



**Land Use and Natural Resources  
Committee**

**Meeting Date:** 4/5/2018

**Agenda Item No.:** 2018-April-13.

**Subject:** Flood Protection Summary and Advocacy (Estimated time: 0 minutes)

**Receive and File**

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**Approved by:** Kacey Lizon

**Attachments:** Yes

**1. Issue:**

Flood control system improvements and floodplain management are subject to state and federal policy and funding limitations.

**2. Recommendation:**

None, this is a receive and file item. The attached summary provides board members with information and targeted state and federal requests to facilitate flood control and floodplain improvements in the SACOG region.

**3. Background/Analysis:**

At the November 2017 meeting of the Land Use and Natural Resources committee, local consultants presented a status report on flood control-related activities, with an emphasis on the Central Valley Flood Protection Plan and state and federal funding challenges. Director Suen and Vice Chair Frost requested a brief report summarizing this status update and talking points to help with advocacy. That summary has been pending while flood control stakeholders update their funding and policy requests. The summary and requests are attached.

**4. Discussion/Analysis:**

The attached summary provides a list of state and federal tasks to help the region maintain existing levee infrastructure and make improvements where needed. A primary issue is the funding shortfalls the state and region are facing for maintenance and new projects. Senate Bill 5 placed a \$4.1 billion bond on the June 2018 ballot; however, there are limitations to its use for flood control projects in the region. Federal funds require local or state matching funds, which have also been restricted. The attached summary includes a list of requests for state funding to address these funding gaps.

At the federal level, projects that are being led by local entities also face challenges in

receiving federal authorization, via Section 408 permits, which allow non-US Army Corp of Engineers entities to alter federal civil works projects. The attached summary incorporates requests from the Flood Protection Team for the Capitol-to-Capitol advocacy program seeking funding and risk-based prioritization for Section 408 permits.

Another important federal issue is the restrictions on flood insurance for agricultural areas. Since most agricultural land is not protected by 100-year certified levees, FEMA insurance is very expensive and new buildings on these lands require expensive elevation above projected flood elevations. This severely restricts options for farmers seeking improvements to their land to support their business. The Flood Protection Team also prepared requests to address these concerns.

## **5. Fiscal Impact/Grant Information:**

There is no fiscal impact.

### **ATTACHMENTS:**

Description

Summary and Advocacy Paper

# **Flood Control Issues and Funding Summary**

Sacramento Area Council of Governments  
March 22, 2018

## **Background**

The information in this white paper has been developed as part of the effort to provide guidance to the Board of the Sacramento Area Council of Governments (SACOG) on how they can support funding and other initiatives for flood management actions in the region. Provided herein is information related to policies developed by the Department of Water Resources (DWR), other statewide initiatives, and regional initiatives related to federal funding and policies. Specific recommendations are provided by SACOG staff based on those developed by the California Central Valley Flood Control Association and the Capitol-to-Capitol Flood Protection team.

## **Central Valley Flood Protection Plan**

As mandated by the Central Valley Flood Protection Act of 2008, DWR prepared the Central Valley Flood Protection Plan (CVFPP). The CVFPP has responsibility over State Plan of Flood Control (SPFC) facilities, many of which are within SACOG's six-county region.

Over the next 30 years, the CVFPP identifies the need for a combined federal, state, and local financial investment of \$17–\$21 billion in flood control system improvements. Annual, ongoing, system-wide operations and maintenance costs are projected to represent \$2.3–\$2.8 billion of that investment. For the long-term sustainability and performance of the flood management system, the CVFPP identifies that an additional \$250–\$310 million per year is needed to address routine operation and maintenance and to fund emergency management, coordination of routine reservoir operations, and annual State flood planning and analysis.

## **Regional Initiatives**

As part of its annual Sacramento Metro Chamber Capitol-to-Capitol trip to Washington D.C., the Flood Protection Team developed draft issue papers to use in discussions with federal administration and congressional representatives as the team seeks funding and advances other policy requests for the region. The general goal of the Capitol-to-Capitol effort is to highlight the flooding threat to the Sacramento region and make specific requests for Section 408 approvals—which allows alteration of a civil works project by a party other than the US Army Corp of Engineers—and infrastructure funding. Information from the issue papers is summarized below, and requested actions are listed under “Recommendations.”

