Mitigating Structures Most at Risk & Most Damaged

Region 6 Floodplain Management & Insurance
The federal government is slowly moving out of repeatedly flooded neighborhoods.

- Repetitive Loss
- Actuarial rating of insurance
- Insurance requirements
- Substantial damage
- Probation/suspension of NFIP communities
Here is what you can do about it.

- Identify neighborhoods early, begin the conversation
- Enforce substantial damage
- Get HMGP/BRIC dollars to areas of need
National Flood Insurance Program Debt Grows

- **Total Payments to Policyholders**
  - Peak in 2012

- **Total Written Premiums**
  - Bar chart showing nominal premiums

Key Events:
- 2005: Hurricanes Katrina, Rita, and Wilma
- 2012: Hurricane Sandy (estimated)

NFIP Cumulative Debt (estimated for 2012)
Substantial Damage (SD) & Repetitive Loss (RL)

- **SD** means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred. In the SFHA and below BFE.

- **RL** properties are any insurable building for which two or more claims of more than $1,000 were paid by the National Flood Insurance Program (NFIP) within any rolling 10-year period, since 1978. An RL property may or may not be currently insured by the NFIP.

Communities that do not enforce Substantial Damage are faced with probation and/or suspension from the NFIP.
Flood Insurance Requirement

National Flood Insurance Reform Act (NFIRA) of 1994

- Applies to flood disaster events and the SFHA.
- **Homeowners** must purchase and maintain coverage on the property for as long as it exists. Requirement stays with the property. Must disclose.
- **Renters** must maintain coverage for as long as they live at the rental property. Requirement ends if they move from that property.
Using Data to Understand the Scope of the Problem

State and county snapshots
855 repetitive loss (RL)

44 severe repetitive loss (SRL)
2,590 insurance requirement
RL, SRL, & insurance requirement
FEMA is able to estimate substantially damage structures using analytics
Insurance Affordability

- Utilizes flood policies issued to properties in more favorable locations and higher income levels
- NFIP intends to double policy count from 4 million policies to 8 million by 2023
- Rebuilding in the SFHA remains a significant concern in this report
Substantial Damage (SD) and Recovery Post-Flood, An Income Dilemma

In the SFHA

- 26% policyholders low-income
- 51% uninsured low-income
- 77% low-income
- Homes must come into compliance after SD or substantial improvement
- Elevate to ordinance (BFE+ freeboard or more)
- A significant financial burden
63% of Americans Cannot Produce $500 for a Single Unexpected Expense
Snapshot

57 households

35 SD at least

35 obtain & maintain

0 RL
Snapshot

44 households

34 SD at least

29 obtain & maintain

19 RL
Snapshot

52 households

22 SD at least

28 obtain & maintain

2 RL
**KEY FACTS**
- Population: 100
- Median Age: 45.4
- Average Household Size: 1.9
- Median Household Income: $41,478

**EDUCATION**
- No High School Diploma: 17%
- High School Graduate: 44%
- Some College: 21%
- Bachelor's/Grad-Prof Degree: 18%

**BUSINESS**
- Total Businesses: 2
- Total Employees: 12

**EMPLOYMENT**
- White Collar: 63%
- Blue Collar: 22%
- Services: 17%
- Unemployment Rate: 2.1%

**INCOME**
- Median Household Income: $41,478
- Per Capita Income: $20,497
- Median Net Worth: $86,237

**Households By Income**
- The largest group: $35,000 - $49,999 (25.0%)
- The smallest group: $200,000+ (0.0%)

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<th>Income Range</th>
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Blight

Can Sell, but Can’t Flip
Can Sell, Can’t Permit
Blight is compliance without $$$ to elevate
The Damaged Home Quandary

- Grant funds provide an opportunity out of repeat losses
- What are realistic expectations for homeowners to come into compliance with so many in the low income designations, in the SFHA?
- Drainage projects do not typically remedy substantial damage nor repeat losses
Exploring Federal Funding
Program priorities and alignment
Common Sources of Federal Funding

- FEMA Individual Assistance

- NFIP Increased Cost of Compliance (ICC) - Up to $30,000 flood insurance coverage for approved mitigation to bring a substantially damaged or repetitive loss structure into compliance with community’s floodplain ordinance

- FEMA Hazard Mitigation Grant Program

- HUD Community Development Block Grant Program
FEMA Grants & FEMA Floodplain

- Do our priorities mesh?
- $20.5B (2018)
- Obtain compliance in FM&I with HMA funding
County Snapshot

- 50 structures indicated potential SD
- 3 structures RL
- 59 structures had prior federal disaster assistance which triggered the obtain & maintain flood insurance requirement for each address
- 45 of those 59 had lapsed flood insurance coverage making them ineligible for FEMA IHP and SBA assistance
County Disaster & FEMA Grant History

- **27** declarations, 15 involved flooding
- **0** declarations for tornado
- **2** Hazard Mitigation Assistance grants since 1995

The 2 HMA grants were for Individual/Community Safe Rooms (tornado).
Mitigating Communities
Snapshots of Cedar Rapids, Cedar City and Rhinelander
https://sema.dps.mo.gov/docs/publications/stemming.pdf
Cedar Rapids, Iowa

Before

After
Cedar City, Missouri

Before

After
Rhineland, Missouri

Before

During

After
SUCCESS

WHAT PEOPLE THINK IT LOOKS LIKE

WHAT IT ACTUALLY LOOKS LIKE

https://sema.dps.mo.gov/docs/publications/stemming.pdf
Using Data to Guide Mitigation Investment

Direct dollars towards the most at risk and most damaged areas
How Do We Find These Neighborhoods Before the Storm?

Allows visual depiction of damage prone states within region

Top Benefit: Allows strategic planning and management of regional assets
State View

Key Information Available:

- County / Parish Ranking within the state
- Number of Historical Statewide IA & NFIP Inspections & Claims
- Total Statewide IA & NFIP Historical Damage

Top Benefit:
Allows strategic planning and management of State assets

Quickly Displays and ranks Counties/Parishes of interest
County/Parish View

Allows Users to identify areas within the county that have sustained the highest amount of flood damage.

**Top Benefit:** Helps guide grant and funding opportunities as well as steer residential decisions.

**Key Information Available:**

- USNG Ranking within the County/Parish
- Number of Historical Countywide IA & NFIP Inspections & Claims
- Total IA & NFIP Countywide Damage
Square Kilometer Analysis

IA & NFIP Total Inspections & Claims
616

IA and NFIP Total Damage
$30,212,794.85

Average HWM
32.805

Flood Zone
AE

IA & NFIP Rank: 314
Again, here is what you can do about it.

- Identify neighborhoods early, begin the conversation
- Enforce substantial damage
- Get HMGP/BRIC dollars to areas of need
Thank you. Any questions?

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