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Memo Date: August 7, 2009
Board Meeting Date: August 26, 2009

TO: LANE COUNTY BOARD OF COMMISSIONERS

FROM: Public Works Dept./Land Management Division

PRESENTED BY: Keir Miller, Associate Planner & Christine Shirley, DLCD
Natural Hazards and Floodplain Specialist

AGENDA ITEM TITLE: AWARD PRESENTATION / RECOGNITION TO LANE COUNTY FOR ADMITTANCE INTO THE NATIONAL FLOOD INSURANCE PROGRAM - COMMUNITY RATING SYSTEM

I. REQUESTED MOTIONS

No motion is being requested.

II. AGENDA ITEM SUMMARY

The purpose of this Agenda Item is for the Board of Commissioners to receive formal recognition from FEMA Region X for the successful efforts that Lane County has undertaken to become a participating member of the National Flood Insurance Program's Community Rating System.

III. DISCUSSION

A. Board Action and Other History

In 1968, Congress passed the National Flood Insurance Act based on findings that: "(1) a program of flood insurance can promote the public interest by providing appropriate protection against the perils of flood losses and encouraging sound land use by minimizing exposure of property to flood losses; and (2) the objectives of a flood insurance program should be integrally related to a unified national program for floodplain management."

The Flood Insurance Act is administered through the National Flood Insurance Program, (NFIP). The NFIP is a voluntary program that is based upon cooperative agreements between the federal government and local participating communities. The NFIP enables property owners within participating communities to purchase flood insurance at a reasonable cost and helps to provide an insurance alternative to the rising costs of federal flood disaster relief. In return, participating communities must properly manage their floodplains by adopting and enforcing floodplain management ordinances aimed at reducing the likelihood of future flood damage to new construction.

Since 1970, Lane County has been a participating member of the NFIP. The Land Management Division is responsible for administering the day-to-day activities of the county's floodplain program.

In 1990, the National Flood Insurance Program's Community Rating System (CRS) was implemented. The CRS is sub-program within the NFIP that recognizes and encourages community floodplain management practices that exceed the minimum NFIP standards.

Under the CRS, flood insurance premium rates are lowered to reflect the reduced flood risk resulting from community activities that meet the objectives of the CRS: Those objectives are:

- (1) Reduce flood losses, i.e.,
 - protect public health and safety,
 - reduce damage to buildings and contents,
 - prevent increases in flood damage from new construction,
 - reduce the risk of erosion damage, and
 - protect natural and beneficial floodplain functions.
- (2) Facilitate accurate insurance rating; and
- (3) Promote the awareness of flood insurance.

In September of 2006, the Board of Commissioners adopted Lane County's Natural Hazards Mitigation Plan (NHMP) under Resolution & Order No.06-9-20-3. The NHMP is a broad, non-regulatory, document that: (1) provides a foundation for collaboration around hazard mitigation measures; (2) serves as a prioritization tool for future mitigation activities; and (3) helps meet necessary federal planning requirements to enable Lane County to qualify for certain disaster assistance programs. The entire NHMP may be viewed at: <http://www.lanecounty.org/EmerMgmt/documents/LaneCountyNHMP.pdf>

As a component of the NHMP, a series of specific "action items" were developed. These action items are organized around each of the different types of hazards that Lane County is susceptible to, and if carried out, they are intended to improve the county's overall disaster resiliency. Under Flood Mitigation Action Item #6, the Land Management Division was identified as the coordinating organization tasked with bringing Lane County into the Community Rating System.

As part of the Land Management Division's 2007 Long Range Planning Work Program, LMD was formally directed to take actions necessary for the county to gain admittance into the CRS. However, prior to submitting a CRS application, LMD was first required by FEMA¹ to process updates to the county's floodplain ordinances (LC 16.244 and LC 10.2.71) and to take measures necessary to address Lane County's repetitive flood loss properties. These activities were carried out during 2007 and on March 3, 2008, Lane County's CRS application and accompanying documentation was submitted to FEMA for formal review.

On July 2, 2009, Lane County received official notification of admission into the CRS. A copy of this correspondence is included as Attachment "A" to this memo.

B. Policy Issues

There are no administrative policy issues associated with this agenda item.

¹ The Federal Emergency Management Agency (FEMA), under the auspices of the Department of Homeland Security, is the agency responsible for overseeing the NFIP and the CRS. Lane County works with both the FEMA Region X office, located in Bothell, WA., and also through the Oregon Department of Land Conservation and Development's Hazard Mitigation Program, which serves as the NFIP coordinating agency for Oregon communities.