California's capital region lies at the confluence of two major rivers, with a combined watershed of 26,000 square miles that includes the Sacramento Valley and the foothills and mountains of northern California. Reducing flood risks is critical to the social and economic stability of the region and will be achieved only through a streamlined process of improving the levee, bypass, and water conveyance system.

Nationwide, nonfederal interests are undertaking critical improvements to federal facilities that either cannot or are not being addressed by the U.S. Army Corps of Engineers (USACE) Civil Works program. This is occurring either because funding is unavailable or because USACE is unable to execute the work, or both. These locally led undertakings are unnecessarily burdened by a complex, redundant, and lengthy permitting process. The Flood Protection Team's 408 issue paper requests that Section 408 approvals are appropriately prioritized to facilitate timely and effective implementation of locally implemented flood and water conveyance improvement projects. The paper further requests that Congress appropriately fund USACE Section 408 review.

In 2014, the Federal Emergency Management Agency (FEMA) and the Government Accountability Office encouraged exploration of ideas to address sustainability of agriculture in deep floodplains. As FEMA updates Flood Insurance Rate Maps to show the new special flood hazard areas (SFHAs), including those behind previously accredited levees, the long-term viability of agriculture has become a major concern. The Flood Protection Team's issue paper on FEMA regulations identifies two primary impacts when an agricultural area is mapped into an SFHA: land use requirements for elevating or flood proofing new and substantially improved structures to or above the Base Flood Elevation; and a requirement to purchase a high-cost flood insurance policy (*note: owners can purchase insurance from a private carrier*) for each structure with a federally-backed mortgage. A disproportional percentage of agricultural properties affected are in the Sacramento Valley.

Ongoing projects in the planning, design, and construction phases are critical to significantly reducing risks to the lives and safety of more than 1 million people living in the floodplain, and to protecting tens of billions of dollars of existing infrastructure, sustaining the region's rich agricultural productivity, and supporting economic growth. There is a growing regional backlog of authorized projects that receive insufficient annual appropriations. The issue paper specific to funding seeks accelerated investment for construction of ongoing flood risk reduction projects, new appropriations for recently authorized flood projects, and continuation of funding for projects near completion. The projects from the Flood Protection Team's issue papers are listed in the table in the "Recommendations" section below.

Separately, the California Central Valley Flood Control Association was established to "promote the common interests of its membership in maintaining effective flood control systems in California's Central Valley for the protection of life, property, and the environment." In the short term, the association proposes an annual General Fund appropriation of \$100 million, in order to (1) protect the significant state/local investment in the SPFC, (2) provide resilience from climate change, (3) reduce the State's legal liability and financial exposure in the event of a levee failure, (4) repair critically damaged levees, (5)

reduce the backlog of deferred maintenance, and (6) leverage federal investment that cannot otherwise be leveraged using existing State funding sources.

## Senate Bill 5

In fall 2017, the Legislature passed and the Governor signed SB 5 (Chapter 852, de León). This bill places a natural resources–related bond—Proposition 68—on the June 2018 statewide ballot. If approved by voters, the bond measure would authorize the State to sell \$4.1 billion in general obligation bonds for specified purposes. The package would comprise \$4 billion in new bonds and a redirection of \$100 million in unsold bonds that voters previously approved for specific natural resources uses. The portion of SB 5 that can be used for multi-benefit flood management projects is only \$550 million.

