

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 20-21, 2026

From: TANISHA TAYLOR, Executive Director

Reference Number: 2.2c.(5), Action

Prepared By: Cherry Zamora
Associate Deputy Director

Published Date: August 7, 2026

Subject: Approval of Project for Future Consideration of Funding – Last Chance Grade Permanent Restoration Project, Resolution E-26-57

Recommendation:

Staff recommends the California Transportation Commission (Commission), as a Responsible Agency under the California Environmental Quality Act (CEQA), approve the attached Resolution E-26-57 (Attachment A); accept the Final Environmental Impact Report for the Last Chance Grade Permanent Restoration Project (Project) in Del Norte County; approve the Project for future consideration of funding; make CEQA Findings (Attachment C); and adopt a Statement of Overriding Considerations (Attachment D).

Issue:

The California Department of Transportation (Caltrans) is the CEQA Lead Agency for the Project. The Project is United States Highway (US) 101 from Post Mile (PM) 12.7 to PM 16.5 in Del Norte County. The Project would provide permanent roadway restoration and realignment through a constructed tunnel bypass.

For all projects that are seeking funding through a program under the purview of the Commission, full compliance with CEQA is required. The Commission will not allocate funds to projects for design, right-of-way, or construction until the environmental document is complete, and the Commission has approved the environmentally cleared project for future consideration of funding.

Background:

On July 15, 2026, Caltrans certified the Final Environmental Impact Report for the Project. Caltrans found that the Project would have significant and unavoidable impacts on biological resources. Permanent impacts to sensitive natural communities, large trees, and marbled murrelet critical habitat would significantly impact biological resources in the area. Although mitigation would be implemented, such as restoration and preservation projects to mitigate for the loss of late-successional redwood, Douglas-fir and Sitka spruce conifer forest, impacts would remain significant and unavoidable.

The resource topic that is using mitigation to reduce impacts to less than significant levels is climate change/greenhouse gases. Mitigation measures for greenhouse gas emissions include, but are not limited to, compensating for the loss of late-successional (mature to old-growth) redwood, Douglas-fir, and Sitka spruce conifer forest and associated large trees, resulting in carbon sequestration at a level that is expected to fully offset total project emissions over 25 years.

Caltrans approved the Project because it found the benefits outweighed the significant and unavoidable impacts and prepared a Statement of Overriding Considerations pursuant to CEQA.

The Commission, in its independent judgment as a CEQA responsible agency, has reviewed and considered the Final Environmental Impact Report prepared by Caltrans. The Commission's Findings and Statement of Overriding Considerations, included in Attachment C and Attachment D, respectively, have been prepared pursuant to CEQA.

Attachments:

- Attachment A: Resolution
- Attachment B: Notice of Determination
- Attachment C: California Transportation Commission - Findings
- Attachment D: California Transportation Commission - Statement of Overriding Considerations
- Attachment E: Lead Agency Request for Approval of Project for Future Consideration of Funding Resolution E-26-57
 - Attachment 1: Map
 - Attachment 2: California Department of Transportation -- Findings
 - Attachment 3: California Department of Transportation -- Statement of Overriding Considerations

CALIFORNIA TRANSPORTATION COMMISSION

Resolution for Future Consideration of Funding

01-DN-101, PM 12.7/16.5

Resolution E-26-57

- 1.1 WHEREAS**, the California Department of Transportation (Caltrans) has completed a Final Environmental Impact Report pursuant to the California Environmental Quality Act (CEQA) and the CEQA Guidelines for the following project:
- Last Chance Grade Permanent Restoration Project: US 101 in Del Norte County. Permanent roadway restoration and realignment project on US 101 located approximately 10 miles south of Crescent City in Del Norte County, California. (PPNO 1112)
- 1.2 WHEREAS**, Caltrans has certified that a Final Environmental Impact Report has been completed pursuant to CEQA and the State CEQA Guidelines for its implementation; and
- 1.3 WHEREAS**, the California Transportation Commission (Commission), as a responsible agency, has considered the information contained in the Final Environmental Impact Report.
- 1.4 WHEREAS**, the project will have a significant effect on the environment.
- 1.5 WHEREAS**, the Commission has made findings as required by California Code of Regulations, section 15096, subdivision (h);
- 1.6 WHEREAS**, the Commission has adopted a Statement of Overriding Considerations (Attachment D) pursuant to California Code of Regulations, title 14, section 15093 and has approved the Project because it found the benefits of the project render the significant impacts acceptable.
- 2.1 NOW, THEREFORE, BE IT RESOLVED** that the Commission does hereby approve the above referenced project to allow for future consideration of funding.

NOTICE OF DETERMINATION

To: Office of Land Use and Climate Innovation
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: California Transportation Commission
Attn: Cherry Zamora
1120 N Street, MS 52
Sacramento, CA 95814
(916) 654-4245

Subject: Filing of Notice of Determination in compliance with Section 21108 of the Public Resources Code.

Project Title: Last Chance Grade Permanent Restoration Project

2021110050	Stephen Umbertis	(707) 382-2889
State Clearinghouse Number	Lead Agency Contact Person	Area Code/Telephone

Project Location (include county): The project is located on United States Highway (US) 101 from post mile (PM) 12.7 to PM 16.5 in Del Norte County.

Project Description: On US 101 located approximately 10 miles south of Crescent City in Del Norte County, the project would provide permanent roadway restoration and realignment through a constructed tunnel bypass.

This is to advise that the California Transportation Commission has approved the above
(☐ Lead Agency/ ☒ Responsible Agency)

described project on August 20-21, 2026, and has made the following determinations regarding the above-described project:

1. The project (☒ will/ ☐ will not) have a significant effect on the environment.
2. ☒ An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
☐ A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures (☒ were/ ☐ were not) made a condition of the approval of the project.
4. Mitigation reporting or monitoring plan (☒ was / ☐ was not) adopted for this project.
5. A Statement of Overriding Considerations (☒ was / ☐ was not) adopted for this project.
6. Findings (☒ were/ ☐ were not) made pursuant to the provisions of CEQA.

The above identified document with comments and responses and record of project approval is available to the General Public at: Caltrans District 1, 1656 Union Street, Eureka, CA 95501.

PAUL GOLASZEWSKI

Signature (Public Agency)

Date

Chief Deputy Director
California Transportation Commission

Title

Date received for filing at LCI:



Environmental Document: *Last Chance Grade Permanent Restoration Project, Final Environmental Impact Report/Environmental Impact Statement and Final Section 4(f) Evaluation*

Project Name: Last Chance Grade Permanent Restoration

DIST-CO-RTE-PM: 01-DN-101-PM 12.7 to 16.5

EA: 01-0F280

EFIS ID: 0115000099

SCH#: 2021110050

**CALIFORNIA TRANSPORTATION COMMISSION
FINDINGS OF FACT**

FOR

**LAST CHANCE GRADE PERMANENT RESTORATION PROJECT THAT WOULD
DEVELOP A LONG-TERM SOLUTION TO THE INSTABILITY AND POTENTIAL
ROADWAY FAILURE ON U.S. 101 BETWEEN POST MILES 12.7 AND 16.5 IN DEL
NORTE COUNTY**

The following information is presented to comply with California Environmental Quality Act (CEQA) Guidelines, California Code of Regulations, title 14, sections 15091 and 15096, and also title 21, section 1501 et seq. Reference is made to the Last Chance Grade Permanent Restoration Final Environmental Impact Report (EIR)¹ for the (Project), which is the basic source for the information.

The following effects have been identified in the Final EIR as resulting from the project. Effects found not to be significant have not been included.

