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Introduction

Requirement §201.4(c)(3)(v): *A State may request the reduced cost share authorized under §79.4(c)(2) of this chapter for the FMA and SRL programs, if it has an approved State Mitigation Plan ... that also identifies specific actions the State has taken to reduce the number of repetitive loss properties (which must include properties identified as severe repetitive loss), and specifies how the State intends to reduce the number of such repetitive loss properties.*

Requirement §201.4(c)(3)(v): *In addition, the plan must describe the strategy the State has to ensure that local jurisdictions with severe repetitive loss properties take actions to reduce the number of these properties, including the development of local mitigation plans.*

The Severe Repetitive Loss (SRL) Program was established under the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (Public Law 108-264), which amended the National Flood Insurance Act of 1968. The overall objective of the Reform Act was to provide funding to reduce or eliminate claims from SRL properties under the National Flood Insurance Program (NFIP). As defined by the act, an SRL property constitutes a residential property that is covered under an NFIP flood insurance policy and has experienced:

- A. At least four NFIP claims payments (including building and contents) over \$5,000 each, and the cumulative amount of such claims payments exceeds \$20,000; or
- B. At least two separate claims payments (building payments only) have been made with the cumulative amount of the building portion of such claims exceeding the market value of the building.

In the case of either a) or b), at least two of the referenced claims must have occurred within any rolling ten-year period and must be separated by a period of greater than 10 days.

In order to achieve its objective, the SRL program promotes projects that will result in the greatest savings to the National Flood Insurance Fund (NFIF). The SRL program distributes funds to local governments that support flood mitigation within NFIP communities. Participating entities are eligible to receive a reduced cost share wherein the traditional, non-federal 25 percent match for projects may be reduced to 10 percent for states, territories, and federally-recognized Indian tribes with FEMA-approved standard or enhanced mitigation plans that include a strategy for mitigating existing and future SRL properties. In 2008, Florida's Division of Emergency Management (DEM) received approval from FEMA for its SRL strategy in its State Hazard Mitigation Plan (SHMP). Since 2008, Florida has maintained this part of the SHMP and as a result the state remains eligible to receive the reduced cost share of 10 percent.

The 2004 Flood Insurance Reform Act also incorporates an element for ensuring compliance with the mitigation practices advanced by the SRL program. In the event that the owner of a SRL property refuses a reasonable mitigation offer, the Act states that the property owner's flood insurance premium will be increased to 150 percent of the chargeable rate. In addition, if the subject property owner endures a flood loss in excess of \$1,500 following a refusal of a mitigation offer, the owner's premium will again increase to 150 percent over the

chargeable rate at the time of the flood loss.¹ Once the owner agrees to mitigate or the full actuarial rate of the property is reached, the increase will stop. The Bigger-Waters Reform act of 2012 includes measures that ultimately bring all SRL properties' premiums to actuarial rates over time. This new legislation may cause more SRL property owners to mitigate, with or without federal funding.

DEM has been delegated authority as the State Coordinating Agency (SCA) for the NFIP, presiding over activities pertaining to Florida's 16,814² repetitive loss (RL) properties (13,702 non-mitigated) and 610³ SRL properties. The Division is responsible for:

- Developing and maintaining a SHMP
- Encouraging communities to address RL and SRL properties in their Local Mitigation Strategy (LMS) plans
- Reviewing SRL program sub-applications
- Recommending technically feasible and cost effective sub-applications to FEMA
- Providing pass-through funding for FEMA approved project grants to the eligible sub-applicants

Additionally, DEM is also tasked with ensuring that projects funded by the SRL program are appropriately completed and that all relevant performance and financial reporting requirements are met. Accomplishment of this depends upon distribution of funds to projects which at a minimum are:

- Cost-effective
- Technically feasible
- Located in or benefit an NFIP-compliant community
- Not located in a Coastal Barrier Resources Act (CBRA) designated area
- Compliant with LMS plans, environmental laws, and regulations
- In conformance with minimum floodplain regulations

