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WE CALL FLOOD CONTROL?**

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SPECIAL REPORT: PREVENTING DISASTER

In Harm

An aggressive flood-control measure goes to a vote this month. But if floodplain development continues, will it make a difference?





This is the second in a three-part series on regional flood preparedness. Next month we'll examine what businesses can do to prepare for disaster.

's Way

by Rich Ehsen



During the last century there have been more than 140 levee failures and island inundations in the Sacramento-San Joaquin Delta.



By now, most of us have heard the dire warnings about the Sacramento region's vulnerability to a massive flood that could conceivably cover a hundred square miles, cost numerous lives and cripple our economy. The question is, just what are we doing to prevent that from happening? The answer: more than you might think, but not nearly enough.

The political attention given to flood issues this year might lead one to believe that lawmakers just figured out we have a problem. But the reality, according to the state Legislative Analyst's Office, is that state, federal and local governments have been spending tens and even hundreds of millions of dollars every year to maintain 1,600 miles of increasingly decrepit state-managed levees.

We also spend similarly big bucks supporting the numerous local flood-control agencies that oversee the 800 miles of Delta levees the state does

not directly control. There are also several flood-assessment districts, which raise levee-repair money, and flood-management agencies scattered around the Central Valley and the San Joaquin Delta that are designed to do one thing: keep the water out of our homes, schools and businesses.

The problem is that for all of the dollars being poured into keeping the levees in check, much of the system is still dangerously antiquated and in need of much more than a patch here and a plug there.

According to the state Department of Water Resources, the system needs significant updating and overhauling to the tune of somewhere between \$7 billion and \$12 billion. That is not chump change, even in today's roaring economy.

With the images of Katrina fresh in everyone's minds, Gov. Arnold Schwarzenegger and Capitol lawmakers spent most of the summer brawling over how to come up with the money. They eventually settled on Proposition 1E, a \$4.1 billion bond proposal that California voters will weigh in on this month. If approved, it will be one of the most aggressive flood-control measures taken in recent memory.

But while few dispute the need to fix our aging levees, many observers contend that the bonds are only a small part of the overall flood-protection picture. Opponents like the California Taxpayer Protection Committee say the bond measure will actually address only about 25 miles of critical levee repair, a far cry from what virtually every knowledgeable party says we need.

Still others say that bonds or no bonds, state and local governments



In 1997, flooding in Plumas Lake (left) knocked out 800 homes. Now, 12,000 Plumas Lake homes are in the works.

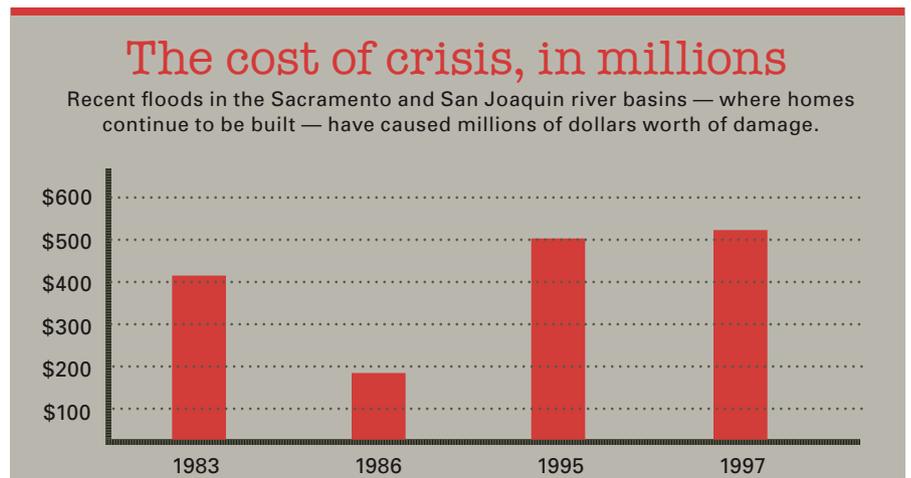
are failing to adequately address an equally significant part of flood safety: the ongoing thrust of development in floodplains sitting precariously behind those creaky levees. It is a situation they say has placed significantly more people in harm's way than ever before while also exposing every California taxpayer to the cost of any future flooding in those areas.

The push to place new housing developments in at-risk Central Valley and San Joaquin Delta floodplains has been going on for years. It has been driven primarily by extreme market conditions, most notably an all-time high in regional demand for affordable housing coupled with a well-documented shortage of supply to fill that demand.

Building in floodplains addresses that issue on several levels — the land is cheaper, flatter and mostly within a reasonable commute to business centers in Sacramento, Stockton and the Bay Area. This all adds up to housing that offers buyers, primarily young families looking either for a move-up or a first home, a lot more home for their buck.

The flip side is that some of these floodplains have historically been at the epicenter of the worst flooding in state history. The site of the Plumas Lake development in Yuba County, for example, is at the heart of the devastating 1986 flood that inundated 3,000 homes and businesses and caused millions of dollars in damage.