Biological Resources: Sensitive Natural Communities

Adverse Environmental Effects:

Late-successional redwood forest and Sitka spruce forest are considered Sensitive Natural Communities by the California Department of Fish and Wildlife. Alternative F would result in permanent impacts and habitat conversion on 1.09 acres of late successional redwood forest (including large mature redwoods), resulting in a significant and unavoidable impact on late-successional redwood forest. Alternative X would affect

¹ A joint Environmental Impact Report (EIR)/Environmental Assessment (EA) was prepared in compliance with both the California Environmental Quality Act and National Environmental Policy Act. This Findings of Fact refers to the EIR, as the California Transportation Commission's role as a responsible agency is limited to considering the EIR.



0.89 acre and Alternative F would affect 1.13 acres of late-successional Sitka spruce forest and include the removal of large mature trees, resulting in a significant and unavoidable impact on late-successional Sitka spruce forest.

Findings:

Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Statement of Facts:

Mitigation measure Bio-1 (described below) would fund restoration and preservation projects to mitigate for the loss of late-successional redwood and Sitka spruce conifer forest. However, impacts from the removal of late-successional forest habitat would remain significant, as the identified mitigation measures may take multiple centuries to result in replacement of lost habitat. See the Statement of Overriding Considerations prepared for the project for the specific overriding economic, social, and other benefits of the project that outweigh these significant and unavoidable impacts.

- Bio-1: The California Department of Transportation (Caltrans) would undertake one or more mitigation projects to compensate for the loss of late successional (mature to old-growth) redwood, Douglas-fir, and Sitka spruce conifer forest and associated large trees. The mitigation project(s) would attempt to offset impacts based on acreage removed and temporal loss of function.

Typically, mitigation for Caltrans projects is established by applying ratios to compensate for the temporal loss of function of impacted habitat (e.g., 2:1, 3:1, etc.). However, these ratios are for resources where functional equivalency can be achieved within the foreseeable future. Mitigating for late successional forests is more complex, as the unique character and qualities of these forests cannot be replaced in the near-term. These forests, particularly those that support long lived species such as coast redwood, can take hundreds of years to establish on their own.

Mitigation strategies for late successional forest communities would include forest restoration and preservation or forest restoration only. These mitigation strategies have been refined based on comments received on the Draft Environmental Document and would continue to take into consideration input from project stakeholders. Mitigation would be initiated prior to the completion of project construction. Details pertaining to each mitigation strategy are outlined below:



- Mitigation Strategy One: Fund forest restoration projects that accelerate the development of late successional characteristics in younger-aged stands and preserve forested lands to further habitat continuity for late successional forests and/or publicly managed lands and special status species.

Funding thinning projects in dense, early successional stands would accelerate tree growth, increase tree vigor, increase biodiversity for botanical and wildlife species, buffer remaining late successional stands from high intensity stand-damaging fires, and increase carbon sequestration. Current available research supports that thinning young stands could accelerate the formation of late successional characteristics and functions in approximately 100 years for Sitka spruce, 150 years for Douglas-fir, and 200 years for redwood stands, though this is highly variable based on the treated stand's age, location, and position within the landscape.

In addition to funding thinning projects, this mitigation strategy would include:

- An endowment for the long-term management of treated stands, including additional actions to accelerate the development of late successional characteristics such as additional thinning, crown modification to improve structural complexity, etc.
- A research endowment to fund studies to guide forest management, monitor the efficacy of the thinning treatments, and identify appropriate adaptive management strategies.

Specific objectives related to forest thinning treatments for mitigation include, but are not limited to:

- Accelerate the recovery of previously logged young successional conifer stands to mature forest structure and function.
- Create connectivity between the remaining fragments of late successional forest communities.
- Improve stream habitat, reduce erosion, restore hydrology, and enhance landscape resiliency.

Impacts to sensitive natural communities and Environmentally Sensitive Habitat Areas (ESHAs) are typically mitigated at a 3:1 ratio; however, given the time it may take for treated stands to reach functional



equivalency of the stands impacted by the project, the amount of mitigation required may be based on the length of time it would take to restore functional equivalency of late successional forest impacted by the proposed project, i.e., the number of years it would take for the treated stands to reach the functional equivalency of the impacted habitat. Therefore, mitigation would be 100:1 for late successional Sitka spruce forest, 150:1 for late successional Douglas-fir forest, and 200:1 for late successional coast redwood forest.

Based on the anticipated impact quantities and ratios discussed above, Caltrans would fund the restoration of a minimum of 335 acres of forest habitat at Redwoods Rising,² a landscape-scale restoration project managed by Redwood National and State Parks. This mitigation strategy has been identified through coordination and consultation with Redwood National and State Parks. Although the total area was determined through species-specific ratios as shown below, it is anticipated that forest restoration would be completed based on the total acreage shown in Table 1. Funding such restoration would occur prior to the commencement of construction activities through a Cooperative Agreement or similar agreement with Redwood National and State Parks.

Table 1. Mitigation Strategy 1: Forest Restoration at Redwood Rising

Habitat Type	Impact (Acres)	Mitigation Ratio	Mitigation Total (Acres)
Redwood Late Successional	1.09	200:1	218
Douglas-Fir Late Successional	0.02	150:1	3
Sitka Spruce Late Successional	1.13	100:1	113
Total	2.24	N/A	335³

Preservation would be accomplished through the purchase of existing forest habitat, comprised of the aforementioned forest types, in Del Norte and/or Humboldt counties that is threatened by logging or development, with the intent of conveying the preserved habitat to an agency or organization that would manage it in perpetuity. Forest habitat within the coastal zone and located adjacent to late successional forests and/or publicly managed lands would be prioritized for preservation. Preservation

² <https://www.nps.gov/redw/redwoodsrisingmain.htm>

³ The sum of restoration areas (334) is rounded up to 335



of forest habitat adjacent to late successional forests and/or publicly managed lands would provide buffer habitat, reducing edge effects such as encroachment of invasive species, wildfire, and other external disturbances. Preservation would be implemented using the same ratios as forest restoration, presented in Table 1, resulting in preservation of a minimum of 335 acres. This preservation would be coordinated to provide the greatest benefit to existing late successional forests, and/or publicly managed lands, and special status species. Caltrans would develop a Long-term Management Plan identifying specific goals, objectives, and associated tasks based on the specific needs of the preserved forested habitat. Costs for implementation of the Long-term Management Plan would be developed in close coordination with project partners via a Property Analysis Record, to be held within an endowment and managed by an entity qualified to hold and manage endowments consistent with California Government Code Section 65968(e).

Preservation of existing forest habitat for mitigation would also include:

- An endowment for the long-term management/maintenance of preserved habitats.
- A deed restriction or conservation easement that restricts future land use practices that could adversely affect the protected habitat, thereby ensuring protection of the habitat in perpetuity.

As stated above, this mitigation strategy proposes forest restoration in combination with preservation of forested habitats. However, acquiring land with forest habitat suitable for preservation presents several challenges including, but not limited to, availability of land for purchase, willingness of property owners to sell at fair market value, issues arising during the due diligence process, and identification of an entity qualified and willing to hold the property and/or conservation easement(s) and conduct long-term management. If progress becomes stalled and Mitigation Strategy One is determined to be infeasible, Mitigation Strategy Two would then be pursued.

- Mitigation Strategy Two: Fund forest restoration projects that accelerate the development of late successional characteristics in younger-aged stands.

Mitigation Strategy Two would fund additional restoration beyond what is proposed under Mitigation Strategy One to account for the inability to effectively implement preservation.



Based on the anticipated impact quantities and ratios discussed in Table 1, Caltrans would fund the additional restoration of 335 acres of forest habitat in addition to the 335 acres discussed in Mitigation Strategy One for a total of 670 acres of forest restoration. Funding such restoration would occur prior to the commencement of construction activities through a Cooperative Agreement or similar agreement with Redwood National and State Parks.

Similar to Mitigation Strategy One, in addition to funding thinning projects, this mitigation strategy would include:

- An endowment for the long-term management of treated stands, including additional actions to accelerate the development of late successional characteristics such as additional thinning, crown modification to improve structural complexity, etc.
- A research endowment to fund studies to guide forest management, monitor the efficacy of the thinning treatments, and identify appropriate adaptive management strategies.