C. Board Goals

Becoming a participating member of the Community Rating System reflects Lane County's commitment to enhance public safety, promote the county's economic resiliency to flood events and protect the natural and beneficial functions of floodplains.

D. Financial and/or Resource Considerations

Lane County's acceptance into the CRS will provide considerable economic benefits to Lane County residents in the form of flood insurance premium discounts. However, continued participation in the program will also carry some costs.

Economic Benefits of CRS Participation:

In addition to preventing flood losses, the floodplain management program administered by LMD qualifies rural Lane County flood insurance policy holders to a discount on their insurance premiums. The actual discount provided is based on a 1-10 "Class rating" scale, which FEMA assigns after reviewing and scoring CRS application documentation and conducting a verification visit. The Class that is assigned is based upon the number of credit point earned for floodplain management activities that exceed the minimum NFIP standards. The correlation between credit points earned, classification awarded, and premium reductions given for communities in the NFIP-CRS are shown in the table, below.

CREDIT POINTS	CLASS	PREMIUM REDUCTION SFHA**	PREMIUM REDUCTION NON-SFHA**
4,500+	1	45%	10%
4,000 – 4,499	2	40%	10%
3,500 – 3,999	3	35%	10%
3,000 – 3,499	4	30%	10%
2,500 – 2,999	5	25%	10%
2,000 – 2,499	6	20%	10%
1,500 – 1,999	7	15%	5%
1,000 – 1,499	8	10%	5%
500 – 999	9	5%	5%
0 – 499	10	0	0

*Special Flood Hazard Area

**Preferred Risk Policies are available only in B, C, and X Zones for properties that are shown to have a minimal risk of flood damage. The Preferred Risk Policy does not receive premium rate credits under the CRS because it already has a lower premium than other policies. The CRS credit for AR and A99 Zones are based on non-Special Flood Hazard Areas (non-SFHAs) (B, C, and X Zones). Credits are: classes 1-6, 10% and classes 7-9, 5%. Premium reductions are subject to change.

Source: www.fema.gov

All NFIP communities start out with a Class 10 rating (which provides no discount). Class 10 identifies a community that does not apply for the CRS, or does not obtain a minimum number of credit points and receives no discount. Class 1 requires the most credit points and gives the greatest premium discount. There are 18 activities recognized as measures for eliminating exposure to floods. Credit points are assigned to each activity. The activities are organized under four main categories: Public Information, Mapping and Regulation, Flood Damage Reduction, and Flood Preparedness.

Based upon the review of Lane County's floodplain management practices, 1777 credit points were awarded to the county, translating into a Class rating of 7. The specific number of points awarded for each activity is described in the CRS Verification Report, included as Attachment "B" to this memo. A 15% reduction in insurance premiums has been awarded to county residents living within regulated Special Flood Hazard Areas (SFHA) as a result of this score. In addition, a 5% reduction in premiums has been awarded to policy holders living outside of the regulated floodplain (non-SFHA).

The most recent NFIP Insurance Report for Lane County shows that there are 1,686 policies are for structures located in regulated Special Flood Hazard Areas and 826 policies for Non-SFHA structures. Approximately \$1,400,000 was paid out in premiums for SFHA structures in the last 12 months. With a 15% discount in premiums, these policy holders will realize a total combined savings of roughly \$210,000. During this same 12 month period, approximately \$285,000 also was paid out for non-SFHA structures². A 5% discount applied to these policies will translate into an annual savings of approximately \$14,000. Based on these figures, the total combined savings that flood insurance policy holders will realize from Lane County's participation in the CRS is estimated at nearly \$225,000 annually.

Costs Associated with CRS Participation:

Maintaining the County's CRS Classification of 7 carries certain obligations. First, LMD must continue to maintain the robust floodplain management program that is already in place. This means that: (1) flood ordinances must be kept up to date, (2) elevation certificates and other floodplain development permit materials must be properly completed and retained, (3) requests for flood information, including flood mapping, must be responded to in a timely manner, and (4) floodplain information (including digital maps) must be accessible via the internet.

In addition, Lane County's CRS coordinator must continue to implement strategies to deal with repetitive flood loss properties, including conducting an annual outreach campaign and submitting an annual progress report and recertification materials. It is estimated that .05 FTE will be required to carry this work and approximately \$12,000 in printing and postage costs will be incurred for CRS-related public outreach work.

