

# Agricultural Floodplain Mapping and Rate Issues

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*The Rural LMA Work Group (WG) was established in late 2012 with the purpose of serving as a forum for the California Central Valley Flood Control Association to identify problems that are unique to rural areas and seek solutions for inclusion in the Regional Flood Management Plans. The Rural LMA WG identified eleven topics of interest and has prepared a paper describing each topic from the perspective of the Rural LMA WG. These papers continue to be developed by the Rural LMA WG and are therefore subject to revision.*

## Topic Statement

A significant portion of agricultural lands in the Central Valley are mapped as Federal Emergency Management Agency's (FEMA) regulated floodplains, or Special Flood Hazard Areas (SFHA). The restrictions for a SFHA do not provide the flexibility needed to sustain agriculture including the ability for reinvestment in infrastructure without unreasonable or cost-prohibitive measures. The RFMP effort should motivate changes in Federal law or policy to remove the financial disincentives and barriers to agriculture thriving in leveed basins mapped as FEMA 100-year floodplains.

## Description of Topic

Agricultural economies have a dramatic impact on the economy of the United States, and the local and state economies in the areas of the country with the most agriculture production rely on the viability and success of this robust industry. In these states, a significant portion of agricultural lands are mapped as Federal Emergency Management Agency's (FEMA) regulated floodplains. In order for these states to continue to sustain a strong agricultural economy, changes are needed to the National Flood Insurance Program (NFIP) that will promote the sustainability of agriculture in the floodplain. The proposed changes will promote prudent floodplain management principles and minimize the risk of increased urbanization of the floodplain.

Through the NFIP, FEMA regulates activities in areas subject to flooding from a base flood, or a flood that has a 1-percent chance of occurring in any given year. These areas are called Special Flood Hazard Areas (SFHAs). Whether originally mapped into an SFHA, or newly remapped as a result of FEMA's Map Modernization Program and RiskMAP, significant agricultural areas around the country are found in these SFHAs with huge portions of the Central Valley also being in these SFHAs. Without substantial State and federal funding, and due to the limited financial ability of most rural communities to improve their levee systems to meet FEMA's 100-year certification criteria, these rural agricultural communities are expected to remain in SFHAs.

The restrictions of an SFHA, while effectively and appropriately curbing development in the floodplain, do not provide the flexibility needed to sustain an agricultural community. The strict regulations have made reinvestment in agricultural operation facilities, commercial facilities in support of agriculture, equipment repair facilities, livestock and crop processing facilities, housing for agricultural operators, or temporary farm worker housing financially infeasible and/or unattainable in these areas. This is because in order to meet the regulatory requirements of investment in agriculture in SFHAs, structures must be wet floodproofed, dry floodproofed, or elevated. These requirements are often infeasible or cost prohibitive. In addition, all federally backed mortgages for properties in SFHAs require Federal mandated flood insurance.

Legislative or administrative changes are required to allow the NFIP and its implementation to not devastate agricultural communities as an unintended consequence. These changes might include the follow examples:

- Congress could establish a FEMA flood zone for agriculturally-based communities to allow replacement or reinvestment development in historically agricultural floodplains even where new or improved construction would be below the BFE.
- Congress could require that for these special agricultural zones FEMA should adjust the NFIP rate to be more actuarially structured by evaluating the actual flood risk based on historical performance of levees, as opposed to assuming that no protection actually exists where a levee does not meet FEMA 100-year standards. This would lower the base rates for people in lower risk areas while not affecting rates for frequent claims and higher risk areas.

On February 17th, 2012, the Agricultural Flood Management Alliance (AFMA) was formed as a coalition of local agencies, organizations, and individuals interested in protecting the long-term viability of agricultural communities, industries, and operations located in the regulatory floodplain. These communities have a significant historic cultural presence and play an integral role in the viability of agriculture locally, regionally, and nationally. The Alliance adopted the following guiding principles to describe its members' common concerns and interests. The Alliance believes that the framework of flood risk management as applied in agricultural areas and agricultural communities must:

1. Support and protect the economic viability and vitality of agriculture industries and dependant small communities.
2. Recognize the benefits locally and nationally of the agricultural uses of the floodplain as a practical means to limit long-term flood risk while supporting a critical element of our economy and the security of our food supply.
3. Include provisions for agricultural and small dependant communities that allow for practical and feasible replacement of and reinvestment in industrial and commercial structures, to ensure long term socio-economic sustainability.
4. Establish flood insurance rates for agricultural and small dependant communities that are economically manageable by property owners while contributing to the overall fiscal viability of the NFIP.
5. Provide a role for representatives of the agricultural and small dependant communities to participate in the process of developing recommended modifications to the NFIP that are specific to address these and related issues.

## **Relevance to the RFMP**

Because the RFMP process is unlikely to take these agricultural basins out of SFHAs, the RFMP should be used to promote the ideas contained in this paper and seek relief from the NFIP for these communities, thus allowing continued investment and reinvestment in our agricultural communities. In particular, the RFMPs should specifically endorse AFMA's efforts and should cooperatively explore the viability of the State of California creating a rural flood insurance program which would allow communities to opt-out of the high-rate FEMA flood insurance.