

MAPPING THE RISK

Flood Map Update: Mobile County

TARGET AUDIENCE: LENDING, INSURANCE, AND REALTY STAKEHOLDERS

Background

The Federal Emergency Management Agency (FEMA) has undertaken a multi-year engineering analyses and mapping effort. The analyses and mapping will better identify, assess, and communicate hazards and risks associated with riverine and coastal flooding in Alabama.

Through this effort, FEMA produced updated Flood Insurance Rate Maps (FIRMs) for Baldwin and Mobile Counties in 2007 and 2010, respectively. However, in these two counties, the mapping effort did not include new engineering analyses. The 2007 and 2010 updates focused primarily on digital conversion of the existing FIRMs using the latest FEMA specifications.

Currently, FEMA has a cooperative agreement with the Alabama Department of Economic and Community Affairs (ADECA) Office of Water Resources (OWR) to assess the risk of riverine and coastal flooding in Baldwin and Mobile Counties with new engineering analyses and to produce updated FIRMs.

Phases of Flood Map Update

The mapping effort is structured around four phases:

1. Scoping
2. Map Production
3. Preliminary FIRM and FIS
4. Post-Preliminary Processing / Effective FIRM and FIS

These phases are further broken down into production steps, as shown in the figure to the right.

Current Status – Phase 3

Phase 1, Scoping, has been completed for Mobile County. During this phase, 33 riverine miles and 100 coastal miles were identified for detailed engineering study. During Phase 2, ADECA performed the hydrologic and hydraulic modeling for the riverine and coastal areas. This included the scoped riverine and coastal miles of Phase 1, as well as, 278 riverine miles of approximate (Zone A) studies. Phase 2 was completed recently with the preparation of the preliminary FIRM panels and FIS. Phase 3 was initiated with the preliminary FIRM and FIS distribution on November 15, 2017. Post-preliminary processing will immediately follow with anticipated release of effective FIRM panels and FIS in summer 2019.

PHASE 1 – SCOPING - *completed*

PHASE 2 – MAP PRODUCTION - *completed*

- Topographic and field surveys
- Riverine engineering analyses
- Coastal engineering analyses
- Hydrologic and hydraulic simulations
- Delineation of preliminary floodplain boundaries, base flood elevations, and flood insurance risk zones
- Preparation of preliminary Flood Insurance Study (FIS) Report
- Preparation of preliminary FIRM panels for community review

PHASE 3 – PRELIMINARY FIRM AND FIS – *November 15, 2017*

PHASE 4 – POST-PRELIMINARY PROCESSING / EFFECTIVE FIRM AND FIS – *effective FIRMs and FIS tentatively summer 2019*

What is included in Preliminary Data?

Preliminary data is presented as the best information available at the time and includes new or revised Flood Insurance Rate Maps (FIRMs), Flood Insurance Study (FIS) reports and FIRM Databases:

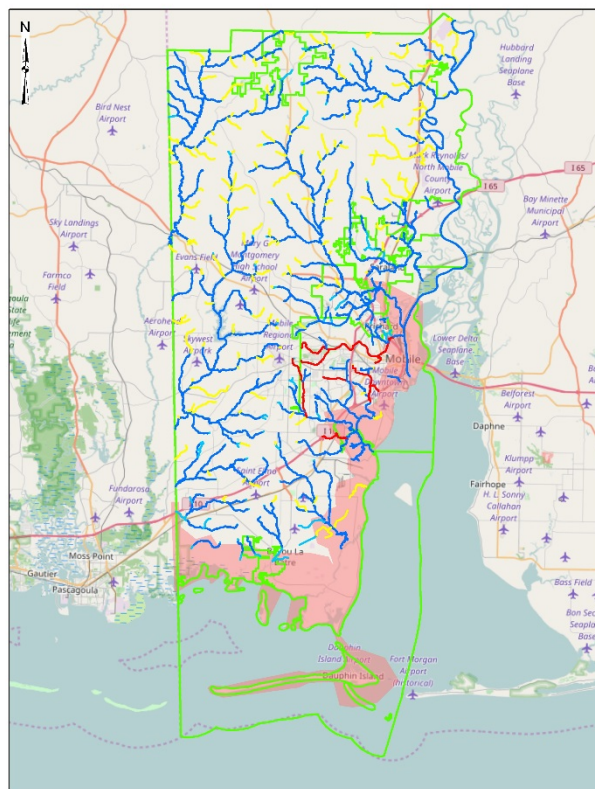
- A FIRM (also referred to as a flood map) is the official map that shows Special Flood Hazard Areas (SFHA) and the risk premium zones applicable to a community. Risk zones indicated on a FIRM provide a basis for establishing flood insurance coverage premium rates offered through the National Flood Insurance Program (NFIP).
- FIS reports provide background information on the analysis performed and more precise data on the flood elevations in a community.
- A FIRM Database is a collection of the digital data that are used in Geographic Information Systems (GIS) applications for creating new FIRMs. These datasets cover a county or a community.