6.1 Severe Repetitive Loss Outreach Strategy

The strategies advanced by the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 largely hinge upon the notion that property owners will incorporate a rational element in their basis for making decisions for or against mitigation. Studies have consistently shown that the beginning of this rational element occurs when the property owner comes to define the risk of severe repetitive loss as being real, thereby making them more likely to take measures to mitigate against it. The establishment of this rational element is of critical

¹ According to §79.7(c)(1) "Insurance increases due to refusal of offer" of Title 44 of the U.S. Code of Federal Regulations - Flood mitigation grants, 44 CFR§79 (2011)

² Aggregate total of repetitive loss properties from all National Flood Insurance Program participating communities in Florida as of September 30, 2012

³ Aggregate total of severe repetitive loss properties from all National Flood Insurance Program participating communities in Florida as of September 30, 2012

importance as without it, it is highly unlikely that mitigation practices will be successfully implemented within local communities.⁴ As mentioned above, the 2012 NFIP reform legislation may bring the reality of risk-cost to bear upon these decisions, making mitigation the only affordable choice.

The core of Florida's SRL strategy therefore depends on an outreach component that defines the true risks of owning an unmitigated SRL property and the proactive measures that can be taken to break the damage repair cycle. Establishment of this "rational element" is not a one size fits all approach, but rather, will vary from community to community based on the unique socio-economic characteristics of the respective population. Risk awareness may function as a contingency to any number of factors including perceived costs (both losses from flood and the rising cost of insurance), and length of residence and as such, public education outreach activities should be best tailored to conform to these factors.

The state is dependent upon a series of multi-agency partnerships to aid in the collaborative effort of reducing SRL properties within individual communities. While these partnerships occur at a number of different levels in both the private and public sector throughout Florida, some of DEM's most critical flood mitigation partners include:

- Association of State Floodplain Managers (ASFPM)
- Federal Emergency Management Agency (FEMA)
- Florida Alliance for Safe Homes (FLASH)
- Florida Association of Counties (FAC)
- Florida Broadcasters Association (FBA)
- Florida Chamber of Commerce (FCC)
- Florida Floodplain Managers Association (FFMA)
- Florida Insurance Council (FIC)
- Florida League of Cities (FLC)
- Florida State University (FSU)
- FEMA's Institute for Business and Home Safety (IBHS)

Education and awareness provided through outreach is the key to achieving the goal of increasing the number of mitigated structures in Florida and reducing reliance on the National Flood Insurance Fund (NFIF). The purpose of outreach is to focus on those properties at the highest end of the flood damage spectrum.

The benefits of education and awareness will flow directly to Florida property owners as SRL properties decline in number and financial drains on the NFIF diminish. Once a structure is mitigated, it is less vulnerable to future flood loss and damage. The occupants will be safer and may not have to be displaced from their property. The community will experience a reduction in economic and business disruption. Most importantly, a mitigated structure presents little or no financial drain on the NFIF, thus the purpose for the program's existence.

⁴ As stated within "*Repetitive flood victims and acceptance of FEMA mitigation offers: an analysis with community-system policy implications*" - Kick, E. L., Fraser, J. C., Fulkerson, G. M., McKinney, L. A., & De Vries, D. H. (2011)

6.1.1 Current Outreach Strategy

The outreach strategies below were listed in the 2010 plan and will continue to be utilized in order to increase participation in the SRL program.

Town hall meeting forums with local governments as well as home and business owners of SRL properties are held throughout the year. Local governments advertise the meetings in their daily or weekly publications as well as online in order to achieve media publication and accomplish public notice. State grant and technical staff conduct the meetings in order to give potential applicants time to ask questions at the program.

This style of forum is highly effective for the affected population and yields the best attendance. This approach draws the target audience for grant program education.

Additional outreach strategies include the following:

- Schedule regional mitigation grant presentations and question and answer sessions for local governments, homeowners, and business owners
- Work with both FAC and FLC to teach local officials about the benefits of mitigation
- Invite home and business owners of flood mitigated structures to speak and share their experience with potential applicants
- Encourage regional meetings as a networking opportunity for potential flood mitigation applicants.

For a more detailed list of completed outreach activities, please see **Appendix J: Outreach Activities**.

