

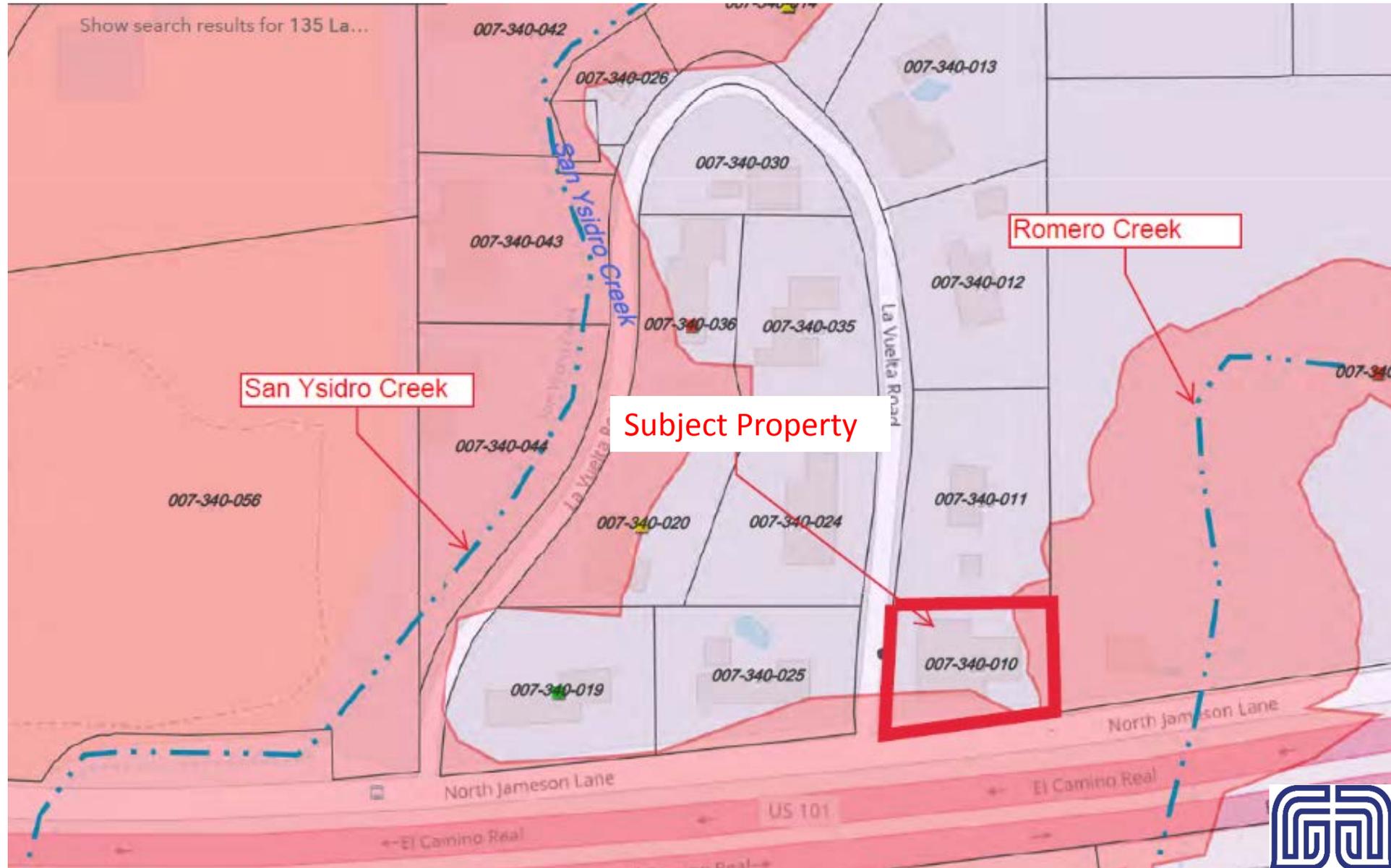
Post Fire & Debris Flow – A Lender's Perspective



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Mapping of January 9, 2018 Debris Flow by California Geological Survey