To find your property's effective FIRM, FIS Report and FIRM Database, visit the FEMA Flood Map Service Center (MSC).

What are the benefits of preliminary data?

The release of preliminary data is an important step in a community's flood mapping lifecycle. There are several benefits for the public and professionals in viewing their community's preliminary data before it becomes an effective FIRM:

- Allows the public to voice their opinions or concerns regarding how the data may affect them.
- Insurance agents can compare existing FIRMs with preliminary FIRMs to see how their clients may be affected. However, policies cannot be written using preliminary data.
- Loan and mortgage brokers can use preliminary data as a guide to determine whether a property may be mapped into a high-risk area, allowing the borrower to be informed of any changes or requirements before finalizing the loan.
- Real estate agents and brokers can determine what changes are likely to occur and how it might affect any properties for sale.
- Engineers, developers and builders can plan for safer construction.



What is the difference between preliminary and effective data?

Preliminary data are for review and guidance purposes only. By viewing preliminary data, the user acknowledges that the information provided is preliminary and subject to change. Preliminary data, including new or revised FIRMs, FIS reports and FIRM Databases, are not final and are presented on the MSC as the best information available at this time. Preliminary data are not for use, distribution or replication until the data are finalized and labeled as “effective” on the FEMA MSC. Additionally, preliminary data cannot be used to rate flood insurance policies or enforce the federal mandatory purchase requirement. Preliminary data will be removed and replaced once effective data are available.

Unlike preliminary data, effective data and maps are official and should be used for National Flood Insurance Program (NFIP) purposes and viewing risk premium zones applicable to a community.

The public may also access their community's preliminary data through the MSC through the Search All Products or Product Availability Table.

<https://msc.fema.gov/portal>

Why is the Flood Map Update Important to Me?

As Mobile County's preliminary flood maps (FIRMs) have been released for public review, lending, insurance, and real estate professionals should review them to see what changes are occurring and where and when the changes will become effective.

Insurance agents and other insurance professionals should be prepared to discuss options with clients based on whether:

- Clients already have flood insurance policies;
- The new FIRMs show your client's property in a high-risk Special Flood Hazard Area, a moderate-risk area, or a low-risk area;
- The new zone designation for the property is the same as the old zone designation; and
- The Base Flood Elevation for their property has changed.

For lending professionals, knowing the effective date of the new FIRMs and potential effects of the new FIRMs will help make for a smoother closing. Lending professions should:

- Notify borrowers of upcoming changes in the flood hazard information reflected on the new FIRMs.
- Inform loan applicants of any flood insurance requirements currently associated with the property.

Real estate agents and home sellers should always tell a prospective buyer if the property is now, or will be, shown in a high-risk Special Flood Hazard Area on the new FIRM.

As the new FIRMs become effective tentatively in summer 2019, flood insurance requirements may change. As shown in the chart below, options do exist to save money while protecting property.

By sharing these options, insurance, lending, and real estate industry professionals can help their clients be better prepared and make more informed decisions.

If Maps Show...	These Requirements, Options, and Savings Apply
<p>Change from low-risk (Zone C or Zone X unshaded) or moderate-risk (Zone B or Zone X shaded) zone to a high-risk SFHA (Zone A, Zone AE, or Zone VE)</p>	<p>Flood insurance is mandatory. Flood insurance will be federally required for most mortgage holders. Insurance costs may rise to reflect the true (high) risk.</p> <p>"Grandfathering" can offer savings. The NFIP has grandfathering rules to recognize policyholders who have built in compliance with the NFIP map in effect at the time of construction (i.e., the previously effective FIRM) or who maintain continuous coverage. Sometimes, though, using the new FIRM can actually result in a lower premium than by grandfathering.</p>
<p>Change from high-risk to low- or moderate-risk zone</p>	<p>Flood insurance is optional but recommended. The risk in the area has only been reduced, <i>not removed</i>. Flood insurance can still be obtained at lower rates. About 25 percent of all flood insurance claims come from low- and moderate-risk areas.</p> <p>Conversion offers savings. An existing policy can be converted to a lower-cost Preferred Risk Policy, if the building qualifies. See additional information about the Preferred Risk Policy Extension below.</p>
<p>Increase in the Base Flood Elevation (BFE)</p>	<p>An increase in BFE can result in higher flood insurance premiums; however, grandfathering can offer savings. The NFIP "grandfathering" rules are designed to recognize policyholders who have built in compliance with the NFIP map in effect at the time of construction (i.e., the previously effective FIRM). This could result in significant savings.</p>
<p>No change in risk level</p>	<p>No change in flood insurance rates. However, this is a good time to review the coverage for a home or business and ensure that the building and contents are adequately covered.</p>

NFIP Reauthorization

Since floods are this nation's most frequent and costly natural disasters and the trends are worsening, it is very important that Congress determine the best approach to maintain a balance between improving the financial solvency of the program and reducing taxpayer exposure while also being mindful of affordability concerns.

