



Legislation Details (With Text)

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Hazard Mitigation Loan Program Presentation

PURPOSE/BACKGROUND:

The City of Hampton Hazard Mitigation Loan Program (HMLP) is another city initiative authorized by the Hampton City Council to address community needs. The City of Hampton allocated \$2.5 million dollars for a revolving loan program for the purpose of mitigating loss related to flooding and natural hazards related to tropical storms, hurricanes, nor'easters, and rain events. This program is administered by the Hampton Redevelopment and Housing Authority (Authority) in conjunction with the Hampton Office of Emergency Management. All loans will be administered through Old Point National Bank.

Flooding is the most frequent and costly natural hazard in the United States. And flood insurance rates have been increasing to actuarial rates in special flood hazard areas of the city. For example some small mitigation activities such as installing flood vents may lower the insurance rates for some homeowners. Therefore, the terms of the loan program have been updated to lower the minimum loan amount from \$5,000 to \$2,500 so that smaller mitigation activities such as installing flood vents, elevating utilities, appliances, and HVAC systems, etc. could qualify if residents needed assistance in funding these small mitigation projects. However, every home insurance and flood insurance policy is specific to that property so residents need to consult with their insurance agents about if their rates will lower or not if they do small mitigation projects.

Impact:

None at this time. The funds have been set aside and the borrower pays back the loan over time with the Wall Street Journal prime rate at the time the loan is issued.

Recommendation:

Briefing only - no action required.