Romero Creek After Jan 9, 2018 Debris Flow



REFERENCE LAYERS

- NFHL Data Available
- FIRM Panel Boundary
- LOMR Boundary

SPECIAL FLOOD HAZARD AREAS

- 1% Annual Chance Flood Hazard Zone A, AE, A99, AO, AH, AR, & VC
- Regulator Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee Zone X
- NO SCREEN
- Areas Outside the 0.2% Annual Chance Floodplain Zone X
- Areas of Undetermined Flood Hazard Zone D

CROSS SECTIONS & BFES

- 18.2 Cross Sections with 1% Annual Chance Water Surface Elevation
- 17.8 Coastal Transect
- Coastal Transect Baseline
- Profile Baseline
- Base Flood Elevation

SUPPORTING INFORMATION

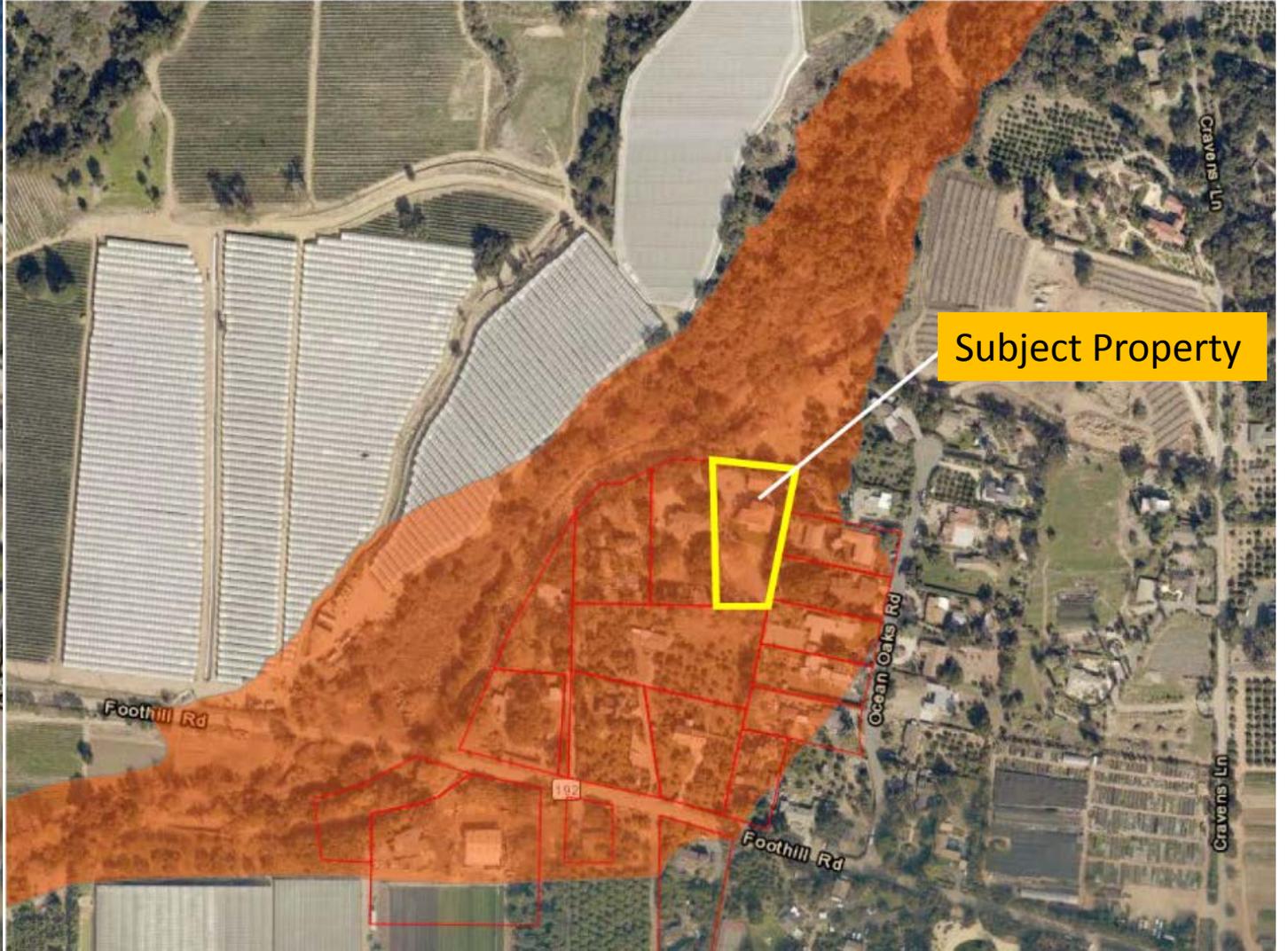
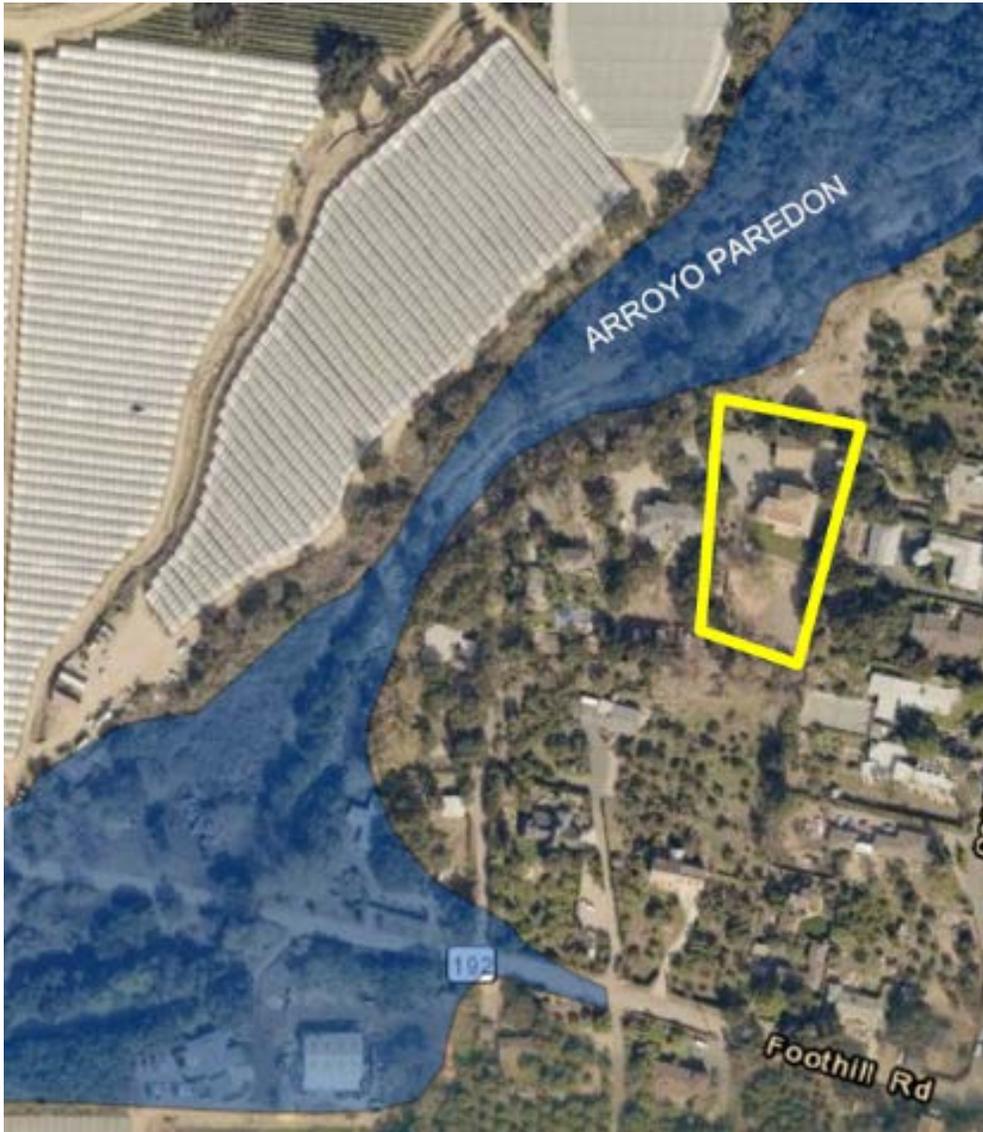
- Limit of Study
- Jurisdictional Boundary