The current NFIP authorization expired on September 30, 2017 and Congress is considering potential changes to the program as part of the reauthorization process. Congress has extended the current NFIP through December 22, 2017. The proposed reauthorization is set to extend the NFIP five years.

As of the end of November 2017, the NFIP, which is over 50 years old, had paid \$ 58.6 billion in claims. Beyond paying insurance claims, the NFIP has also mapped 1.2 million miles of streams, rivers and coastlines. It has invested more than \$1.3 billion in flood hazard mitigation of older, at-risk structures. Because of the program, over 22,000 communities adopted local flood risk reduction standards, which results in nearly \$2 billion of flood losses reduced annually. The NFIP has provided innumerable public benefits as well as direct monetary ones to taxpayers.

Beyond merely providing flood insurance, the NFIP is unique as it integrates multiple approaches to identify flood risk, communication of risk and reduction of flood losses. It is a unique collaborative partnership enlisting participation at the state and local level. It is a multi-faceted, multiple objective program – a four legged stool as it is often called. The four legs of the stool are: (1) floodplain mapping, (2) flood standards, (3) flood hazard mitigation, and (4) flood insurance.

The NFIP is the nation’s most widely used tool to reduce flood risk through an innovative and unique mix of incentives, requirements, codes, hazard mitigation, mapping and insurance. At the same time, we understand the four main pillars of the NFIP (also referred to as the “four legged stool” above) are interconnected. Making significant changes to one pillar without thoughtful consideration of the other three can erode the program overall. While those in FEMA and other floodplain management professionals are under no illusion that the NFIP is the only tool in the toolbox, it is one that serves over 22,000 communities, over 4.9 million policyholders, taxpayers and the general public well.

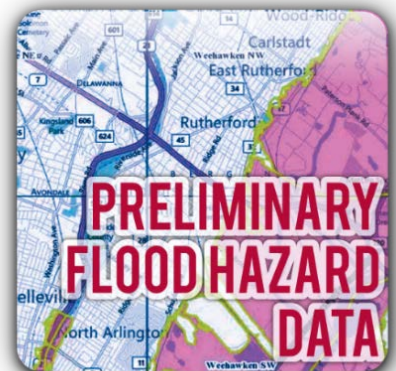
Reform legislation in 2004, 2012, and 2014 addressed deficiencies in the insurance element of the NFIP. There is still significant work to be done to make it both a financial viable program and one that effectively reduces flood risks and losses. It is important to note that the 2012 and 2014 reform legislation resulted in 80 new sections of law that are not yet fully implemented. Congress is considering several bills in 2017 with further reforms for the NFIP while the outcome to the program from those previous reform bills have not been fully implemented to date.

(Sources: ASFPM Testimony before Senate Committee on Banking, Housing and Urban Affairs; May 4, 2017 and information from FEMA’s website [www.fema.gov].)

How can I Participate?

Mobile County residents are encouraged to visit the ADECA floodplain management website for information about the National Flood Insurance Program (NFIP) and the importance of floodplain management in Alabama. This website also includes a locator feature to determine if your property is located within the currently identified floodplain:

www.adeca.alabama.gov/floods



Residents are also encouraged to visit the OWR interactive floodplain mapping website. OWR developed this website to provide an audience of community officials, property owners, and other stakeholders the ability to view and download preliminary and effective flood information.

www.alabamaflood.com

In addition, FEMA Region IV provides coastal analysis and mapping information for the Southeast United States on the following website:

www.southeastcoastalmaps.com

As the Post-Preliminary Processing / Effective FIRM and FIS Phase continues, outreach activities will include additional information sheets, presentations, and open house events.

Contact Information

Questions regarding the flood mapping effort should be addressed to the Floodplain Management Branch of ADECA OWR:

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(334) 353-5650

Distribution Information

In an effort to reach the lending, insurance, and realty industry this Information Sheet was distributed to the following organizations:

- *Alabama Association of Realtors*
- *Alabama State Chapter of Women's Council of Realtors (WCR)*
- *Mobile County Chapter of WCR*
- *Mobile Area Association of Realtors*
- *Alabama Bankers Association*
- *Alabama Lenders Association*
- *Alabama Independent Agents Association, Inc.*
- *Alabama Insurance Underwriting Association*
- *Alabama Insurance Planning Commission*
- *Coastal Alabama Partnership (CAP)*

Recommendations for additional lending, insurance, and realty industry organizations are encouraged. If there is an organization you would like added to the distribution list, please contact OWR at the address presented above.