## Recommendations

### State

SACOG staff are recommending that SACOG use the California Central Valley Flood Control Association’s proposal for funding advocacy. The State General Fund appropriations listed below are recommended to address flood management issues that cannot be addressed with the SB 5 bond (owing to its limitations). Specific appropriations would support implementation of the CVFPP by funding the State’s share of USACE flood management projects, and would reduce the backlog of deferred maintenance:

- One-time \$400 million appropriation to address the worst of the 2017 flood damage not yet addressed by the State or USACE levee rehabilitation program (Public Law 84-99).
- Annual \$100 million appropriation, to be broken down as follows:
- \$50 million to cover the nonfederal cost share of USACE projects. This would be used to pay for the State credits amassed before and during the construction of early implementation projects completed under Proposition 1E and 84 (e.g., Sacramento Area Flood Control Agency Natomas Levee Improvements).
- \$22.5 million to reduce the backlog of deferred maintenance, repair existing SPFC levees, implement projects to protect small communities, and support the ongoing regional planning that has been so important to building broad support for the CVFPP.
- \$22.5 million to fund State operations, maintenance, repair, replacement, and rehabilitation activities required under California Water Code 8361 for flood bypasses and appurtenant structures.
- \$5 million for system improvements to provide resilience to the effects of climate change.

**Federal**

SACOG staff are recommending that SACOG support the approach of the Metro Chamber Capitol-to-Capitol Flood Protection Team's draft issue papers related to policy issues, regulations, and infrastructure financing, as follows:

- USACE needs to make risk-informed decisions that prioritize resources toward projects that yield greater flood risk reduction, whether they be USACE-led projects or Section 408 permissions. USACE continues to distribute resources to USACE-led studies and projects, rather than prioritizing resources for efforts that could yield greater reductions of risk. In many cases, local entities have prepared designs that would address high-risk flood-prone areas but that require Section 408 permission.
- Support of HR 2170 to modify the NFIP in order to eliminate financial disincentives to agricultural operations in the floodplain.
- FEMA implementation of the Task Force's recommendations in order to promote the long-term viability of agriculture in FEMA regulated floodplains. Further details regarding the recommendations can be found in the Flood Protection Team's FEMA issue paper.
- Congress is strongly encouraged to support funding the Section 408 program, at least at the scale of the administration's fiscal year 2018 request of \$8.5 million, and to consider increasing this amount to adequately address the backlog. In the past 3 years, USACE has secured a separate line-item for the Section 408 program within its operations and maintenance account. Unfortunately, the allocated amount is inadequate, as made evident in fiscal year 2017 when USACE exhausted this funding by the third quarter, thus delaying many locally led flood improvement projects.
- To further reduce flood risk in the Central Valley, additional federal investment is needed for the projects listed below.

### Ongoing Federal Projects and Studies

	<b>Project</b>	<b>Phase<sup>1</sup></b>	<b>Authorized for Construction?</b>	<b>Short-Term Goals</b>
1	American River—Common Features: WRDA 2016	D	Yes	Complete activities in FY 2018. Secure construction funding in FY 2019.
2	American River—Common Features: Natomas Levee Improvement Project	C	Yes	Accelerate ongoing design and construction activities.
3	Folsom Dam Modifications: Joint Federal Project	C	Yes	Construction completed in 2017. Project commissioning and closeout is continuing.
4	Folsom Dam Raise	D	Yes	Continue ongoing design activities. Award first construction contract in FY 2020.
5	Lower Cache Creek Project	F	No	Return study to active status. Receive FY 2018 appropriations to resume study.
6	Sacramento River Flood Control Project: General Reevaluation Report	F	No	A nonfederal sponsor is evaluating FRM-focused Locally Preferred Plan configurations.
7	Sutter Basin Flood Risk Reduction Project	D	Yes	Execute PPA in FY 2018. Secure construction funding in FY 2018.
8	West Sacramento Project: General Reevaluation Report	D	Yes	Execute PED agreement and initiate design activities in FY 2018. Secure construction funding in FY 2019.
9	Yuba River Basin Flood Damage Reduction Project	C	Yes	Accelerate ongoing design and construction activities.
10	Yuba River Ecosystem Restoration Feasibility Study	F	No	Sign chief's report in FY 2019.

<sup>1</sup> Project Phase: C = construction; D = design; F = feasibility.