COASTAL CONSERVANCY

Staff Recommendation

June 18, 2026

EUREKA FLOOD REDUCTION AND SEA LEVEL RISE RESILIENCY PROJECT

Project No. 26-018-01

Project Manager: Peter Jarausch

RECOMMENDED ACTION: Authorization to disburse up to $1,755,463 to the City of Eureka to undertake Phase 1 of the Eureka Flood Reduction and Sea Level Rise Resiliency Project, which consists of improving the stormwater system by installing new outfall pipes and tide gates, expanding a channel, restoring tidal marsh, and improving associated upstream infrastructure, at Palco Marsh in Eureka to increase resilience to flooding from climate change.

LOCATION: Eureka, Humboldt County

EXHIBITS

Exhibit 1: Project Location Map

Exhibit 2: Site Photos

Exhibit 3: Project Letters

Exhibit 4: Eureka Flood Reduction and Sea Level Rise Resiliency Project Mitigated Negative Declaration

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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 seven hundred fifty five thousand four hundred sixty three dollars ($1,755,463) to the City of Eureka ("the grantee") to undertake Phase I of the Eureka Flood Reduction and Sea Level Rise Resiliency Project (the "project"), which consists of improving the stormwater system by installing new outfall pipes and tide gates, expanding a channel, restoring tidal marsh, and improving associated upstream infrastructure, at Palco Marsh in Eureka to increase resilience to flooding from climate change.

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 4 as the source of that funding.
4. 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 3 of Division 21 of the Public Resources Code, regarding the impacts of climate change.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria.
3. The Conservancy has independently reviewed and considered the Eureka Flood Reduction Sea Level Resiliency Project Initial Study-Mitigated Negative Declaration adopted by the City of Eureka on June 13, 2023 pursuant to the California Environmental Quality Act and attached to the accompanying staff recommendation as Exhibit 3. The Conservancy finds that the Eureka Flood Reduction Sea Leve Resiliency Project ("Project") as designed and mitigated avoids, reduces, or mitigates the potentially significant environmental effects to a less-than-significant level, and that there is no substantial evidence based on the record as a whole that the Project will have a significant effect on the environment.

STAFF RECOMMENDATION

PROJECT SUMMARY

Staff recommends the Conservancy authorize a grant of up to$1,595,875 to the City of Eureka (City) to undertake Phase I the Eureka Flood Reduction and Sea Level Rise Resiliency Project (the "project"), which consists of improving the stormwater system by installing new outfall pipes and tide gates, expanding a channel, restoring tidal marsh, and improving associated upstream infrastructure, at Palco Marsh in Eureka to increase resilience to flooding from climate change. This project will help protect homes and businesses that are located in low elevation areas from flooding (See Exhibit 1 for project location).

The City's shoreline and landward areas are increasingly exposed to sea level rise and other climate-related impacts. The City, along with the rest of the Humboldt Bay area, is experiencing the fastest relative rate of sea level rise anywhere on the California Coast, with up to four additional inches of sea level rise projected by 2050 compared to the state average. This is due to a combination of land subsidence from tectonic forces and sea level rise. The City is already experiencing the impacts of climate change. In 2012 and 2019 there was up to 1 foot of flooding in low lying portions of Eureka due to a combination of high tide and significant rainfall. These types of floods are likely to increase over time with both sea level rise as well as changes in rainfall patterns. This increase in storm intensity and frequency are predicted to increase which will put additional strain on the City's infrastructure.

Two issues must be resolved in order to make the City more resilient to flooding. The first is the capacity of the stormwater system in the urban environment. A typical green infrastructure strategy is to decrease peak flows during storm events by creating detention basins or swales that allow the water to slowly dissipate through the soil. This decreases the need to increase the capacity of the stormwater system through replacement with larger pipes and other grey infrastructure. However, low lying areas in Eureka that are prone to flooding also have a high water table due to their proximity to Humboldt Bay. Water captured in swales or detention basins will not effectively drain through the soil. The water table is also predicted to rise along with sea level which will further limit the amount of water than can be directly absorbed by the soil. As a result, the City will need to rely on a more traditional approach and increase the diameter of the pipes at key locations.

The second issue is that the stormwater system drains directly into Humboldt Bay. This is not a problem on many days of the year, but when a storm event coincides with a high tide there is nowhere for the water to drain. The high tide blocks the outfall pipes and during spring tides saltwater will even flow into low lying portions of the stormwater system. This both limits the ability of the stormwater system to drain as well as reduces the capacity and ability of the pipes to store the stormwater until the tide recedes.

The City is proposing to address these problems in two phases. Phase 1, which is the project that is the subject of this authorization, starts at the bottom end of the system and will improve how the water is stored and how it enters Humboldt Bay. Phase 2, which is not included in the project for this authorization, will increase the capacity for the system upstream. The City is working with California Office of Emergency Services (CALOES) and Federal Emergency Management Agency (FEMA) to secure funding for Phase 2.