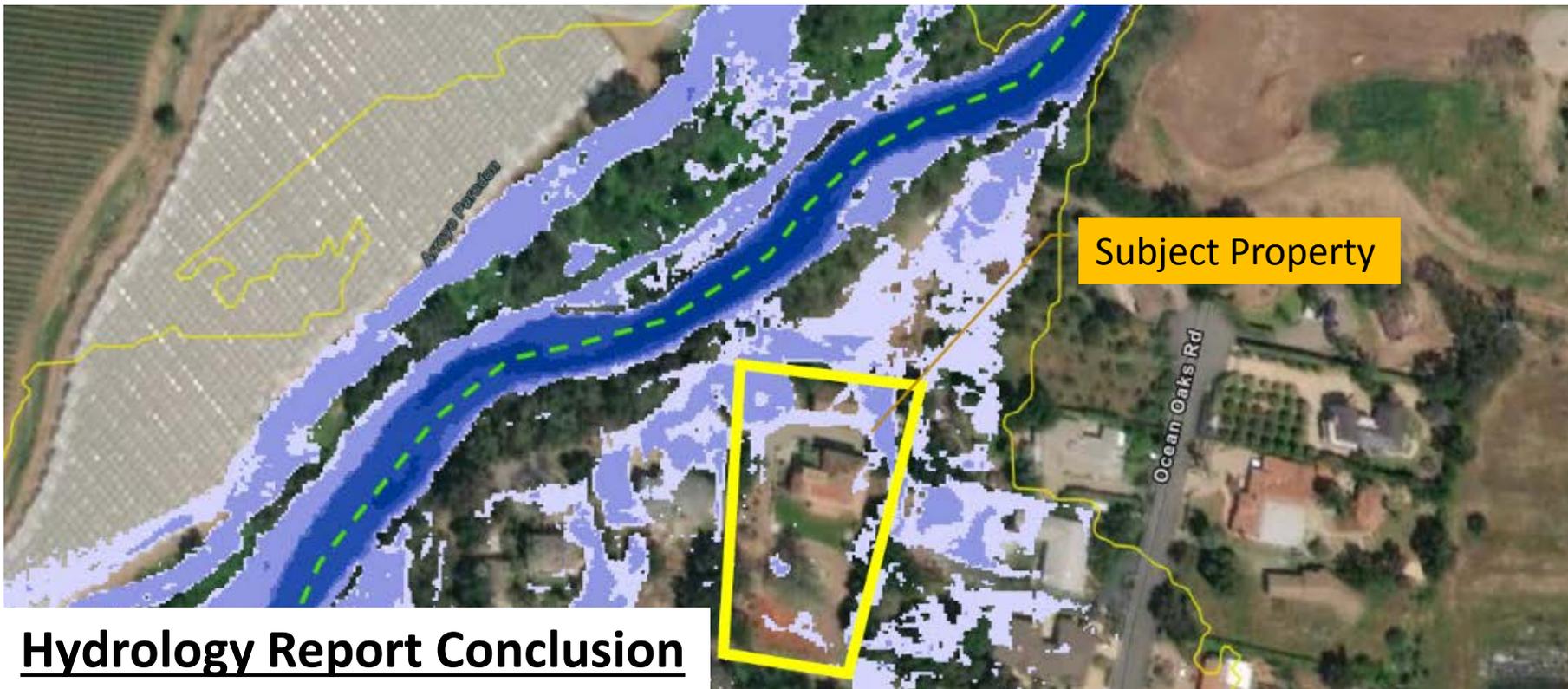
Hydrology Report Conclusion

It is our opinion that the Subject is located in a hazardous area subject to flooding and debris flows. The property has only been partially protected with walls because the walls are not constructed to resist flood and debris forces. We expect that a lender would require the homeowner to acquire flood insurance, but National Flood Insurance Program (NFIP) policy coverage (maximum coverage limit of \$250,000) is much less than the cost of home replacement and insurance policies may not cover damage from debris flows. The area in the vicinity of the residence site has been inundated multiple times in living history (50 years) and none of these events have approached or exceeded a 100-year event which is the level of risk identified by FEMA for clear water events.

The level of risk could be reduced by replacement of free-standing walls with walls that are designed to withstand hydrodynamic and impact loads of flooding and debris flows along with the installation of floodgates at wall penetrations.

