
 TECHNICAL MEMORANDUM

DATE: OCTOBER 3, 2024

SUBJECT: FLOOD INSURANCE ASSESSMENT

ISSUE: This technical memorandum is to satisfy a requirement under the Federal Emergency Management Agency (FEMA) Community Rating System (CRS) program to collect points under CRS Activity 370 – Flood Insurance Promotion. This memo serves as a periodic Flood Insurance Coverage Assessment credited for points in the City’s CRS class tabulation.

BACKGROUND: The City has participated in the FEMA CRS program since 1992. The CRS program includes points towards a community class rating available to Alexandria. By completing the Flood Insurance Assessment and submitting this assessment to the City Council for approval of submission, the City will be eligible to receive an additional 15 CRS points.

FLOOD INSURANCE ASSESSMENT

A flood insurance assessment (FIA) is an analysis of a community’s level of flood insurance coverage that identifies where increased coverage would be beneficial. It is the first step toward developing a flood insurance coverage improvement plan in the community. The CRS Coordinator’s Manual identifies five steps in the FIA process (see the table below). This memo serves to capture the steps in this process and serves as the FIA to be submitted to FEMA for CRS points upon approval to submit by the City Council.

<i>FIA Steps</i>
1. Collect flood insurance information
2. Determine level of flood insurance coverage
3. Prepare the document
4. Submit to governing body
5. Reassess

Step 1 – Collect Flood Insurance Information

Flood insurance policy information can be provided in one of two levels of detail: general and property-specific. Either set of data is acceptable for the FIA. However, Privacy Act restrictions limits staff’s ability to share this information with the public. Therefore, staff used general data for this assessment. To determine the level of flood insurance coverage in the City of Alexandria, the most recent Insurance Zone and Insurance Occupancy flood insurance policy data provided by FEMA was used (October 2, 2024). This is discussed in the next section.

Step 2 – Determine Level of Flood Insurance Coverage

This step assesses the City’s level of flood insurance coverage. The level of coverage is measured by the number of buildings with flood insurance and the amount of coverage. For this

assessment, staff looked at how many building in the Special Flood Hazard Area (SFHA) have insurance policies.

FEMA reports there are a total of 1,038 flood insurance policies in force in the city based on occupancy type in Table 1. There are currently a total of 926 insurable properties within the FEMA mapped Special Flood Hazard Area (SFHA). FEMA reports in Table 2 that only 475 properties in the SFHA out of 926 insurable properties have flood insurance policies. Based on this information, approximately 51% of the 926 insurable buildings located in the SFHA are covered by flood insurance. Flood insurance coverage of properties in the SFHA by occupancy can be found in Table 1 and flood zone in Table 2.

Table 1 - Policies by Occupancy

Occupancy	Policies in Force	Premium	Insurance in Force	Average Coverage
Single Family	636	\$ 454,448	\$ 196,554,000	\$ 309,047
2-4 Family	16	\$ 9,453	\$ 3,279,000	\$ 204,938
All Other Residential	314	\$ 167,216	\$ 80,633,000	\$ 256,793
Non-Residential	72	\$ 216,765	\$ 32,629,000	\$ 453,181
Total	1,038	\$ 847,882	\$ 313,095,000	\$ 1,223,958

Table 2 - Insurance by Zone

FEMA Zones	Policies in Force	Premium	Insurance in Force	Average Coverage
A01-30 & AE Zones (SFHA)	475	\$446,695	\$ 136,784,000	\$ 287,966
A Zones (SFHA)	0	\$ -	\$ -	\$ -
B, C & X Zone				
Standard	563	\$ 401,187	\$ 176,311,000	\$ 313,163
Preferred	0	\$ -	\$ -	\$ -
Total	1,038	\$ 847,882	\$ 313,095,000	\$ 601,130

Step 3 – Prepare the Document

This memo services as a stand-alone FIA for purposes of the FEMA CRS program. City staff began this process with the intent of learning where flood insurance policies were concentrated and what would need to be done to try and increase the awareness of the importance of protecting property with flood insurance. We began the process by asking our FEMA ISO/CRS Specialist to provide the Insurance Zone and Insurance Occupancy sheets needed to calculate the numbers generated in Table 1 and 2 under Step 2. City staff then proceeded to analyze the information provided.

Staff summarized that our most vulnerable properties, most properties in the SFHA may not have adequate flood insurance coverage. According to the above data, only 51% of SFHA properties

have flood insurance coverage. The remaining 49% don't seem to have any flood insurance backed by National Flood Insurance Program (NFIP). There may be several reasons for this:

1. NFIP flood insurance is only required by FEMA on properties in the SFHA if there is also a federally backed mortgage on the property. Many older properties may no longer have a mortgage; thus, flood insurance is not required.
2. Private flood insurance may be in play for properties without mortgages and privately financed properties which are not tracked through the NFIP.

Additionally, more than 50% of all properties in the city with NFIP flood insurance are within Zone X. There may be several reasons for this as well:

1. In Zone X, NFIP flood insurance is not required and is less expensive than in the SFHA zones.
2. Recent flooding events driven primarily by highly localized flash flooding has impacted many properties outside the SFHA zones. This may be increasing interest in those areas for additional insurance options, including NFIP flood insurance.

Staff also looked at Repetitive Loss properties. According to FEMA:

"A Repetitive Loss (RL) property is an insurable building that has had two or more flood insurance claims of more than \$1,000 paid by the National Flood Insurance Program (NFIP) within any 10-year period since 1978."

Prior to the severe flooding that began in 2019, the City had 10 RL properties. Since 2019 the City now has a total of 35 RL properties. Of those, four are deemed by FEMA Severe Repetitive Loss properties. According to FEMA:

"A Severe Repetitive Loss (SRL) designation applies to any NFIP-insured property, regardless of ownership, meeting at least one of the following paid flood loss criteria since 1978:

- *That has incurred flood-related damage for which four or more separate claims payments have been made, with the amount of each claim (including building and contents payments) exceeding \$5,000, and with the cumulative amount of such claims payments exceeding \$20,000; or*
- *For which at least two separate claims payments (building payments only) have been made under such coverage, with the cumulative amount of such claims exceeding the market value of the building."*

With 35 Repetitive Loss properties and 11 of those RL properties in Zone X having total paid claims of \$3.48M, staff concluded that properties within our Repetitive Loss areas and areas shown prone to more frequent flooding outside the SFHA, along with properties within the SFHA should receive additional attention from the City.

It is therefore recommended that several expanded outreach efforts be geared toward increasing the awareness of the flood hazard in the areas mentioned above and promoting the purchase of flood insurance. This outreach will incorporate the City's incentive programs intended to promote property protection from flood damage such as the Flood Mitigation Grant Program, the

Backflow Preventer Program, and the Stormwater Utility Fee Credit Program. The outreach efforts may include but are not limited to:

1. Increased direct mailings to residents in these areas with targeted letters or brochures.
2. Direct contact with these areas through community and neighborhood events.
3. Use of social media, our web site and other digital media.
4. Transient reader boards displayed in vulnerable neighborhoods.

Step 4 – Submit to the Governing Body

This FIA will be considered by the City Council on March 11, 2025, during a regular City Council legislative session for subsequent submission to FEMA CRS staff.

Step 5 – Reassess

This FIA will be re-assessed every five (5) years and be completed prior to the next 5-year CRS verification/cycle visit. Updated flood insurance data will be requested from the FEMA ISO/CRS Specialist prior to the next 5-year visit and used to revise this document including the process followed and summary of data, along with any conclusions and recommendations. The revised assessment will then be submitted to the City Council prior to the CRS verification/cycle visit.
