of created stream channels. The Sitka spruce forested wetlands will provide stream cover, channel complexity, long-term wood recruitment,

increased wetland benefits, and structured habitat for other wildlife species, such as special status birds, amphibians, and mammals. While most of the project site is an existing wetland, remaining upland areas will be restored to provide habitat benefits.

The project will include pre- and post-construction monitoring as required in project permits to ensure protection of special status species and habitats, primarily wetlands. Additional monitoring will focus on NFWF-required monitoring and performance monitoring to evaluate planting success and anadromous salmonid utilization of newly created habitat unit. Monitoring activities will produce a technical memo documenting pre-construction mapping of invasive plants and accompanying treatment recommendations, nesting bird surveys, pre and post-vegetation monitoring report, monitoring and relocation events.

Site Description: The project site consists primarily of cattle pasture and cattail marsh, resulting from extensive ditching and draining for agricultural use in the early 1900s. Historically, the site formed the upper ecotone of the Freshwater Creek estuary and supported multiple channels and Sitka spruce–dominated tidal forested wetlands.

A majority of the project site is located upstream of restored Phase I and Phase II sites and encompasses approximately 44 acres that are bisected by Myrtle Avenue in the unincorporated community of Freshwater in Humboldt County (County). South of Myrtle Avenue, the project site encompasses Felt Ranch, a private cattle ranch. The north side of Myrtle Avenue is owned by NRLT and managed as the Freshwater Farms Reserve. The project site's northern boundary lies within a Natural Resource Conservation Service (NRCS) Reserved Grazing Rights Easement on Felt Ranch (NRCS Easement #66910412019DZ). Most of the project site overlaps an existing NRCS Wetland Reserve Program easement on Felt Ranch (NRCS Easement #66910412019DW). The north and east edge of the project site includes Freshwater Slough and Freshwater Creek, part of the larger Humboldt Bay tributary complex. On the western side of the project site is Wood Creek, a small tributary of Freshwater Creek that historically connected to the Felt Ranch but is now blocked by a narrow culvert under Myrtle Avenue. Wood Creek supports the largest coho salmon runs in the Humboldt Bay region, and the broader Freshwater Creek watershed supports additional anadromous species, including Chinook salmon, coastal cutthroat trout, steelhead trout, and tidewater goby. Felt Ranch Ditch flows primarily west to east and connects with Wood Creek just south of Myrtle Avenue. The project site encompasses the existing County maintained Myrtle Avenue-Freshwater Creek Overflow Bridge and Felt Road, along with a small portion of a private parcel upstream of the existing Wood Creek culvert crossing under Wood Gulch Road. A concrete box tide gate located where Wood Creek flows into Freshwater Slough is also contained within the project area which is located north of the Phase I project area.

Grant Applicant Qualifications: NRLT conserves wild and working lands across northwestern California for the benefit of the region's farms, forests, watersheds, wildlife, and people. Since 2000, NRLT has protected over 65,000 acres in Humboldt, Del Norte, and Trinity Counties through voluntary conservation efforts and partnerships with landowners, tribes, and public agencies. NRLT has a long and successful history of involvement with the Conservancy, including the acquisition and restoration of the Freshwater Farms Reserve, and implementation of Wood Creek Phases I and II.

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 project builds on prior coastal resilience efforts in the region, including initiatives funded by the Conservancy, as described in the Project Summary. The project will restore salmonid access to freshwater rearing habitat at the upper end of the Freshwater Creek stream-estuary ecotone and substantially increase hydrologic connectivity between the Felt Ranch wetlands and the restored tidal wetlands downstream in Wood Creek. These actions will improve winter growth and survival of juvenile coho salmon and provide additional benefits to other native wetland-dependent wildlife and plant species within the Freshwater Creek watershed. The project will also enhance existing freshwater wetlands on Felt Ranch and extend the existing NRCS wetland drainage channel west of the project site to route seasonal freshwater inflows, improving the current poor drainage conditions affecting agricultural lands on the ranch.

Ongoing fisheries monitoring within the Phase I and Phase II project areas continues to document the presence of special-status species, including coho salmon and tidewater goby. The project will further expand the extent of suitable, high-quality anadromous habitat in the Wood Creek watershed. It will also increase the extent of brackish ecotone habitat, which is highly valuable for salmonids and essential to tidewater goby recovery.

The project will restore and enhance significant natural resources, which will advance regional and statewide plans, including Pathways to 30X30: Accelerating Conservation of California's Nature, California Water Action Plan, California Salmon Strategy for a Hotter, Drier Future: Restoring Aquatic Ecosystems in the Age of Climate Change, Recovery Strategy for California Coho Salmon, and Natural and Working Lands Climate Smart Strategy.

