



Statement for the Record

Senate Committee on Economic Development, Housing and General Affairs Hearing: National Perspective on Housing Crisis

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August 15, 2023

Thank you for the opportunity to discuss the housing crisis in the context of climate change. My name is Joel Scata, and I am the Senior Attorney for the Climate Adaptation Team at the Natural Resources Defense Council (NRDC). The Climate Adaptation Team is committed to helping communities prepare for and adapt to the impacts of climate change, including the growing risk of flooding.

An affordable home should not equate to a cheaply built house in an unsafe location, especially concerning exposure to flooding. Nationwide, flooding poses a significant threat to life and property and is one of the most common natural hazards. Ongoing and future changes to the climate, combined with growing population density in flood-prone areas, are increasing flood risk, and thus the likelihood of displacement, injury and illness, loss of life, damage to homes, and the failure of critical infrastructure and the essential community services provided by such infrastructure. Meanwhile, our nation's history of redlining, segregation, and other forms of structural racism and discrimination has left communities of color and other marginalized communities at higher flood risk and with less public investment in measures to protect against flooding.

Federal and state flood-related policies that pertain to housing are not keeping pace with the growing risk of flooding due to climate change. Lax building codes, outdated flood maps, the rising costs of flood insurance, and inadequate flood risk disclosure all contribute to the growing number of flood disasters we are witnessing. The following federal and state-level policy recommendations, if implemented, could help address these issues.

1. Implement Stronger Building and Land-Use Codes.

Central to the before mentioned issues is the National Flood Insurance Program ("NFIP"). The NFIP is the nation's primary policy mechanism for addressing flooding. The NFIP sets the bar for local and state development standards in 22,000+ local communities. Two-hundred forty-seven of those communities are in Vermont.

FEMA—as the sole administrator of the NFIP—has the authority to issue and amend the NFIP- implementing regulations to develop minimum building and land-use criteria for flood-prone areas.

Congress mandates that the NFIP’s building and land-use requirements, to the maximum extent feasible, limit development of flood-prone land, and assist in reducing flood damages.

However, FEMA has not comprehensively amended the standards for building and land-use in flood-prone areas since America’s Bicentennial. As such, not only are the standards ill-equipped to address the floods of today—modern model building codes exceed FEMA’s requirements—the standards are also wholly insufficient to prepare communities for the impacts of climate change.

The time to bring the floodplain development standards out of the 1970s and into the era of climate change is now. In response to a [petition for rulemaking filed in 2021 by NRDC and the Association of State Floodplain Managers](#), FEMA began the process to update these standards.

- Higher freeboard
- Limited filling of wetlands
- Stronger standards for critical infrastructure

But with each passing flood disaster, the need for updated standards grows. FEMA must act quickly to update these standards to better protect new and rebuilt homes from the impacts of flooding.

2. Produce Forward-Looking Flood Maps.

The NFIP is also responsible for the creation of the nation’s floodplain maps. The NFIP floodplain maps depict an area that would be impacted by a 1 percent chance annual flood, also known as the “100-year flood.” As such, the maps are crucial to informing community planning, the design and construction of critical infrastructure, and local land use decisions.

Most Vermont communities are relying on maps from before 2008, while parts of rural Vermont haven’t had new flood maps since the 1980’s. However, Vermont isn’t unique. Outdated flood maps are a national problem that needs to be fixed.

Moreover, the NFIP’s floodplain maps fail to tell you what your flood risk will be in the future, or how climate change is already contributing to rising flood risks. That’s because the maps are based exclusively on historical storms and past rainfall data. The NFIP floodplain maps do not take into account the effects of climate change.

FEMA needs to begin including future climate impacts on its flood maps. In 2012, Congress directed FEMA to begin incorporating sea level rise, the potential for future extreme weather events, and climate impacts into its flood maps. But FEMA has failed to do so. Because flood maps are used to inform where to build and how to build, it’s critically important to know what flood risks are going to be in the future, not the past.

Producing up-to-date, climate-informed flood maps would better inform communities about their true flood risk and could help guide development to be safer.

3. Provide home buyers and renters with the right to know a property's flood history.

Prospective home buyers and renters deserve to know a property's flood history. Hundreds of thousands of Americans live in homes that have flooded. And a home that has flooded once is likely to flood again.

Information on a property's flood history and risk allows for informed decision-making about purchasing flood insurance, mitigating flood risk, and deciding whether to purchase or rent a property. Unfortunately, the provision of such information is not universal. Two-thirds of the states have either inadequate or no statutory or regulatory flood risk disclosure requirements. NRDC and Columbia University's Sabin Center for Climate Change Law reviewed all 50 states' real estate disclosure laws and found that in many places, home buyers are not given the information that they need to make informed decisions about whether they should buy a house, which is a major financial investment. Further, as of 2022, only seven states required renters to receive any information about potential flooding prior to signing a lease.

Flood-related disclosures would provide prospective home buyers and renters with the information necessary to make an informed decision concerning a home's flood-risk, which could encourage the purchase of flood insurance. The Federal Emergency Management Agency (FEMA) found "states with strong flood risk disclosure requirements often also have higher rates of residential flood insurance uptake."

[Vermont received a failing grade](#) from NRDC and Columbia Law School for its failure to require disclosure of past flood damages, legal requirements to purchase flood insurance, and other flood risk information. [FEMA's own analysis of state flood disclosure requirements](#) found that Vermont earned ZERO out of ten possible points. The Vermont Association of Realtors has a voluntary disclosure form that asks sellers to disclose some flooding information, but the form is completely voluntary.

Because of this lack of disclosure, homebuyers are kept in the dark about a home's flood history. The result is people are buying and moving into homes, only to find out later about the flooding problems that they also purchased.

4. Create a permanent, means-tested assistance program under the NFIP for low- and moderate-income households.

Flooding does not discriminate, but a household's ability to recover after a flood differs greatly if the household has access to flood insurance. Due to high costs, low-income households are less likely to purchase flood insurance than higher-income households, even though low-income families are more likely to live in high-risk flood zones.

More than 50 percent of households located in the 100-year floodplain that lack NFIP insurance coverage are considered low-income. Whereas only 26 percent of households located in the 100-year floodplain that have NFIP insurance coverage are considered low-income.

Currently, the NFIP provides older homes discounted insurance in comparison to newer homes built to be more flood resilient. While this subsidy was established to entice owners of older homes to join the program, it completely fails to provide an accurate depiction of flood risk or to help those who may be economically disadvantaged.

As such, the federal government should establish a permanent, means-tested assistance program under the NFIP to address this protection gap. Under the National Flood Insurance Act (NFIA) as amended, FEMA lacks explicit statutory authority to establish a permanent program under which low-and moderate-income households may receive a graduated risk premium discount.⁹ FEMA recently proposed draft statutory language to establish a means-tested assistance program as part of their NFIP reform proposal. The proposed program would provide graduated discount rates based on income while communicating the “full-risk price” so households understand the property’s true flood risk. The proposed program would also provide eligible households with greater access to flood mitigation assistance. This mitigation component will help reduce the flood risk to low-and moderate-income households and the overall exposure of the NFIP.

It’s an indisputable fact: Warming seas and shifting precipitation patterns are causing [more severe floods to happen more frequently](#). For people who live along coastlines, rivers, or other waterways, this is a very real threat. Flooding has the power to destroy homes and upend lives. The suggested reforms of Federal and state flood-related policies could not only help to ensure housing is safer and longer-lasting, but also ensure that people have access to information to help them make an informed decision about how to best protect their families and themselves from flooding.