

COASTAL CONSERVANCY

Staff Recommendation

June 18, 2026

**ELK RIVER HABITAT RESTORATION PROJECT: ACQUISITION AUGMENT**

Project No. 20-035-03

Project Manager: Michael Bowen

**RECOMMENDED ACTION:** Authorization to disburse up to \$1,600,000 to California Trout, Inc. to augment a Conservancy grant totaling \$5,500,000 to expand the scope of the Elk River Habitat Restoration Project to include acquisition of the 121.5-acre Shanahan Ranch for preservation of open space; protection, restoration, and enhancement of natural resources and wildlife habitat; protection of cultural resources; public access; and agricultural use and California Native American tribal cultural use consistent with such purposes in Humboldt County.

**LOCATION:** Shanahan Ranch, Elk River Road, Humboldt County

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EXHIBITS

Exhibit 1: [Project Location Map](#)

Exhibit 2: [Elk River Habitat Restoration Project Overview](#)

Exhibit 3: [June 1, 2023 Staff Recommendation](#)

Exhibit 4: Project Letters

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**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 one million six hundred thousand dollars (\$1,600,000) to California Trout, Inc. (“the grantee”) to augment a Conservancy grant totaling \$5,500,000 to expand the scope of the Elk River Habitat Restoration Project to include acquisition of the 121.5-acre Shanahan Ranch (currently Assessor Parcel Numbers 304-031-001, 305- 031-012, 305-031-013, 305-031- 002, and 304-181-001) in Humboldt County, subject to the following conditions:

1. Prior to the disbursement of funds for the acquisition, the grantee shall submit for the review and approval of the Executive Officer of the Conservancy (Executive Officer):

- a. All relevant acquisition documents for the acquisition including, without limitation, the appraisal, purchase and sale agreement, deed, escrow instructions, environmental or hazardous materials assessment, and title report;
  - b. A baseline conditions report; and
  - c. Evidence that sufficient funds are available to complete the acquisition.
2. The grantee shall pay no more than fair market value for the property, as established in an appraisal approved by the Executive Officer.
  3. The property acquired under this authorization shall be managed and operated for the following acquisition purposes: preservation of open space; protection, restoration, and enhancement of natural resources and wildlife habitat; protection of cultural resources; public access; and agricultural use and California Native American tribal cultural use consistent with such purposes. The property shall be permanently dedicated to those purposes by an appropriate instrument approved by the Executive Officer.
  4. Conservancy funding shall be acknowledged by erecting and maintaining a sign on the property or in a nearby publicly-viewable area, the design and location of which are to be approved by the Executive Officer.

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 3 of Division 21 regarding greenhouse gas emissions, and Chapter 5.5 of Division 21 of the Public Resources Code, regarding enhancement of natural resources.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria.
3. California Trout, Inc. is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.

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## **STAFF RECOMMENDATION**

### **PROJECT SUMMARY**

Staff recommends that the State Coastal Conservancy authorize up to \$1,600,000 to California Trout, Inc. ("California Trout") to augment a Conservancy grant totaling \$5,500,000 to expand the scope of the Elk River Habitat Restoration Project (ERHRP) to include acquisition of the 121.5-acre Shanahan Ranch (currently Assessor Parcel Numbers 304-031-001, 305-031-012, 305-031-013, 305-031-002, and 304-181-001) in Humboldt County for preservation of open space; protection, restoration, and enhancement of natural resources and wildlife habitat; protection of cultural resources; public access; and agricultural use and California Native American tribal cultural use consistent with such purposes in Humboldt County (the "project"). Doing so will substantially expand the habitat restoration, coastal flooding reduction, and coastal resilience enhancement features of the Elk River Habitat Restoration Project ("ERHRP").

The initial Conservancy grant totaling \$5,500,000 was for acquisition of the Prior Ranch and preparation of designs, environmental review documents, and permit applications for the ERHRP. Restoration designs have been completed, permits are issued for the restoration work, and the Prior Ranch was acquired, with a portion of it –Tchwanuchguk--transferring directly out of escrow to the Wiyot Tribe.