Biological Resources: Special Status Animal Species

Adverse Environmental Effects:

Marbled murrelet (MAMU) and its critical habitat: MAMU, a federally threatened and state endangered species, and its critical habitat, are present in the project area. Both Alternatives X and F would permanently remove MAMU critical habitat through construction of highway infrastructure and habitat conversion (tree removal to facilitate cut and fill needed for construction). Because of the restrictive habitat requirements of this species and the rarity of this habitat, even with standard measures incorporated, habitat removal would have a significant and unavoidable impact on MAMU and its critical habitat.

Special status bats (pallid bat and Townsend's big-eared bat): Under both Alternatives X and F, tree removal has the potential to significantly affect special status bat species by injuring or killing them when trees are felled.

Findings:

Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.



Statement of Facts:

Mitigation measure Biological (Bio)-1 (described above) would fund restoration and preservation projects to mitigate for the loss of late-successional redwood, Douglas-fir, and Sitka spruce conifer forest and would lessen impacts on MAMU and its critical habitat. However, impacts from the removal of late-successional forest would remain significant, as proposed mitigation measures may take multiple centuries to result in replacement of lost habitat. See the Statement of Overriding Considerations prepared for the project for the specific overriding economic, social, and other benefits of the project that outweigh these significant and unavoidable impacts.

Mitigation measures Bio-6, Bio-7, Bio-8, and Bio-9 would reduce impacts on special status bats by not felling trees when bats cannot leave (maternity and torpor) and getting day-roosting bats to leave occupied trees prior to felling. With implementation of the following measures, impacts on special status bats would be reduced to a less-than significant level.

- Bio-6: Tree removal would be conducted outside of the maternity season (typically March 1 through September 1) and the winter torpor period (December 1 through February 28), to the extent possible. The limited operating periods may be modified at the recommendation of a biologist based on regional bat roosting data, site-specific roost status, and/or annual climate variation.
- Bio-7: Prior to tree removal, a qualified bat biologist would examine trees to be removed or trimmed for suitable bat roosting habitat. Trees greater than 24 inches diameter at breast height (DBH) or any size with habitat features (e.g., tree cavities, basal hollows, loose or peeling bark, larger snags) would be further evaluated for the potential to support roosting habitat, and the area within accessible cavities (and on the outside of the tree, as feasible) for bat sign (e.g., guano, culled insect parts, staining), as feasible. The qualified bat biologist would be approved by Caltrans and be knowledgeable on bat life history, species identification, and identification of potential roosting habitat.

Where suitable cavity bat roosting habitat is identified, the qualified bat biologist would further evaluate the potential use of the tree by bats by conducting an evening emergence survey and/or using a directional night-vision camera to view into the cavity to identify presence of bats at cavities accessible from the ground. Emergence surveys would be conducted no more than 2 weeks prior to start of tree removal activities. Surveys would be conducted 30 minutes before sunset to 1 hour after sunset (or until there is no visibility) and during favorable weather conditions (calm nights with temperatures conducive to bat activity and no precipitation predicted). Acoustic detectors may be used to detect emerging bats and identify species.



If bats are documented and the site is conducive, the roost is safely accessible from the ground, and it is feasibly appropriate (limited access points), an exclusion device may be installed prior to tree removal. Any exclusion device would be installed under the guidance of a qualified bat biologist and when weather is fair. No exclusion would occur during the maternity season.

- Bio-8: If the bat biologist determines during the preconstruction tree surveys (Bio-7) that the tree is suitable for bat roosting, the biologist would use feasible site-specific means to modify and disturb the habitat to allow bats to wake and leave the roost prior to tree felling. These disturbances may include (1) modifying habitat conditions such as removing smaller non-habitat trees at least a day prior to removing habitat trees; (2) creating a vibrational disturbance over the course of a few minutes with a chainsaw, knocking the tree with a sledgehammer, using equipment to shake the tree, or removing the tree in pieces (sections or limbs) over the course of a few days; (3) changing the structure of the potential roost by lifting bark to modify temperature, wind, light, and precipitation; and/or (4) using ultrasound deterrents. The tree disturbance would be monitored by the construction monitor (Bio-9).
- Bio-9: A qualified construction monitor would be present on site to conduct monitoring during removal of the trees identified during preconstruction surveys (Bio-7) as having the potential to support bat roosting in tree cavities. Following tree removal, the construction monitor would search downed vegetation for dead and injured bats. Injured bats would be transported to the nearest wildlife rehabilitation facility (Humboldt Wildlife Care Center near Arcata). The qualified construction monitor would be approved by Caltrans and be knowledgeable on bat life history, species identification, and roosting habitat.

Greenhouse Gas Emissions

Adverse Environmental Effects:

The project would increase greenhouse gas (GHG) emissions over existing levels. Post-construction operation of the tunnel (i.e., lighting and ventilation) under Alternative F would generate approximately 221 metric tons of carbon dioxide equivalent per year. Alternatives F and X require helicopter-assisted geotechnical investigations and Alternative F requires substantial tunneling and off-site disposal of tunnel spoils, which would likely result in relatively high GHG emissions, a potentially significant impact.

Findings

Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.



Statement of Facts:

Mitigation measure Bio-1 (discussed above) would compensate for the loss of late successional (mature to old-growth) redwood, Douglas-fir, and Sitka spruce conifer forest and associated large trees. Carbon sequestration from the proposed forest restoration would be expected to fully offset total project emissions over 25 years. The project has incorporated this mitigation measure to reduce GHG emissions impacts to a less-than-significant level.

Conclusion

Pursuant to Section 15093 of the State CEQA Guidelines, decision-makers are required to balance the benefits of a project against its unavoidable environmental risks in determining whether to approve a project. If the benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered "acceptable." As the project would have impacts that are significant and unavoidable, a Statement of Overriding Considerations has been prepared.

DOCUMENT AVAILABILITY

Documents or other material which constitute the record of the proceedings upon which the California Transportation Commission's decision is based are available at: Caltrans District 1 Office, 1656 Union Street Eureka, CA 95501.

Paul Golaszewski

Chief Deputy Director

Signature

Date



Environmental Document: *Last Chance Grade Permanent Restoration Project, Final Environmental Impact Report/Environmental Impact Statement and Final Section 4(f) Evaluation*

Project Name: Last Chance Grade Permanent Restoration

DIST-CO-RTE-PM: 01-DN-101-PM 12.7 to 16.5

EA: 01-0F280

EFIS ID: 0115000099

SCH#: 2021110050

**CALIFORNIA TRANSPORTATION COMMISSION
STATEMENT OF OVERRIDING CONSIDERATIONS**

FOR

**LAST CHANCE GRADE PERMANENT RESTORATION PROJECT THAT WOULD
DEVELOP A LONG-TERM SOLUTION TO THE INSTABILITY AND POTENTIAL
ROADWAY FAILURE ON U.S. 101 BETWEEN POST MILES 12.7 AND 16.5 IN DEL
NORTE COUNTY**

The following information is presented to comply with California Environmental Quality Act (CEQA) Guidelines, California Code of Regulations, title 14, sections 15091 and 15096, and also title 21, section 1501 et seq. Reference is made to the Last Chance Grade Permanent Restoration Final Environmental Impact Report (EIR)¹ for the (Project), which is the basic source for the information.

The California Transportation Commission (Commission), in its independent judgment as a CEQA responsible agency, reviewed and considered the Final EIR prepared by the California Department of Transportation (Caltrans) and finds that the Final EIR contains a complete, objective, and substantiated reporting of the project's potential impacts.

The following impacts have been identified as significant and not fully mitigable:

¹ A joint Environmental Impact Report (EIR)/Environmental Assessment (EA) was prepared in compliance with both the California Environmental Quality Act and National Environmental Policy Act. This Findings of Fact refers to the EIR, as the California Transportation Commission's role as a responsible agency is limited to considering the EIR.



