

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, URGING THAT ANY REAUTHORIZATION OF THE NATIONAL FLOOD INSURANCE PROGRAM MUST INCLUDE MEANINGFUL AFFORDABILITY PROTECTIONS FOR ALL POLICY HOLDERS, SPECIFICALLY A LOWER CAP ON ANNUAL INCREASES; DIRECTING THE CITY CLERK TO PROVIDE COPIES OF THIS RESOLUTION TO CERTAIN LEGISLATORS; PROVIDING FOR AN EFFECTIVE DATE.

**WHEREAS**, flooding is the number one natural disaster in the United States; and

**WHEREAS**, the National Flood Insurance Program ("NFIP") is a program created by Congress to mitigate future flood losses across the United States, by providing access to affordable flood insurance protection for property owners and to provide an insurance alternative to disaster assistance to meet the increasing costs of repairing damage to buildings and their contents caused by floods; and

**WHEREAS**, the NFIP must be reauthorized by Congress every five years. The current authorization expired on September 30, 2017. Since then, Congress has authorized numerous short-term extensions of the program, with the most current extension set to expire on September 30, 2019; and

**WHEREAS**, the NFIP maintains a significant role in providing financial protection against flood events for Florida, including Key West residential and commercial property owners; and

**WHEREAS**, the State of Florida has the highest number of NFIP policies, with over 1.7M policies and 35% of the national portfolio; with the highest insured value at \$442B; and the highest annual premiums paid at \$976M; and

**WHEREAS** the Key West City Commission has long supported the protection of affordability as its number one reauthorization priority, recognizing it as (1) a critical pocketbook issue for our residents and business owners, (2) an important component of affordable housing, and (3) a significant factor in our community's property values and tax base; and

**WHEREAS**, on June 12, 2019, the House Financial Services Committee unanimously passed legislation to reauthorize and reform the NFIP, known as H.R. 3167; and

**WHEREAS**, H.R. 3167 does not sufficiently protect affordability for all Key West and Monroe County NFIP policyholders; and

**WHEREAS**, H.R. 3167 proposes only a narrow, means-tested approach to affordability by establishing a 5-year pilot program for primary home-owning policy holders who are at 80% AMI. For these policyholders, the maximum chargeable premium rate will not exceed 2% AMI; and

**WHEREAS**, for all other policy holders, H.R. 3167 maintains the current, steep, annual premium increases of 18% for primary

homes and 25% for commercial properties and second homes established in 2014; and

**WHEREAS**, robust affordability protections are further warranted by FEMA's new Risk Rating 2.0 pricing policy, to go into effect in October 2020; and

**WHEREAS**, Risk Rating 2.0 will dramatically change the way FEMA prices NFIP policies by accounting for (1) a structure's distance to the water, (2) exposure to different types of flood risk (storm surge, intense rainfall, etc.) and (3) the cost to rebuild - all factors that will inevitably subject high cost, coastal communities like Key West to higher premiums; and

**WHEREAS**, H.R. 3167 does not account for the upward pressures on NFIP premiums from Risk Rating 2.0, or FEMA's remapping efforts currently underway in Key West and Monroe County; and

**WHEREAS**, the Key West City Commission, along with the Monroe County Board of County Commissioners, believes that the caps on current annual increases (18% on primary residences and 25% on rental properties, commercial properties and second homes) are unsustainable for NFIP policy holders and that a lower cap, providing a more gradual and reasonable glide path of increases, provides greater economic stability and fairness; and

**WHEREAS,** the Key West City Commission, along with the Monroe County Board of County Commissioners, believes it is imperative that Congress include in any reauthorization legislation a significantly lower cap on annual percentage increase for premiums, and specifically supports 5% cap on annual increases for all NFIP policyholders, on all properties.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

**Section 1:** That the above recitals are hereby incorporated into this resolution as restated herein constitute the legislative findings and intent of the Key West City Commission.

**Section 2:** That the City Clerk shall furnish copies of this resolution to U.S. Senator Marco Rubio, U.S. Senator Rick Scott. U.S. Representative Debbie Mucarsel-Powell, District 26, U.S. Representative Maxine Walters, House Financial Services Committee Chair.

**Section 3:** That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the Presiding Officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held  
this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

Authenticated by the Presiding Officer and Clerk of the  
Commission on \_\_\_\_\_ day of \_\_\_\_\_, 2019.

Filed with the Clerk on \_\_\_\_\_, 2019.

Mayor Teri Johnston	_____
Vice Mayor Sam Kaufman	_____
Commissioner Gregory Davila	_____
Commissioner Mary Lou Hoover	_____
Commissioner Clayton Lopez	_____
Commissioner Billy Wardlow	_____
Commissioner Jimmy Weekley	_____

\_\_\_\_\_  
TERI JOHNSTON, MAYOR

ATTEST:

\_\_\_\_\_  
CHERYL SMITH, CITY CLERK