

Sponsored by: Lindsey

**CITY OF MARATHON, FLORIDA  
RESOLUTION 2019-79**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARATHON, 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; AND 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 to Florida’s and Monroe’s 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 City Council of the City of Marathon 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 Marathon 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 Marathon 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 Marathon and Monroe County; and

**WHEREAS**, the City Council of the City of Marathon, 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 City Council of the City of Marathon, 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 COUNCIL OF THE CITY OF MARATHON, FLORIDA, THAT:**

**Section 1.** The foregoing recitals are true and correct and constitute the legislative findings and intent of the City Council of the City of Marathon and are incorporated herein by this reference.

**Section 2.** 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 Waters, House Financial Services Committee Chair

**Section 3.** This Resolution shall become effective immediately upon its adoption.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THIS 13<sup>th</sup> DAY OF AUGUST, 2019.**

**THE CITY OF MARATHON, FLORIDA**

  
\_\_\_\_\_  
**John Bartus, Mayor**

AYES: Cook, Gonzalez, Senmartin, Zieg, Bartus  
NOES: None  
ABSENT: None  
ABSTAIN: None

**ATTEST:**

  
\_\_\_\_\_  
Diane Clavier, City Clerk

(City Seal)

**APPROVED AS TO FORM AND LEGALITY FOR THE USE AND RELIANCE OF THE CITY OF MARATHON, FLORIDA ONLY:**

  
\_\_\_\_\_  
David Migut, City Attorney



CITY OF  
**MARATHON**, FLORIDA

---

9805 Overseas Highway, Marathon, FL 33050  
Phone (305) 743-0033 | [www.ci.marathon.fl.us](http://www.ci.marathon.fl.us)

August 13, 2019

U.S. Representative Mucarsel-Powell  
Florida 26<sup>th</sup> District  
114 Cannon HOB  
Washington, DC 201515

**RE: Request to OPPOSE H.R. 3167 – Reauthorization of the NFIP**

Dear Congresswoman Mucarsel-Powell,

As you know, the House Financial Services Committee recently approved H.R. 3167, a bill that would reauthorize the National Flood Insurance Program (NFIP). While we appreciate several provisions in the bill, we ask that you oppose it due to the absence of meaningful affordability controls in light of the Federal Emergency Management Agency's (FEMA) looming Risk Rating 2.0 initiative.

“Risk Rating 2.0” will dramatically change the way NFIP prices flood policies, and is expected to be released in April 2020 and go into effect in October 2020. All 5 million NFIP policyholders are expected to have different policy premiums under the new system. Among the new changes impacting policy prices will be the cost of rebuilding an insured structure, the potential impact of different types of flooding, and the distance of a property to a coast or river. It will also introduce new sources of flooding, such as intense rainfall, that have not previously been considered in the NFIP rating structure.

H.R. 3167 does not further limit the percentage rate increase that policyholders may face annually beyond current law. Rates could still increase up to 18 percent per year for most homeowners or up to 25 percent per year for commercial or rental properties. Landlords will be forced to pass premium increases on to their tenants, most of whom are members of our workforce. It is imperative that Congress significantly limit the annual percentage increase that policyholders can face in order to preserve program affordability.

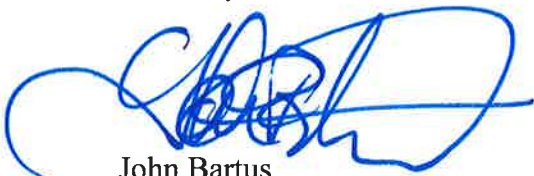
Risk Rating 2.0 could create policy premiums that will remind policyholders of increases routinely faced after passage of the Biggert-Waters NFIP reauthorization of 2012. While Congress did restore some affordability provisions with additional legislation in 2014, even that bill left FEMA with too much leeway to raise rates quickly, a reality that will resurface if Congress does not enact meaningful limits to premium increases.

As a bi-partisan group of Senators, which included Senator Rubio, wrote in May to the Senate Banking Committee: “We saw all too clearly the negative consequences of hiking premiums after the Biggert-Waters Act of 2012 caused costs to skyrocket, hurting policyholders. . . the statutory cap on premium increases must be significantly lower than current law to ensure price shocks do not occur with implementation of Risk Rating 2.0” Meanwhile, bi-partisan House members have declared H.R. 3167 to be “insufficient,” noting that the bill must have “affordability safeguards to prevent premiums from being ‘jacked up’.”

If H.R. 3167 included a real premium increase limitation with an eye towards protecting constituents from the worst impacts of Risk Rating 2.0 – we suggest a maximum of 5 percent per year for all policyholders – we would gladly support H.R. 3167. Unfortunately, without such limits, this bill will only force Congress to readdress the issue again soon in the face of significant constituent outcry.

Thank you for your attention to this issue.

Sincerely,

A handwritten signature in blue ink, appearing to read 'John Bartus', with a large, sweeping flourish extending to the left.

John Bartus  
Mayor, City of Marathon