The Shanahan Ranch (Exhibit 1) was previously included within the ERHRP planning area, but it was not included within the restoration design footprint (Exhibit 2). At the time of the Conservancy's prior board authorization (Exhibit 3), it was assumed that the Shanahan Ranch would remain in private ownership solely dedicated to agriculture, and would fall outside of the area dedicated to habitat restoration, immediate flood risk reduction and coastal resilience implementation. However, the Shanahan Ranch has unexpectedly shifted from a design constraint to a project opportunity for the ERHRP.

This development affords the project partners an unexpected opportunity to expand the restoration footprint, consolidate conservation ownership contiguous to the Elk River Wildlife Area, and increase both the habitat value and coastal flooding and resilience features of the ERHRP.

With minor redesign of the southwestern portion of the ERHRP area, California Trout will now be able to increase habitat value, reduce local flood risk, and remove costly and environmentally less preferable project features such as levees that were originally designed to protect agricultural uses on the adjacent Shanahan Ranch.

This expansion of the ERHRP Project consists of acquisition of the most threatened parcels in the Elk River (Humboldt Bay) estuary – the Shanahan Ranch parcels, totaling 121.5-acres of primarily former tidal marsh lands. After acquisition, California Trout will transfer the Shanahan Ranch to the State, along with 100-acres of the Prior Ranch, to expand the existing California Department of Fish and Wildlife Elk River Wildlife Area. California Trout completed acquisition of the 140-acre Prior Ranch and, with Conservancy approval, transferred a 40-acre parcel from that property to the Wiyot Tribe in early 2025.

The ERHRP will restore natural tidal and fluvial drainage patterns across an 857-acre project area that comprises the Prior Ranch, the Shanahan Ranch, the California Department of Fish and Wildlife's adjacent 104-acre Elk River Wildlife Area, and several private properties whose owners are familiar with the plan and supportive of the drainage improvements which implementing the plan would provide. The ERHRP will provide improved drainage of upstream areas, restored estuarine habitat downstream, planned retreat of agriculture from areas no longer suitable for coastal agriculture, and installation of infrastructure capable of providing adaptability to rising seas.

**Site Description:** The Shanahan Ranch is located on Elk River Road, south of Eureka, and near Highway 101. The 121.5-acre ranch comprises Humboldt County Assessor Parcel Numbers 304-

031-001 (67 acres), 305- 031-012 (48 acres), 305-031-013 (2.5 acres), 305-031- 002 (1 acre), and 304-181-001 (3 acres) (Exhibit 1). There is an existing dairy with several associated structures on the property, but the property is predominantly undeveloped pasture.

The Elk River Valley was once an ecologically rich and variable landscape, comprised of dunes and tidal marshes, prairie grasslands, patches of deciduous and coniferous forests, and productive wetland habitat. This verdant area is also the ancestral home of The Wiyot.

Nearly all this habitat was lost to agricultural conversion following Euro-American settlement of this region beginning in the 1850s. This planning area is acutely vulnerable to sea level rise and other climate change effects, such as increased flow variability. Directly opposite the Humboldt Bay harbor entrance, the area is characterized by low-elevation, subsiding diked former tidelands, and old water control infrastructure that is in disrepair. As a result, habitat conversion is already occurring in unmaintained pastures. Pastures, infrastructure and roads in this vicinity flood during seasonal king tides and storms. This condition is expected to worsen in coming years. As such, the ERHRP Project is part of a managed retreat strategy.

The region and ERHRP context are described in greater detail in the prior staff recommendation (Exhibit 3).

**Grant Applicant Qualifications:** California Trout has an extensive record of achievement on the Northcoast and elsewhere, including the acquisition last year of the Prior Ranch and successful design of this ERHRP. California Trout has successfully managed multiple Conservancy grants for restoration design and implementation, including the previous grant for ERHRP (see Exhibit 3). It has also expressed the willingness and financial ability to hold the property temporarily while final disposition of the acquired property is determined.

