To amend the National Flood Insurance Act of 1968 to expand opportunities for families living in areas of high flood risk to access Federal assistance for voluntary relocation, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. CASTEN of Illinois introduced the following bill; which was referred to the Committee on

A BILL

To amend the National Flood Insurance Act of 1968 to expand opportunities for families living in areas of high flood risk to access Federal assistance for voluntary relocation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Protecting Families and the Solvency of the National Flood Insurance Program Act of 2022”.

May 13, 2022 (2:14 p.m.)

H. R. 7842

117TH CONGRESS
2D SESSION

(Original Signature of Member)
SEC. 2. VOLUNTARY BUYOUTS IN LIEU OF FLOOD CLAIMS.

Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019) is amended by adding at the end the following new subsection:

“(d) EXPEDITED VOLUNTARY BUYOUTS.—

“(1) EXPEDITED ASSISTANCE IN LIEU OF CLAIMS.—The Administrator may provide for expedited mitigation assistance for cases in which a policyholder making a claim with respect to a property expresses interest in a voluntary buyout in lieu of a claims payment. Such determinations shall apply regardless of location of a property in relation to an area designated as an area having special flood hazards.

“(2) ELIGIBILITY.—The Administration may provide expedited assistance under this subsection with respect to a property only if both of the following requirements have been met:

“(A) PROPERTY ELIGIBILITY.—The insured property—

“(i) has been identified as a repetitive loss or severe repetitive loss property;

“(ii) has been designated by the participating community as substantially damaged; or
“(iii) would otherwise be filing a claim for the maximum level of coverage.

“(B) COMMUNITY ELIGIBILITY.—The relevant community participating in the national flood insurance program agrees to take title to the property in accordance with the terms under section 404(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c(b)) and has prioritized mitigation to such property or to the area in which such property is located through an appropriate action or plan, as determined by the Administrator, including—

“(i) a repetitive loss area analysis plan conducted for and consistent with criteria for the community rating system authorized under section 1315(b) (42 U.S.C. 4022(b));

“(ii) a locally adopted plan completed in compliance with requirements of section 1361(e) (42 U.S.C. 4102(e));

“(iii) a locally adopted flood risk mitigation plan consistent with the requirements of section 1366(b) (42 U.S.C. 4104c(b));
“(iv) an ongoing local or State program for property buyouts to address flooding problems that conforms with such requirement as the Administrator may establish; or

“(v) such other action or plan as the Administrator may provide.

“(3) LONG-TERM BENEFITS TO FUND.—Whenever claims are filed and the conditions under paragraph (2) exist, the Administrator shall expeditiously determine, considering current and future risks, if a property buyout would result in long-term benefits to the National Flood Insurance Fund. For buyouts determined to be beneficial, amounts in the National Flood Insurance Fund may be used immediately to make acquisition offers under this subsection in lieu of full claims payments. Such offers may exceed the amount of the claim and shall comply with requirements for buyout offers authorized under section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c). In no case shall such expedited buyout offers delay or reduce the amount of claims due to a policyholder for contents coverage or necessary clean-up costs.”.
SEC. 3. COMMUNITY ACTION TO ADDRESS REPETITIVELY FLOODED AREAS.

Section 1361 of the National Flood Insurance Act of 1968 (42 U.S.C. 4102) is amended by adding at the end the following new subsection:

“(e) COMMUNITY ACTION FOR REPEATEDLY FLOODED AREAS.—

“(1) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

“(A) COVERED COMMUNITY.—The term ‘covered community’ means a community—

“(i) that is participating in the national flood insurance program under section 1315 (42 U.S.C. 4022);

“(ii) within which are located—

“(I) not fewer than 50 repetitive loss structures; or

“(II) not fewer than 5 severe repetitive loss structures for which mitigation activities meeting the standards for approval under section 1366(c)(2)(A) (42 U.S.C. 4101c(c)(2)(A)) have not been conducted; and

“(iii) which has been identified by the Administrator as a priority for assessment
and mitigation in accordance with the regulations authorized by this section.

“(B) REPEATED LOSS STRUCTURE.—The term ‘repetitive loss structure’ has the meaning given such term in section 1370 (42 U.S.C. 4121).

“(C) SEVERE REPEATED LOSS STRUCTURE.—The term ‘severe repetitive loss structure’ has the meaning given such term in section 1366(h) (42 U.S.C. 4101c(h)).