Sensitive Natural Communities and Large Trees: Alternative F would result in permanent impacts and habitat conversion on 1.09 acres of late successional redwood forest (including large mature redwoods). Alternative X would affect 0.89 acre and Alternative F would affect 1.13 acres of late successional Sitka spruce forest and includes the removal of large mature trees. The late successional-forest habitat impacts would occur within Redwood National and State Parks (RNSP) lands designated as a United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Site. Late successional redwood forest and Sitka spruce forest are considered Sensitive Natural Communities (SNC) by the California Department of Fish and Wildlife (CDFW). Under CEQA, a significant impact could occur if a project would have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by CDFW or U.S. Fish and Wildlife Service (USFWS). Given that late successional redwood forest is rare, and Alternative F would remove large trees from quality habitat, Alternative F would have a substantial adverse effect on an SNC identified by CDFW. Similarly, given the magnitude of the impact and rarity of late successional Sitka spruce forest, Alternatives X and F would have a substantial adverse effect on late successional Sitka spruce forest, also considered an SNC by CDFW. To mitigate for the loss of late successional redwood and Sitka spruce forest habitat, Mitigation measure Biological (Bio)-1 would fund forest restoration projects that accelerate the development of late successional characteristics in younger-aged stands and preserve forested lands to further habitat continuity for late successional forests and/or publicly managed lands and special status species.

Mitigation funds for restoration would be directed to Redwoods Rising, a landscape-scale restoration project managed by RNSP. Restoration would be implemented at a scale sufficient to influence watershed processes, habitat connectivity, and long-term regional ecosystem resilience. Because the ecological consequences of the project are immediate while recovery of late successional forest characteristics occurs over generations, mitigation would be implemented through a long-term restoration and adaptive management framework. The establishment of dedicated restoration funding through an endowment is necessary to support the long-term mitigation commitment. The funding would be designed to finance restoration activities including ongoing maintenance, adaptive management, and research. Ecological outcomes are best achieved through sustained, landscape-scale implementation informed by restoration science, monitoring, and adaptive management.

Preservation would be accomplished through the purchase of existing redwood and Sitka spruce forest habitat in Del Norte and/or Humboldt Counties that is threatened by logging or development, with the intent of conveying the preserved habitat to an agency or organization that would manage it in perpetuity. Forest habitat within the coastal zone and adjacent to late successional forests and/or publicly managed lands would be prioritized for preservation. Preservation of forest habitat adjacent to late successional forests and/or publicly managed lands would provide buffer habitat, reducing edge effects such as



encroachment of invasive species, wildfire, and other external disturbances. This preservation would be coordinated to provide the greatest benefit to existing late successional forests, and/or publicly managed lands, and special status species. Caltrans would develop a Long-term Management Plan identifying specific goals, objectives, and associated tasks based on the specific needs of the preserved forested habitat.

However, acquiring land with forest habitat suitable for preservation presents several challenges including, but not limited to, availability of land for purchase, willingness of property owners to sell at fair market value, issues arising during the due diligence process, and identification of an entity qualified and willing to hold the property and/or conservation easement(s) and conduct long-term management. If determined infeasible, Caltrans would fund additional restoration to account for the inability to effectively implement preservation.

Restoration efforts to put early successional redwood and Sitka spruce forests on an accelerated timeline to develop late successional characteristics and preservation of existing forested lands to further habitat continuity for late successional forests cannot fully address the loss of late successional forest habitat affected by the project. Therefore, impacts from the removal of late successional forest habitat would remain significant, as the identified mitigation measures may take centuries to achieve full functional equivalency and result in replacement of lost habitat.

Marbled Murrelet (MAMU) and its critical habitat: Both Alternatives X and F would permanently remove MAMU critical habitat through construction of highway infrastructure and habitat conversion (tree removal to facilitate cut and fill needed for construction). MAMU is a federally threatened and state endangered species. Under CEQA, a significant impact could occur if a project would have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by CDFW, USFWS, or National Oceanic and Atmospheric Administration Fisheries. Because of the restrictive habitat requirements of MAMU and the rarity of its habitat, even with standard measures incorporated, habitat removal associated with both alternatives would have a substantial adverse effect on this special status species identified by CDFW and USFWS. Mitigation measure Bio-1, as described above and in the Final EIR, would fund restoration and preservation projects to mitigate for the loss of late successional redwood, Douglas-fir, and Sitka spruce conifer forest. However, impacts from the removal of late successional forest habitat and the associated impacts on MAMU and its critical habitat would remain significant, as the identified mitigation measures may take centuries to result in replacement of lost habitat.

Overriding considerations that support approval of this recommended project are as follows:



The purpose of the project is to develop a long-term solution to the instability and potential roadway failure at Last Chance Grade that would provide a more reliable connection, reduce maintenance costs, and protect the economy, natural resources, and cultural landscapes.

A long-term sustainable solution at Last Chance Grade is needed to address:

- Economic ramifications of a long-term failure and closure
- Risk of delay/detour to the traveling public
- Increasing maintenance and emergency project costs
- Increases in the frequency and severity of large storm events caused by climate change

During project development, a wide range of possible alternatives were identified over a three-decade period, based on past studies and comments received from stakeholders, including regulatory agencies and the community. Several potential alternatives were considered but eliminated from further consideration prior to preparation and public circulation of the Draft Environmental Impact Report (EIR) due to anticipated environmental impacts, cost, feasibility, and/or failure to meet most of the basic project objectives.

Two build alternatives, as well as a no-build alternative, were evaluated in the Draft EIR. The build alternatives included the following :

- Alternative X would involve reengineering a 1.6-mile-long portion of the existing roadway. This alternative would include a series of retaining walls, underground drainage features, and strategic eastward retreats (realignments) to minimize the risk of landslides.
- Alternative F would involve constructing an approximately 6,000-foot-long (1.1-mile) tunnel to the east of the existing highway to avoid the most intense area of known landslides and geologic instability, thereby avoiding the portion of United States Highway 101 (US 101) most prone to closure. The main components of this alternative include the construction of tunnel portals and the tunnel, a bridge, and an Operations and Maintenance Center.

Both Alternatives X and F involve geotechnical investigations to confirm the location of basal failure planes and landslide depths.

After circulation of the Draft EIR, the Project Development Team identified the preferred alternative based on a variety of factors, including information identified in the 2024 Geotechnical Risk Assessment, comments received during the public review period of the Draft EIR, project purpose and need, and input from stakeholders.



Alternative F has been selected because it best meets the purpose and need of the project to develop a long-term solution to the hill slope instability and risk of road closure at Last Chance Grade. Alternative F proposes a long-term solution that avoids the most intense area of landslides and geologic instability, thereby avoiding the portion of US 101 most prone to closure. Alternative F is also expected to provide greater long-term economic and social benefits to the region than Alternative X. While both Alternative X and Alternative F would improve the reliability of the highway, the 2024 Geotechnical Risk Assessment concluded that good performance from Alternative F is approximately two times more likely than from Alternative X. More specifically, the probability of increased maintenance activities, repair projects, and traffic impacts (lane closures and full closures) resulting from geotechnical threats related to deep landslides, nested landslides, rockslides, rockfall, and gully erosion is expected to be approximately two times lower for Alternative F than for Alternative X. Alternative F is also expected to be more resilient to extreme storm events and to perform better during a large-magnitude earthquake than Alternative X.

California Code of Regulations, Title 14, Section 15093(a) states: "If the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered 'acceptable.'"

Overall, the proposed project would:

- Address the instability and potential roadway failure of the existing highway at Last Chance Grade;
- Provide a more reliable connection between Klamath and Crescent City;
- Reduce the risk of economic ramifications associated with potential roadway failures;
- Reduce maintenance activities, repair projects, and traffic impacts from closures; and
- Provide higher resilience to climate change and natural disasters.