#### **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.**

Acquisition of the Shannahan Ranch achieves a number of objectives while also creating new cost efficiencies for the broader ERHRP. First, acquisition enables the consolidation of adjacent parcels into a unit that facilitates expansion of the Elk River Wildlife Area. Second, acquisition and revised ERHRP planning enables California Trout to remove from the ERHRP several elements that represented habitat conservation sacrifices, but were necessary in order to protect the Shannahan Ranch from adverse project impacts. Those features may now be abandoned at significant cost savings and ecological gain to the ERHRP. Finally, by removing

development from the flood zone, the proposed acquisition reduces future exposure to flood damage, emergency response and insurance claims.

**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 project and prior Conservancy grant initially enabled the acquisition of the Prior Ranch, of which 40-acres, including an historic fishing camp, was transferred out of escrow to the Wiyot Tribe. The Wiyot remain integral to ERHRP development, and California Trout coordinates extensively on ERHRP activities throughout the Elk River Valley, including on the Shanahan Ranch.

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

The expansion of the available area for habitat restoration, and removal of infrastructure from areas prone to severe coastal flooding, maximizes and increases the ERHRP durability and resilience over time to rising sea levels, increasingly severe precipitation, and associated coastal flooding impacts.

**5. Project delivers multiple benefits and significant positive impact.**

See June 1, 2023 Staff Recommendation (Exhibit 3).

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

See June 1, 2023 Staff Recommendation (Exhibit 3).

**PROJECT FINANCING**

<b>Coastal Conservancy</b> (Previous Authorization)	<b>\$5,500,000</b>
<b>Coastal Conservancy</b> (Current Proposed Augmentation)	<b>\$1,600,000</b>
<b>Project Total</b>	<b>\$7,100,000</b>

Conservancy funding is anticipated to come from a Fiscal Year 2023/24 appropriation from the General Fund to the Conservancy for the purpose of coastal resilience (Budget Act of 2023, Chapter 12, Statutes of 2023 (SB 101) as amended by Chapter 38, Statutes of 2023 (AB 102). These funds are available as described in Section 52 of Chapter 258 of the Statutes of 2021, which appropriates funds to the Conservancy for projects that protect and restore coastal and ocean resources from the impacts of sea level rise and other impacts of climate change. The proposed project is consistent with this funding source because acquisition of the Shanahan properties will expand restoration of tidal marsh and floodplain habitat, protection of adjacent infrastructure and agricultural land from sea level rise, and enhancement of the ecosystem function and habitat quality of a coastal watershed to increase climate resilience for the recovery of listed salmonids and other special-status species.

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**

Expansion of the ERHRP Project to include acquisition of the Shanahan properties is consistent with the description in the June 1, 2023 Staff Recommendation (Exhibit 3).

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

Consistent with **Goal 3.1 Conserve Land**, the project will protect an additional 121.5-acres of agricultural land with the goal of future restoration and sea level rise resilience implementation.

Consistent with **Goal 3.2 Restore or Enhance Habitats**, the proposed project will facilitate expansion of a plan now underway for protecting and enhancing 857-acres of degraded lower Elk River and estuary.

Consistent with **Goal 4.1 Sea Level Rise Adaptation Projects**, the proposed project will develop a plan for nature-based adaptation to sea level rise.

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

Expansion of the ERHRP to include acquisition of the Shanahan properties is consistent with the description in the June 1, 2023 Staff Recommendation (Exhibit 3).

#### **CEQA COMPLIANCE:**

The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Section 15325, which exempts acquisition of lands to preserve open space, habitat or historical resources. Section 15325 sets forth examples that include exemptions for acquisitions to allow restoration of natural conditions, including plant or animal habitats. Consistent with these provisions, this project will expand restoration of natural conditions, including plant or animal habitats, in the Elk River Wildlife Area.

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