The project will reroute stormwater from low lying neighborhoods in the southwestern part of Eureka from an outfall pipe that is often clogged with sediment into Palco Marsh and then into Humboldt Bay through a new set of 30 inch pipes with tide gates. This will both increase the ability for the stormwater system to drain quickly as well as improve conditions in Palco Marsh. During a rain and high tide event the marsh will be able to store the stormwater which will then be quickly released once the tide goes down and the tide gates are able to open. Currently it takes over 24 hours for the marsh to drain when it is inundated by a high tide and storm event. After project implementation it is forecasted to take 12-18 hours. The new outfall pipes and tide gates will improve conditions in the marsh by allowing it to drain more quickly during storms and by increasing tidal exchange the remainder of the year. The increase in tidal exchange should bring both saltwater and sediment into the marsh. This should help slowly raise the level of the marsh and help prevent it from becoming subtidal habitat. The larger outfall pipes will also reduce flow velocities, improving fish passage conditions and enhancing the potential for Palco Marsh to serve as non-natal rearing habitat for salmonids in Humboldt Bay. The project will also involve excavating a channel along the western edge of the marsh and redistributing this sediment across the marsh to increase its elevation, restoring tidal marsh vegetation to approximately 9 acres that have converted to mudflat due to prolonged inundation, subsidence, and reduced sediment supply.

The project will also help improve water quality in Humboldt Bay by installing a series of trash collectors at the entrance into Palco Marsh. These will capture trash and prevent it from entering the marsh as well as Humboldt Bay. The trash collectors will be maintained by City staff.

Phase 2 of the Eureka Flood Reduction Sea Level Resiliency Project will focus on increasing the capacity of the system upstream from Palco Marsh by installing larger capacity pipes at key locations. The entire Eureka Flood Reduction Sea Leve Resiliency Project has received all of the necessary permits and is ready to start construction in June of 2026.

Palco Marsh was acquired by the City in the mid-1980s with funding coming from a 1985 authorization by the Conservancy. In 1989 the Conservancy provided an additional grant to enhance habitat in the Palco Marsh.

Site Description: The City is the County Seat and Humboldt County's largest city. The population of the greater Eureka area is approximately 45,000. The City's shoreline extends six miles along Humboldt Bay, between Elk River South and Eureka Slough. This project is located within a portion of Eureka that is classified as a severely disadvantaged community.

Palco Marsh is located on the eastern shoreline of Humboldt Bay, at the southern edge of the City. It is bounded to the North by Del Norte Street, to the East by Felt and Broadway Streets and to the South by Vigo Street and the Bay Shore Mall. Palco Marsh is approximately 40 acres and is adjacent to an additional 37 acre area of tidal flats and shoreline strip marsh.

Grant Applicant Qualifications: The City has administered many large-scale projects and Conservancy and other grants. Significant projects include the Eureka Waterfront trail and the Elk River Estuary Restoration Project. In recent years, the City has exhibited an ambitious approach to public access improvement and habitat restoration and is uniquely qualified and appropriate to serve as grantee for critical infrastructure protection projects.

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.**

This project is a good investment of state resources. Once completed the project will help protect local homes and businesses from flooding due to impacts from climate change. This will provide long-term savings to the City of Eureka and the State of California by reducing the need for emergency funding.

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

This project has been designed to be resilient to sea level rise and increasing storm intensity and frequency. The tide gauges that will be installed can be adjusted vertically to accommodate changes in sea level. The increase in tidal exchange will also help marsh elevations adjust to increasing water levels and help reduce the rate of marsh conversion to subtidal habitat.

4. Project delivers multiple benefits and significant positive impact.

This project both reduces flooding in the City as well as improves habitat in Palco Marsh. The City will have a more resilient stormwater system and less flooding for homes and businesses in the southwestern part of Eureka. Palco Marsh will benefit from habitat improvements, better water quality through increased tidal exchange, and a reduction in the time the marsh is inundated with fresh water.

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

This project was developed at the urging of local residents and businesses and careful planning by the City of Eureka Public Works Department. The plans were developed through active engagement of stakeholders and the larger community actively participated through City Council meetings. Regulatory and agency involvement was also frequent, particularly as part of the permitting process.

The project will benefit a severely disadvantaged community by increasing resilience to climate change and reducing flooding. Homes and businesses in this area are prone to flooding due to ponding of stormwater. This project will allow stormwater to drain more effectively and make the area more resilient to future increases in storm intensity and frequency as well as sea level rise.

