

<b>Meeting Name:</b>	Flood Insurance Premium Assistance Taskforce Meeting 3
<b>Date:</b>	April 3, 2024
<b>Start Time:</b>	1:30 PM
<b>End Time:</b>	3:43 PM
<b>Venue:</b>	Lower Makefield Community Center / Zoom Meeting

### Attendees

Commissioner Michael Humphreys (Chair), Senator Lisa Baker (absent), Deputy Secretary Stacey Cameron (remotely), Director David 'Randy' Padfield (Tom Hughes), Senator Steve Santarsiero, Representative Perry Warren, Representative David Zimmerman

### Minutes

#### Meeting Objectives

Roll call, welcome, public comment, presentations

#### Welcome

- Before this meeting started, the taskforce members had the opportunity to travel around Yardley and look at flood mitigation efforts in the community
- The taskforce needs to continue to put thought into how Pennsylvania can incentivize flood mitigation and reduce hazards even though specifically this taskforce is looking at flood insurance

#### Meeting Minutes Approval Vote

- Senator Santarsiero makes the motion to approve the previous meeting's minutes
- Representative Warren seconds this motion
- Meeting minutes are approved from March meeting

#### Public Comment Period

- April Bollwage-Cloer
- How should constituents stay informed and continue to participate in this process? – she is specifically concerned as she is a member from Maplevale and Lower Makefield area
- Any update on what might happen in this specific area of Pennsylvania?
  - The taskforce will probably not produce any information specifically on Lower Makefield
  - The taskforce is focusing on administrative or legislative action it can recommend to the General Assembly
  - The taskforce is hoping it can come up with comprehensive recommendations

- Representative Warren and Senator Santarsiero are working closely to address concerns in the Bucks County area
- Amy Bach - United Policyholders
  - There is an NAIC staff person who has been helping his Long Island town become part of CRS, and has been doing this for a long time, and has not yet been able to help his town finish its application to CRS
  - One suggestion of low hanging fruit would be looking at length of time for the application process and how to make it easier to apply to CRS

### **Philadelphia Water Department**

- Elaine Montes – City of Philadelphia Office of Sustainability, Program Manager
  - Affordability is a large issue in Philadelphia and the challenges Philadelphia faces are based on the conditions it experiences as a large city
  - In the last 60-70 years of the presidential disaster declarations that affected Philly, two-thirds have been a result of flooding
  - They see three different types of flooding: coastal, riverine, and urban/inland
  - Philadelphia has a poverty level twice that of the United States and paired with the pre-FIRM (Flood Insurance Rate Maps) structures, it can be difficult for the city to take proactive measures against flooding
  - There is an understanding that CRS could help with reducing costs of premiums and Philadelphia is looking at joining CRS
  - The taskforce should explore measures to assist at-risk homes in Philly
  - Other barriers in the uptake of flood insurance are the policy language and complexity of flood policies
  - One issue in the flood insurance landscape is that insurance agents are not being retrained in risk rating 2.0 and evolving policies
  - There are realtors who are unaware of requirements or past damages on properties
  - Philadelphia struggles with compliance of the NFIP due to the pre-FIRM buildings and complying with the programs is a barrier to being in the CRS program
  - With FEMA's maps, only 2% of Philadelphia's affected structures are in the mapped floodplains
  - It would help communities, especially those in Philadelphia, if the Taskforce could advocate for inclusive and transparent policies
- Taylor Quinland – Office of Sustainability, Program Strategist for Place Based Initiatives
  - She conducted interviews with folks that live in the Eastwick neighborhood of Philadelphia to see what their experience with flood insurance/flooding events
  - Many homes in this area were built through urban renewal for FIRM which makes retrofitting difficult and creates barriers for homes to come into compliance when it comes to getting insurance

