

ASSEMBLY THIRD READING

AB 305 (Villapudua)

As Amended April 25, 2023

2/3 vote

SUMMARY

Places a \$4.5 billion flood protection and dam safety improvement bond before the voters on the November 5, 2024, General Election ballot.

Major Provisions

- 1) Allocates \$1 billion to the Department of Water Resources (DWR) for multibenefit flood protection projects. Provides that a portion of these be sub-allocated as follows:
 - a) \$50 million to the Central Valley Flood Protection Board (CVFPB) to modernize and update mapping of designated floodways in the Central Valley;
 - b) \$100 million to CVFPB to identify and acquire lands or easements that can be flooded to protect the public, recharge groundwater, restore floodplains, and provide habitat. Priority for these funds shall be for lands near levees that do not meet current standards; and
 - c) \$500 million for multibenefit flood protection projects in the San Joaquin Valley.
- 2) Allocates \$1 billion to DWR to reduce urban flood risk. Provides that funding may be for projects that include stormwater capture and reuse, low-impact development features, restoration of urban streams and watersheds, and debris flow mitigation.
- 3) Allocates \$1 billion to DWR for improvement of dam safety pursuant to the Dam Safety and Climate Resilience Local Assistance Program (Dam Safety Program) established by this bill (see #6, below).
- 4) Allocates \$1 billion to DWR for flood management projects in the Central Valley including, levee setbacks, floodplain restoration, bypasses, groundwater recharge, and land or easement acquisition necessary for these projects.
- 5) Allocates \$500 million to DWR for levee rehabilitation and upgrades.
- 6) Establishes the Dam Safety Program within DWR to provide funding for repairs, rehabilitation, enhancements, and other dam safety projects at existing state jurisdictional dams. Requires that the Dam Safety Program shall afford funding for projects that provide public benefits in the following priority order:
 - a) Protection of public safety;
 - b) Water storage restoration;
 - c) Flood risk reduction;
 - d) Enhancement of water supply reliability;
 - e) Enhancement, protection, or restoration of fish and wildlife habitat; and

- f) Protection of water quality.

COMMENTS

Local, federal, and state agencies have developed a variety of physical structures to regulate flood flows including levees, channels, and weirs to convey and control floodwaters as well as dams, reservoirs, and bypasses to collect or store water. Physical structures are sometimes paired with nonstructural approaches – like limiting development in floodplains – for flood management. Flood infrastructure across California includes more than 20,000 miles of levees and channels and more than 1,500 dams and reservoirs. Most of these facilities are owned and managed by local governments, reflecting the history of how the facilities were developed and aligning primary responsibility for the projects with their beneficiaries. A recent report estimated that flood management responsibilities are spread across over 1,300 local agencies across the state.

Over 1,600 miles of levees, four dams, five major weirs, and seven bypasses are overseen by the state and are considered part of the State Plan of Flood Control system (SPFC), a system of flood protection infrastructure along the Sacramento and San Joaquin Rivers and their main tributaries. The CVFPB oversees SPFC facilities and levees (often called project levees) on behalf of the state. For most segments of SPFC levees, the state has developed formal agreements with local governments to handle regular operations and maintenance responsibilities. The Department of Water Resources maintains approximately 300 miles of SPFC levee segments not covered by such agreements.

Flood risk and investment need. The level of flood risk in California’s Central Valley is among the highest in the nation. According to the Central Valley Flood Protection Plan 2022 Update (2022 CV Flood Plan), 1.23 million people and more than \$223 billion in structures and property are at risk from flooding. Climate change has exacerbated this flood risk. Analysis done as part of ARkStorm 2.0 indicates that climate change has already increased the frequency and magnitude of severe storms that result in “megaflood” events (Huang and Swain, 2022). To address this risk, the 2022 CV Flood Plan identifies an investment need of \$25 billion to \$30 billion over the next 30 years; an amount that includes an annual need of \$315 million to \$390 million for routine activities.

Proposition 1E and previous bond funding, how much is left? Proposition 1E, the Disaster Preparedness and Flood Prevention Bond Act of 2006, is the last purely flood bond issued and it authorized approximately \$4.1 billion in bond spending for various flood management programs. These included the State Central Valley Flood Control System and Delta Levees (\$3 billion), flood control subventions (\$500 million), stormwater flood management (\$300 million), and statewide flood protection corridors and bypasses (\$290 million). In 2014, voters approved Proposition 1, a \$7.5 billion water bond that included \$395 million for flood management. According to the California Natural Resources Agency’s Bond Accountability web site, only \$29 million in funding from Proposition 1E and only \$20 million of the Proposition 1 flood management funds remain uncommitted to projects.

According to the Author

“The storms we experienced in early 2023 showcased decades of underinvestment in our flood management infrastructure across California. This failure resulted in lives lost and billions of dollars of property damage. For these reasons, we need to make long-term investments today to prevent similar future tragedies across our state. As warmer water and rising temperatures

increase, it will be even more important that we prepare for future flooding events. [This bill] will ensure the state can adequately protect Californians from future catastrophic flooding by enacting the California Flood Protection Bond Act of 2024.”

Arguments in Support

The San Joaquin Area Flood Control Agency supports this bill asserting that it will provide much needed flood protection funding to the Stockton region and other area of the state: “with climate conditions noticeably shifting between prolonged periods of drought and intense rainstorms, officials are sounding the alarm about what that means for the region’s flood risk. Stockton, home to one of the nation’s largest inland ports, faces a dual threat from increased water flows in the San Joaquin and Calaveras Rivers and sea level rise in the San Joaquin Delta. According to updated climate change analyses from [DWR], annualized flood damages in the greater Stockton area could top \$1.5 billion by 2072 if nothing is done.”

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, this bill has the following fiscal impacts:

- 1) Total principal and interest costs of approximately \$8.76 billion to pay off the bonds, with average annual debt service payments of \$219 million (General Fund). The State Treasurer’s Office notes that the actual debt service could vary significantly from these preliminary estimates based on a variety of factors, including the actual amount of bonds issued per fiscal year, the debt service structure of the bonds sold, the actual breakdown between tax-exempt and taxable bonds, the actual interest rates at the time of issuance, the actual amount of premium available to offset debt service (if any), and any future refunding of bonds.
- 2) The Secretary of State’s office estimates one-time costs of approximately \$1.6 million for printing and mailing to place this measure on the November 2024 ballot (General Fund). It costs approximately \$123,000 per page for printing costs related to the Voter Information Guide and the text of proposed laws for each new ballot measure.

VOTES

ASM WATER, PARKS, AND WILDLIFE: 13-1-1

YES: Bauer-Kahan, Alanis, Bennett, Joe Patterson, Friedman, Hart, Kalra, Pellerin, Blanca Rubio, Schiavo, Villapudua, Ward, Weber

NO: Mathis

ABS, ABST OR NV: Davies

ASM APPROPRIATIONS: 13-1-2

YES: Holden, Bryan, Calderon, Wendy Carrillo, Dixon, Mike Fong, Hart, Lowenthal, Mathis, Papan, Pellerin, Weber, Ortega

NO: Megan Dahle

ABS, ABST OR NV: Robert Rivas, Sanchez

UPDATED

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