

# GAO Highlights

Highlights of [GAO-22-104694](#), a report to congressional requesters

## Why GAO Did This Study

Flooding is the costliest natural disaster in the U.S. Through grant programs that support local hazard mitigation projects, FEMA provides funding for communities to acquire and demolish flood-prone properties from willing owners. From 1989 to 2018, FEMA awarded about \$4 billion to acquire about 46,000 properties.

GAO was asked to review FEMA's property acquisition efforts. This report examines (1) benefits and challenges of property acquisition and FEMA's efforts to improve acquisitions, and (2) options for improving FEMA property acquisitions, among other objectives.

GAO reviewed literature and FEMA documentation and interviewed FEMA officials. GAO also conducted 30 interviews with stakeholders, including representatives of state and local jurisdictions (selected to capture a range of acquisition funding levels and local conditions), acquisition programs that interviewees or literature identified as successful, organizations with relevant expertise, and researchers.

## What GAO Recommends

Congress should consider providing FEMA direction or authority to implement one or more options to address property acquisition challenges. GAO is also making four recommendations to FEMA, including that it evaluate the options and determine whether to pursue implementation of any of them. The Department of Homeland Security agreed with the recommendations.

View [GAO-22-104694](#). For more information, contact Alicia Puente Cackley at (202) 512-8678 or [cackleya@gao.gov](mailto:cackleya@gao.gov)

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## FLOOD MITIGATION

### Actions Needed to Improve Use of FEMA Property Acquisitions

#### What GAO Found

The Federal Emergency Management Agency (FEMA) provides funding for communities to purchase flood-prone properties and convert the land to open space. Such property acquisition can be a beneficial strategy for flood mitigation. However, the acquisition process poses challenges that can discourage homeowner and community participation.

- **Benefits.** Property acquisition permanently eliminates structures at risk of flooding and can lower disaster response costs. Property acquisition can also reduce the federal flood insurance program's fiscal exposure—that is, financial risk to the government.
- **Challenges.** Many stakeholders GAO interviewed said the length of the acquisition process could lead homeowners to refuse to participate or to drop out of projects over time. Also, local governments may lack staff and expertise to manage the complex process, and states may have limited capacity to help them conduct acquisitions. Financial considerations, such as difficulty funding the nonfederal share of project costs, can also pose challenges.

FEMA has taken or is considering actions to address some challenges. For example, to ease applications for communities, FEMA is developing a uniform application form for acquisition projects.

GAO identified options for improving acquisitions that could help address acquisition challenges (see table). Each option has strengths and limitations. For example, FEMA could preapprove properties for acquisition by reviewing their eligibility before a community submits a grant application, which many stakeholders said could expedite applications after a flood. However, some stakeholders noted that some eligibility requirements—such as the cost-effectiveness of acquiring properties—could be difficult to preapprove. FEMA officials said the agency has been considering actions related to some of these options but has not fully implemented any of them. They also said the agency would need additional authority to implement some options, including the one to preapprove properties for acquisition. Employing one or more options could help address acquisition challenges, which could in turn lead to increased disaster resilience and reduced federal fiscal exposure.

**Examples of Options for Improving Federal Emergency Management Agency Property Acquisitions and Selected Challenges That Options Could Help to Address**

Option	Length of process	State and community capacity	Financial challenges
Preapprove properties for acquisition	✓	—	—
Reduce nonfederal cost share for acquisitions	✓	—	✓
Streamline the acquisition process	✓	—	—
Enhance state and local capability to conduct acquisition projects	✓	✓	—

Legend: ✓ = Option could help to address challenge; — = not applicable

Source: GAO. | [GAO-22-104694](#)