

SSM 2/27/95

Flood projects threatened

Flood Prevention & Control

Budget cuts: Federal money for long-planned local efforts is drying up.

BY FRANK SWEENEY
Mercury News Staff Writer

The Clinton administration no longer wants to pay for local flood control projects, including protection for San Jose's upper Guadalupe River, which flooded Highway 87 during January's storms.

The decision to fund only those flood control projects that will have national significance means the local project could be delayed for years, and the 8,000 homeowners and businesses in that area may have to pay more in

taxes if the project is to be completed at all.

The administration also wants to cut federal funding for flood control projects on the San Lorenzo River through the heart of Santa Cruz, on the Pajaro River through Watsonville and on Upper Penitencia Creek in northeast San Jose.

Federal money to help build all four projects — money that could pay as much as 75 percent of the cost — is threatened by the Clinton administration's drive to streamline government.

As part of that effort, the administration proposes a \$3.68 billion budget for the Army Corps of Engineers next fiscal year, which would shift the costs of such "local" flood protection projects entirely to state and local governments.

A loss of federal funds, as well as the inability of the cash-strapped state to support flood control projects, could set those projects back years, if they are built at all.

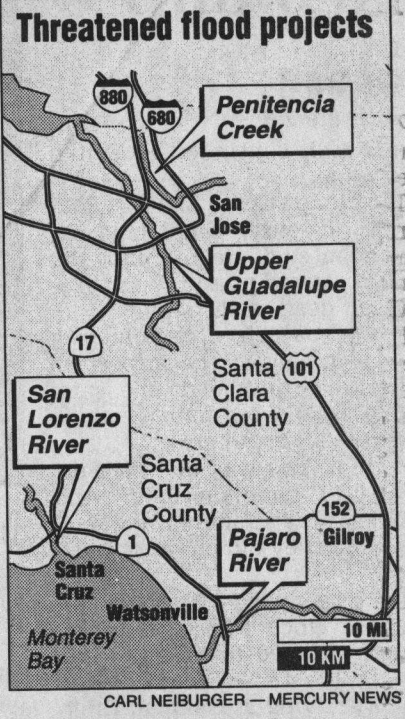
"It's harder and harder to get money," said P. Kay Whitlock, flood control manager for the Santa Clara Valley Water District. "Every outside source of money we have historically de-

pendent on is being pulled away. Our whole set of assumptions about how much work we can do is changed dramatically."

"We're at a loss at this," said Joe Hall, assistant director of the Santa Cruz Redevelopment Agency, which has been planning the flood project on the San Lorenzo River for more than 20 years. The agency hoped to begin construction next year.

"It kills us," said Ken Lewis, an engineer for the city of Watsonville, which finally has raised the matching local funds to qualify for federal assistance on a Pajaro River project planned since 1966.

President Clinton's 1995-'96
See **FLOOD CONTROL**, Page 5B



Flood control funding looking iffy

Cuts could affect work on Pajaro, San Lorenzo rivers

FLOOD CONTROL from Page 1B

budget would trigger a major shift in the role of the corps, which for 75 years has built and financed local flood control projects.

No new local projects would be started under the proposed budget. Only programs of "national significance" would be financed.

To qualify, more than half the water in a river would have to come from another state, effectively ruling out federal participation in projects in most of California because few rivers here cross state lines.

The administration's proposal focuses the corps' efforts on water projects that provide significant national benefits, such as commercial deep-draft navigation up major rivers and flood control projects on interstate waterways.

Hearings on the corps budget are expected to begin in the House of Representatives in a few days and in the Senate later. If passed, the budget and the new rules would go into effect Oct. 1.

Corps programs already under way — such as flood control projects on the lower Guadalupe River and Coyote Creek in San Jose — are expected to be completed. So are plans to dredge ports in San Francisco and Oakland.

But dredging of recreational harbors such as Pillar Point near Half Moon Bay would be turned over to local or state govern-

LOCAL REPERCUSSIONS

Two local projects would be affected by a Clinton proposal to scrap funding for some flood control projects:

Santa Cruz

The San Lorenzo River project would raise the levees and restore plants and trees to a 2½-mile section from the Highway 1 bridge to the mouth of the river on Monterey Bay. The federal government was to pay nearly \$12 million of the \$20.7 million cost.

Watsonville

Officials were counting on the Corps of Engineers to pay as much as 75 percent of a \$10.5 million city-county project to keep floodwater in the Pajaro River.

Source: Mercury News Staff Report

ments. The biggest threatened flood project is on the upper Guadalupe River, from Interstate 280 south to Blossom Hill Road. More than 8,000 homes and businesses in that floodplain could be inundated in a 100-year flood, causing an estimated \$114 million damage, district officials say.

In the siege of storms in January, the Guadalupe broke through its banks just south of Interstate 280, flooding Highway 87 and the county's light-rail transit line for two days. Officials say the planned project would have prevented such flooding.

Whitlock estimated flood protection on the upper Guadalupe would cost \$70 million to \$100 million, although studies aren't yet completed. The district had hoped to complete the project by 2003.

In northeast San Jose, a \$15 million project on Upper Penitencia Creek, which threatens 1,400 homes and businesses with \$48 million damage in a 100-year flood, already has lost \$350,000 in study funds.

Whitlock said the district and Santa Clara County cities with flood problems must figure out how to raise more money locally. Even the county's flood benefit assessment districts, in which property is assessed to raise money for flood protection, expire in 2000.

"We've got to somehow work together to solve those problems," Whitlock said. "In some instances, we'll have to live with flood threats. That will be OK with the public until we have a flood, and then they'll be mad as hell."

In Santa Cruz, the San Lorenzo River project is designed to protect the center of the city from a so-called 100-year flood. It would raise the levees and restore plants and trees to a 2½-mile section from the Highway 1 bridge to the mouth of the river on Monterey Bay.

Studies costing about \$3 million have been completed. The local share of costs has been ensured through fees assessed on properties that would be protected. Construction — with the federal gov-

ernment paying nearly \$12 million of the \$20.7 million total — was to begin next year, Hall said.

"We've done everything a local community can be ready for a project," Hall said. "It's (funding cuts) kind of hard to take."

"We're hoping there will be some reasonable resolution out of Congress, but it's too early to start speculating what will happen next."

The San Lorenzo project would protect 3,190 houses and apartments and 561 businesses in the center of Santa Cruz, which was flooded in 1955 and nearly flooded in 1982. A completed project would mean 6,000 residents no longer would have to pay for costly flood insurance.

In Watsonville, officials were counting on the Corps of Engineers to pay as much as 75 percent of a \$10.5 million city-county project to keep floodwater in the Pajaro River.

"The county doesn't have any money to cover that (the federal share), and neither does the city," Lewis said.

Watsonville has been maintaining the river and dredging the channel of silt to keep floodwater flowing quickly along a three-mile stretch of the Pajaro.

The corps project would have put floodwalls or levees on two tributaries — Corralitos and South Salsipuedes creeks — and would have installed pump stations at two spots on the main river where floodwaters back up and threaten to overflow the banks.

"If they can protect the two creeks, it will give Watsonville much more protection from flooding," Lewis said.