



Highlights of [GAO-07-356](#), a report to the Honorable Wayne T. Gilchrest, House of Representatives

Why GAO Did This Study

In 1982, Congress enacted the Coastal Barrier Resources Act. The Coastal Barrier Resources Act, as amended (CBRA), designates 585 units of undeveloped coastal lands and aquatic habitat as the John H. Chafee Coastal Barrier Resources System (CBRS). CBRA prohibits most federal expenditures and assistance within the system that could encourage development, but it allows federal agencies to provide some types of assistance and issue certain regulatory permits. In 1992, GAO reported that development was occurring in the CBRS despite restrictions on federal assistance. GAO updated its 1992 report and reviewed the extent to which (1) development has occurred in CBRS units since their inclusion in the system and (2) federal financial assistance and permits have been provided to entities in CBRS units.

GAO electronically mapped address data for structures within 91 randomly selected CBRS units and collected information on federal financial assistance and permits for eight federal agencies.

What GAO Recommends

GAO recommends, among other things, that the four agencies that provided prohibited loan guarantees or insurance policies to CBRS units first verify and then cancel those that are in violation of CBRA. Three agencies agreed with our recommendation; VA did not, stating that it would inflict unfair harm to the affected veterans.

www.gao.gov/cgi-bin/getrpt?GAO-07-356.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Anu Mittal at (202) 512-3841 or mittala@gao.gov.

COASTAL BARRIER RESOURCES SYSTEM

Status of Development That Has Occurred and Financial Assistance Provided by Federal Agencies

What GAO Found

An estimated 84 percent of CBRS units remain undeveloped, while 16 percent have experienced some level of development. About 13 percent of the developed units experienced minimal levels of development—typically consisting of less than 20 additional structures per unit since becoming part of the CBRS, and about 3 percent experienced significant development—consisting of 100 or more structures per unit—since becoming part of the CBRS. According to federal and local officials, CBRA has played little role in the extent of development within the CBRS units that we reviewed because they believe that other factors have been more important in inhibiting development. These include (1) the lack of suitably developable land in the unit; (2) the lack of accessibility to the unit; (3) state laws discouraging development within coastal areas; and (4) ownership of land within the unit by groups, such as the National Audubon Society, who are seeking to preserve its natural state. In units that GAO reviewed where development had occurred, federal and local officials also identified a number of factors that have contributed to development despite the unit's inclusion in the CBRS. These include (1) a combination of commercial interest and public desire to build in the unit, (2) local government support for development, and (3) the availability of affordable private flood insurance.

Multiple federal agencies have provided some financial assistance to property owners in CBRS units that is expressly prohibited by CBRA; some assistance allowed under CBRA; and hundreds of permits for federally regulated development activities within the unit. Specifically, four agencies—the Department of Housing and Urban Development, the Department of Veterans Affairs, the Federal Emergency Management Agency, and the Small Business Administration—provided financial assistance, such as flood insurance and loan guarantees, totaling about \$21 million that is prohibited by CBRA to property owners in CBRS units. Although most of these agencies had processes in place to prevent such assistance from being provided, they cited problems with inaccurate maps as being a key factor leading to these errors. With regard to financial assistance allowed by CBRA, GAO found that three federal agencies have provided such assistance but did not track how much assistance they provided, so the total extent of this assistance is unknown. With regard to permits issued in CBRS units for federally regulated activities, GAO identified hundreds of permits issued by the Army Corps of Engineers and state agencies authorized to issue permits on behalf of the Environmental Protection Agency. These permits covered various activities such as the construction of piers, the discharge of dredged or fill material into federally regulated waters, and permits associated with water discharges from construction sites or wastewater treatment systems.