



January 27, 2022

The Honorable Deanne Criswell
Administrator
Federal Emergency Management Agency
500 C St., SW
Washington, DC 20472

Submitted via Federal eRulemaking Portal

Re: Comments in response to the Request for Information on the National Flood Insurance Program's Floodplain Management Standards for Land Management and Use, and an Assessment of the Program's Impact on Threatened and Endangered Species and their Habitats; Docket ID: FEMA-2021-0024

Dear Administrator Criswell:

Enterprise Community Partners (Enterprise) appreciates the opportunity to provide input to the Request for Information on the National Flood Insurance Program's Floodplain Management Standards for Land Management and Use. We are pleased to see FEMA's commitment to strengthening the NFIP program. We appreciate the commitment to better align with the current understanding of flood risk and flood risk reduction approaches. Striving for equity in the nation's most vulnerable communities is critical to achieve the FEMA Strategic Plan's goal #1, to "Instill Equity as a Foundation of Emergency Management."

Enterprise is a national nonprofit on a mission to make home and community places of pride, power and belonging, and platforms for resilience and upward mobility for all. In addition to increasing the supply of affordable homes, Enterprise is committed to advancing racial equity after decades of systematic racism in housing as well as supporting residents and strengthening communities to be resilient to the dramatic increase in the frequency and severity of climate-related disasters. We operate in all 50 states plus the District of Columbia, Puerto Rico and the USVI. This end-to-end approach, combined with 40 years of experience and thousands of local partners, has enabled Enterprise to build and preserve 793,000 affordable homes, invest \$61 billion in communities and improve millions of lives.

For more than 15 years, we have been active in disaster recovery and promoting affordable multifamily and single-family housing resilience around the nation. Through Enterprise's Green Communities Criteria, which we revised in 2020 to enhance resilience standards, we have certified almost 120,000 apartments. Each year, Enterprise Green Communities certified developments are saving \$31.8 million dollars in energy and water costs – and they reduce carbon emissions by the equivalent of taking 19,870 cars off the road. Additionally, our Building Resilient Futures and Equitable Recovery Advisory Services aim to ensure affordable homes



and low and moderate- income communities can withstand the harmful impacts of flooding and extreme weather events.

The National Flood Insurance Program (NFIP) is a critical tool for repairing or rebuilding affordable homes after a flood event and is a critical tool to protect private and public investment in flood vulnerable communities. However, climate change will increase the risk of flooding, especially in densely populated coastal areas and impact already burdened communities that lack affordable housing.

With flooding being the nation's costliest disaster, deficiencies in the program pose numerous challenges for housing developers and communities:

- The National Flood Insurance Program's insurance rates are rising¹;
- Subsidized insurance rates continue to mask the real risks of flooding to properties;
- The program fails to adequately reward community-level actions to reduce flood risks;
- The floodplain maps that serve as the basis for rates and local land-use decisions are out-of-date, and do not properly account for current risk, let alone future risk.

Rising rates pose a socio-economic threat to cities that have a significant number of lower-income homeowners and businesses located in flood hazard areas. Rate increases will affect owners of older buildings (i.e., built before codes that require building elevation or flood proofing) who previously received insurance subsidies. For lower-income homeowners and those on a fixed income, rising rates could price people out of their homes, or force people to drop flood insurance, which might otherwise be their sole source of funds to rebuild in the event of flooding. Rising rates may also force landlords to raise rents, exacerbating housing affordability crises facing many cities.

In 2015, the City of New York commissioned Enterprise to study the insurance uptake of housing in New York City's Floodplain.² The study found that only 20% of affordable buildings in the high-risk areas of the 2007 Flood Insurance Rate Map (FIRM) had the National Flood Insurance Program (NFIP) Coverage; 45% of affordable buildings in the high-risk areas of the 2013 Preliminary FIRM have NFIP and that the communities with most vulnerability to flood risk (low income) were uninsured. Millions of low-income households are unable to afford insurance coverage, if it is available, and this will only be aggravated as rates continue to rise.

