

SUPPORT FOR THE STATE FLOOD MITIGATION REVOLVING FUND:

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| American Planning Association | National Resources Defense Council |
| American Rivers | Reinsurance Association of America |
| American Society of Civil Engineers | Smart Home America |
| Association of State Floodplain Managers | The Nature Conservancy |
| Enterprise Community Partners | The Pew Charitable Trusts |
| Insurance Institute for Business & Home Safety | Union of Concerned Scientists |
| National Institute of Building Sciences | U.S. Resiliency Council |

THE PROBLEM

Flooding is the costliest and most common natural disaster in the U.S., claiming lives, damaging households and businesses, and straining government agencies that provide flood response and relief. Since 2000, flood-related disasters have cost over \$750 billion. The federal government and states need to pursue more investment before disasters strike to help protect our communities and lower the cost burden on American taxpayers in future floods.

THE VALUE OF FLOOD MITIGATION

According to a 2018 report by the National Institute of Building Sciences, for every dollar spent on hazard mitigation, the nation saves \$6. In the case of riverine flood, projects involving acquisition or demolition of flood-prone buildings save \$7 for every dollar invested. The benefits come largely from avoided property damage, casualties associated with storms, and savings when businesses and communities quickly return to normal following a flood event.

Despite these findings, the federal approach to flood disasters continues to focus on response and recovery while underinvesting in preparation. In too many instances, infrastructure or homes are rebuilt as they were, only to flood again. Investments in pre-disaster mitigation have historically failed to meet demand, perpetuating this cycle of loss and repair. Although the federal government spent \$277.6 billion from 2005 to 2014 on overall disaster assistance, the Federal Emergency Management Agency (FEMA) has spent just \$600 million on its Pre-Disaster Mitigation grant program over the same time period.

NEEDED: A NEW FEDERAL-STATE PARTNERSHIP

The federal government can break the cycle of paying to repeatedly rebuild by increasing investments *before* disasters strike. FEMA and other federal agencies, however, cannot solve this problem alone. Localities and states are key decision-makers for policies that affect flood risk, with clear authorities to guide new development away from hazardous areas and enforce building standards that will protect lives and property.

A cost-sharing partnership, capitalized, in part, with federal monies administered by states, and tailored to unique local needs, could provide a long-term, self-sustaining source of financing for a

wide range of projects. Since its inception in 1987, for example, the Clean Water State Revolving Fund has leveraged \$41 billion in federal investments and 7.6 billion in corresponding state contributions for \$118 billion in high priority water quality projects. The revolving loan fund model, also used successfully for drinking water treatment facilities, energy efficiency projects, and economic development, could address the nation's flood preparation needs as well.

THE SOLUTION

Legislation introduced in Congress for a State Flood Mitigation Revolving Fund program ([S. 1507](#)) would create a new partnership with states to provide low-interest loans for projects that save lives and dollars.

With federal backing and local engagement, this legislation would allow each state to select and implement the types of mitigation projects best suited to the unique flood hazards it faces. Projects supported by the individual state revolving funds could include elevations and flood proofing of public buildings, businesses, and residences; improvements to stormwater management; assistance to local residents who wish to move out of harm's way; or converting frequently flooded areas into open space amenities.

With billions of dollars and countless lives at risk, and following yet another year of record-breaking storms and floods, now is the time for Congress to act.