BUILDING CLIMATE RESILIENCE IN THE REAL ESTATE SECTOR

BRANDI GABBARD

CHAIR, NATIONAL ASSOCIATION OF REALTORS INSURANCE COMMITTEE

COUNCIL MEMBER, CITY OF ST. PETERSBURG, FL
RESILIENCY

THE ABILITY TO PREPARE AND PLAN FOR, ABSORB AND RECOVER FROM AND MORE SUCCESSFULLY ADAPT TO ADVERSE EVENTS
OVERVIEW

• TOGETHER REALTORS AND COMMUNITIES ARE PROACTIVELY SEEKING SOLUTIONS

• HOWEVER, THE AVAILABLE RISK INFORMATION AND RESOURCES ARE LIMITED

• CONGRESS CAN HELP BY:
  • QUANTIFYING AND UNDERSTANDING THE COST OF INACTION
  • PROVIDING COMMUNITIES AND PROPERTY OWNERS WITH ACCESS TO MITIGATION FINANCING OPTIONS
  • INVESTING IN MORE RELIABLE RISK MAPPING TECHNOLOGY AND INFRASTRUCTURE NEEDS
  • SUPPORT NATIONAL AND PRIVATE INSURANCE OPTIONS AND FLEXIBILITY
ST PETERSBURG, FLORIDA

- 60 MILES OF COASTAL FRONTAGE
- 48% OF POPULATION LIVE WITHIN THE SPECIAL FLOOD HAZARD AREA
- TWO REPETITIVE LOSS NEIGHBORHOODS
- LISTED BY THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT AS ONE OF THE MOST VULNERABLE REGIONS IN THE WORLD
INITIATIVES TO DATE

2015 – Executive Order was passed to inscribe key benchmarks for sustainability throughout the city

2016- Funding approved for an Integrated Sustainability Action Plan to address resiliency and work toward a goal of 100% clean energy

2016- Increased FEMA Community Rating to a Category 5 saving property owners over $1.7M
MAJOR CONCERNS

AFFORDABILITY

- SEA LEVEL RISE, THE ABILITY TO AFFORDABLY INSURE AGAINST THAT RISK AND THE LACK OF ACCESS TO MITIGATION WILL CONTINUE TO AFFECT LOWER AND FIXED INCOME RESIDENTS

SUSTAINABILITY FOR PROPERTY OWNERS AND COMMUNITIES

- WITHOUT PROPER PLANNING, BUDGETING FOR HIGHEST RISK SCENARIOS AND INVESTMENT IN INFRASTRUCTURE UPGRADES WE TAKE THE CHANCE OF ENTIRE COMMUNITIES BEING UNINHABITABLE BY 2100
MITIGATION RESOURCES

• ISSUE: PROPERTY OWNERS AND COMMUNITIES DO NOT HAVE ACCESS TO MITIGATION ASSISTANCE
  • FEDERAL FINANCIAL ASSISTANCE IS LIMITED
  • APPROVAL PROCESS CAN BE DIFFICULT AND LENGTHY
  • MANY ARE OFFERED ASSISTANCE AFTER THEY HAVE ALREADY REBUILT

• PROPOSAL: ASSIST CONSUMERS MOST AT RISK BY PRIORITIZING THE EASE AND ACCESS TO CURRENT FEMA MITIGATION TOOLS
RELIABLE FLOOD MAPS

• ISSUE: THE FLOOD MAPS DO NOT CURRENTLY REFLECT PROPERTY SPECIFIC FLOOD RISK
  • “IN VS. OUT” – TWO PROPERTIES CAN HAVE THE SAME RISK BUT ONLY ONE IS REQUIRED TO BUY FLOOD INSURANCE
  • BACKWARD LOOKING – MOST FLOOD MAPS DO NOT ACCOUNT FOR FUTURE CONDITIONS AND RISK
  • COMMUNITY WIDE – FEMA CURRENTLY MAPS BROAD FLOOD ZONES, NOT INDIVIDUAL BUILDINGS

• PROPOSAL: INVEST IN GRANULAR RISK ASSESSMENT TOOLS (LIKE NORTH CAROLINA) SO THAT THE BURDEN IS NOT ON HOMEOWNERS TO DETERMINE THEIR INDIVIDUAL RISK
PUBLIC & PRIVATE INSURANCE OPTIONS

• ISSUE: THE NATIONAL FLOOD INSURANCE PROGRAM NEEDS REFORM AND A LONG TERM EXTENSION
  • PROGRAM INSTABILITY AFFECTS UP TO 40,000 HOME SALES PER MONTH NATIONALLY
  • NFIP POLICYHOLDERS ARE PREVENTED FROM MOVING TO PRIVATE OPTIONS DUE TO LOSS OF “CONTINUOUS COVERAGE”
  • DUPLICATIVE AND UNNECESSARY FEDERAL REGULATIONS EXIST ON PRIVATE COMPANIES ALREADY LICENSED BY STATES
  • NATIONAL AVERAGE RATES CAUSE MANY PROPERTIES WITH BELOW AVERAGE RISK TO BE OVERCHARGED

• PROPOSAL: PROVIDE A LONG TERM REAUTHORIZATION WITH REFORM THAT OPENS THE DOOR TO A MORE ROBUST PRIVATE MARKET
CONGRESS CAN HELP BY

- QUANTIFYING AND UNDERSTANDING THE COST OF INACTION
- PROVIDING COMMUNITIES AND PROPERTY OWNERS WITH ACCESS TO MITIGATION FINANCING OPTIONS
- INVESTING IN MORE RELIABLE RISK MAPPING TECHNOLOGY AND INFRASTRUCTURE NEEDS
- SUPPORT NATIONAL AND PRIVATE INSURANCE OPTIONS AND FLEXIBILITY
BRANDI GABBARD

CHAIR, NATIONAL ASSOCIATION OF REALTORS INSURANCE COMMITTEE

COUNCIL MEMBER, CITY OF ST. PETERSBURG, FL

BGABBARD@SMITHANDASSOCIATES.COM
BRANDI.GABBARD@STPETE.ORG
727-798-6216