Although Plumas Lake was considered to have 100-year flood protection at the time, the scenario repeated itself



SOURCE: DEPARTMENT OF WATER RESOURCES

Sacramento's levees catch no breaks

Most of the Sacramento Valley's levees were built more than 100 years ago to protect crops, not people. The American Society of Civil Engineers recently assessed the 1,600 miles of levees on the Sacramento and San Joaquin rivers, as well as the 1,100 miles in the Delta at their confluence, and gave them a D grade. They also divided the levees into 11 regions and graded them separately.

Yolo Bypass	C+
American River	C
Sutter Bypass	D+
Upper Sacramento River	D
Middle Sacramento River	D
Metro Sacramento River	D
Lower Sacramento River	D-
Yuba/Feather/Bear	D-
Lower San Joaquin River	D-
Cache Creek	F
San Joaquin River/Delta	F

SOURCE: DEPARTMENT OF WATER RESOURCES

in 1997, when another flood took out 800 homes and killed three people. Those disasters led to the historic 2003 *Paterno v. California* court decision, which held the state liable for levee failures and ordered the state to pay Yuba County residents more than \$500 million in damages. Worse, that decision also made the state fiscally responsible for any future levee breaks, putting taxpayers at even greater risk down the road.

None of which has done much to slow the growth in floodplains like North and South Natomas, or in a host of Delta Island tracts dotted throughout Northern California, or, for that matter, in Plumas Lake.

Plumas Lake was first approved for housing in 1993, and in 2003 federal and state authorities decided Plumas Lake no longer had 100-year flood protection.

The change in flood status prompted the state Reclamation Board, which oversees flood planning, to approve building only 1,500 homes there, far less than the 12,000 both Yuba County and developers wanted.

Schwarzenegger resolved the situation by canning the entire Reclamation Board in 2005 and replacing them with people who have approved full buildout of 12,000 homes in Plumas Lake.

But that approval did not come without conditions unlike those seen in virtually any other development. In addition to providing buyers with flood insurance, Plumas Lake developers also agreed to put up almost \$30,000 for each of the first 1,229 homes, which raised approximately \$36 million to help pay for levee upgrades that will give Plumas Lake 100-year floodplain protection by the end of this year. Those upgrades will also give similar protection to flood-prone Yuba County towns like Olivehurst and Linda.

With a variety of other local, state and federal funds now also on the table, Plumas Lake residents are expected to have 200-year flood protection by 2008, much more than residents in areas like North and South Natomas or even the city of Sacramento. In doing so, Plumas Lake may have provided a vision for future floodplain development that most people can live with.



Levee failures during the 1986 flood inundated 3,000 Yuba County homes and businesses.

“We think it is a good model of how to go about this,” says Tim Coyle, senior vice president for government affairs with the California Building Industry Association in Sacramento. “When this is done it will provide 200-year flood protection not only to Plumas Lake residents, but to 30,000 other residents of Yuba County as well. This is all as a result of this housing being built primarily through the means and the force of the private marketplace partnering with a local government.”

But the deal also has drawbacks, most notably of which is that until those levee repairs are actually made—which, even under the best of circumstances, will take at least two years—everyone living behind those barriers is at significant risk from a major flood event sparked by a levee break. And with so many more homes now going into the flood zone, the potential for loss of both property and life is dramatically greater than it was in 1986 or 1997.

Given the state's black eye on the *Paterno* decision, some observers say allowing so much development in floodplains currently protected only by outdated and rickety levees is simply setting taxpayers up for disaster.

Jeffrey Mount, a geologist at the University of California, Davis, and one of the former Reclamation Board members Schwarzenegger fired, says most people would never consider anything as ludicrous as picnicking on the freeway or playing catch with a loaded handgun. But, he says, that is in essence what the state is doing by letting thousands of people live in at-risk floodplain areas.

“As shown in New Orleans, there are two kinds of levees: those that have failed and those that will fail. If you live behind a levee you have to assume that failure will eventually occur,” says Mount. “The fundamental disconnect we are facing is that now, post-Paterno, every time you build a house on a floodplain behind a levee, you’ve just increased the state’s liability, not the local liability.”

Mount says local land-use decisions don’t always jibe with statewide or regional flood planning. “There is a fundamental disconnect between local land-use decisions and statewide interests, primarily because of the sanctity

“There are two kinds of levees: those that have failed and those that will fail.”

— Jeffrey Mount, geologist, UC Davis

of all land-use decisions being made locally,” he says. “Those land-use decisions somehow have to be integrated into a regional effort to manage floods the same way we manage transportation, water and air.”

But waiting for the state or regional authorities to act is not always feasible, according to Mary Jane Griego of the Yuba County Board of Supervisors. Griego, who is also a member of the Three Rivers Levee Improvement Authority, which is charged with managing levee improvements in the Yuba County area, suffered significant losses in both the 1986 and 1997 floods.