“(2) REQUIREMENTS FOR COVERED COMMUNITIES.—The Administrator shall, by regulation, require a covered community to—

“(A) determine, with assistance from the Administrator, the areas within the covered community in which properties described in paragraph (1)(A)(ii) are located in order to identify areas that are repeatedly damaged by floods;

“(B) assess, with assistance from the Administrator, future conditions which may represent continuing risks to the repeatedly damaged areas identified pursuant to subparagraph (A);
“(C) develop a community-specific plan for mitigating continuing flood risks to the repeatedly damaged areas identified pursuant to subparagraph (A);

“(D) submit the plan described in subparagraph (C) and any plan updates to the Administrator at appropriate intervals;

“(E) implement the plan described in subparagraph (C); and

“(F) subject to section 552a of title 5, United States Code, make the plan described in subparagraph (C), any updates to the plan, and reports on progress in reducing flood risk available to the public.

“(3) COORDINATION WITH EXISTING PLANNING EFFORTS.—As determined by the Administrator, a covered community may address the planning requirements of this subsection in coordination with other planning efforts, including—

“(A) a plan developed under section 1366 of this title (42 U.S.C. 4104c);

“(B) a plan developed under section 322 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5165); or
“(C) a plan completed for, conducted for,
and consistent with criteria for the community
rating system authorized under section 1315(b)
of this title (42 U.S.C. 4022(b)).

“(4) AUTHORIZATION AND ASSISTANCE.—

“(A) IN GENERAL.—The Administrator
may issue appropriate policies and regulations
to assist covered communities in identification
of repeatedly flooded areas and in implementing
practical plans for addressing the identified
flooding problems.

“(B) TYPES OF ASSISTANCE.—Assistance
authorized under this section may include—

“(i) sharing of information in accord-
ance with the requirements of section 552a
of title 5, United States Code, and the sub-
chapter II of chapter 35 of title 44, United
States Code;

“(ii) consideration of possible sources
of financial assistance to communities, in-
cluding—

“(I) potential waiver or lowering
of non-Federal cost shares for mitiga-
tion of properties; and
“(II) potential priority for applicable grant mitigation funding managed by the Administrator;

“(iii) additional technical assistance to communities the Administrator may deem most at-risk for repeated flooding events.

“(iv) reasonable considerations and targeted assistance for communities defined as small and impoverished or high-risk under section 203(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5133(a)); and

“(v) special assistance aimed at implementing Executive Order 13985 (January 20, 2021) on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, as defined by the Administrator.

“(C) SPECIAL CONSIDERATIONS.—In determining an appropriate level of assistance for a covered community, as provided in subparagraph (B), the Administrator shall consider the extent to which the community is working to remedy problems associated with repeated
flooding and the resources available to the covered community, including—

“(i) any Federal or State funding received by the covered community;

“(ii) the portion of the covered community that is located within areas having special flood hazards; and

“(iii) any other factor that makes it difficult for the covered community to conduct mitigation activities for flood-prone structures.

“(5) REPORTS TO CONGRESS.—Not later than 3 years after the date of enactment of this subsection, and not less frequently than once every 2 years thereafter, the Administrator shall submit to the Congress a report regarding the progress made by covered communities with respect to implementing plans developed under paragraph (2)(C) and, to the extent possible, the trends in numbers of repetitive loss and severe repetitive loss properties.”.

SEC. 4. FLOOD MITIGATION ASSISTANCE.

(a) AUTHORITY.—Paragraph (2) of section 1366(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c(a)(2)) is amended—
(1) by inserting “repetitive loss structures,” after “damage to”; and

(2) by inserting before “; and” the following: “, and other structures within an area that has been identified by the State or community as a repetitive loss area or has been determined by the Administrator to pose a significant risk of recurrent flooding”.

(b) ELIGIBLE MITIGATION ACTIVITIES.—Subsection (c) of section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) is amended—

(1) in paragraph (2)—

(A) in the paragraph heading, by inserting “FAIRNESS,” after “COST-EFFECTIVENESS”;

(i) in subparagraph (A)—

(I) in clause (i)—

(aa) by inserting “, equitable,” after “feasible”; and

(bb) by inserting “over the long term” after “cost-effective”; and

(II) in clause (ii), by inserting “repetitive loss or” before “severe”; and

and
(ii) in subparagraph (B) by inserting

“, including benefits that provide needed
assistance to vulnerable populations” be-
fore the period at the end;

(2) in paragraph (3)—

(A) in subparagraph (C)—

(i) by striking “for public use,”; and

(ii) by inserting “, considering current
and future risks” before the period at the
end;

(B) in subparagraph (H) by inserting

“and” after the semicolon at the end;

(C) in subparagraph (I) by striking “;
and” and inserting a period; and

(D) by striking subparagraph (J); and

(3) in paragraph (4), by adding after the pe-
period, the following: “In any case in which elevation
or rebuilding is authorized by the Administrator, the
appropriate level of elevation shall incorporate ap-
propriate freeboard or other safety factor based on
an assessment using the best scientific information
to determine risk levels over the expected lifetime of
the structure.”.
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(c) MATCHING REQUIREMENT.—Subsection (d) of section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c(d)) is amended—

(1) in paragraph (2), by inserting before the period at the end the following: “, except in cases in which the repetitive loss structure lies within an area identified under a local plan adopted pursuant to section 1361(e) (42 U.S.C. 4102(e)). In such cases, mitigation activities, including acquisitions, shall be funded in an amount up to 100 percent of all eligible costs”.

