


Government of the District of Columbia
Office of the Chief Financial Officer



Fitzroy Lee
Acting Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Fitzroy Lee 
Acting Chief Financial Officer

DATE: March 10, 2022

SUBJECT: Fiscal Impact Statement – Flood Resilience Amendment Act of 2022

REFERENCE: Bill 24-410, Draft Committee Print as provided to the Office of Revenue Analysis on March 6, 2022

Conclusion

Funds are sufficient in the fiscal year 2022 through fiscal year 2025 budget and financial plan to implement the bill.

Background

The Mayor must review all building permit applications for new construction or substantial improvements to assess the building's risk of flooding and determine whether the building is located within a flood hazard location.¹ If the building is in an at-risk location, then the Mayor can require that the project's design, materials, and methods are sufficient to protect against the flooding.²

The bill further authorizes the Mayor to issue rules designating areas of flood hazard in the District and requiring flood insurance as a condition of occupancy for the new construction or substantial improvement project³ within a designated flood hazard location.

¹ The bill newly defines a flood hazard location as a location within the Flood Hazard Area on the District's Flood Insurance Rate Map or a location designated by the Mayor through rulemaking.

² District of Columbia Applications Insurance Implementation Act, effective May 26, 1976 (D.C. Law 1-64; D.C. Official Code § 6-501).

³ The bill defines a substantially improved building as one that has undergone a repair, alteration, addition, or improvement that is equal to or exceeds 50 percent of the building's market value.

Financial Plan Impact

Funds are sufficient in the fiscal year 2022 through fiscal year 2025 budget and financial plan to implement the bill. The Department of Consumer and Regulatory Affairs (DCRA) issues building permits and certificates of occupancy and would need to ensure that a building meets the flood insurance requirement if the Mayor imposes such a requirement. DCRA would need to update its information technology system to verify this information. DCRA will need to spend approximately \$3,400 to update its information technology system, which the agency can absorb within its existing budgeted resources. The bill's potential flood insurance requirement could result in new flood insurance policies and rates in the District that would require the Department of Insurance, Securities, and Banking's (DISB) approval. DISB can absorb the cost of any additional policy or rate reviews within its existing budgeted resources.