March 22, 2017

The Honorable Benjamin Carson
Secretary
U.S. Department of Housing and Urban Development
451 7th Street, S.W., Room 10276
Washington, D.C. 20410-0500

Dear Secretary Carson,

We, the undersigned, would like to take this opportunity to congratulate you on your recent confirmation as Secretary of the U.S. Department of Housing and Urban Development (HUD). Our organizations represent thousands of firms involved in the multifamily rental housing industry, including the building, operation and management of affordable rental housing properties, and also the affordable single family housing industry. We look forward to working with you toward our shared goal of meeting the need for quality affordable housing.

This letter expresses our deep concerns regarding HUD's proposed rule, "Floodplain Management and Protection of Wetlands; Minimum Property Standards for Flood Hazard Exposure; Building to the Federal Flood Risk Management Standard" ("the proposal") (Docket No. FR-5717-P-01, RIN 2501-AD62). We believe that this proposal unnecessarily increases the cost of constructing new multifamily rental and single family housing, inappropriately burdens the private sector and jeopardizes housing opportunities for low and moderate income families. For these reasons, we respectfully request that HUD withdraw this proposed rule.

HUD published the proposal in the *Federal Register* on October 28, 2016 to expand its floodplain management oversight. The comment period ended on December 27, 2016. The proposal is a response to President Obama's Climate Action Plan, which resulted in Executive Order 13690 and the Federal Flood Risk Management Standard (FFRMS). According to the proposed rule, single family homes purchased with FHA mortgage insurance would have to be elevated an additional two feet when they are built or substantially improved within the 100-year floodplain. Multifamily builders would face the added burden of the new two foot elevation requirement when using FHA mortgage insurance for new construction or substantial rehabilitation projects both within the 100-year floodplain and in a horizontally expanded FFRMS floodplain area for which maps do not exist. HUD's new flood risk measures would also apply additional elevation and flood-proofing requirements to projects that use federal grants, such as the HOME Investment Partnerships and Community Development Block Grant programs.

HUD's proposal will increase construction costs and project delays for single family homes targeted for purchase using FHA programs intended to serve low- to moderate-income buyers. We are especially concerned that the additional elevation and flood-proofing requirements for multifamily properties using FHA mortgage insurance and / or HUD grant programs will make many projects infeasible due to increased construction costs and the inability to offset these costs through higher rents. In either case, the proposed rule would prevent delivery of much-needed rental units for moderate and low income families during an affordable housing crisis.

Furthermore, neither HUD nor FEMA has proposed new floodplain maps to identify HUD's FFRMS floodplain definition in the proposed rule. Due in part to federal, state, and local regulations related to construction, loan approval, and occupancy within floodplains, multifamily builders and developers pay particularly close attention to the floodplain area when considering whether or not to purchase property, develop lots, build homes, or remodel existing homes. However, the federal government will provide no assistance to determine where the new FFRMS floodplain lies, as FEMA currently does with the 100 year floodplain maps. Multifamily builders and developers will be required to expend their own resources to determine the scope of the FFRMS floodplain to know whether they must comply with the elevation requirements *even before they have determined whether to purchase the land.* Likewise, the proposal is inconsistent with FEMA regulations under the National Flood Insurance Program. It creates unnecessary and expansive flood mitigation requirements beyond those established by FEMA, the agency with the expertise, funding and statutory directive to administer flood insurance and floodplain mapping programs.

There are numerous other flaws with the proposed rule. For instance, the proposal lacks a grandfathering provision for projects in the pipeline and will generate unforeseen expenses and delays for single family and multifamily projects already underway. Additionally, it exceeds the intent of E.O. 13690 by failing to limit expanded floodplain requirements only to "federally funded projects." Applying the expanded floodplain requirements to FHA multifamily mortgage insurance programs is unwise and unnecessary.

Home buyers, and renters along with single family and multifamily builders rely on HUD mortgage insurance programs and grants to ensure access to safe and affordable housing nationwide. Regulatory changes that threaten the availability of such assistance, as the proposed rule sets forth, have the potential to significantly burden private sector multifamily builders' and developers' while at the same time, jeopardizing affordable housing opportunities for countless families living in areas designated under the expanded yet unmapped floodplain definition.

For these reasons, we strongly urge HUD to withdraw the proposed rule in its entirety. Thank you for your consideration of our request. Please direct any questions about this request to Michelle Kitchen, National Association of Home Builders Director of Multifamily Finance at mkitchen@nahb.org or 202-266-8352.

Sincerely,

Council for Affordable and Rural Housing
Manufacturing Housing Institute
National Affordable Housing Management Association
National Apartment Association
National Association of Home Builders

National Association of Housing Cooperatives
National Leased Housing Association
National Multifamily Housing Council