Moreover, property owners outside of mapped flood hazard areas are increasingly experiencing flood losses. Increased impervious coverage and development in floodplains, changing rainfall patterns with more frequent heavy rain in some areas, and sea-level rise are factors contributing

¹ <https://www.reuters.com/business/sustainable-business/us-flood-insurance-rates-rise-77-policyholders-study/>

² <http://www.nyc.gov/html/planyc/downloads/pdf/publications/HR-A-Multifamily-Flood-Insurance-Affordability-Study-2016.pdf>



to this increase in flooding. As more extreme weather events, especially repetitive flooding, continue to occur at higher intensity and frequency, investing in stronger building codes will benefit affordable housing properties in the long-run. What makes a house unaffordable is if it floods several times, not higher flood standards that are dispersed over 30 years mortgage in terms of cost.

While NFIP recognizes and encourages community floodplain management practices to protect homes and communities, there are key improvements that can be made to strengthen the program—and the communities the program is mandated to support. Many cities struggle to secure funds to support proactive investments in mitigation, since most federal funds for these types of projects only flow after a disaster has already occurred and local dollars can't stretch to fill the gap.

Please find below proposed reforms to the NFIP program:

1) Maintain insurance affordability, especially for low-income populations

While we support efforts to bring premiums more in line with risk, we are concerned that increasing flood insurance costs will force owners of affordable housing properties to raise rents, exacerbating the shortage of affordable rental housing at a time where the nation is experiencing an affordable housing crisis. Regulators should ensure risk is reduced while spreading premium increases for affordable housing owners in an equitable manner, and make advocating to Congress for needed statutory changes an Administration priority.

Specific Recommendations:

- We support capping the premium rates for policy holders so that housing costs remain affordable and support a voucher or subsidy for homeowners with 1) a household income at or below 80 percent of area median income and 2) a demonstrable need, so that increased premiums would not pose a hardship.
- Define and disseminate practical mitigation strategies for multifamily housing owners and offer to provide credit incentives for their NFIP policies. Incentivizing property owners to mitigate, by providing a credit against their NFIP policy, would result in increased investment in building protection, workforce development and job creation, reduced risk and savings for the NFIP.
- The NFIP should be reformed to increase coverage or encourage private excess coverage for multifamily properties, to ensure adequate coverage based upon the size and use of buildings.
- Federal agencies should continue to take steps to send accurate risk-based price signals to property owners in hazardous areas and should be encouraged to communicate the full-risk insurance rates for a property (even where the rate is ultimately discounted) and provide transparent data and information on coverage and policies for multifamily and mixed-use buildings.

2) Set physical standards for mitigation of housing that meet or exceed the standards laid out in the I-Codes and other forward-looking building codes and land use regulations

We recommend that FEMA requires the adoption of more stringent standards that serve as the floor for local building and zoning codes, making sure that all housing communities across the US meet a certain minimum threshold for flood resilience in their building and zoning ordinances. As knowledge about risk and mitigation measures increases, so must building codes and land use regulations.

Specific recommendations:

- Require that rebuilding and replacement of substantially damaged structures (i.e., structures damaged in excess of 50% of their value, including both buildings and infrastructure) be conducted in accordance with higher minimum standards contained in today's nationally applicable consensus model codes and standards from the International Codes Council (I-Codes) and the American Society of Civil Engineers (ASCE) *Flood Resistant Design and Construction* standard (ASCE-24).
- Where appropriate, mandate that future environmental conditions over the design life of new facilities and infrastructure be incorporated into hazard mitigation planning, construction designs, and modifications, such as language that is included in the most up to date building codes.
- Require projects to consider design standards and approaches so that they can accommodate future adaptations and modifications to address changing future conditions (e.g. flooding from extreme precipitation events and sea level rise beyond 2050 could follow a range of trajectories, so it may make sense in certain circumstances to build to a certain level now and use a design that could be built to a more protective standard at a later date).
- When substantial improvement or substantial damage occurs, the community must ensure that the NFIP requirements, which the community has adopted, are applied to these structures so that they are protected from future flood damage.

3) Update the flood maps to expand insurance coverage uptake

Federal flood maps are developed for the purpose of setting insurance rates, but they are used by cities to make decisions that have much longer-term consequences, such as land-use decisions, and decisions on how to design critical facilities and infrastructure. In many cities these maps are outdated and are developed using only historical flood data. They do not accurately reflect either the current or future flood risks that cities face. As a result, developers and individuals are using imperfect information to make choices about where to buy and develop. Many homeowners are not adequately informed about the risk of flooding when making decisions about purchasing a home or whether to carry flood insurance after their mortgages are paid off.