For these reasons, and the substantial evidence included in the administrative record as a whole, the Commission finds that the benefits of the proposed project outweigh the project's adverse, significant impacts on late successional redwood forest, late successional Sitka spruce forest, and marbled murrelet and its critical habitat.

Paul Golaszewski

Chief Deputy Director

Signature

Date

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20-21, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.2c.(5), Action Item

Prepared By: Jeremy Ketchum, Chief
Division of Environmental Analysis

Subject: **APPROVAL OF PROJECT FOR FUTURE CONSIDERATION OF FUNDING
RESOLUTION E-26-57**

ISSUE:

Should the California Transportation Commission (Commission), as a responsible agency, approve the attached Resolution E-26-57?

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the Commission, as a responsible agency, approve the attached Resolution E-26-57.

BACKGROUND:

01-DN-101, PM 12.7/16.5 Resolution E-26-57

The attached resolution proposes to approve for future consideration of funding the following project for which a Final Environmental Impact Report (FEIR) has been completed:

- Last Chance Grade Permanent Restoration Project: United States Highway (US) 101 in Del Norte County. Permanent roadway restoration and realignment project on US 101 located approximately 10 miles south of Crescent City in Del Norte County, California. (PPNO 1112)

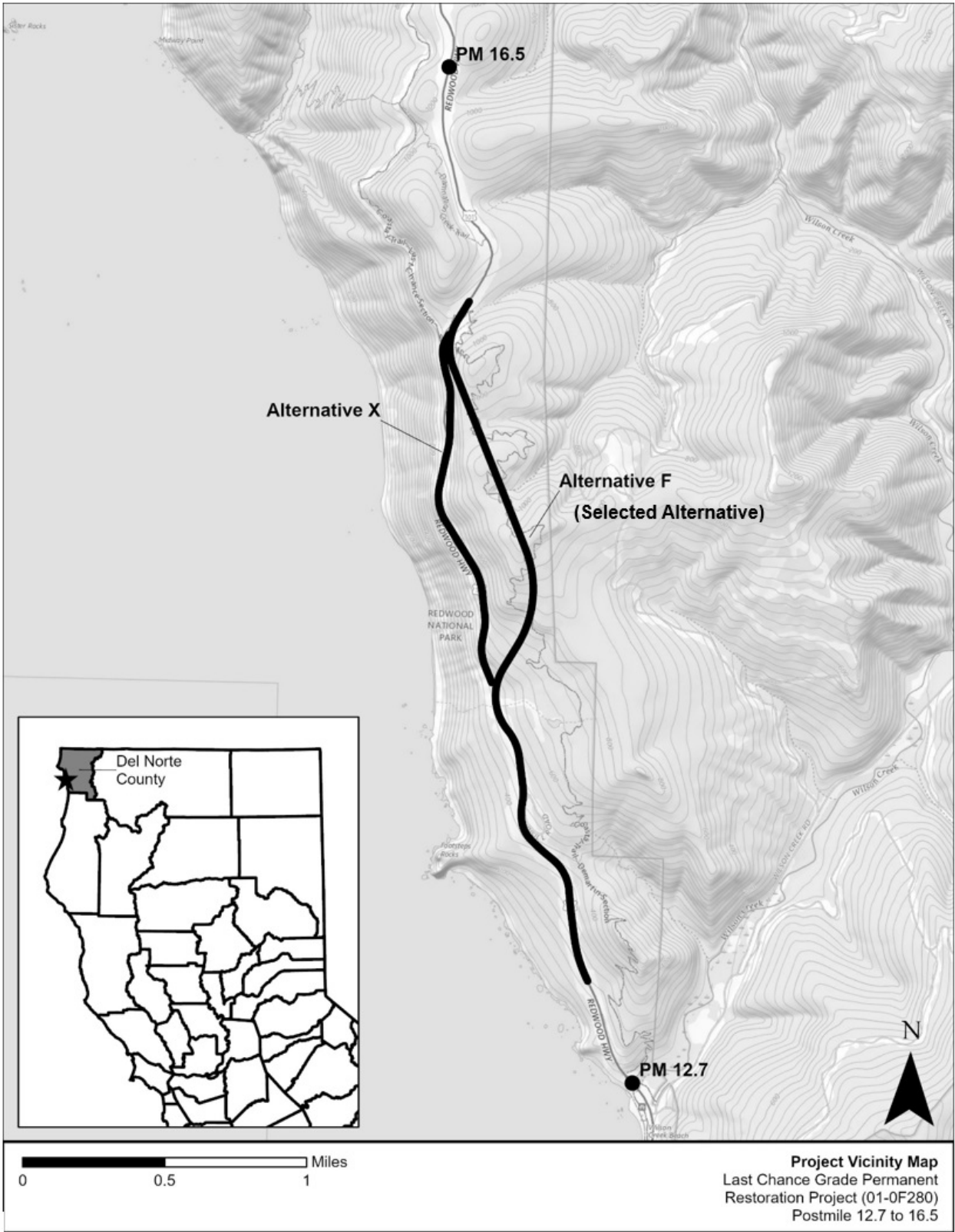
The project is located on US 101 from Post Mile (PM) 12.7 to PM 16.5 in Del Norte County. The project proposes permanent roadway restoration and realignment through a constructed tunnel bypass. The project is currently programmed in the 2026 State Highway Operation and Protection Program (SHOPP). The total programmed amount which includes Right of Way (Support and Capital), is \$225,205,000. Construction is scheduled to begin in

Fiscal Year 2030-31. The scope, as described for the preferred alternative, is consistent with the project scope as programmed by the Commission in the 2026 SHOPP.

A copy of the FEIR has been provided to Commission staff. Resources in the project area that may be significantly impacted by the project, but would have mitigation measures implemented to reduce impacts to less-than-significant, include greenhouse gas emissions. Mitigation measures will reduce potential effects on greenhouse gas emissions. These measures include, but are not limited to, compensating for the loss of late-successional (mature to old-growth) redwood, Douglas-fir, and Sitka spruce conifer forest and associated large trees, resulting in carbon sequestration at a level that is expected to fully offset total project emissions over 25 years. Potential impacts associated with the project can all be mitigated to below significant except for biological resources, for which a Statement of Overriding Considerations pursuant to the California Environmental Quality Act was prepared. Permanent impacts to sensitive natural communities, large trees, and marbled murrelet critical habitat would significantly impact biological resources in the area. Although mitigation would be implemented, such as restoration and preservation projects to mitigate for the loss of late-successional redwood, Douglas-fir and Sitka spruce conifer forest, impacts would remain significant and unavoidable. As a result, an FEIR was prepared for the project.

Attachments

Attachment 1





Project Name: Last Chance Grade Permanent Restoration

DIST-CO-RTE-PM: 01-DN-101-PM 12.7 to 16.5

EA: 01-0F280

EFIS ID: 0115000099

CALIFORNIA DEPARTMENT OF TRANSPORTATION FINDINGS

FOR

LAST CHANCE GRADE PERMANENT RESTORATION PROJECT THAT WOULD DEVELOP A LONG-TERM SOLUTION TO THE INSTABILITY AND POTENTIAL ROADWAY FAILURE ON U.S. 101 BETWEEN POST MILES 12.7 AND 16.5 IN DEL NORTE COUNTY

The following information is presented to comply with State CEQA Guidelines (Title 14 California Code of Regulations, Division 6, Chapter 3, Section 15091) and the Department of Transportation and California Transportation Commission Environmental Regulations (Title 21, California Code of Regulations, Division 2, Chapter 11, Section 1501 et seq.). Reference is made to the Final Environmental Impact Report (EIR) for the project, which is the basic source for the information.

The following effects have been identified in the EIR as resulting from the project. Effects found not to be significant have not been included.

