



Legislation Text

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Res. No. 1783

Resolution calling on the federal government to enhance and commit long-term funding to the National Flood Insurance Program, which aims to reduce the impact of flooding on private and public structures across cities in the United States, including the City of New York

By Council Members Menchaca, Treyger and Williams

Whereas, The 2017 hurricane season consisted of three very powerful and destructive land-falling storms in Texas with Hurricane Harvey, Florida with Hurricane Irma and Puerto Rico with Hurricane Maria; and

Whereas, Hurricane Harvey caused mass flooding and cost the state of Texas approximately \$180 billion in damages, and

Whereas, Hurricane Irma was recorded as one of the strongest hurricanes in the Atlantic Ocean with wind speeds of 180mph causing power outages to millions of people, and

Whereas, Hurricane Maria caused power outages, flash flood warnings and infrastructure damage with winds over 100mph and 30 inches of rain, and

Whereas, According to the Congressional Budget Office, a bipartisan agency that analyzes the economy for the United States Congress (Congress), 1.2 million Americans live in coastal areas prone to home and business damage from hurricanes and other storms; and

Whereas, The Congressional Budget Office estimates that hurricanes and other storms cause approximately \$28 billion in damages nationwide annually, of which the federal government pays for approximately 60 percent with the rest of the costs being borne by state and local governments, insurance and individuals; and

Whereas, The National Flood Insurance Program (NFIP) was created by Congress in 1968 to provide flood insurance to property owners seeking to protect themselves against financial losses due to flooding; and

Whereas, If a home is in a flood zone, lenders require the homeowner to obtain flood insurance in order to close on mortgage financing; and

Whereas, NFIP is managed by the Federal Emergency Management Agency (FEMA) and has approximately 20,600 participating communities including 5 million residents and businesses in both high-risk and moderate-to-low risk areas throughout the United States; and

Whereas, Property owners can obtain an NFIP flood insurance policy through the federal government directly or through Write Your Own, a federal program that works with private insurance companies who market, sell, administer and adjust NFIP insurance policies; and

Whereas, Over the years, NFIP has acquired approximately \$24 billion in debt as a result of collecting less in premiums and surcharges than the program distributes in claims, and owes the Department of Treasury approximately \$23 billion; and

Whereas, In the past, Congress authorized FEMA to borrow funds from the Department of Treasury when necessary to cover claims related to damages from storms; and

Whereas, As a result of hurricanes occurring more frequently and homeowners not being able to afford flood insurance, NFIP will most likely not generate enough revenue to repay funds borrowed from the Department of Treasury to cover the costs of claims from recent and past hurricanes; and

Whereas, It has been reported that in order to repay these debts, NFIP would need decades free of catastrophic storms; and

Whereas, Congress needs to make changes to better protect ratepayers and taxpayers as more natural disasters are expected to continue in the future; and

Whereas, NFIP was initially set to expire on September 30, 2017; however, the “Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017,”

signed into law on September 8, 2017, reauthorizes NFIP until December 8, 2017, allowing Congress additional time to consider reforms to the program and also authorized \$15.25 billion in emergency funding for disaster relief and rebuilding which includes \$7.8 billion for Hurricane Harvey victims; now, therefore, be it

Resolved, That the Council of the City of New York calls on the federal government to enhance and commit long-term funding to the National Flood Insurance Program, which aims to reduce the impact of flooding on private and public structures across cities in the United States, including the City of New York.

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