Specific Recommendations:

- Ensure the flood maps produced are reflective of the current and future flood risks that communities face. As of now, the maps take a very long time to be updated. The process that FEMA employs means that some localities' flood maps could be 20 or more years out of date. None of the flood maps take into consideration how flood risk is changing in response to climate change or even how flood risks may change in response to development in that community. As the flood maps don't necessarily include future flood risks, it would be more valuable to produce maps that disclose the flood risks 50 years from now rather than 50 years ago.
- Establish a national flood disclosure requirement. The disclosure requirement should be incorporated into FEMA's regulations and ensure that states all have a uniform disclosure requirement, similar to lead-based paint disclosure requirements. As of now, states decide what information is disclosed to a renter or buyer of a home, and the vast majority of states in the US do not require that a home buyer or a renter be notified of anything related to flood risks, including whether the home a person is considering living in has flooded in the past, whether it is incurred damages, whether there's a legal requirement to purchase flood insurance on the property in question or whether the property is even located in a floodplain. In some instances, individuals never find out about the latter, in other instances, they don't find out until they purchase flood insurance and see several claims may have been made on a property in the past, in other cases, they don't find out that they have to buy flood insurance until they're at the closing and purchasing a property, which are all not ideal situations.
- Cities, developers, homeowners and businesses all need accurate, future-looking flood risk information to help them effectively understand flood risks, make decisions about where and how to build, and implement projects to mitigate flood risks.
- The floodplain mapping program should be fully funded, and FEMA should be given authority to provide detailed flood hazard information, including information about future conditions and long-term flood risks to help cities make better land- use and capital-investment decisions.
- Options should be explored for the creation of digital platforms that provide tools to better visualize flood hazards, and allow for the integration of data from different federal agencies, and state, local and private sector partners.

4) Provide additional funding support for LMI communities to mitigate risk to reduce exposure

When property owners' homes sustain heavy damage after a flood, they are required by their local community's floodplain management ordinance or regulations to rebuild in conformance with the most recent building codes, which could include updating the electrical system, insulation as well as elevating the home. The renovations can be very costly and pose a major financial burden on families, specifically low-to-moderate income (LMI) households. FEMA helps policyholders to offset some of those costs through their Increased Cost of Compliance Coverage, however, they may receive only up to \$30,000. This amount is not enough to help cover costs, especially since certain retrofits can cost more such as elevation. FEMA should



consider increasing the allotted amount to help policyholders meet those requirements and eliminate their flood risk.

Specific recommendations:

- Increase the amount of Increased Cost of Compliance (ICC) funding available to multifamily housing owners after a flood event to ensure multifamily housing is rebuilt in accordance with current code and incorporates strategies that support its resilience to flooding. Currently all housing owners are allotted \$30,000 to make post-flood repairs and bring their buildings to current code, regardless of building size or typology, an amount that is woefully insufficient to rebuild multifamily housing, let alone pay for measures that improve resilience. We support increasing ICC coverage from the current \$30,000 to \$100,000 or more.
- Expand eligible activities covered under the Increased Cost of Compliance to include buyouts of substantially damaged properties and other residential mitigation activities. As of now, ICC funding can't be used for certain activities that would eliminate flood risk such as relocation to a new home out of the floodplain. Many individuals who are aware of their flood risk and would like to relocate could take advantage of this coverage if the assistance is made more flexible to support a wider array of mitigation actions that a homeowner or property owner might want to pursue.
- Increase coverage limits for multifamily structures. Enterprise has substantial experience in rebuilding multifamily housing in the Gulf Coast after Hurricane Katrina and other subsequent storms in the region. Many other properties we have financed and developed have been in a floodplain and therefore required NFIP coverage. The current NFIP coverage limit of \$500,000 per building is inadequate for most multifamily buildings. The current \$500,000 limit results in many properties being underinsured, and sometimes leads to convoluted designs intended to allow properties to be considered multiple structures to qualify for more coverage at the development level. For these reasons, we support increasing the coverage limits for multifamily structures to at least \$1.5 million.
- Increase funding support for pre-development activities that will help multifamily housing owners reduce their material risk to climate hazards—supporting innovation in planning, design and implementation before and after natural hazard events.

