

RESOLUTION NO. 380 - 2013

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF MONROE COUNTY, FLORIDA URGING THE UNITED STATES CONGRESS TO TAKE IMMEDIATE ACTION TO DELAY OR REPEAL THE "BIGGERT-WATERS" FLOOD INSURANCE REFORM ACT OF 2012 TO PREVENT FLOOD INSURANCE PREMIUM RATE INCREASES MANDATED BY THE ACT; URGING CONGRESS TO ENACT THE HOMEOWNER FLOOD INSURANCE AFFORDABILITY ACT OF 2013 (H.R. 3370) OR SIMILAR LEGISLATION DELAYING PREMIUM RATE INCREASES ON PROPERTY OWNERS; AND PROVIDING FOR AN EFFECTIVE DATE.**

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WHEREAS, under the National Flood Insurance Program (NFIP), all property owners with federally insured mortgages in flood risk areas are required to purchase flood insurance; and

WHEREAS, over 5.5 million people in the United States currently hold flood insurance policies; and

WHEREAS, 37% of the nation's NFIP policies are held by Florida property owners; and

WHEREAS, 268,648 flood insurance policies in Florida are currently subsidized; and

WHEREAS, Florida property owners have supported the NFIP with more than \$16 billion in payments in the past three decades while receiving only \$3.7 billion in claim payments; and

WHEREAS, Congress passed the Biggert-Waters Flood Insurance Reform Act of 2012 in July of 2012 to address the financial solvency of the NFIP by raising flood insurance premiums; and

WHEREAS, without immediate action by Congress, the implementation of the subsidy reforms included in the Biggert-Water's Flood Insurance Reform Act of 2012 would have the effect of excessively high, unaffordable and unreasonable increases to flood insurance premiums providing undue hardship on property owners who have complied with the law and responsibly paid their premiums; and

WHEREAS, dramatically increased flood insurance premiums will stagnate Monroe County's home sales, depress property values, and escalate default of constituents' bank mortgages in a still fragile housing market where housing prices are only recently starting to recover from the market collapse that began in 2007; and

WHEREAS, the mandate of the Biggert-Waters Act will have a devastating and far-reaching financial impact on real property owners, the local economy and the local tax base in the County of Monroe;

WHEREAS, two specific local examples of flood insurance rate increases that are a direct result of the Biggert-Waters Act include a modest, ground level home in Big Pine Key valued at \$182,000 which received a new annual premium of \$49,252, effective November 1, 2013, a 49-fold increase from the previous year's annual premium of \$1,989; and an elevated mobile home in Stock Island valued at \$27,500 which received a new annual premium of \$3217, effective October 2, 2013, an 8-fold increase from the previous year's annual premium of \$393; and

WHEREAS, properties with excessive and unaffordable flood insurance premiums become unsellable to most purchasers, which has the effect of depressing property values; and where those properties become sellable only to wealthy buyers who can purchase the homes for cash, and therefore won't be required to carry flood insurance, which has the effect of limiting homeownership opportunities in coastal communities to only the wealthy; and

WHEREAS, all components of our property base: primary homes, secondary homes, multi-family residences, and commercial properties contribute significantly to soundness of the local housing market and economy; and

WHEREAS, second homes require protection from excessive increases because they provide a critical source of rental housing for our local workforce and military personnel and therefore function as "primary residences" for these families; and

WHEREAS, commercial properties require protection from excessive increases because they are critical sources of employment for our community, and sources of goods and services for our residents and visitors; and

WHEREAS, Monroe County, as a small coastal community, supports a multi-billion dollar a year tourism and commercial and recreational fishing industry and serves as important economic engine for the State of Florida; and those industries are supported by working people with modest salaries, who own modest homes, insured by the NFIP; and

WHEREAS, coastal communities throughout the United States serve as an unparalleled national economic engine generating 45% of the nation's gross domestic product, valued at over \$6.6 trillion, supporting 51 million jobs, and \$2.8 trillion in wages, and providing home to 123 million Americans; and

WHEREAS, if the nation's coastal watershed counties were considered an individual country, they would rank number three in GDP globally, behind only the US as a whole and China; and

WHEREAS, coastal communities support a \$4 billion commercial fishing industry and a \$73 billion recreational fishing industry; and

WHEREAS, coastal communities are home to a Marine Transportation and Port industry that generates \$1.9 trillion in imports and 13 million jobs; and

WHEREAS, coastal communities support a beach recreation industry that generates \$6 billion a year; and

WHEREAS, the NFIP's affordable flood insurance premiums enables coastal communities to continue to generate \$6.6 trillion dollars in economic activity and millions of jobs, the NFIP therefore represents an investment in the nation's overall economic well-being, and therefore is not a "subsidy" program;

WHEREAS, currently the NFIP has 5.5 million active policy holders although there are 17 million properties in flood risk areas that are required to carry flood insurance, creating a deficit of 12 million policy holders that should be, but are not paying into the program; and at the current average annual premium of \$650 these 12 million properties would generate an additional \$7.8 billion in revenue to the program; and at a modest increase in average flood premiums to \$1,000 would generate \$12 billion in additional revenue, resolving the program's debt in a few short years; and whereas, this represents an example of a fairer and far more financially responsible approach to the ensure the program's integrity and solvency than that of the Biggert-Waters Act; and

WHEREAS, the Homeowner Flood Insurance Affordability Act (H.R. 3370) seeks to address flood insurance escalations in a measured, reasonable way; and

WHEREAS, the bi-partisan bill would ensure that FEMA completes a study on flood insurance affordability, and propose regulations to address the issues found in the study, and give Congress adequate time to review those regulations;

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MONROE COUNTY, FLORIDA, that:

**Section 1.** The County of Monroe hereby urges the United States Congress, and specifically Florida Senators Bill Nelson and Marco Rubio and U.S. Representative Joe Garcia to take immediate action to delay or repeal those portions of the Biggert Waters Act that impose a punitive and unjust financial burden on coastal real property owners;

**Section 2.** The County of Monroe hereby urges the United States Congress, and specifically Florida Senators Bill Nelson and Marco Rubio and U.S. Representative Joe Garcia to support the Homeowners Flood Insurance Affordability Act (H.R. 3370), or any similar legislation that delays implementation of rate increases mandated by Biggert-Waters until there is an affordability study conducted; and until FEMA develops new regulations based on the results of that study; and until Congress reviews and approves those regulations.

**Section 3.** The Monroe County Clerk shall forward a copy of this resolution to United States Senator Bill Nelson, United States Senator Marco Rubio, United States Representative Joe Garcia, and to Florida Governor Rick Scott.

**Section 4. Effective Date**

This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED by the Board of County Commissioners of Monroe County, Florida, at a regular meeting of said Board held on the 20<sup>th</sup> day of November, 2013.

Mayor <u>Sylvia Murphy</u>	<u>Yes</u>
Mayor Pro Tem <u>Danny Kolhage</u>	<u>Yes</u>
Commissioner <u>George Neugent</u>	<u>Yes</u>
Commissioner <u>Heather Carruthers</u>	<u>Yes</u>
Commissioner <u>David Rice</u>	<u>Yes</u>



Attest:

*[Handwritten Signature]*

Clerk of Court

Monroe County Board of Commissioners

By:

*[Handwritten Signature: Sylvia J. Murphy]*

Mayor

MONROE COUNTY ATTORNEY  
APPROVED AS TO FORM:  
*[Handwritten Signature]*  
ROBERT B. SHILLINGER, JR.  
COUNTY ATTORNEY  
Date *11/6/13*

CLERK OF COURT  
MONROE COUNTY, FLORIDA

FILED FOR RECORD  
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