3. Project includes a serious effort to engage tribes.

NRLT prepared a cultural resource investigation prior to groundbreaking and did not identify any California Register of Historical Resources eligible historic resources or cultural resources. In case of inadvertent archaeological discovery, protocols, which include tribal notification, were incorporated into construction documents prior to bidding and ground disturbance.

Engagement efforts have involved direct communication with multiple local California Native American tribes with ancestral ties to the project site through emails and site visits. A fish biologist with the Wiyot Tribe's Natural Resources Department and the Department's Director will be hired to participate in oversight of the project and fisheries monitoring.

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

Following construction, ongoing management actions will be implemented to ensure protection of the environment. There is an existing easement on the Felt Ranch portion of the project site that will promote enduring environmental benefits and will remain in effect in perpetuity. Furthermore, pre- and post-project fisheries monitoring will be conducted to evaluate project success and inform future management actions. Following implementation, invasive species, vegetation, and wetland monitoring will also be conducted. Additionally, the grantee will partner with the County, who will monitor, manage, and maintain the new culvert on the Felt Road Crossing of Wood Creek. Furthermore, the County's General Plan includes policies that will be implemented to further maintain, protect, and restore fish and wildlife habitats.

5. Project delivers multiple benefits and significant positive impact.

The project is well positioned to support other planned or ongoing coastal resilience and habitat enhancement projects in the region, and specifically for the benefit of Humboldt Bay and its watershed. The project will address chronic episodic flooding of communities within the County, such as residences, a key access road, and agricultural lands. The project will realign Wood Creek from a ditch, with a series of confined culverts, along Felt Road into a more open and natural network of channel systems on Felt Ranch and into the NRLT Freshwater Farms Reserve. The newly connected wetlands will reduce the risk of flooding by enhancing flood storage and conveyance of the creek during extreme rainfall events, which are expected to increase as a result of climate change.

The project will increase habitat connectivity and tidal function, which will create a gradient in salinity conditions that will allow wetland species to move upstream in response to rising sea levels. Prior restoration efforts adjacent to the project that utilized similar techniques have resulted in immediate and significant use by salmonids in the newly restored habitat. Restored tidal function, increased connectivity, and newly created habitat features in the stream-estuary ecotone are expected to provide year-round long-term habitat and a gradient of high-quality rearing opportunities for juvenile fish.

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

There have been numerous interested party coordination and outreach efforts with individuals from federal and state agencies, academia, restoration practitioners, and members of the public during the planning and design phases. NRLT will continue to engage these and broader audiences through a combination of in-person events, print, electronic, and social media communications. Most recently, on September 25, 2025, NRLT hosted a free, public Phase III groundbreaking event for the community, which included presentations, Q&A with project partners, and walking tours to see restoration progress firsthand.

The project is supported by funding from the California Department of Fish and Wildlife (CDFW), Point Blue Conservation, and NFWF through the Conservancy. Planning for this project was led by the Buckeye Conservancy, with funding from CDFW and the Conservancy. Project partners include landowners Sean and Kathy O'Day, Michael Love & Associates, Thomas Gast &

Associates Environmental Consultants, GHD, GR Sundberg Inc., Samara Restoration, Pacific Earthscape, Wiyot Tribe Natural Resources Department, and Cal Poly Humboldt.

PROJECT FINANCING

National Fish and Wildlife Foundation - National Coastal Resilience Grant (via a grant to the Conservancy)	\$2,457,427
Point Blue Conservation Science Roots Program	\$435,000
California Department of Fish and Wildlife’s Cannabis Restoration Grant Program	\$6,740,000
Project Total	\$9,632,427

Conservancy funds will derive from a \$2,492,926 grant to the Conservancy from the NFWF’s National Coastal Resilience Grant Program. The Conservancy will retain \$35,499 of the grant for administrative costs.

The County will provide in-kind services for construction contractor management and overseeing and completing culvert crossing. The value of these services is estimated to be \$20,000.

CDFW will provide in-kind services for construction and engineering services, conducting surveys and data sharing, reviewing reports, and pit array for salmonids. The value of these services is estimated to be \$14,200.

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 project is undertaken pursuant to Chapter 6 of Division 21 of the Public Resources Code as follows:

Pursuant to Section 31251 of the Public Resources Code, the Conservancy may award grants to “nonprofit organizations for the purpose of enhancement of coastal resources that, because of . . . natural or human-induced events . . . have suffered loss of natural and scenic values.” Consistent with Section 31251, the project site, a diked, ditched and drained wetland, affords an excellent opportunity to reverse the ecological degradation and loss of natural values resulting from an era of reclamation.