6.1.2 Changes to Outreach Strategy

During the spring of 2011, DEM utilized Flood Mitigation Assistance (FMA) planning funds to contract with Florida State University's Department of Urban and Regional Planning. A masters "studio" project was created in which a team of planning students evaluated the 2010 outreach strategy and made recommendations to strengthen it. The students developed a series of strategies, measures, and tasks which were then used as the basis for the goals, objectives and tasks.

Additionally, the students created a best practices guide entitled Getting to Higher Ground, which catalogues exemplary flood mitigation projects. This document can be found in **Appendix P: Getting to Drier Ground**.

Another change was also made to the outreach strategies listed in the former plan. In the 2010 Enhanced State Plan other sources of outreach were listed but were not actually utilized.

These outreach strategies include:

- Radio advertisements
- Television commercials
- Public transportation placards
- Billboards

Moving forward, the aforementioned strategies will be abandoned because they are cost prohibitive. The outreach strategies outlined in the 2013 Enhanced SHMP focus on developing cost effective materials that can be used to inform communities and homeowners about the SRL program. DEM recognizes that every community is different and therefore the outreach strategies implemented should be tailored to meet each community's specific needs.

6.2 Severe Repetitive Loss Outreach Goals and Objectives

Florida is committed to heightening the awareness of mitigation grants and opportunities to increase the number of successful grant applications. A severe repetitive loss outreach strategy was produced to help reduce the number of repetitive loss properties in Florida over the next few years. The following objectives and tasks were created to support this outreach strategy:

- **Objective 1: Establish effective community partnerships.**
 - Task 1: Contact all possible local community partners including but not limited to emergency management directors, floodplain managers, local mitigation strategy chairs, city/county council members, and local managers/administrators.
 - Task 2: During regular floodplain management visits in communities that have not submitted a project in three years, determine why the community has not submitted a project in order to see what can be done to encourage them to pursue SRL mitigation.
 - Task 3: Use data from the NFIP claims database to identify areas of the state where a high number of prioritized properties are located and hold outreach sessions in these localities.
- **Objective 2: Educate local governments about grant opportunities available to mitigate SRL properties, and how best to prioritize projects.**
 - Task 1: Offer webinars to educate communities about flood mitigation opportunities.
 - Task 2: Conduct local workshops or forums within communities that have not submitted an application to mitigate an SRL in three years to discuss potential projects with local government officials and citizens.
 - Task 3: Send out a letter to the LMS chair of each county which encourages the prioritization of SRLs within the LMS project list.
 - Task 4: Conduct Benefit Cost Analysis (BCA) seminars for local officials to train them on how to perform analyses for prioritizing mitigation projects and completing applications.

- Task 5: Increase the knowledge and competency in using the eGrants system and application process by e-mailing local officials in order to encourage them to take advantage of FEMA's online training for applications and the eGrants process.
- Task 6: Conduct on site visits to assist communities in improving the management of projects and encourage the submission of aggregate project applications that provide flood prevention solutions for larger numbers of SRL properties.
- **Objective 3: Educate homeowners about grant opportunities available to mitigate SRL properties.**
 - Task 1: Send direct mailings to potential SRL grant candidates upon attainment of SRL status.
 - Task 2: Conduct workshops to provide additional information to potential SRL grant candidates.
 - Task 3: Invite home and business owners of flood mitigated structures to speak and share their experience with potential applicants.
- **Objective 4: Increase the availability and distribution of SRL grant information.**
 - Task 1: Create a pamphlet that contains information on mitigation grant programs and their benefits.
 - Task 2: Produce a brief video summarizing the mitigation programs and make it available to view online. Provide links to the video in mailings to homeowners so they have access to more information.
 - Task 3: Update the DEM website to contain the latest information on grant cycles.
 - Task 4: Utilize social media to relay information on mitigation grant programs.

6.3 Funding Severe Repetitive Loss Projects

This section provides a list of current and potential sources of funding to implement mitigation activities for repetitive loss properties. Eligibility of mitigation actions vary by funding source. More detailed information on the following potential funding sources of SRL projects is available in **Section 5.1 Funding Source Identification and Usage**. The following are potential sources of funding for SRL properties:

- Flood Mitigation Assistance (FMA) Program*⁵
- Repetitive Flood Claims (RFC) Program*
- Severe Repetitive Loss (SRL) Program*
- Pre-Disaster Mitigation (PDM) Program
- Hazard Mitigation Grant Program (HMGP)
- Community Development Block Grant Funds (CDBG)

⁵ Note: These programs are expected to be combined as a result of the 2012 NFIP reform legislation.

