



## FLOODPLAIN EXECUTIVE ORDER

### Background

President Obama recently signed Executive Order 13690 (EO), creating a Federal Flood Risk Management Standard (FFRMS) for federally-funded or federally-approved projects that will expand the definition of “floodplain” well beyond the long-accepted 100-year floodplain. The EO will greatly affect how and where new development, redevelopment and construction may occur. There are many unanswered questions regarding how this will be implemented, and NAHB is particularly concerned with the expansion of the historical definition of floodplain, unclear scope (which federal programs will be affected) and the possibility of confusion between agency plans.

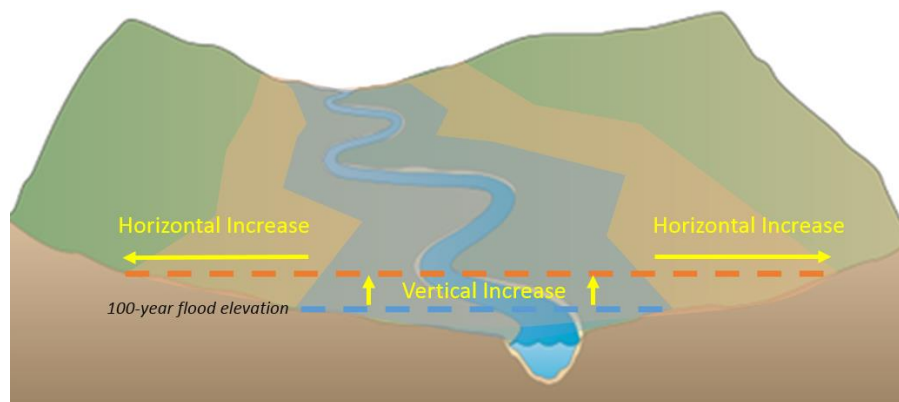
### Expands the Definition of “Floodplain”

Since 1977, “floodplain” has been defined as an area subject to a 1%-or-greater chance of flooding in any given year – the 100-year storm event. Under this EO, federal agencies will have three options for establishing the new FFRMS elevation and flood hazard area:

- Climate-informed Science Approach.
- Freeboard Value Approach – Adding an additional 2 or 3 feet of freeboard to the Base Flood Elevation of the 100-year flood (see example below).
- 500-year Elevation Approach – area subject to a 0.2%-annual-chance flood.

This approach grossly expands the historical definition of a floodplain accepted by the government, industry and communities across the country and is based on risk and scientific assessment. NAHB has concerns about arbitrarily expanding it.

The “**Freeboard Value Approach**” is represented by the vertical increase in the figure below. As the vertical extent increases, so too does the horizontal extent of the floodplain.



- In this example, those areas in the gray region are within the 100-year floodplain and are currently subject to the various floodplain requirements. Those areas in the tan region are outside the floodplain, with no imposed restrictions.
- The EO defines both the gray and tan areas as being within the floodplain and subjects projects within them to comply with new floodplain requirements.

## **Uncertainty of Scope – Will this Include Private Sector Construction? What will the new floodplain look like?**

The EO requires each federal agency to incorporate the new floodplain definition and flood-risk reduction strategies into their existing programs and regulations. While the Administration recently issued final Implementation Guidelines limiting the applicability of the FFRMS only to “federally funded projects” (previously this included “federally approved projects”), NAHB remains concerned about many housing programs, including:

- HUD multifamily financing programs;
- Community development block grants;
- HOME grant programs;
- FHA 203(k) rehab loans; and
- Rural development grants

The expanse of the floodplain is also unclear. No agency has mapped the 500-year floodplain nationwide and the climate science based approach is an unknown. Regulatory uncertainty and increased compliance costs threaten to add to the cost of countless HUD- and other agency supported programs and projects along the nation’s rivers and coasts, thereby decreasing the affordable housing opportunities

## **Conflicting Standards – Confusion in the Market**

Each agency will need to establish an FFRMS elevation and flood hazard area for their programs, and then develop individual implementing guidelines. Creating multiple definitions for floodplain/flood hazard area will create confusion and conflict in the market. Construction projects that receive funding from multiple agencies may be subject to different, and possibly conflicting requirements.

*NFIP:* FEMA periodically maps the entire country based on the 100 year floodplain definition. The National Flood Insurance Plan (NFIP) bases its rules on this designation. It is unclear whether and how this new federal standard will impact FEMA’s mapping.

*Local Requirements:* Building codes and zoning requirements are traditionally developed at the state and local levels of government. It is unclear how additional federal requirements would co-exist with these existing regulations.

## **Take Action**

- Congress – Due to the breadth of this change, NAHB strongly urges Congressional oversight before the newly-mandated requirements are considered and implemented.

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