Biological Resources: Sensitive Natural Communities

Adverse Environmental Effects:

Late-successional redwood forest and Sitka spruce forest are considered Sensitive Natural Communities by the California Department of Fish and Wildlife. Alternative F would result in permanent impacts and habitat conversion on 1.09 acres of late-successional redwood forest (including large mature redwoods), resulting in a significant and unavoidable impact on late-successional redwood forest. Alternative X would affect 0.89 acre and Alternative F would affect 1.13 acres of late-successional Sitka spruce forest and include the removal of large mature trees, resulting in a significant and unavoidable impact on late-successional Sitka spruce forest.

Findings:

Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Statement of Facts:

Mitigation measure Bio-1 (described below) would fund restoration and preservation projects to mitigate for the loss of late-successional redwood and Sitka spruce conifer forest. However, impacts from the removal of late-successional forest habitat would remain significant, as the identified mitigation measures may take multiple centuries to result in replacement of lost habitat. See the Statement of Overriding Considerations prepared for the project for the specific overriding economic, social, and other benefits of the project that outweigh these significant and unavoidable impacts.

- **Bio-1:** Caltrans would undertake one or more mitigation projects to compensate for the loss of late successional (mature to old-growth) redwood, Douglas-fir, and Sitka spruce conifer forest and associated large trees. The mitigation project(s) would attempt to offset impacts based on acreage removed and temporal loss of function.

Typically, mitigation for Caltrans projects is established by applying ratios to compensate for the temporal loss of function of impacted habitat (e.g., 2:1, 3:1, etc.). However, these ratios are for resources where functional equivalency can be achieved within the foreseeable future. Mitigating for late successional forests is more complex, as the unique character and qualities of these forests cannot be replaced in the near-term. These forests, particularly those that support long-lived species such as coast redwood, can take hundreds of years to establish on their own.

Mitigation strategies for late successional forest communities would include forest restoration and preservation or forest restoration only. These mitigation strategies have been refined based on comments received on the DED and would continue to take into consideration input from project stakeholders. Mitigation would be initiated prior to the completion of project construction. Details pertaining to each mitigation strategy are outlined below:

- o **Mitigation Strategy One:** Fund forest restoration projects that accelerate the development of late successional characteristics in younger-aged stands and preserve forested lands to further habitat continuity for late successional forests and/or publicly managed lands and special status species.

Funding thinning projects in dense, early successional stands would accelerate tree growth, increase tree vigor, increase biodiversity for botanical and wildlife species, buffer remaining late successional stands from high intensity stand-damaging fires, and increase carbon sequestration. Current available research supports that thinning young stands could accelerate the

formation of late successional characteristics and functions in approximately 100 years for Sitka spruce, 150 years for Douglas-fir, and 200 years for redwood stands, though this is highly variable based on the treated stand's age, location, and position within the landscape.

In addition to funding thinning projects, this mitigation strategy would include:

- An endowment for the long-term management of treated stands, including additional actions to accelerate the development of late successional characteristics such as additional thinning, crown modification to improve structural complexity, etc.
- A research endowment to fund studies to guide forest management, monitor the efficacy of the thinning treatments, and identify appropriate adaptive management strategies.

Specific objectives related to forest thinning treatments for mitigation include, but are not limited to:

- Accelerate the recovery of previously logged young successional conifer stands to mature forest structure and function.
- Create connectivity between the remaining fragments of late successional forest communities.
- Improve stream habitat, reduce erosion, restore hydrology, and enhance landscape resiliency.

Impacts to sensitive natural communities and ESHA are typically mitigated at a 3:1 ratio; however, given the time it may take for treated stands to reach functional equivalency of the stands impacted by the project, the amount of mitigation required may be based on the length of time it would take to restore functional equivalency of late successional forest impacted by the proposed project, i.e., the number of years it would take for the treated stands to reach the functional equivalency of the impacted habitat. Therefore, mitigation would be 100:1 for late successional Sitka spruce forest, 150:1 for late successional Douglas-fir forest, and 200:1 for late successional coast redwood forest.

Based on the anticipated impact quantities and ratios discussed above, Caltrans would fund the restoration of a minimum of 335 acres of forest habitat at Redwoods Rising¹, a landscape-scale restoration project managed by RNSP. This mitigation strategy has been identified through coordination and consultation with RNSP. Although the total area was determined through species-specific ratios as shown below, it is anticipated that forest restoration would be completed based on the total acreage shown in Table 1. Funding

¹ <https://www.nps.gov/redw/redwoodsrisingmain.htm>

such restoration would occur prior to the commencement of construction activities through a Cooperative Agreement or similar agreement with RNSP.

Table 1. Mitigation Strategy 1: Forest Restoration at Redwood Rising

Habitat Type	Impact (Acres)	Mitigation Ratio	Mitigation Total (Acres)
Redwood Late Successional	1.09	200:1	218
Douglas-Fir Late Successional	0.02	150:1	3
Sitka Spruce Late Successional	1.13	100:1	113
Total	2.24	N/A	335¹

¹ The sum of restoration acres (334) is rounded up to 335.

Preservation would be accomplished through the purchase of existing forest habitat, comprised of the aforementioned forest types, in Del Norte and/or Humboldt counties that is threatened by logging or development, with the intent of conveying the preserved habitat to an agency or organization that would manage it in perpetuity. Forest habitat within the coastal zone and located adjacent to late successional forests and/or publicly managed lands would be prioritized for preservation. Preservation of forest habitat adjacent to late successional forests and/or publicly managed lands would provide buffer habitat, reducing edge effects such as encroachment of invasive species, wildfire, and other external disturbances. Preservation would be implemented using the same ratios as forest restoration, presented in Table 1, resulting in preservation of a minimum of 335 acres. This preservation would be coordinated to provide the greatest benefit to existing late successional forests, and/or publicly managed lands, and special status species. Caltrans would develop a Long-term Management Plan identifying specific goals, objectives, and associated tasks based on the specific needs of the preserved forested habitat. Costs for implementation of the Long-term Management Plan would be developed in close coordination with project partners via a Property Analysis Record, to be held within an endowment and managed by an entity qualified to hold and manage endowments consistent with California Government Code Section 65968(e).

Preservation of existing forest habitat for mitigation would also include:

- An endowment for the long-term management/maintenance of preserved habitats.
- A deed restriction or conservation easement that restricts future land use practices that could adversely affect the protected habitat, thereby ensuring protection of the habitat in perpetuity.

As stated above, this mitigation strategy proposes forest restoration in combination with preservation of forested habitats. However, acquiring land with forest habitat suitable for preservation presents several challenges including, but not limited to, availability of land for purchase, willingness of

property owners to sell at fair market value, issues arising during the due diligence process, and identification of an entity qualified and willing to hold the property and/or conservation easement(s) and conduct long-term management. If progress becomes stalled and Mitigation Strategy One is determined to be infeasible, Mitigation Strategy Two would then be pursued.

- o **Mitigation Strategy Two:** Fund forest restoration projects that accelerate the development of late successional characteristics in younger-aged stands.

Mitigation Strategy Two would fund additional restoration beyond what is proposed under Mitigation Strategy One to account for the inability to effectively implement preservation.

Based on the anticipated impact quantities and ratios discussed in Table 1, Caltrans would fund the additional restoration of 335 acres of forest habitat in addition to the 335 acres discussed in Mitigation Strategy One for a total of 670 acres of forest restoration. Funding such restoration would occur prior to the commencement of construction activities through a Cooperative Agreement or similar agreement with RNSP.

Similar to Mitigation Strategy One, in addition to funding thinning projects, this mitigation strategy would include:

- An endowment for the long-term management of treated stands, including additional actions to accelerate the development of late successional characteristics such as additional thinning, crown modification to improve structural complexity, etc.
- A research endowment to fund studies to guide forest management, monitor the efficacy of the thinning treatments, and identify appropriate adaptive management strategies.

Biological Resources: Special Status Animal Species

Adverse Environmental Effects:

Marbled murrelet (MAMU) and its critical habitat: MAMU, a federally threatened and state endangered species, and its critical habitat, are present in the project area. Both Alternatives X and F would permanently remove MAMU critical habitat through construction of highway infrastructure and habitat conversion (tree removal to facilitate cut and fill needed for construction). Because of the restrictive habitat requirements of this species and the rarity of this habitat, even with standard measures incorporated, habitat removal would have a significant and unavoidable impact on MAMU and its critical habitat.