6.4 Severe Repetitive Loss Mitigation Project Examples

Over the past few years, the state has worked with communities to target and reduce the number of SRL structures. Property owners received letters from the state informing them of the SRL, RFC, and FMA programs and their eligibility requirements. Outreach events were held on multiple occasions for both grant applicants and homeowners. Dates of events held can be found in **Appendix J: Outreach Activities**. Eligible mitigation project types include:

- Acquisition and demolition or relocation
- Mitigation reconstruction
- Structure elevation
- Dry flood-proofing of historical residential structures
- Minor localized flood reduction projects (drainage projects)

Examples of successfully completed SRL mitigation projects can be found in **Appendix P: Getting to Drier Ground**.

6.5 Florida Severe Repetitive Loss Data Analysis

The following series of maps and figures provide information about the geographical and financial characteristics of the 610 SRL properties listed in Florida as of September 30, 2012. The values displayed herein are intended to provide a macro-level picture of SRL property aggregations throughout the state. As this information may be extremely useful in shaping state policy and education initiatives, it should be updated frequently in order to yield the most accurate depiction of statewide trends.

Number of Florida SRLs by County (2002-2012)

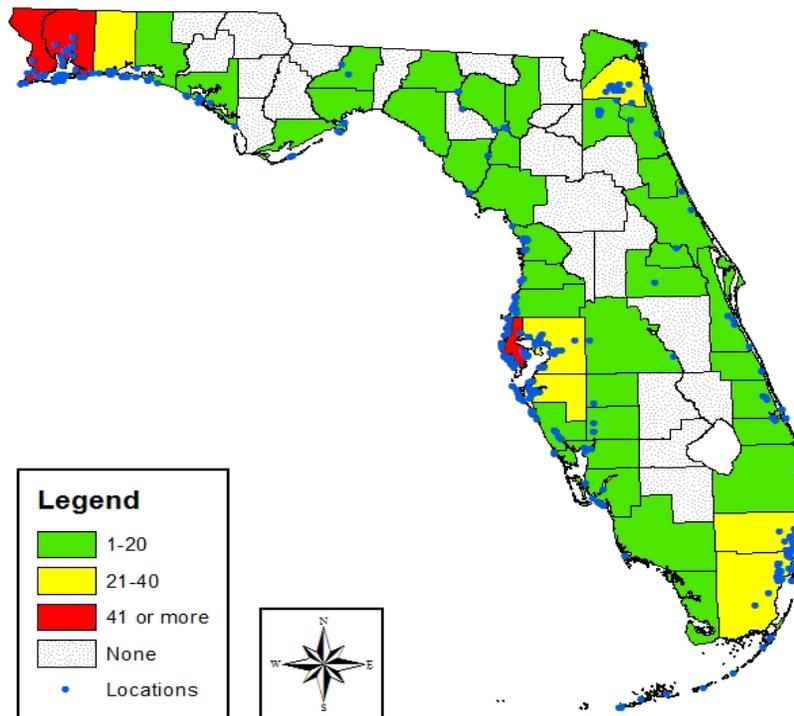


Figure 6.1 Number and Location of SRL Properties by County (2002-2012)⁶

Figure 6.1 displays the respective number of SRL properties by county. The five counties with the overall highest amount SRL properties are Escambia, Pinellas, Santa Rosa, Hillsborough, and Miami-Dade respectively. Escambia County has the greatest number of SRL properties with 112 listed.