PROJECT FINANCING

Coastal Conservancy	**$1,755,463**
Project Total	**$1,755,463**

The anticipated source of funding is an appropriation of the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 ("2024 Climate Bond" or "Proposition 4"), codified at Public Resource Code Sections 90000-95015). Section 92015 allocates funds for "the purpose of coastal and combined flood management projects and activities for developed shoreline areas… at risk of current flooding and flooding due to sea level rise." The project site is adjacent to Humboldt Bay and at risk of flooding. The project is consistent with the 2024 Climate Bond because it will implement a project to reduce flooding in the southwestern portion of Eureka. This is a multi-benefit project that will improve public safety by reducing the risk of flooding, will be resilient to sea level rise and increasing storm intensity, and will improve habitat in Palco Marsh. Phase 2 of the project will be implemented with over $6,000,000 in other funds, including City funds and funds contributed by the California Natural Resources Agency and the Department of Water Resources.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION

The proposed project will be undertaken pursuant to Section 31113 of Chapter 3 of Division 21 of the Public Resources Code, which authorizes the Conservancy to address the impacts and potential impacts of climate change on resources within the Conservancy's jurisdiction (Section 31113(a)).

Pursuant to Section 31113(b), the Conservancy is authorized to award grants to public agencies to undertake projects that include reducing greenhouse gas emissions, and addressing extreme weather events, sea level rise, flooding, and other coastal hazards that threaten coastal communities, infrastructure, and natural resources. Section 31113 requires the Conservancy to prioritize projects that use natural infrastructure to help coastal communities adapt to climate change and projects that provide multiple public benefits, including, but not limited to, protection of communities, natural resources, and recreational opportunities. Consistent with these sections, the project will implement a project to reduce flooding in an urban area and will improve habitat conditions in Palco Marsh.

CONSISTENCY WITH CONSERVANCY'S 2023-2027 STRATEGIC PLAN

Consistent with **Goal 1.1, Commit Funding to Benefit Systemically Excluded Communities**, the proposed project will implement a project that will reduce flooding in a severely disadvantaged community.

Consistent with **Goal 4.1, Sea Level Rise Adaptation Projects**, the proposed project will implement a project in Palco Marsh that will protect local communities and natural resources in the City from the impacts of flooding from coastal storms and sea-level rise.

CEQA COMPLIANCE:

The City of Eureka approved the Eureka Flood Reduction and Sea Level Rise Resiliency Project Mitigated Negative Declaration ("MND") on June 13, 2023. The MND identified the following potential impacts to Air Quality, Energy, Biological Resources, Cultural Resources, Geology/Soils, Hazardous Materials, and Hydrology and Water Quality. With the Eureka Flood Reduction and Sea Level Rise Resiliency Project's incorporated mitigation measures, summarized below, these environment effects will be less than significant.

Air Quality- Temporary impacts from construction will be mitigated through Best Management Practices. Mitigation Measure AQ-1

Biological Resources- Eureka Flood Reduction and Sea Level Rise Resiliency Project activities have the potential to have temporary impacts to amphibians, migratory birds, and special status plants. Mitigation measures include avoidance through pre-construction surveys adjusting the timing of construction and restoring areas to pre-construction condition. Mitigation Measures BR-1 through BR-5.

Cultural Resources- Potential impacts from cultural resources include the possibility of disturbing a former dump located adjacent to the construction staging area as well as the

potential for inadvertent discovery of artifacts or human remains. Mitigation measures CR-1 through CR-3 include minimizing impacts to archaeological remains if encountered, the training of workers in inadvertent discovery protocols, and minimizing impacts to human remains if encountered

Energy- Limited to temporary impacts from construction equipment.

Geological Resources- Potential impacts to paleontological resources will be mitigated through Mitigation Measure GEO-1 which addresses the inadvertent discovery of resources.

Hazardous Materials- Potential impacts from encountering contaminated soils or asbestos in former building materials. HAZ-1 specifies the handling and disposal of contaminated soils that were identified during project planning. A Soil Excavation, Stockpiling and Transportation Plan (SESTP) will include a map of the specific locations of contaminated soils and requirements for their storage and transport. Mitigation Measure HAZ-2 requires the project to characterize existing suspect Asbestos Containing Materials (ACM) and if materials test positive that they are removed and disposed of by a certified abatement contractor.

Hydrology and Water Quality – Potential impacts to hydrology and water quality include sediment mobilization during construction. However, because the Eureka Flood Reduction and Sea Level Rise Resilience Project is anticipated to disturb over one acre of land, compliance with the State Water Board Order No. 2009-0009 is required, which will regulate any stormwater runoff from the construction activities.

With implementation of the project's mitigation measures, environmental effects to to Air Quality, Energy, Biological Resources, Cultural Resources, Geology/Soils, and Hazardous Materials will be less than significant. Staff recommends that the Conservancy find that the project as mitigated avoids, reduces or mitigates the potentially significant environmental effects to a level of less-than-significant and that there is no substantial evidence that the project will have a significant effect on the environment.

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