(2) by redesignating paragraph (3) as paragraph (4);

(3) by inserting after paragraph (2) the following new paragraph:

“(3) WAIVER OF MATCHING REQUIREMENTS FOR PROPERTIES WITHIN UNDERSERVED COMMUNITIES.—The matching requirement under this subsection shall be waived for the following properties:

“(A) Properties located within a census tract with a Centers for Disease Control and Prevention Social Vulnerability Index score of not less than 0.5001.

“(B) Properties serving as the primary residence for a household having a household
income of not more than 100 percent of the applicable area median income.”.

SEC. 5. PREDISASTER MITIGATION.

(a) DEFINITIONS.—Subsection (a) of section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5133) is amended to read as follows:

“(a) DEFINITION OF SMALL IMPOVERISHED COMMUNITY AND HIGH-RISK COMMUNITY.—In this section—

“(1) the term ‘small impoverished community’ means a community of 3,000 or fewer individuals that is economically disadvantaged, as determined by the State in which the community is located and based on criteria established by the President; and

“(2) the term ‘high-risk community’ means a community that has significant risk to health, safety, or economic stability from natural disasters and also has limited resources to plan for and mitigate against such risks, as determined by the Administrator. In making such determination, the Administrator may consider information on past natural disasters, claims against the National Flood Insurance Fund, and other federal expenditures for disaster response and recovery as well as data related to size of the community, social vulnerability, poverty levels,
unemployment, housing shortages, or other factors that affect the community’s capacity to prepare for and recover from natural disasters.”.

(b) **State Recommendations.**—Subparagraph (B) of section 203(d)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5133) is amended to read as follows:

“(B) **Exceptions.**—In providing assistance to local governments under this section, the President may select a local government has been identified as a small impoverished community or a high-risk community, or, if the President determines that extraordinary circumstances justify the selection and that making the selection will further the purpose of this section, another community that has not been recommended by a Governor under this subsection.”.

(c) **Criteria for Assistance Awards.**—Subsection (g) of section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5133(g)) is amended—

(1) in paragraph (1) by inserting “, including the likelihood that identified hazards will increase in
severity, frequency, or impact in the future” before
the semicolon at the end;

(2) in paragraph (8) by inserting “, including
securing improved protections for vulnerable popu-
lations” before the semicolon at the end; and

(3) in paragraph (9) by inserting “and high-
risk communities” before the semicolon at the end.

(d) FEDERAL SHARE.—Paragraph (2) of section
203(h) of the Robert T. Stafford Disaster Relief and
Emergency Assistance Act (42 U.S.C 5133(h)(2)) is
amended to read as follows:

“(2) SMALL IMPOVERISHED AND HIGH-RISK
COMMUNITIES.—Notwithstanding paragraph (1), the
President may contribute up to 100 percent of the
total cost of a mitigation activity carried out in a
small impoverished community or in a high-risk
community.”.

SEC. 6. HAZARD MITIGATION GRANT PROGRAM.

Subsection (b) of section 404 of the Robert T. Staff-
ford Disaster Relief and Emergency Assistance Act (42
U.S.C. 5170c(b)) is amended—

(1) in paragraph (1)—

(A) by striking “section” and replacing
with “Act or under the National Flood Insur-
ance Act (42 U.S.C. 4001 et. seq.”); and
(B) by inserting after the period at the end the following: “In providing such assistance, the Administrator shall allow for participating property owners, as well as any affected tenants, to be treated as displaced persons under the Uniform Relocation Assistance and Real property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.).”; and

(2) by adding at the end the following new paragraph:

“(4) SPECIAL CONSIDERATIONS.—In the case of an acquisition or relocation project undertaken in co-operation with a community which meets the criteria set forth under subsection 1312(d) of the National Flood Insurance Act (42 U.S.C. 4019(d)), the Administrator may recognize for credit toward necessary local cost shares any properly documented expenditures related to such project which may have been made before the date of the grant award. Such expenditures may include costs related to structure inspections and appraisals, title searches, outreach to potentially affected property owners, real estate counseling and other necessary assistance, and planning for reuse of the properties in compliance with this subsection.”.