Special status bats (pallid bat and Townsend's big-eared bat): Under both Alternatives X and F, tree removal has the potential to significantly affect special status bat species by injuring or killing them when trees are felled.

Findings:

Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Statement of Facts:

Mitigation measure Bio-1 (described above) would fund restoration and preservation projects to mitigate for the loss of late-successional redwood, Douglas-fir, and Sitka spruce conifer forest and would lessen impacts on MAMU and its critical habitat. However, impacts from the removal of late-successional forest would remain significant, as proposed mitigation measures may take multiple centuries to result in replacement of lost habitat. See the Statement of Overriding Considerations prepared for the project for the specific overriding economic, social, and other benefits of the project that outweigh these significant and unavoidable impacts.

Mitigation measures Bio-6, Bio-7, Bio-8, and Bio-9 would reduce impacts on special status bats by not felling trees when bats cannot leave (maternity and torpor) and getting day-roosting bats to leave occupied trees prior to felling. With implementation of the following measures, impacts on special status bats would be reduced to a less-than-significant level.

- **Bio-6:** Tree removal would be conducted outside of the maternity season (typically March 1 through September 1) and the winter torpor period (December 1 through February 28), to the extent possible. The limited operating periods may be modified at the recommendation of a biologist based on regional bat roosting data, site-specific roost status, and/or annual climate variation.
- **Bio-7:** Prior to tree removal, a qualified bat biologist would examine trees to be removed or trimmed for suitable bat roosting habitat. Trees greater than 24 inches diameter at breast height (DBH) or any size with habitat features (e.g., tree cavities, basal hollows, loose or peeling bark, larger snags) would be further evaluated for the potential to support roosting habitat, and the area within accessible cavities (and on the outside of the tree, as feasible) for bat sign (e.g., guano, culled insect parts, staining), as feasible. The qualified bat biologist would be approved by Caltrans and be knowledgeable on bat life history, species identification, and identification of potential roosting habitat.

Where suitable cavity bat roosting habitat is identified, the qualified bat biologist would further evaluate the potential use of the tree by bats by conducting an evening emergence survey and/or using a directional night-vision camera to view into the cavity to identify presence of bats at cavities accessible from the ground. Emergence surveys would be conducted no more than 2 weeks prior to start of tree removal activities. Surveys would be conducted 30 minutes before sunset to 1 hour after sunset (or until there is no visibility) and during favorable weather

conditions (calm nights with temperatures conducive to bat activity and no precipitation predicted). Acoustic detectors may be used to detect emerging bats and identify species.

If bats are documented and the site is conducive, the roost is safely accessible from the ground, and it is feasibly appropriate (limited access points), an exclusion device may be installed prior to tree removal. Any exclusion device would be installed under the guidance of a qualified bat biologist and when weather is fair. No exclusion would occur during the maternity season.

- **Bio-8:** If the bat biologist determines during the preconstruction tree surveys (Bio-7) that the tree is suitable for bat roosting, the biologist would use feasible site-specific means to modify and disturb the habitat to allow bats to wake and leave the roost prior to tree felling. These disturbances may include (1) modifying habitat conditions such as removing smaller non-habitat trees at least a day prior to removing habitat trees; (2) creating a vibrational disturbance over the course of a few minutes with a chainsaw, knocking the tree with a sledgehammer, using equipment to shake the tree, or removing the tree in pieces (sections or limbs) over the course of a few days; (3) changing the structure of the potential roost by lifting bark to modify temperature, wind, light, and precipitation; and/or (4) using ultrasound deterrents. The tree disturbance would be monitored by the construction monitor (Bio-9).
- **Bio-9:** A qualified construction monitor would be present on site to conduct monitoring during removal of the trees identified during preconstruction surveys (Bio-7) as having the potential to support bat roosting in tree cavities. Following tree removal, the construction monitor would search downed vegetation for dead and injured bats. Injured bats would be transported to the nearest wildlife rehabilitation facility (Humboldt Wildlife Care Center near Arcata). The qualified construction monitor would be approved by Caltrans and be knowledgeable on bat life history, species identification, and roosting habitat.

Greenhouse Gas Emissions

Adverse Environmental Effects:

The project would increase greenhouse gas (GHG) emissions over existing levels. Post-construction operation of the tunnel (i.e., lighting and ventilation) under Alternative F would generate approximately 221 metric tons of carbon dioxide equivalent per year. Alternatives F and X require helicopter-assisted geotechnical investigations and Alternative F requires substantial tunneling and off-site disposal of tunnel spoils, which would likely result in relatively high GHG emissions, a potentially significant impact.

Findings

Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Statement of Facts:

Mitigation measure Bio-1 (discussed above) would compensate for the loss of late-successional (mature to old-growth) redwood, Douglas-fir, and Sitka spruce conifer forest and associated large trees. Carbon sequestration from the proposed forest restoration would be expected to fully offset total project emissions over 25 years. The project has incorporated this mitigation measure to reduce GHG emissions impacts to a less-than-significant level.

Conclusion

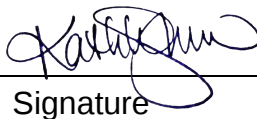
Pursuant to Section 15093 of the State CEQA Guidelines, decision-makers are required to balance the benefits of a project against its unavoidable environmental risks in determining whether to approve a project. If the benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered “acceptable.” As the project would have impacts that are significant and unavoidable, a Statement of Overriding Considerations has been prepared.

For those measures described above that serve to avoid or lessen the significant environmental effects as identified in the Final EIR, an Environmental Commitments Record (ECR) has been prepared for the project. The ECR will guide implementation of CEQA project mitigation measures by assigning implementation, monitoring, and reporting responsibilities and specifying timelines.

Caltrans is the custodian of the documents and other materials that constitute the record of proceedings upon which the findings are based; the documents and other materials are contained at the Caltrans District 1 Office at 1656 Union Street, Eureka, CA 95501.

Kathie Vizgaudis on behalf of Matthew Brady

District Director (or designee)



Signature

July 10, 2026

Date



Project Name: Last Chance Grade Permanent Restoration

DIST-CO-RTE-PM: 01-DN-101-PM 12.7 to 16.5

EA: 01-0F280

EFIS ID: 0115000099

**CALIFORNIA DEPARTMENT OF TRANSPORTATION
STATEMENT OF OVERRIDING CONSIDERATIONS**

FOR

**LAST CHANCE GRADE PERMANENT RESTORATION PROJECT THAT WOULD
DEVELOP A LONG-TERM SOLUTION TO THE INSTABILITY AND POTENTIAL
ROADWAY FAILURE ON U.S. 101 BETWEEN POST MILES 12.7 AND 16.5 IN DEL
NORTE COUNTY**

The following information is presented to comply with State CEQA Guidelines (Title 14 California Code of Regulations, Division 6, Chapter 3, Section 15093), and the Department of Transportation and California Transportation Commission Environmental Regulations (Title 21 California Code of Regulations, Division 2, Chapter 11, Section 1501 et seq.). Reference is made to the Final Environmental Impact Report (EIR) for the project, which is the basic source for the information.