Santa Barbara County Planning and Development Debris Flow Risk Areas and Identified Parcels (12/03/18)





Hydrology Report Conclusion

It is our opinion that the Subject Property is located in a somewhat hazardous area subject to debris flows, which may occur infrequently and flood risk after severe fire events within the watershed. The structures on the site are raised above the driveway and parking areas, allowing shallow flows to pass through and avoid structural damage. We do not expect that a lender would require the homeowner to acquire flood insurance. The level of risk is moderate; however, could be reduced further by construction of a low floodwall at the upstream side of the parcel.

EXTRAORDINARY ASSUMPTIONS AND PROPERTY DISCLOSURE:

NOTE to Intended Users: The client has requested an “As Is” value. An extraordinary assumption is an assumption, which if found to be false, could alter the resulting opinion or conclusion. The following conditions require the use of necessary extraordinary assumptions and conditions, related to the subject as of the date of value.

It is assumed, that the following data is correct per the P&D Interactive Map and SBCOEM map (dated 12/3/18);

- a. According to the SBCOEM map, the debris flow did not occur on the subject parcel, but it was in the creek bed to the north of the property line running southwest along the properties which share the subject's driveway.**
- b. The closest creek (Arroyo Paredon) is within 50 feet of the subject property, but not on the subject site;**
- c. The subject property is about 250 feet northeast of a property which was damaged by the debris flow (near the intersection of the subject's driveway and Foothill Road);**
- d. The water surface elevation contours are on the subject site;**
- e. The High Flood Hazard Area (Recovery map area FEMA 06/07/2018) is on the subject's site;**
- f. The 100-year Flood Hazard Area (Special Flood Hazard Area, FEMA Nov. 2015) is not on the subject's site, but about 50' northwest of the subject;**
- g. The nearest flood control basin is about .6 mile northeast of the subject property, but not on the Arroyo Paredon creek;**
- h. According to the updated SBCOEM map dated 12/3/2018, the subject property is a parcel located in the debris flow Risk Area (Red Zone), and evacuation during heavy rain events is likely.**
- i. The subject property has depth grid layers on the site. When depth grids are located on a site it may affect how a house can be rebuilt or improved. Depth grids indicate potential for overflow depths up to 1 to 3 feet on the subject parcel.**
- j. The subject property is within the water surface elevation grid (FEMA 06/07/2018);**
- k. The subject property is not within the NFHL (existing FEMA Adopted Flood Hazard Layer);**
- l. Foothill Rd was closed as a result of the debris flow and remains closed as of the date of the inspection at the Arroyo Paredon creek crossing.**

Hydrology Report:

The hydrologist report by Craig Steward of Stantec Consulting Services, Inc. dated January 10, 2019, was reviewed and received from the client of this report. The hydrologist report states:

“The Subject Property is located in a somewhat hazardous area subject to debris flows, which may occur infrequently, and flood risk after severe fire events within the water shed. The structures on the site are raised above the driveway and parking areas, allowing shallow flows to pass through and avoid structural damage. We do not expect that a lender would require the homeowner to acquire flood insurance. The level of risk is moderate; however, could be reduced further by construction of a low floodwall at the upstream side of the parcel.”

This appraisal therefore assumes that structures on the subject site would not likely be damaged by flood or debris flow. However, the existence of depth grid layer's in the vicinity of the structures on the site, could potentially cause difficulty or delays in future permitting for additions, remodeling or rebuilding and the county could require changes be made to the site/structures if costs to repair/remodel/rebuild exceed 50% of the depreciated contributory value of the existing improvements. Therefore, there is a certain amount of risk associated with the subject property which will be reflected in the appraised value. It is therefore assumed that the subject improvements can be rebuilt as is, where is, if destroyed.

The above extraordinary assumptions are necessary to valuation as of the date of value. Due to the lack of information, no warranty is implied or can be given that the analyses herein are accurate. The use of this assumption may have an effect on the appraised value.

The appraiser is not an expert on flood control, water evacuation, creeks, hydro-geology, elevations, building codes, rules and regulations. The subject property is not listed as a damaged property, but there are still certain risks associated with the property from future Debris Flows, including current and future road closures and evacuations, which could have negative impacts on market appeal, marketability and value.