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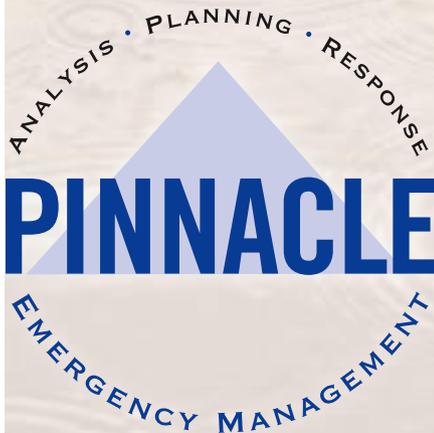
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During a 30-year mortgage period, there is a **26%** chance a homeowner living behind a levee will experience a flood more severe than a 100-year flood.

SOURCE: DEPARTMENT OF WATER RESOURCES

"We understand that 40 percent of our residents live behind these at-risk levees," Griego says. "We have been waiting for 20 years for the federal government to fix them, but we just could not afford to wait any longer. We had to do something about this."

Sacramento developer and former Congressman Doug Ose, a Republican who represented much of Sacramento County between 1998 and 2004, sees Plumas Lake as a prime example of how local communities can and should work together with developers to help solve complex flood issues without having to wait on state or federal dollars.

"What is the role of government? I happen to think the highest priority for government is the protection of people's lives and property," he says.

Ose also discounts criticism over how local land-use decisions are made. "It always amazes me that people who don't live in an area like Yuba County feel they can tell those supervisors, 'Oh, you're doing this wrong,'" he says. "Well, the Yuba County supervisors were elected by Yuba County residents to make those decisions, and those decisions are going to reflect what the Yuba County residents want. And that's the way it should be."

Lois Wolk, a Democrat who represents the 8th Assembly District, which is comprised of much of Yolo and Solano counties, is not quite as enthused about Plumas Lake, but does say it proves that developers and local officials can work together to produce safer housing in floodplains.

"I would still prefer people didn't build there, but if you're going to build there, the model was actually quite good," she says. "Clearly we know the developers can do it."

While Wolk agrees that local control should be a key element in sound flood mitigation, she also believes the Paterno ruling has forced the state to be more proactive in assuring

that local authorities make land-use decisions that don't put people and property into peril.

To that end she sponsored what she and many others viewed as compromise legislation this year that would have required floodplain developments to not only have 100-year flood protection, but to also have a locally approved plan to get to 200-year protection within 10 years.

The measure passed in the Assembly but was gutted and systematically killed in the Senate after drawing intense opposition from the California Building Industry Association, which spent more than a million dollars to

"No housing is affordable when it's under 10 feet of water."

— Lois Wolk,
state assemblywoman,
8th District

block the bill's passage. The CBIA called the measure a "dream killer" that would have brought new construction in the region to a halt or made homes too expensive for average buyers to afford.

Wolk, however, says that is the wrong argument. "No housing is affordable when it's under 10 feet of water," she says. She has vowed to reintroduce similar legislation next year.

The bill's demise, says Ose, proves California residents should not rely solely on the federal or state government to take care of the flood-control issue.

"I think the path to the solution that relies on the feds and the state is destined either for failure or for such delay that we can't help but have a catastro-

phe between now and the time we get it fixed," Ose says. "I think the only way to get this thing done in a timely fashion is to take it head-on here locally to come up with a fiscal plan that allows us to pay for these improvements."

To Ose, that means every home and business in new and existing floodplains should pay an annual fee to generate the funds to upgrade the levees that protect them. That, Ose says, will generate tens of millions of additional dollars every year so that "you don't have to wait for federal appropriations and you don't have to rely on the voters in Los Angeles and San Diego and San Francisco to bail you out by voting for a bond. You can just do it."

Which brings us back to Proposition 1E. Most recent polls show that voters favor the measure, and it is a safe bet that many around the Capitol are banking on it going through. But out where the rubber hits the road, even that prospect doesn't make everyone feel at ease.

"We really need to have more assessment districts to generate the money to maintain levees," says Yuba County's Griego. "One-time fixes are not enough."

"We're foolish not to have assessment districts just for levee maintenance," agrees the CBIA's Coyle. "But people don't like them because they feel like a tax. We have to educate the public that they are worth their while."

Jeffrey Mount is also leery of the peripheral impact the bonds might have on how California goes about flood protection in the future.

"One of the great fears that many of us have is that this bond might simply harden our mistakes, meaning that we're going to go ahead and invest in a flood system which can't prevent flooding and which can't operate at a standard that you need to have for urban areas," says Mount.

Ose, however, says that we can go on forever arguing over what systems work best, or whether to allow development in floodplains, but the bottom line is that we need to do something soon.

"Your choice is to act or to sit," he says. "You can't be for protecting people's lives and property and not be willing to put a solution in place to do that. You can't have it both ways."



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