The following impacts have been identified as significant and not fully mitigable:

- *Sensitive Natural Communities and Large Trees:* Alternative F would result in permanent impacts and habitat conversion on 1.09 acres of late successional redwood forest (including large mature redwoods). Alternative X would affect 0.89 acre and Alternative F would affect 1.13 acres of late successional Sitka spruce forest and includes the removal of large mature trees. The late successional-forest habitat impacts would occur within Redwood National and State Parks (RNSP) lands designated as a United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Site. Late successional redwood forest and Sitka spruce forest are considered Sensitive Natural Communities (SNC) by the California Department of Fish and Wildlife (CDFW). Under CEQA, a significant impact could occur if a project would have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by CDFW or U.S. Fish and Wildlife Service (USFWS). Given that late successional redwood forest is rare, and Alternative F would remove large trees from quality habitat, Alternative F would have a substantial adverse effect on an SNC identified by CDFW. Similarly, given the magnitude of the impact and rarity of late successional Sitka spruce forest, Alternatives X and F would have a substantial adverse effect on late successional Sitka spruce forest, also



considered an SNC by CDFW. To mitigate for the loss of late successional redwood and Sitka spruce forest habitat, Mitigation measure Bio-1, as described in the Final EIR, would fund forest restoration projects that accelerate the development of late successional characteristics in younger-aged stands and preserve forested lands to further habitat continuity for late successional forests and/or publicly managed lands and special status species.

Mitigation funds for restoration would be directed to Redwoods Rising, a landscape-scale restoration project managed by RNSP. Restoration would be implemented at a scale sufficient to influence watershed processes, habitat connectivity, and long-term regional ecosystem resilience. Because the ecological consequences of the project are immediate while recovery of late successional forest characteristics occurs over generations, mitigation would be implemented through a long-term restoration and adaptive management framework. The establishment of dedicated restoration funding through an endowment is necessary to support the long-term mitigation commitment. The funding would be designed to finance restoration activities including ongoing maintenance, adaptive management, and research. Ecological outcomes are best achieved through sustained, landscape-scale implementation informed by restoration science, monitoring, and adaptive management.

Preservation would be accomplished through the purchase of existing redwood and Sitka spruce forest habitat in Del Norte and/or Humboldt Counties that is threatened by logging or development, with the intent of conveying the preserved habitat to an agency or organization that would manage it in perpetuity. Forest habitat within the coastal zone and adjacent to late successional forests and/or publicly managed lands would be prioritized for preservation. Preservation of forest habitat adjacent to late successional forests and/or publicly managed lands would provide buffer habitat, reducing edge effects such as encroachment of invasive species, wildfire, and other external disturbances. This preservation would be coordinated to provide the greatest benefit to existing late successional forests, and/or publicly managed lands, and special status species. Caltrans would develop a Long-term Management Plan identifying specific goals, objectives, and associated tasks based on the specific needs of the preserved forested habitat.

However, acquiring land with forest habitat suitable for preservation presents several challenges including, but not limited to, availability of land for purchase, willingness of property owners to sell at fair market value, issues arising during the due diligence process, and identification of an entity qualified and willing to hold the property and/or conservation easement(s) and conduct long-term management. If determined infeasible, Caltrans would fund additional restoration to account for the inability to effectively implement preservation.

Restoration efforts to put early successional redwood and Sitka spruce forests on an accelerated timeline to develop late successional characteristics and preservation of existing forested lands to further habitat continuity for late



successional forests cannot fully address the loss of late successional forest habitat affected by the project. Therefore, impacts from the removal of late successional forest habitat would remain significant, as the identified mitigation measures may take centuries to achieve full functional equivalency and result in replacement of lost habitat.

- Marbled murrelet (MAMU) and its critical habitat: Both Alternatives X and F would permanently remove MAMU critical habitat through construction of highway infrastructure and habitat conversion (tree removal to facilitate cut and fill needed for construction). MAMU is a federally threatened and state endangered species. Under CEQA, a significant impact could occur if a project would have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by CDFW, USFWS, or National Oceanic and Atmospheric Administration Fisheries. Because of the restrictive habitat requirements of MAMU and the rarity of its habitat, even with standard measures incorporated, habitat removal associated with both alternatives would have a substantial adverse effect on this special status species identified by CDFW and USFWS. Mitigation measure Bio-1, as described above and in the Final EIR, would fund restoration and preservation projects to mitigate for the loss of late successional redwood, Douglas-fir, and Sitka spruce conifer forest. However, impacts from the removal of late successional forest habitat and the associated impacts on MAMU and its critical habitat would remain significant, as the identified mitigation measures may take centuries to result in replacement of lost habitat.

Overriding considerations that support approval of this recommended project are as follows:

The purpose of the project is to develop a long-term solution to the instability and potential roadway failure at Last Chance Grade (LCG) that would provide a more reliable connection, reduce maintenance costs, and protect the economy, natural resources, and cultural landscapes.

A long-term sustainable solution at LCG is needed to address:

- Economic ramifications of a long-term failure and closure
- Risk of delay/detour to the traveling public
- Increasing maintenance and emergency project costs
- Increases in the frequency and severity of large storm events caused by climate change

During project development, a wide range of possible alternatives were identified over a three-decade period, based on past studies and comments received from stakeholders, including regulatory agencies and the community. Several potential alternatives were



considered but eliminated from further consideration prior to preparation and public circulation of the Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS) due to anticipated environmental impacts, cost, feasibility, and/or failure to meet most of the basic project objectives.

Two build alternatives, as well as a no-build alternative, were evaluated in the Draft EIR/EIS. The build alternatives included the following:

- Alternative X would involve reengineering a 1.6-mile-long portion of the existing roadway. This alternative would include a series of retaining walls, underground drainage features, and strategic eastward retreats (realignments) to minimize the risk of landslides.
- Alternative F would involve constructing an approximately 6,000-foot-long (1.1-mile) tunnel to the east of the existing highway to avoid the most intense area of known landslides and geologic instability, thereby avoiding the portion of U.S. 101 most prone to closure. The main components of this alternative include the construction of tunnel portals and the tunnel, a bridge, and an Operations and Maintenance Center (OMC).

Both Alternatives X and F involve geotechnical investigations to confirm the location of basal failure planes and landslide depths.

After circulation of the Draft EIR/EIS, the Project Development Team identified the preferred alternative based on a variety of factors, including information identified in the 2024 Geotechnical Risk Assessment (GRA), comments received during the public review period of the Draft EIR/EIS, project purpose and need, and input from stakeholders.

Alternative F has been selected as the preferred alternative because it best meets the purpose and need of the project to develop a long-term solution to the hill slope instability and risk of road closure at LCG. Alternative F proposes a long-term solution that avoids the most intense area of landslides and geologic instability, thereby avoiding the portion of U.S. 101 most prone to closure. Alternative F is also expected to provide greater long-term economic and social benefits to the region than Alternative X. While both Alternative X and Alternative F would improve the reliability of the highway, the 2024 GRA concluded that good performance from Alternative F is approximately two times more likely than from Alternative X. More specifically, the probability of increased maintenance activities, repair projects, and traffic impacts (lane closures and full closures) resulting from geotechnical threats related to deep landslides, nested landslides, rockslides, rockfall, and gully erosion is expected to be approximately two times lower for Alternative F than for Alternative X. Alternative F is also expected to be more resilient to extreme storm events and to perform better during a large-magnitude earthquake than Alternative X.

California Code of Regulations, Title 14, Section 15093(a) states: "If the specific economic, legal, social, technological, or other benefits of a proposed project outweigh



the unavoidable adverse environmental effects, the adverse environmental effects may be considered 'acceptable.'"

Overall, the proposed project would:

- Address the instability and potential roadway failure of the existing highway at LCG;
- Provide a more reliable connection between Klamath and Crescent City;
- Reduce the risk of economic ramifications associated with potential roadway failures;
- Reduce maintenance activities, repair projects, and traffic impacts from closures; and
- Provide higher resilience to climate change and natural disasters.

For these reasons, and the substantial evidence included in the administrative record as a whole, Caltrans finds that the benefits of the proposed project outweigh the project's adverse, significant impacts on late successional redwood forest, late successional Sitka spruce forest, and marbled murrelet and its critical habitat.

Kathie Vizgaudis on behalf of Matthew Brady

District Director (or designee)

A handwritten signature in black ink, appearing to read 'Kathie Vizgaudis', written over a horizontal line.

Signature

July 10, 2026

Date