

COASTAL CONSERVANCY

Staff Recommendation
September 3, 2020

ELK RIVER ESTUARY RESTORATION AUGMENTATION

Project No. 15-033-03
Project Manager: Julia Elkin

RECOMMENDED ACTION: Authorization to disburse up to \$979,000 to the City of Eureka to augment the Conservancy's prior authorizations of \$1,377,000 for implementation of the Elk River Estuary Restoration Project, a tidal wetland restoration project in Humboldt County.

LOCATION: Eureka, Humboldt County

PROGRAM CATEGORY: Integrated Coastal and Marine Resources Protection

EXHIBITS

- Exhibit 1: [Project Location](#)
- Exhibit 2: [Elk River Estuary Restoration staff recommendation dated September 6, 2018.](#)
- Exhibit 3: [Elk River Estuary Restoration Augmentation staff recommendation dated December 10, 2018.](#)
- Exhibit 4: [Project Design Plan \(April 2020\)](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31220 and 31113 of the Public Resources Code:

"The State Coastal Conservancy hereby authorizes the disbursement of up to nine hundred and seventy-nine thousand dollars (\$979,000) to the City of Eureka (City) to augment the Conservancy's prior authorizations of \$1,377,000 for implementation of the Elk River Estuary Restoration Project, within the City of Eureka in Humboldt County.

This authorization is subject to all of the conditions imposed upon the City through the September 6, 2018 and December 10, 2018 Conservancy authorizations for this project (Exhibits 2 and 3).”

Staff further recommends that the Conservancy adopt the following findings:

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

1. The proposed project is consistent with the current Project Selection Criteria and Guidelines.
2. The proposed project is consistent with Chapter 5.5 of Division 21 of the Public Resources Code, regarding integrated coastal and marine resources protection projects.”

PROJECT SUMMARY:

Staff recommends the Conservancy augment its existing grant to the City of Eureka for implementation of the Elk River Estuary Restoration Project by authorizing the disbursement of up to an additional \$979,000 for implementation of tidal wetland restoration associated with the Elk River Estuary Restoration Project. The Conservancy previously granted the City \$980,000 in US Fish and Wildlife Service grant funds for the restoration project and \$397,000 of Conservancy Proposition 84 funds for public accessway construction. After the recommended augmentation, the total amount of the grant, including the previously authorized USFWS funds and Conservancy access funds, would be \$2,356,000. The additional funding is needed to implement the restoration actions.

The Conservancy has been a critical partner throughout this project’s development, from funding project design to securing the first project implementation grant (USFWS National Coastal Wetland Conservation grant funds in 2018, see Project Financing section). With the evolution of project designs over the past two years and rising construction costs in the region, it has been a challenge to secure full and timely implementation funding. Conservancy staff and the City have collaborated on numerous external grant applications, making final rounds in several programs but falling short of award due to the funding gap that was presented. The proposed augmentation would be a strategic contribution to the full project construction cost by providing significant state support for this critical project, demonstrating funding progress to other key funders, and providing funds that can serve as match to leverage external federal funding grant applications (see Project Financing section discussion of NFWF Coastal Resilience Grants application).

The project is fully described in the September 6, 2018 staff recommendation (Exhibit 2) and public accessway amenities are described in detail in the December 10, 2018 staff recommendation (Exhibit 3). Exhibit 4 provides updated project design documentation, which has been refined and further developed since the 65% designs which were provided as an exhibit to the September 6, 2018 staff recommendation.

Site Description: The project area remains as described in the September 6, 2018 staff recommendation (Exhibit 2).

Project History: The project history is described in the September 6, 2018 staff recommendation (Exhibit 2), including the project’s relationship to other Conservancy projects in the Elk River watershed. These include the Martin Slough Enhancement Project, located less than three miles upstream of the Elk River Estuary. Together, these discrete restoration projects are increasing habitat values for salmonids and other listed species in the Elk River watershed. For the Elk River Estuary Restoration Project, the Conservancy authorized a \$980,000 grant of USFWS funds to the City on September 6, 2018. On December 10, 2018 the Conservancy authorized \$379,000 of Prop 84 funds to City of Eureka for access amenities that are part of the project. Since that time, the City has refined project designs (see Exhibit 4) and applied to additional state and federal partners for the remaining construction funding. In spring 2020, the City applied to the Coastal Conservancy’s Proposition 1 North Coast Proposal solicitation. The application scored highly in staff reviews, with the project furthering both the wetland restoration and anadromous fish habitat enhancement priorities of the Proposition 1 funding round. The project is planned to go to construction in summer 2021, pending documentation of full project funding.

PROJECT FINANCING

Proposed Grant Augmentation

Coastal Conservancy (Prop 1) \$979,000

Previous Conservancy Authorizations

Coastal Conservancy (Prop 84) \$397,000

Coastal Conservancy (USFWS National Coastal Wetlands Conservation Grant 2018)
\$980,000

Other Funds

Humboldt Baykeeper \$27,000

Ocean Protection Council \$1,038,853

USFWS National Coastal Wetlands Conservation Grant 2021 (pending)
\$980,000

NFWF Coastal Resilience Grant (pending) \$979,000

Project Total \$5,380,853

The USFWS funds are discussed in the September 6, 2018 staff recommendation (Exhibit 2) and the Coastal Conservancy Proposition 84 funds are discussed in the December 10, 2018 staff recommendation (Exhibit 3).