Disaster Area Disclosure Statement:

Comments Regarding the Thomas Montecito Debris Flow/Mudslide on January 9, 2018:

The subject property is located within a portion of Santa Barbara County, which has been declared a disaster area per FEMA-5224-FM-CA Thomas Fire/Mudslide Major Disaster Declaration declared on December 5, 2017 as well as FEMA-4353-DR California Wildfires, Flooding, Mudflows, and Debris Flows (incident period December 04, 2017 – January 31, 2018). A Major Disaster Declaration was declared on January 02, 2018. The specific incident date for the Thomas Fire Mudslide/Debris Flow is January 9, 2018.

Individual Assistance Applications Approved:	732
Total Individual & Household Program Dollars Approved:	\$4,737,016
Total Public Assistance Grants Dollars Obligated:	\$117,297,758
Designated Counties (Individual Assistance):	Los Angeles, San Diego, Santa Barbara, Ventura.

The subject property is located in the northwestern portion of Carpinteria, which is a neighborhood that suffered damage from the debris flow and heavy rains of January 9, 2018. The subject property may have mandatory evacuations issued in anticipation of rain events over a certain threshold due to being in an extreme risk zone (red zone).

As of the date of my inspection, the disaster has passed, and the subject improvement and site appear to be currently safe, sound and sanitary for the occupant.

On February 8, 2018, the boil water notice was cancelled. Utilities were turned on and functioning.

Due to the disaster(s) being recent, it is not possible to determine if there is any notable impact to the overall market, economy or local employers as of the effective date of this appraisal. The true impact of the Thomas Fire and Thomas Fire mudslide/debris flow will not be known or measurable until a future date and may vary by neighborhood and proximity to damaged properties.

Description of the Incident:

On January 9, 2018, portions of Montecito and Carpinteria sustained significant mudslides and debris flows as a result of the record breaking Thomas Fire on December 4, 2017 through January 9, 2018, which burned more than 281,800 acres spanning Santa Barbara and Ventura counties, destroyed approximately 1063 structures, and damaged 280 structures. The fire devastated vegetation on mountainsides in this area. According to Joe Holland (Santa Barbara County Assessor) 53 properties were considered to be total losses due to fire in Santa Barbara County (from Carpinteria to Montecito).

In the pre-dawn hours of January 9, 2018, portions of Montecito, Carpinteria and their watershed received as much as 0.54 inches of rain during a five minute period, with continuous heavy rainfall throughout the night. Although mandatory evacuation orders were in place for areas downhill of the Thomas Fire burn area, and uphill of Highway 192, the heavy rainfall combined with lack of vegetation, resulted in multiple devastating mudslides and debris flows that extended, from the mountains to the beach and affected approximately 30 square miles in the Montecito area as well as portions of Carpinteria. Water, mud, boulders and debris reportedly barreled down the mountains behind Montecito/Carpinteria, which overflowed creeks, and damaged/destroyed everything in its path, including trees, houses/structures, cars, people, and infrastructure, including streets, bridges, wells, utilities, etc.. There were reports of homes buried in mud up to their roofs, and the remains of large trees and giant boulders were spread throughout the portions of Montecito affected by the incident. There was lesser damage in Carpinteria. It is reported that some creek banks overflowed by as much as 20 feet. The death toll is currently at 21 with 2 missing.

For more than 2 weeks after the disaster, most of Montecito and portions of Carpinteria, were under mandatory evacuation, while the National Guard, U.S Army Corps of Engineers, firefighters, police/sheriff departments, Caltrans, FEMA, Santa Barbara County's Office of Emergency Management, contractors, heavy equipment owners, utility company repair crews and Santa Barbara County Search and Rescue (SBCSR), assisted with evacuations, recovery, repairs, debris removal, boulder removal, creek bed clearing/restoration, debris basin clearing, highway and arterial road reopening, hauling of debris and mud, bridge rebuilding, utility reconnection, and clean-up, which is ongoing. Repopulation for most of the evacuated areas has been completed, although it will take considerably longer to repopulate the areas that were heavily damaged. Public utilities, including water, electricity, natural gas, along with sewer and septic systems, were severely damaged and are now restored to repopulated areas.

