



## Legislation Text

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**File #:** Res 1708-2013, **Version:** \*

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### Res. No. 1708

Resolution calling upon the United States Congress to enact and the President to sign the Flood Victim Premium Relief Act of 2013.

By The Speaker (Council Member Quinn) and Council Members Recchia, Jr., Foster, Chin, Fidler, Garodnick, Gonzalez, Ignizio, Levin, Mendez, Nelson, Ulrich, Van Bramer, Oddo, Brewer, Cabrera, Comrie, Dromm, Eugene, Ferreras, Gennaro, Gentile, James, Koo, Koslowitz, Lander, Palma, Richards, Rose, Vann, Williams, Lappin, Vallone, Barron, Jackson, Mark-Viverito, Dickens and Greenfield

Whereas, In 1968 Congress passed, and has subsequently amended, the National Flood Insurance Act, which created a National Flood Insurance Program (NFIP) that provides flood insurance to homeowners, renters, and businesses in communities that participate in the NFIP by agreeing to adopt and enforce certain federally mandated requirements; and

Whereas, The NFIP was most recently extended and amended by the Biggert-Waters Flood Insurance Reform Act, which was signed into law by President Obama on July 6, 2012; and

Whereas, Under the NFIP, FEMA maps high-risk flood zones, labeling them as “A” if they face a 1% annual flood risk (i.e., are in the 100 year flood plain), “V” if they could be subjected to waves over three feet during such floods, and, on upcoming map revisions, as “Coastal A” for areas that would be subjected to waves of one-and-a-half to three feet; and

Whereas, Under many circumstances, such as when a building is backed by a federally regulated or insured loan, homeowners, renters, and businesses in the these flood zones are required to purchase flood insurance, the cost of which reflects the risk to their property based on the zone in which they are mapped, the elevation of the building relative to base flood elevation, and any flood mitigation property owners have undertaken; and

Whereas, On October 29 and 30 of 2012, Superstorm Sandy struck the East Coast of the United States, with its center passing over New Jersey around 8pm on the 29<sup>th</sup>; and

Whereas, Sandy's devastation to the City of New York from high winds and a record tidal surge was catastrophic, causing 43 deaths in the City, destroying or extensively damaging thousands of homes and businesses, flooding tunnels and knocking out electricity and infrastructure, knocking down over 8,000 trees and over 1,200 branches, some of which also caused damage to property; and

Whereas, Through various programs, FEMA, other federal agencies, the city and state, and the private sector have responded with a massive cleanup effort, cleaning out flooded homes, relocating displaced persons into temporary housing, covering other storm-related personal costs, and cleaning and rebuilding infrastructure; and

Whereas, Well before Sandy, FEMA was working with the city to update the city's Flood Insurance Rate Maps (FIRM), which were last updated in 1983 and were based on data that is now out of date; and

Whereas, After Sandy, FEMA released Advisory Base Flood Elevation maps (ABFE) based on the analysis that they had conducted to date for their efforts to generate new FIRMs for the City of New York; and

Whereas, Such ABFEs will likely be substantially similar to the updated FIRMs expected to be released in the next two years, and they indicate that the number of structures that will be in the high-risk flood zones could more than double when the updated FIRMs are released; and

Whereas, To the degree that the FIRMs reflect the ABFE maps, many more homeowners and business owners will be required to purchase flood insurance, and many others will require a greater amount of insurance than before if they are now in a V instead of an A zone or if their base flood elevation changes; and

Whereas, In the past, insurance premiums for many policy holders were lower than the amount that would be required based solely on their building's flood risk because, under many circumstances, FEMA granted premium reductions; and

Whereas, Some structures benefitted from "grandfathered" rates if they were built prior to 1975, were

built before their community received a FIRM, or were built to meet an existing FIRM but would no longer be compliant because a new FIRM was issued that changed their flood zone; and

Whereas, The Biggert-Waters Flood Insurance Reform Act of 2012 phases out these premium reductions and ends grandfathered rates for most residents that live in flood zones, including persons that receive federal money to rebuild after a disaster, substantially improve their property, purchase properties after July 6, 2012, have a change in risk to a property such as from a change in flood zone category due to a new or revised FIRM, or that have allowed their insurance policy to lapse and need to repurchase insurance; and

Whereas, When triggered, the premiums for property owners who held flood insurance and benefited from a premium reduction or a grandfathered rate will rise by 20% per year for five years until they meet their risk-based premium; and

Whereas, Properties that are at or below base flood elevation for the zone they are in could face substantially higher insurance premiums due to these changes in the law; and

Whereas, The Flood Victim Premium Relief Act of 2013 (the Act) would extend the phase-in of the new insurance premiums that would go into effect after July 6, 2012, for “covered properties” from five to eight years, with the rate increasing by 5% for the first four years and 20% for the next four years; and

Whereas, The Act defines “covered properties” as residential properties in areas where a major disaster has been declared under the Robert T. Stafford Disaster Relief and Emergency Act, and where updated flood insurance maps take effect in the two years following such a declaration, or, at the time of enactment of the Act, the property is eligible for preferred risk rate method premiums, or had been eligible for such premiums at any time in the previous 12 months before an event occurred for which an emergency declaration is declared; is owned by the same person as when the disaster event occurred; and is and has been the owner’s primary residence; and

Whereas, When FEMA releases updated FIRMs for the City of New York in about two years, a substantial number of homeowners will face sometimes significantly higher insurance premiums due to being

in a higher-risk zone or to being placed in a high-risk zone for the first time; and

Whereas, The Act would thereby give homeowners more time to seek funding for and to take actions that would mitigate against future floods, thereby increasing the safety of their homes while lowering their new, unadjusted, risk-based premiums; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the United States Congress to enact and the President to sign the Flood Victim Premium Relief Act of 2013.

DAA  
LS 4589/2013