Pursuant to Section 31251.2(a) of the Public Resources Code, the Conservancy may award grants to enhance a watershed resource that is partly outside the coastal zone to enhance the natural or scenic character of coastal resources within the coastal zone. The project site is within the Freshwater Creek watershed and is bisected by the coastal zone boundary. Salmon and other wildlife rely on unimpeded access to high-quality habitat on both sides of the coastal zone boundary for different phases of their lifecycles. Consistent with this section, the project

will enhance and greatly increase wildlife habitat and hydrologic connectivity between the Felt Ranch wetlands, which are partly outside the coastal zone, and the downstream, restored tidal wetlands in the Freshwater Farms Preserve, which are within the coastal zone.

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

Consistent with **Goal 3.2 Restore or Enhance Habitats**, the project will restore and enhance important habitats and habitat connectivity, restore natural systems in a coastal watershed, and reduce barriers to fish passage and migration.

Consistent with **Goal 4.1 Sea Level Rise Adaptation Projects**, the project will increase habitat connectivity and complexity along a salinity gradient extending from the mouth of Wood Creek to upstream areas, providing for the migration of wetland species upstream in response to rising sea levels. Furthermore, increasing the connectivity and extent of Wood Creek's floodplain wetlands will enhance the flood storage and conveyance functions of the creek, reducing existing inundation impacts on public roadways and adjacent properties and increasing system resilience to climate-driven hydrologic extremes, including high-magnitude rainfall and associated flood events.

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

The project is consistent with, and furthers the goals of, the Humboldt Bay Management Plan, prepared in May 2007 by the Harbor District. The project is consistent with the Conservation Element Policy Maintaining and Enhancing Aquatic Ecosystem Functions CAE-2: "Maintain, restore, and enhance aquatic ecosystem integrity"(page 201) in that it supports restoration of riparian areas. The project is consistent with the Conservation Element Policy Aquatic Species Management CAS-3: "Maintain and enhance habitat for sensitive species"(page 204) in that it will restore of habitat for coho salmon.

The project is consistent with, and furthers the goals of, the Humboldt Bay Watershed Salmon and Steelhead Conservation Plan, prepared by the Humboldt Bay Watershed Advisory Committee in March 2005. The Plan highlights the importance of the Bay's tidal marshlands in supporting salmon populations, as well as diverse communities of fish and wildlife. The Plan notes that estuarine habitat is necessary for the survival of salmon and that this habitat "has been significantly reduced by construction of levees and tidegates, and placement of fill." One of the stated goals of the Plan is to "[m]aintain and restore estuary processes that benefit salmonids[,]" and the project will further this goal by restoring brackish habitat.

The project is consistent with the Water Quality Control Plan for the North Coast, last updated in 2025, in that it will enhance wildlife habitat, habitat for rare, threatened and endangered species, and estuarine habitat in Humboldt Bay. The Water Quality Control Plan for the North Coast specifies beneficial uses and water quality objectives for North Coast water bodies, including the Eureka Plain Hydraulic Unit, which includes the project site. By protecting wetlands and adjacent uplands, this project will protect and enhance beneficial uses of the Freshwater Creek watershed in the Eureka Plain Hydraulic Unit identified in the Plan, including

cold freshwater habitat, freshwater replenishment, migration of aquatic organisms, wildlife habitat, rare, threatened, or endangered species, and spawning, reproduction, and/or early development.

CEQA COMPLIANCE

The project is statutorily exempt from the California Environmental Quality Act (CEQA) under Section 21080.56(a) of the Public Resources Code, also known as the “Statutory Exemption for Restoration Projects” (SERP). SERP exempts projects that are exclusively a project to: (1) conserve, restore, protect, or enhance, and assist in the recovery of California native fish and wildlife, and the habitat upon which they depend; or (2) restore or provide habitat for California native fish and wildlife (Section 21080.56(a)). A project may have incidental public benefits, such as public access and recreation; however, the project: (a) must result in both of the following: (1) results in long-term net benefits to climate resiliency, biodiversity, and sensitive species recovery; and (2) includes procedures and ongoing management for the protection of the environment; and (b) cannot include construction activities, except for construction activities solely related to habitat restoration (Section 21080.56(b)-(c)). The project will restore an estuary and provide habitat, such as new ponds, for California native fish and wildlife, resulting in long-term net benefits to climate resiliency, biodiversity, and sensitive species recovery. Any public benefits are incidental to the project’s fundamental purpose. The project includes procedures and ongoing management for the protection of the environment and only includes construction activities that relate to habitat restoration. On June 13, 2023 CDFW issued a concurrence, CEQA SERP Concurrence Number 21080.56-2023-028-R1, concurring with the Humboldt County Department of Public Works, lead agency, that the Wood Creek Phase III – Felt Ranch Off-Channel Rearing Habitat Project meets the qualifying criteria set forth in Section 21080.56(a)-(d). Pursuant to Section 21080.56(g), the Humboldt County Department of Public Works filed a Notice with the Office of Planning and Research, State Clearing House #2023060387.

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