



Participation in the Severe Repetitive Loss (SRL) Program

The SRL grant program is designed to reduce or eliminate the long-term risk of flooding to NFIP-insured structures, and thereby reduce the number of claims paid from the National Flood Insurance Fund (NFIF).

What are the SRL objectives:

- The long terms goal of the SRL program is to reduce or eliminate claims under the NFIP.
- The SRL program will fund mitigation projects which result in the greatest savings to the National Flood Insurance Fund in the shortest period of time, based on a benefit cost analysis.

What's an SRL eligible property?

- Be a residential property currently insured under the National Flood Insurance Program;
- Have incurred flood losses that resulted in either:
 - (1) Four or more flood insurance claims payments (building and contents) that each exceeded \$5,000, and the cumulative amount of such claims payments exceed \$20,000, or
 - (2) Two or more flood insurance claims payments (building payments) that the cumulative amount of the building portion of the claim exceed the market value of the building.

What SRL funds can be used for?

- Acquisition, elevation, relocation of existing residential properties with acquisition being the preferred mitigation activity.
- Dry Floodproofing (Historic properties only)
- Minor physical localized flood control projects; and,
- Demolition and rebuilding of properties to at least Base Flood Elevation (BFE) or greater if required by any local ordinance.

How has the State (also known as the applicant) met the SRL requirement?

- The State has approved All Hazard Mitigation Plan.
- The State Plan contains a strategy to reduce SRL properties which qualifies New Jersey for 90% grants.

What are the requirements of the municipality (also known as the sub-applicant)?

- Municipalities must be a participant in NFIP.
- Have a FEMA-approved local mitigation plan in compliance with 44 CFR Part 201
- The proposed action must be included in a local (county or municipal) all hazards mitigation plan
- Conversion and dedication of the acquired property to open space.
- Enforcement of elevation to minimum local flood control ordinances and base flood elevations

What does the property owner need to participate in SRL program?

- The property owner must be a willing participant in the SRL program.
- The property must be identified as a SRL property
- The property must be covered by a current NFIP insurance policy
- The property owner must be able to produce insurable title
- The property owner must be an informed participant (See reverse side)

What is distinctive about the SRL program?

- A documented Consultation Process is a required step of sub-application development that includes property owner notification and information gathering.
- The sub-applicant may still include a property as part of the sub-application even if the property owner is not interested in participation at the time of application submission.
- All projects will be ranked from the highest to the lowest based on the FEMA-validated Benefit-Cost Ratio or Alternative Determination of Cost Effectiveness.
- Property owner participation in the SRL program is voluntary.

What is included in the consultation process, award and mitigation offer?

- **Step 1— Consultation Process**
 - The consultation process insures that a mitigation results from an action between a knowledgeable property owner and the public agency with administering responsibilities of the SRL program.
 - The goal of the consultation process is to notify the property owner of SRL program requirements, to collect sufficient information about the property in order to determine technically feasible and cost effective activities, homeowner preferences for mitigation the property and provide estimated costs.
 - Several consultation meeting may be held before all questions are resolved with each meeting documented.
 - The Sub-grantee must take all steps necessary to ensure that the property is fully informed.
- **Step 2 – SRL Application Award Approval**
 - As a result of the consultation meetings with each property, a project is “packaged” and an application is submitted to New Jersey Office of Emergency Management (NJOEM) for consideration to be included in the State’s grant application for SRL program.
 - If the municipality’s application is selected by NJOEM to be included in their State grant application for SRL that application will be forwarded to FEMA for review and potential funding.
 - FEMA will notify NJOEM on their determination on each sub-grant application submitted under SRL.
 - Upon FEMA notification to NJOEM of a sub-grant application approval, NJOEM will extend mitigation offers to the local government, who will extend these offices to the individual property owner(s).
- **Step 3 – Mitigation Offer**
 - The mitigation offer process begins once FEMA has awarded the grant to NJOEM and NJOEM has awarded the sub-grant to the municipality.
 - A final Mitigation Offer to each property owner, via certified mail, will be made in accordance with NJOEM current reimbursement procedures as project activity type and amount of the purchase offer including basis and methodology for calculating purchase offer.
 - The property owner has 45 days to sign and return the Mitigation Offer Letter. If the letter is not returned within 45 days, it is considered a refusal.

What happens if a mitigation offer is refused?

- A property owner who declines the mitigation offer of assistance will be subject to increases in flood insurance premiums rates.
- There are six grounds for appeals for property owners to contest a flood insurance premium rate increase. Appeals must be based on the:
 1. Inability to purchase replacement property (acquisition only).
 2. Insufficient funding for acquisition, relocation, elevation, mitigation reconstruction and floodproofing.
 3. Diminishing integrity of historic properties.
 4. Third party violations affecting multi-family properties.
 5. Reliance on Flood Insurance Rate Map Current at the time of purchase
 6. Cost Effectiveness of alternative project.
- Any mitigation offer made under the SRL program remains open and available to the property owner **for the period of performance for that sub-grant.**

For more information Contact: New Jersey Office of Emergency Management, Division of State Police
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