- Many of the homes there are owned by people who are on a fixed income and since some of the recent storms have caused increases in flood insurance, it has become cost prohibitive to these people
- Indirect costs incurred during a flooding event must be considered, an example given was a woman whose electric appliances on the second floor of her home were fried but because they were not on the ground floor they were not covered
- Some of the homes in this area have living space conversions in places where there shouldn't be any and now their homes are out of compliance and are really difficult to insure
- Susan Patterson – Philadelphia Water Department, Engineering Staff, Manager – Flood Risk Management Group
  - Worked on Germantown Stormwater Flood Risk Reduction Study by the Philadelphia Water Department
  - There are miles of sewer that are impacted by flooding but are not in the floodplain
  - The next phase of this project will study the hydraulics in the shafts of tunnels
  - Stormwater sizing map which allows them to choose which storms they are sizing the sewers to and they are now sizing them to the year 2100
  - Riskfactor.com allows individual homeowners look at their flood risk
  - Germantown has a large population of renters and they have found that renters rarely know they need flood insurance
  - Affordability is a large barrier for consumers trying to buy flood insurance
  - Assistance with understanding policies could be helpful for consumers along with knowing who to talk to get this assistance
- What types of needs does Philly have pertaining to CRS?
  - The city needs programmatic expertise/support
  - Continuity of knowledge among the staff would be beneficial
  - The city could use an established resource to help staff through the CRS process
  - Ensure that the CRS program is kept up with and the city doesn't backtrack once a CRS community is established
- Education for the professionals is important
  - One topic the Taskforce spoke about at previous meeting was continuing education
  - The suggestion was to make 2 of the 24 CE hours to be continuing education on flood
  - It is vital that professionals have access to retraining for pre-FIRM and out of compliance buildings
- Please clarify the need for coordination between FEMA & PEMA
  - There needs to be clarification with education and outreach, specifically what homes are at risk

- When a disaster happens and assistance is sent out there must be information on who is receiving outreach during these disasters
- There is no line of communication from lender to homeowner
- What would it cost get the city compliant with CRS?
  - There is no specific dollar amount at this time, but Philly could join at a level C as it stands

**SEDA COG – Geralee Zeigler, Program Manager Flood Resiliency Program**

- SEDA COG serves an 11-county region mostly in Central PA
- It is an extension of local and county municipal governments and steps in to assist for those who do not have staff capacity
- It can assist governments with state/federal grant programs and even assists with administrative tasks for CRS
- Regarding CRS, the length of time that the application process takes can be prohibitive to communities joining
- Budget can also be prohibitive, during COVID it took a lengthy period for grants to be administered which some of the local governments rely upon
- The administrative burden is often felt in grant space
- In Renovo, PA it took the community 6 years to join CRS
  - The steps are not difficult, but following up on getting things moving and ensuring that things continue to move forward can be barriers
- Should administration costs be on a sliding scale?
  - 5% is relatively low - some projects are more complex and require more project management and funds to be allocated
- Please explain 5%?
  - Management costs are provided to the recipients of grants to help with the fund grant administration
  - FEMA would need to agree to an increase if the Taskforce wanted to advocate for a higher than 5% cost

**Yardley Borough Elevation Project Manager – Susan Mazzitelli**

- Floodplain ordinances are highly important in addition to an awareness of flood mapping
  - It is important to enforce these floodplain ordinances because they protects residents and communities
  - Yardley prohibits new development in their floodplain ordinances
- Education would be beneficial for realtors to then help educate homeowners who are purchasing in a floodplain
- CRS is a great program but it does come with a high administrative burden