5) Increase awareness and accessibility of information on foreseeable risks communities face

Many communities and homeowners do not fully understand their current and future risk of hazards, especially from flooding—which causes the most significant economic damage. Research suggests that FEMA flood maps only account for one-third of buildings at risk of serious flooding. For example, 2020 estimates suggest that 14.6 million properties are at risk from what experts call a 100-year flood, which is nearly double the number of properties



reflected on federal flood maps.³ Understanding and interpreting risk data for communities on the frontline is a critical and fundamental first step in helping communities prepare, adapt to and mitigate risk. We need accessible, and actionable data that can be used by communities, jurisdictions, and households to adjust their homes and lives to the new reality of a volatile and changing climate.

Specific recommendations:

- Strengthen data collection and data sharing on risk, particularly on flood maps. Federal data should be easily accessible by everyone, and equitably distributed to marginalized communities to help them prepare for the next disaster and get insurance coverage, as these communities are disproportionately impacted by disasters.
- Leverage new technologies to consolidate information. The marketplace has been generating new digital platforms and technologies to help communities understand and identify their exposure to climate risk, so information is more accessible and easier to understand. Enterprise, for example, has created a tool, called “Portfolio Protect” to help housing owners risk rate their properties and site locations. This tool has become widely popular with affordable housing providers in vulnerable zones who need to understand risk due to climate threats including flooding.
- We need a consolidated platform where communities can access information about their risk and programs to help them reduce their hazard risk as well as adapt to the changing conditions of risk. Ideally, the consolidated platform should include not only data based on current risk, but given the long-term investments being made in housing and community infrastructure, should include options for modeling risk based on future climate conditions, based on the increased frequency and shifting locations of adverse events as well as on changing hydrological patterns.
- Following an event, it is important to increase the transparency and distribution of data from FEMA on unmet needs of communities and the development of social vulnerability to support communities and jurisdictions in their recovery planning. Automatic provision of near–real-time individual assistance data (scrubbed of personally identifiable information but at a granular level of geography) through FEMA’s OpenFEMA data portal would allow stakeholders and advocates the ability to monitor and facilitate the equitable distribution of assistance, including targeting impacted but underrepresented communities for application assistance or other forms of relief. Longer term, this would also help jurisdictions plan more effectively as new risks and hazards emerge over time—which we know, will inevitably occur.

³ <https://www.nytimes.com/interactive/2020/06/29/climate/hidden-flood-risk-maps.html>



Enterprise led the development of various resilience tools that we are pleased to share with you:

- The Multifamily Strategies for Housing Resilience⁴, a guide to help define what resilient housing repairs, modifications and additions should be for multifamily.
- Keep Safe Miami Program, a partnership between Enterprise and the City of Miami, Miami-Dade and Miami Beach to provide accessible, free tools to owners of multifamily housing to help them identify where to invest in their properties to reduce risk from storms, heat and flooding.⁵
- Portfolio Protect—a non–investment-grade risk rating tool to help owners identify their risks and get a sense of their exposure.⁶

Overall, we believe that reducing flood risk in vulnerable properties and incentivizing multifamily building owner investment will yield significant long-term savings for the NFIP and will protect our nation’s most vulnerable communities from the risks posed by a changing climate.

Thank you for your consideration of these comments, and if you have any questions, please do not hesitate to reach out to Laurie Schoeman (lschoeman@enterprisecommunity.org) or Ayate Tamsamani (atamsamani@enterprisecommunity.org), or me (mmcfadden@enterprisecommunity.org).

Sincerely,

A handwritten signature in black ink, appearing to read "M. McFadden".

Marion Mollegen McFadden

Senior Vice President for Public Policy

Senior Advisor for Resilience

⁴ https://keepsafeguide.enterprisecommunity.org/sites/default/files/strategies-for-multifamily-building-resilience_1.pdf?fid=2154&nid=4325

⁵ <https://www.enterprisecommunity.org/impact-areas/resilience/keep-safe-miami>

⁶ <https://www.enterprisecommunity.org/impact-areas/resilience/building-resilient-futures/portfolio-protect>