

**Testimony of Congressman Vernon J. Ehlers
before the Subcommittee on Economic Development,
Public Buildings and Emergency Management
hearing on
“National Flood Plain Remapping: The Practical Impact”
Wednesday, April 2, 2008**

Madam Chairwoman,

Thank you for the opportunity to testify before the subcommittee today. My hometown of Grand Rapids, Michigan, is facing severe negative economic impacts as a result of FEMA's floodplain remapping initiative. I appreciate the opportunity to explain to the subcommittee what is happening there.

Grand Rapids is a city of 200,000 people, settled along the Grand River. It is the second-largest city in Michigan and the center of a metropolitan area of over 1 million people.

The story of flood mapping in Grand Rapids is one of bad timing and bureaucratic closedmindedness. Let me give you a short history of the situation. Grand Rapids joined the National Flood Insurance Program (NFIP) in 1979, and the current flood insurance rate map was issued in November 1982. Kent County, in which the City of Grand Rapids is located, was first notified by FEMA about the NFIP mapping update in July of 2003. The first meeting with local communities and regional FEMA officials took place in August 2003, and the mapping update began in October 2003.

Two years later, on August 22, 2005, FEMA issued a procedural memo which required that levees be certified in order to be considered during mapping revisions or updates. Subsequently, on July 20, 2006, Grand Rapids city officials were formally notified by FEMA that the city's levees need to be certified to be considered in the NFIP mapping update for Kent County. Under FEMA's regulations, the certification requires that the levees be constructed to 3 feet above the 100-year flood elevation, or be approved through a risk analysis by the U.S. Army Corps of Engineers. [Note: Subsequent conversations with the Corps have indicated that they would need congressional authorization to proceed with a risk-based analysis, and the result of the analysis would be informational only. If the Corps was authorized by Congress to certify the floodwalls, they would use the same guidelines as FEMA.] Apparently, the FEMA levee design standards were in place since 1986, but it was really more of a guideline than an enforced rule.

This remapping and policy change was very bad timing for the city. In June 2003, the City of Grand Rapids completed a 17-year, \$12.4 million project to improve the floodwalls and embankments along the Grand River. These improvements were designed to provide protection to 1 foot above the 100-year flood elevation. This design standard was determined to be the most cost effective, in consultation with the U.S. Army Corps of Engineers. It is equal to or greater than the historic floodwall elevation which FEMA had recognized as providing adequate flood protection, so that flood insurance was not required in almost all cases for properties along the Grand River. As pointed out in technical assistance from the Corps, additional flood risk reduction above the 100-year flood level is very difficult to economically justify because the incremental costs increase much faster than the incremental benefits. The improvements were

also designed to fit within the existing property development and projected urban growth in that area, otherwise known in the transportation and infrastructure sector as “context-sensitive design.”

So, not two years after the city completed a major 17-year floodwall improvement project to provide historic flood protection, the city was informed by FEMA that its floodwalls are not high enough, and they will not be considered at all in the floodplain remapping.

This policy is bureaucratic closedmindedness and inflexibility at its worst. It is my understanding that under FEMA’s policies, they will be mapping the floodplain and evaluating flood risk as though the existing floodwalls and embankments are not even there. That makes no sense at all. In the event of a major storm, the property owners along the river will be protected by a system of floodwalls and embankments up to 1 foot above the 100-year flood level. FEMA’s calculations and the requisite flood insurance policies will not reflect that protection.

City officials and engineers have conducted numerous meetings and conference calls with FEMA officials over the past two years. They have tried to explain both the problem of ignoring the existing flood protection as well as the severe economic impact of FEMA’s actions. According to a draft report from a local engineering firm, the new regulations are estimated to impact over 6,000 parcels in the City of Grand Rapids with the potential for a total annual insurance premium between \$6 million and \$22 million (see the table below) – this is particularly unwelcome news to a city and state facing troubling economic times and high unemployment, and for the low and moderate income home owners in the affected neighborhoods.

POTENTIAL TOTAL FLOOD INSURANCE PREMIUMS*

| <u>Parcels</u> | <u>Affected Parcels</u> | <u>Minimum</u> | <u>Avg.</u> | <u>Maximum</u> | <u>Avg.</u> |
|----------------|-------------------------|--------------------|----------------|---------------------|----------------|
| Residential | 5,088 | \$4,380,768 | \$861 | \$12,526,656 | \$2,462 |
| Commercial | 442 | \$807,534 | \$1,827 | \$4,397,016 | \$9,948 |
| Industrial | 584 | \$1,066,968 | \$1,827 | \$5,809,632 | \$9,948 |
| Total | 6,114 | \$6,255,270 | \$1,023 | \$22,733,304 | \$3,718 |

** These are very rough numbers, based on typical flood insurance policies and rates. Premiums do not account for possible grandfathering of some parcels by FEMA into lower risk categories or other costs savings.*

Raising the height of the floodwalls again is not a viable option. The estimated cost to provide flood protection in accordance with FEMA design standards – essentially adding 2 additional feet of protection above the 100-year flood level – is \$9.2 million, and would include substantial modifications to existing bridges and bridge entrances. The city’s infrastructure budget cannot support this cost, particularly since they are in the midst of a \$200+ million CSO separation and sewer system improvement project. Other potential impacts of such a project would be restrictions on development and redevelopment on the West Side, reduced accessibility to the Grand River, potential state environmental mitigation requirements, and aesthetic impacts along the river corridor. It flies in the face of context-sensitive design.

FEMA has not finalized its revised floodplain map for Kent County. The projected date for the preliminary flood insurance rate map issuance is May 31, 2008, followed by a public comment and appeals period. Once the appeals are resolved and the map is finalized and published, it will

trigger the flood insurance requirements for those properties located in the newly identified floodplain. I am going to do what I can to delay publication of maps and rates until these detrimental economic consequences can be resolved.

I strongly encourage this subcommittee to work with FEMA on a more reasonable approach. FEMA should discard its "all-or-nothing" policy on levee certification and should take existing flood protection into consideration when revising its maps and calculating flood risk. To do otherwise is to require property owners to insure themselves against imaginary flood risk that will likely never be realized.

Finally, I encourage the subcommittee to ensure that FEMA is utilizing the best and most appropriate geologic, hydrologic and climate data and flood modeling available. It doesn't take a scientist to know that Grand Rapids, Michigan, does not face the same kinds of storm surge threats as presented to communities on the ocean and Gulf coasts. But it does take scientists to accurately identify the level of flood risk posed in our communities, and it is my understanding that there is some question about the accuracy and consistency of the modeling used in mapping Kent County. The effective implementation of a reasonable flood insurance program depends on accurate science. Otherwise, the business community and residents of Grand Rapids are going to pay the price.

Thank you, Chairwoman Norton. I appreciate your consideration and attention to my testimony.