- She has worked with Yardley and Upper Makefield to get into CRS
  - Yardley took 6 years to get involved in CRS
  - Upper Makefield took 2 years
- As part of the point system for CRS, outreach is a really big activity, sending letters to people who are in the flood plain, putting people in a situation of awareness that they might not know
  - Communicate with realtors and with homeowners that they are in flood plains
- With Hurricane Ida, one-third of the homeowners affected did not have flood insurance because they could not afford it
  - We need to make insurance more affordable so instances like this do not happen and people can have coverage
- Mitigation
  - Communities can apply for FEMA non-disaster program grants
    - These grants are available every year and are usually for higher risk
    - Communities can apply once a year, it will likely take 7-9 months to hear anything, can take 18-20 months to get funding from these grants
  - FEMA should reconsider management cost cap and increase it over 5%
- What is the delay in applying to CRS? Bureaucratic/administrative? Explain the move from 8 to 7 rating in CRS
  - When applying, the community first reaches out to CRS
  - Then the community action visit occurs once you're connected with CRS
  - A lot of documentation is needed throughout this process and there is a lot of back and forth between CRS and the community applying
  - Higher regulatory standards, outreach, elevation etc. all can add points to the community
- What is the typical cost/range for a renovation project? How does cost tend to be allocated?
  - FEMA non disaster program is based on rank there must be at least one severe repetitive loss in this application
  - When applying for grants, she tries to put in as many severe repetitive loss buildings
  - \$300K is about the average for one house renovation
- When do you find impact to insurance premium?
  - Must supply elevation certificate to insurer in order to find this information
- Curious about programs to buy homes out for individuals who can no longer can afford to pay for insurance/afford the homes?
  - For many people this would be their way out
- Scale of people who would appreciate assistance but don't qualify today?

- Communities need to survey the homeowners to see if they want assistance
- Some communities cannot afford acquisitions
- Do communities in this area have flood ordinances and are they up to date?
  - If you are an NFIP community you must have an updated flood ordinance

**PEMA – Tom Hughes**

- Flood events are happening outside of flood hazard zones
- Federally funded mitigation savings are outperforming code requirement savings
- Third party building code inspectors are also not up to date on flood building codes
- Communities must be positioned to participate in hazard mitigation grants through hazard mitigation planning
  - Otherwise they will not be eligible for disaster relief
- What are the projects that PEMA takes part in?
  - Hazard mitigation projects specifically - there are tons of projects
- Yardley/Upper Makefield
  - Why would a community want to use an Acquisition project - zero risk, no evacuation orders, no rescue efforts
  - Elevation mitigation reconstruction
    - Mitigation reconstruction - you have a new code compliant structure in old structures place
  - State Benefits for Hazard Mitigation Grant Funding
    - PEMA provides funding
    - Assists with floodplain ordinance updates
    - Also assists with flood plain management and building code training
- What goes into CRS community rating?
  - There are 19 creditable activities in four categories
- It might be beneficial to some communities if the NFIP adopted a CRS “lite” and CRS “heavy”
- The state needs to be able to buy down risk which would be able to help insurance costs lower
- Different areas for funding related to mitigation
  - Flood mitigation assistance grant program
  - Building resilient infrastructure and communities
  - Congressional directed spending pre-disaster
  - Hazard mitigation
- Philadelphia Water Department is supportive of CRS lite and asks FEMA to support various modeling products that could help communities

## FEMA – Bill Bradfield, FEMA Region 3

- It is important to have some context for CRS
- CRS might be difficult to get into but there are thresholds the communities must reach to apply
  - What takes the longest is scheduling the community assistance visit
  - Any issues found during this visit must be fixed before the community receives a letter of good standing
  - It could take months to years to solve non-compliance issues
- What outreach does FEMA do to communities ?
  - PA is unique because of the 2500 municipalities
  - FEMA tries to get out to do education and training and it is an incredibly large audience to try to keep things up to speed
  - Looking at tiered approach such as red, yellow, green when looking at community engagement in Pennsylvania
- Could there be an incremental approach to solving all issues found during compliance visits?
  - FEMA is looking at how they can triage compliance issues
- All NFIP communities must have floodplain ordinances and a dedicated floodplain manager

## Adjournment

- 3:43

## Next Steps

- Next meeting will be 5/8 in Harrisburg
- Speakers will be focused on more innovative approaches that other governments have done etc.
- Want to get the first draft of recommendations before the Taskforce
- Themes: CRS, information for lender placed coverage, grant administration cost, realtors & agents - education, disclosures, mitigation, mitigation resources, CRS lite
  - FEMA placed coverage - survivors of flood that receive coverage from FEMA if you do not keep this in perpetuity then you can no longer get individual assistance
  - Coverage does not follow the person but the property and the property must have flood insurance in perpetuity