Are Changes to the National Flood Insurance Program a Form of Redlining in Pre-FIRM Minority Communities: A Case Study of Eastwick in Southwest Philadelphia

To answer “Are changes to the NFIP a form of redlining in pre-FIRM minority communities?” I examined:

- Demographics of Eastwick residents in pre-FIRM homes in SFHA (1172 homes, 79.5% black, avg income $48,000)
- Percent change in sales prices in Planet Streets v. houses in Eastwick without mandatory flood insurance
- Effects of premium increases on residents
- Views of flood insurance affordability experts on BW12, HIFAA, and mitigation loans/grants

The Planet Streets - 214 houses classified as "severe repetitive loss" negatively impacted by BW12

Q: If there was community support for petitioning for a buyout program, would you be interested?
A: Yes, because I have a feeling that selling won’t be as good as an option as it ought to be with all this publicity about flooding, which we needed to do to pay attention to us (Eastwick Resident April 2018).

NFIP Debt

1/4 of NFIP policy holders in SFHAs are low income. 1/2 of non-policyholders in SFHAs are low income (FEMA).

Conclusions

- Changes to the NFIP target pre-FIRM properties in SFHAs where low income and minority populations are overrepresented, creating a disproportionate effect on them.

- The NFIP is an opaque process and FEMA, flood insurance affordability experts, or residents do not understand the positions of the other.

- Information failures, namely risk communication, present challenges to making the NFIP affordable and fair.

Sources: FEMA, Office of Property Assessment, Interface Studios, Nance, Earthea. “Exploring the Impacts of Flood Insurance Reform on Vulnerable Communities.”