⁶ As of September 30, 2012

SRL Properties by County (2002-2012)

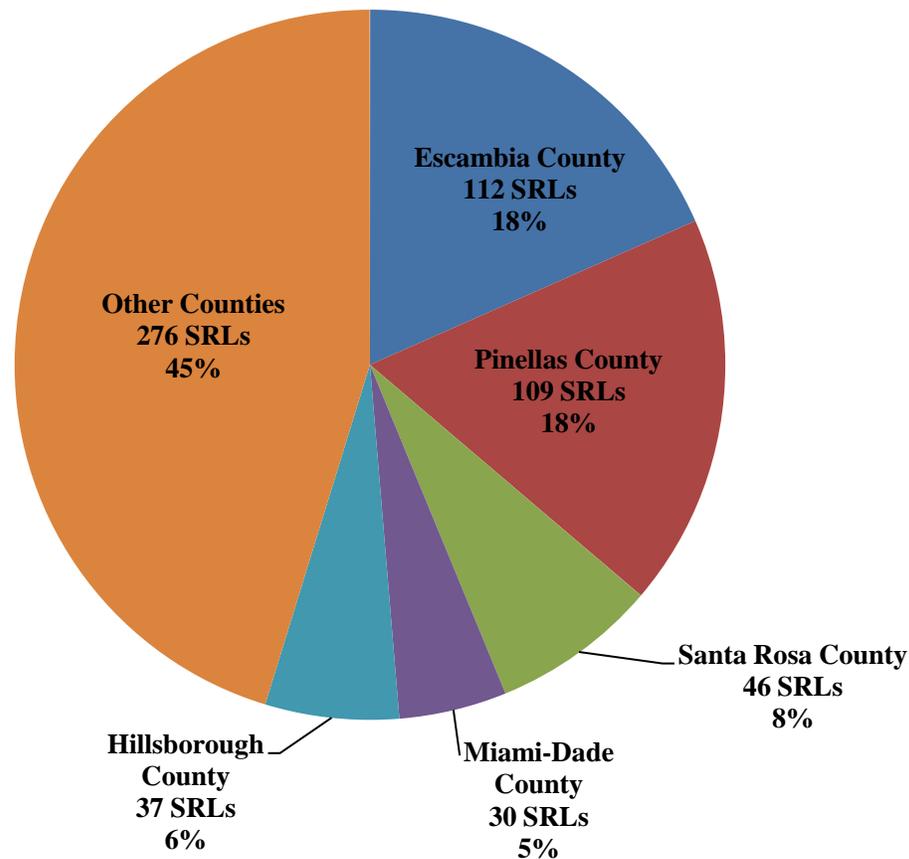


Figure 6.2 Percentages of SRL Properties by County (2002-2012)⁷

Figure 6.2 shows the proportional distribution of SRL properties across Florida. The five counties with the highest SRL properties are displayed above with their respective proportions while the remaining counties have been aggregated into the group of “other counties.” What is notable about this graph is that these five counties alone encompass more than half of the SRL properties within the entire state while the remaining 62 counties combined represent 45 percent of the state’s SRL properties.