Description of the Incident (continued):

Highway 101 was closed for 12 days causing delays in deliveries and creating an inability for crucial medical/school/city/county employees to get to work. Although train service was expanded and ferry service was established, along with alternate routes, normal 30 to 40 minute commutes from Ventura to Montecito/Santa Barbara now took approx. 6 to 8 hours with the road closures.

According to the Montecito Journal, 477 structures in Montecito have been identified as damaged or destroyed by debris flow. Of these, 247 were red-tagged as destroyed, including 153 homes, 22 businesses, and 72 garages and guest houses. An additional 155 structures were yellow-tagged as heavily damaged, while 220 structures were identified as green-tagged or less damaged. However, according to the Santa Barbara County Assessor, 409 structures were destroyed.

According to the California Insurance Commissioner, Dave Jones, actual claims from the debris flow/mud slide include 1,415 partial residential losses, 107 total residential losses, 235 commercial partial and total losses, 388 auto and other claim losses. At one point, 3,000 homes were threatened. Many people were evacuated from inaccessible properties with the assistance of helicopters, ATV's and rescue teams. However, there are inconsistencies in data, depending on the source.

As a result of the disaster, some businesses and services in the community were negatively impacted due to road closures, evacuations, delivery delays, utility closures, and there was a significant decline in tourism through the area.

Ongoing recommended and mandatory evacuation orders are expected to continue for the next several years for properties in the debris flow risk zones when heavy rains over certain thresholds are expected.

According to the Santa Barbara County Assessor, the assessed values for more than 62 properties were reduced as much as 85% and a handful of properties were brought down to zero assessment, because some lots are no longer buildable in the foreseeable future. Additionally, reductions ranging from 51% to 18% have been made on an additional 104 residential properties. Assessments will continue to be analyzed on a case by case basis for damaged or destroyed properties.

Description of the Incident (continued):

Following the Thomas Fire and 1/9 Debris Flow, the Federal Emergency Management Agency (FEMA) developed Flood Recovery Maps for Montecito/Carpinteria to supplement the areas of special flood hazards currently identified. The interim Santa Barbara Recovery Maps were developed for communities and property owners to make informed decisions about rebuilding and create awareness of risk. Recovery Maps are separate from the Flood Insurance Rate Map (FIRM) which are expected to change within the next 3-4 years. The updated recovery maps will guide development decisions such as whether to elevate or relocate a damaged or destroyed home, according to County officials. New construction must now be 2' above the new base flood plain. This may mean that some rebuilt homes will need to be elevated more than 10' if built in the same location, with breakaway walls in the event of future flooding.

The updated maps will reflect the 100-year (or 1%) chance per year, flood hazard conditions and the new elevations after the 1/9 Debris Flow.

As of May 15, 2018, the County Board of Supervisors approved a proposed ordinance amendment that will accommodate the "Like-for-Like Ordinance" rebuilding of structures that were damaged or destroyed in the recent disasters. The proposed amendments to the ordinance will expedite rebuilding for property owners who choose not to make changes to the design of their original structure. The amendment approved by the Board will give homeowners additional flexibility to elevate rebuilt structures of the same design to a safer level, and relocate further away from flood plains, while still being considered a like-for-like rebuild. Elevations/topography have changed, locations of creeks and drainages have changed, and some lots have changed. However, new construction will have to meet new building codes, rules and regulations, which have changed due to the new Santa Barbara Recovery Mapping.

Homes in the coastal zone in the appeals jurisdiction would not benefit from these changes and would still be subject to existing development regulations, which require design review and Coastal Development Permits with a hearing, and would still be subject to appeals. The subject property is likely in the Coastal Zone.



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Disclosure/Waiver:

Health & Safety Issue = Liability = Risk



Additional Features

“The subject residence appears to have been built with a portion of the roof of the north eastern portion of the home (above the kitchen) allowing for the existing tree's large limb to encroach into the area where a roof/wall typically would have existed. Multiple substantial cables were noted throughout the rear yard, appearing to keep the tree from moving any further towards the residence. No evidence of structural damage or instability was noted. However, the appraiser is not an arborist, engineer, or contractor and should the lender have any further questions/concerns regarding the presence of the tree, the opinion/inspection by a qualified professional in these areas is recommended. No impact on marketability or appeal is expected due to the existence of the tree. See photos.”



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