

**RESOLUTION No. 2013-121  
CITY OF SHOREACRES**

A RESOLUTION OPPOSING IMPLEMENTATION OF THE BIGGERT WATERS FLOOD INSURANCE REFORM ACT OF 2012, AS RECENTLY PASSED BY THE U.S. CONGRESS, AND PROVIDING FOR THE DELIVERY OF SUCH RESOLUTION TO STATE AND FEDERAL LEGISLATORS REPRESENTING THE CITY OF SHOREACRES; MAKING VARIOUS FINDINGS AND PROVISIONS RELATING TO THE SUBJECT; FINDING COMPLIANCE WITH THE OPEN MEETINGS LAW; AND PROVIDING AN EFFECTIVE DATE HEREOF.

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WHEREAS, the City of Shoreacres, Texas, is a coastal community with sea level frontage on Galveston Bay, Taylor Bayou, Boggy Bayou and tributaries affected by storm surge and subtropical coastal rain events; and,

WHEREAS, since 1968 the historical purpose of the National Flood Insurance Program (NFIP) has been to provide affordable flood insurance in exchange for communities adopting regulations based on flood risk indicated on a Flood Insurance Rate Map (FIRM) derived from a Flood Insurance Study (FIS) generated by the Federal Emergency Management Agency (FEMA); and,

WHEREAS, the City of Shoreacres has made every effort throughout the years to meet all FEMA flood prevention regulations; and

WHEREAS, since 2007 the entire jurisdiction of the City of Shoreacres has been located within a Special Flood Hazard Area (SFHA) subject to regulation and flood insurance requirements; and,

WHEREAS, generations of Shoreacres home owners have made lifelong plans and investments based on the availability of affordable NFIP flood insurance; and,

WHEREAS, the Biggert-Waters Flood Insurance Reform Act of 2012 (BW12), in its current form, requires the phasing out of grandfathered rates beginning in 2014 so that actuarial rates will be effective within five years thereafter; and,

WHEREAS, FEMA has also recently issued a preliminary FIRM draft that when it becomes effective will dramatically increase the Base Flood Elevation (BFE) requirement for nearly every property within the city causing currently compliant properties, including those rebuilt to then-current standards after Hurricane Ike, into a non-compliant status; and,

WHEREAS, previously these structures were rated as Pre-FIRM or the FIRMS in effect when the structure was constructed, and now, even though the structures were not substantially damaged, their owners will struggle to pay exorbitant amounts of money to keep flood insurance on these structures; and,

WHEREAS, the Flood Disaster Act of 1973 required the purchase of flood insurance on and after March 2, 1974, as a condition of receiving any form of federal or federal-related financial assistance, (banks, mortgage companies, savings and loans) for acquisition or construction purposes with respect to buildings in high-risk flood areas; and,

WHEREAS, through the passage of the Biggert-Waters Flood Insurance Reform Act (Public

Law 112-141, aka: BW12) signed into law on July 6, 2012, the NFIP was revised such that the public's trust and reliance on the program to provide affordable flood insurance protection was drastically reduced through elimination of subsidized or discounted premiums; and,

WHEREAS, the Biggert-Waters Act removes subsidized rates (pre-FIRM rates) for many structures and allows rates to increase by 25 percent of the newly established premium per year until actuarial rates are achieved beginning in 2013; and,

WHEREAS, the 25 percent rate increase for properties in the floodplain would include, but is not limited to, any residential property that is not a primary residence, any severe repetitive loss property, any business property, or any new or lapsed policy; and,

WHEREAS, there will be a rise in the limit for annual rate increases within any risk classification of structures, such as primary residential properties, from 10 percent to 20 percent; and,

WHEREAS, the Act lowers from 50 percent to 30 percent of fair market value the threshold at which structures may be declared substantially damaged; and,

WHEREAS, with no practical alternative provided for with passage of BW12, it substantially and immediately devalued the investments made in all properties receiving subsidized insurance premium rates through the drastic increase in the cost of flood insurance and all other properties in the area; and,

WHEREAS, the increase of flood insurance premiums will financially impact many homeowners currently living along the coast next to rivers, estuaries, bays, sounds and oceans, that lawfully constructed their homes as allowed by the National Flood Insurance Program; and,

WHEREAS, the dramatic increase in flood insurance premiums will impact the sale, purchase and construction of homes and will likely result in foreclosures and owners that need coverage choosing to cancel their flood insurance; and,

WHEREAS, it is necessary to consider the need to have a long term, sustainable and viable NFIP with rates that are affordable.

NOW, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHOREACRES THAT:

Section 1. The Shoreacres City Council finds that the recitals above are true and correct.

Section 2. The City Council of the City of Shoreacres hereby opposes the implementation of the Biggert-Waters Act as currently adopted due to the dramatic financial impact that the tremendous increase in flood insurance cost will have on residents throughout the City of Shoreacres; and

Section 3. The City of Shoreacres hereby thanks its federal legislative delegation for its leadership on this issue, and requests continued efforts to amend the Biggert-Waters Act to reduce or mitigate the financial impact of the changes to the NFIP for area home and business owners, with options for consideration including, but not limited to:

- Temporary suspension of release of all new flood maps for adoption by communities while FEMA continues to develop and refine proposed maps working with local stakeholders to ensure accuracy in the reflection of communities' true flood risk;
- Creation of a special enrollment period for NFIP, which would provide a limited and one-time-only option for home and business owners to establish or renew NFIP

coverage using current maps, with possible conditions including that properties enrolled during such a special period would keep their subsidized rates until the property is destroyed or abandoned by a non-flood event, the policy is allowed to lapse, or the property has a flood claim(s) equal to the property's insured value (these conditions could carry forward to new owners if the subject property is sold, donated or otherwise transferred after enrollment or renewal during the special period);

- Creation and issuance of different policies that provide varying levels of protection and deductibles that would still allow policy holders to maintain coverage;
- Retention of "grandfathering" for structures that have not flooded; and

Section 4. The Shoreacres City Council directs the City Secretary to send this resolution to all State of Texas legislators and members of the U.S. Congress who represent Shoreacres, Texas.

Section 5. The City Council officially finds, determines, recites, and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this resolution and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.


Section 6. All resolutions and agreements and parts of resolutions and agreements in conflict herewith are hereby repealed to the extent of the conflict only.

Section 7. This Resolution shall take effect immediately upon passage.

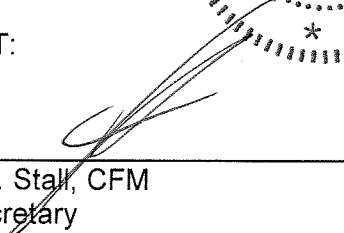
PASSED AND APPROVED, THIS 9TH DAY OF SEPTEMBER, 2013.



CITY OF SHOREACRES

By:   
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 Matt Webber, Mayor

ATTEST:

  
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 David K. Stall, CFM  
 City Secretary