⁷ As of September 30, 2012

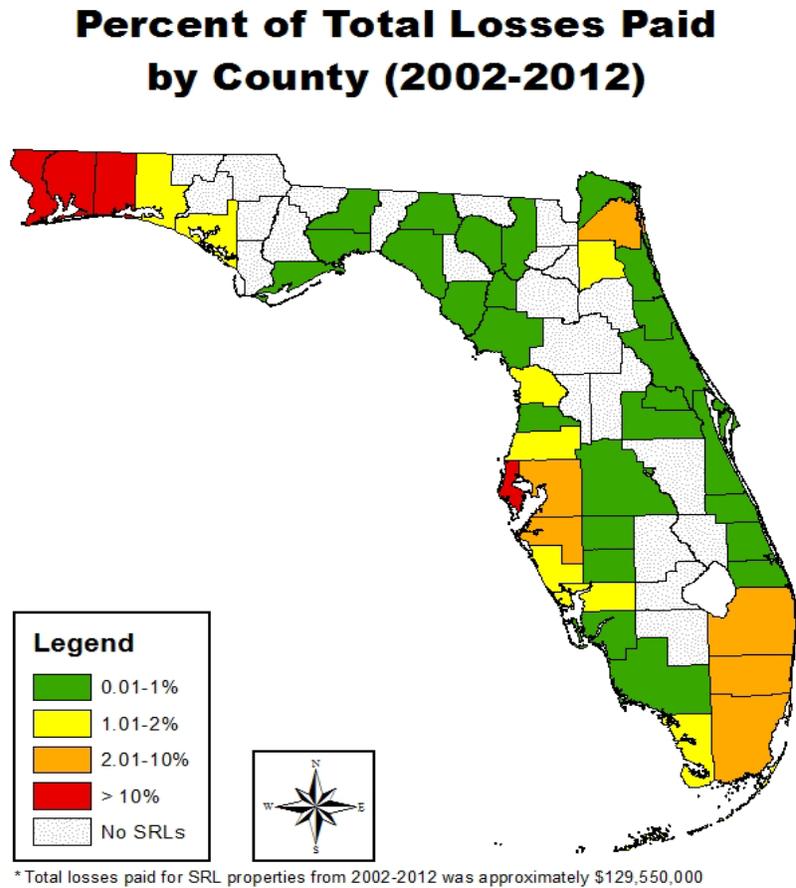


Figure 6.3 Percent of Total Amount Paid to SRL Property Owners by County (2002-2012)⁸

Figure 6.3 displays the percent of the total losses that have been paid out to SRL property owners from the NFIF from 2002 to 2012 by county. Five counties, Escambia, Santa Rosa, Okaloosa, Pinellas and Miami-Dade, have historically encompassed the largest share of SRL claims paid under the NFIP.

⁸ As of September 30, 2012

Percent and Total Amount of SRL Paid by County (2002-2012)

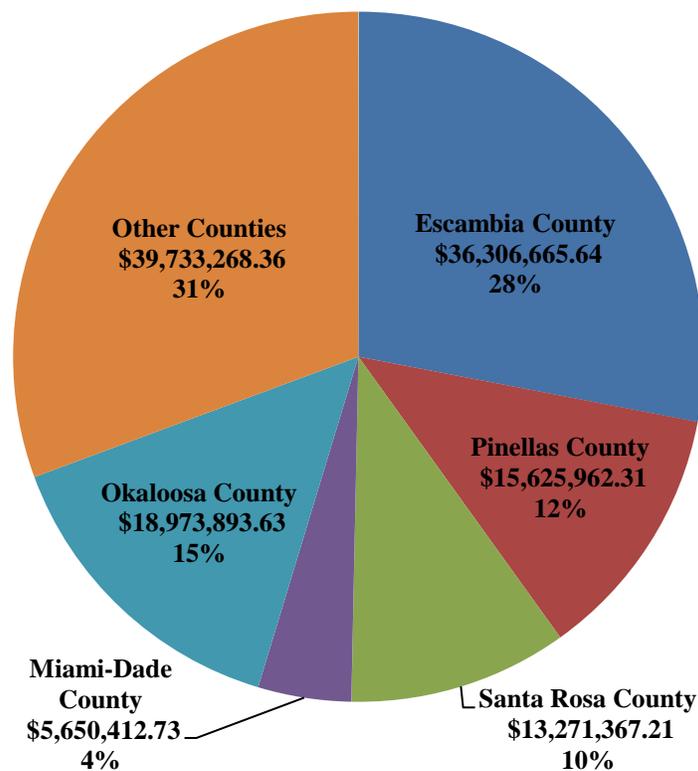


Figure 6.4 Percent and Total Amount of SRL Paid by County (2002-2012)⁹

Figure 6.4 displays the aggregate total amount paid by the NFIF for the five highest counties in comparison to all other counties combined. The combined total of Escambia, Pinellas, Santa Rosa, Miami-Dade, and Okaloosa counties represents over two thirds, 69 percent, of the state's claims paid over the previous 10 year period. Even more remarkably, Escambia County is the costliest county and alone is responsible for 28 percent of the state's loss claims, nearly twice that of the next costliest county, Okaloosa, 15 percent. However, Okaloosa and its two neighboring counties, Escambia and Santa Rosa account for over half, 53 percent, of the total losses paid during the previous 10 years.

As depicted by the figures throughout **Section 6.4: Florida Severe Repetitive Loss Data Analysis**, there are distinct areas in high need of flood mitigation activities. These areas have been of focus and will continue to remain an important focal point for securing and implementing mitigation funds throughout the upcoming years.

⁹ As of September 30, 2012