The anticipated source of funding for this authorization is an appropriation from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1, Water Code § 79700 et seq.). Funds appropriated to the Conservancy derive from Chapter 6 (commencing with § 79730) and may be used “for multi-benefit water quality, water supply, and watershed protection and restoration projects for the watersheds of the state” (Section 79731). Section 79732(a) states that these funds may be used to “protect and restore aquatic, wetland, and migratory bird ecosystems including fish and wildlife corridors,” “collaborate with federal agencies in the protection of fish native to California,” and “assist in the recovery of endangered, threatened, or migratory species by improving watershed health”. Consistent with these provisions, the project will restore aquatic and wetland ecosystems serving as fish and wildlife corridors for native Californian endangered Coho and other listed aquatic species, in collaboration with the USFWS. Section 79732(a) also states that these funds may be used to “implement watershed adaptation projects in order to reduce the impacts of climate change on California’s communities and ecosystems.” Consistent with this provision, the project will facilitate wetland restoration that will reduce flooding in the project vicinity from storm events that are expected to increase in frequency with climate change and increase areas for upslope tidal wetland migration under projected sea level rise. The project would therefore further assist with adaptation to climate change.

As required by Proposition 1, the proposed project provides multiple benefits. By restoring wetland habitat in the Elk River Estuary, the project will benefit depleted native fish populations and other aquatic and avian species that utilize wetland habitats. This project will also produce economic benefits by facilitating the recovery of Coho and steelhead, which support recreational fisheries. The project would also further climate change adaptation by reducing flooding of the adjacent Highway 101 corridor.

The project was reviewed and subsequently recommended for funding through a competitive grant process under the Conservancy’s *Proposition 1 Grant Program Guidelines* adopted in June 2015, as amended in September 2016 (“Prop 1 Guidelines”). (See Section 79706(a)). The proposed project meets each of the evaluation criteria in the Prop 1 Guidelines as described in further detail in this “Project Financing” section, the “Project Summary” section and in the “Consistency with Conservancy’s Project Selection Criteria & Guidelines” section of this staff recommendation.

The Conservancy has two applications pending with external funders that would meet the remaining project funding need, one to the USFWS 2021 National Coastal Wetlands Conservation (NCWC) Grant program for \$980,000 of wetland restoration funds and another to the National Fish and Wildlife Foundation’s Coastal Resilience Grant program for \$979,000. The 2021 NCWC grant was submitted upon encouragement by senior staff at the USFWS Arcata field office and the USFWS Wildlife Sport Fish Restoration staff in Sacramento, who provided an initial level of application review and feedback. The Coastal Conservancy’s 2021 NCWC application specifically requests funding for a subset of project acres that were not funded under the 2018 NCWC grant to Coastal Conservancy. If awarded, these additional NCWC funds would be available for project expenditure in Spring 2021. The NFWF funding request was successful at the pre-proposal stage and invited to submit a full proposal in Spring 2020. If awarded, the NFWF grant would provide additional construction funds across the full project

area and would leverage the proposed Coastal Conservancy Proposition 1 funding as match to the NFWF program's requirement of 1:1 non-federal match.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project is undertaken pursuant to Chapter 5.5 of Division 21 of the Public Resources Code (Section 31220), as well as Section 31113 regarding climate change impacts. The project's consistency with these parts of the Public Resources Code is discussed in the September 6, 2018 staff recommendation.

CONSISTENCY WITH CONSERVANCY'S 2018-2022 STRATEGIC PLAN GOALS & OBJECTIVES:

The project is consistent with the Conservancy's 2018-2022 Strategic Plan Goals and Objectives, as discussed in the September 6, 2018 staff recommendation.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The project remains consistent with the Conservancy project selection criteria and guidelines.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The project is consistent with Local Coastal Program policies, as discussed in the September 6, 2018 staff recommendation.

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

The project is consistent with the local watershed management program, as discussed in the September 6, 2018 authorization.

COMPLIANCE WITH CEQA:

The City of Eureka, as lead agency for the project under the California Environmental Quality Act (CEQA), adopted the "Initial Study/Mitigated Negative Declaration - Elk River Estuary/Intertidal Wetlands Enhancement and Coastal Access Project" ("IS/MND") and a Mitigation Monitoring and Reporting Plan ("MMRP") on November 13, 2017. At its November 30, 2017 meeting, the Conservancy reviewed the IS/MND and MMRP, and found that the project, as modified by incorporation of the mitigation measures identified in the IS/MND, will avoid, reduce, or mitigate all of the possible significant environmental effects of the project to a level that is less than significant (as referenced in Exhibit 2). The Conservancy found that, based on the record as a whole, there is no substantial evidence that the project, as mitigated, will have a

significant effect on the environment. Conservancy staff filed a Notice of Determination on December 1, 2017. Since November 30, 2017, there have been no project changes, new information, or changed circumstances that trigger the need for additional CEQA review of the project pursuant to 14 Cal. Code Regs. Section 15162. Accordingly, no further environmental review is required.