Total costs for maintaining Lane County's CRS Class rating of 7 is estimated at \$18,500 per year. Of course, LMD could take further actions to improve this rating and further reduce the potential of flood losses to residents. Those actions and associated costs will be presented to the Board in LMD's Long Range Planning Work Program, sometime in September.

² The total amount of insurance premiums paid by Lane County residents in last 12 months was \$1,685,109. The breakdown of premiums paid between SFHA and Non-SFHA policy holders is an estimate based on known discounts to Non-SFHA policies, also referred to as "Preferred Risk Policies".

E. Analysis

Lane County has extensive flood hazard areas and is home to several large rivers and smaller tributaries and streams that are susceptible to annual flooding events. The flooding of these waterways threatens life and safety and can cause significant property damage. Nearly 140,000 acres of land is within the floodplain countywide. This is equivalent to well over 200 square miles. Over 11,000 individual parcels are partially or entirely located within the floodplain. Statewide, Lane County has more river miles of floodplain than any other county. Ongoing development within the floodplain continues to displace natural areas that have historically functioned to store flood waters.

Participation in the NFIP-CRS is a responsible and proactive approach to dealing the flood problem in Lane County. Overall, costs associated with CRS participation are low considering the many benefits gained through responsible floodplain management and CRS recognition. Currently, Lane County is implementing measures well in excess of the minimum standards of the NFIP. For these actions, the county has earned a respectable rating in the CRS program. However, additional actions could be taken to further reduce flood losses and lower flood insurance premiums.

IV. ACTION

None requested at this time

V. FOLLOW UP

The Land Management Division will continue to take steps necessary to maintain the County's CRS Class rating of 7 LMD will also propose additional actions that the Board may choose to implement to improve this rating. These options will be included in LMD's next Long Range Planning Work Program discussion, scheduled for September.

V. ATTACHMENTS

Attachment A: June 19, 2009, correspondence from Deborah Ingram (FEMA) to Jeff Spartz (Lane Co. Administrator) regarding Lane County's acceptance into the CRS

Attachment B: CRS Verification Report for Lane County

REC'D JUL 02 2009

JUN 19 2009



FEMA

Jeff Spartz
Administrator, Lane County
125 East 8th Avenue
Eugene, Oregon 97401

Dear Mr. Spartz:

I want to congratulate your community on its application to the National Flood Insurance Program (NFIP) Community Rating System (CRS). The Department of Homeland Security, Federal Emergency Management Agency (FEMA), has verified the voluntary actions undertaken by your community exceed the minimum standards of the NFIP and meet the criteria for a CRS Class 7 rating. The floodplain management activities implemented by your community qualifies it for a fifteen percent discount in the premium cost of flood insurance for NFIP policies issued or renewed in Special Flood Hazard Areas on or after May 1, 2009. This savings is a tangible result of the flood mitigation activities your community implements to protect lives and reduce property damage.

Please note Preferred Risk Policies, applicable in Zones B, C, and X, are not eligible for the CRS discount. Standard rated flood insurance policies in Zones B, C, X, D, AR, and A99 are limited to a CRS discount of ten percent in Class 1-6 communities and five percent in Class 7-9 communities. The rates for these zones already reflect significant premium reductions. The CRS discount is applied before the addition of the Federal Policy Fee.

If there are no NFIP noncompliance actions, the CRS rating for your community will automatically be renewed annually and a notification letter will not be sent to your community. This renewal will occur as long as your community continues to implement the CRS activities you certify each October. If no additional modifications or new CRS activities are added, the next verification visit for your community will be in accordance with its established five-year cycle or three-year cycle for CRS Class 5 or better communities. In the interim, FEMA will periodically send the "NFIP/CRS Update" newsletter and other notices to your CRS Coordinator to keep your community informed.

I commend you on your community actions and your determination to lead your community to be more disaster resistant. This commitment enhances public safety and property protection and protects the natural functions of floodplains as well as reduces flood insurance premiums.

If you have any questions or need additional information, please contact FEMA Region X, CRS Coordinator, John Graves, by telephone at (425) 487-4737.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Ingram".

Deborah S. Ingram
Acting Deputy Assistant Administrator
for Mitigation
Mitigation Directorate

Enclosure
cc: Keir Miller, CRS Coordinator

COMMUNITY
RATING
SYSTEMVERIFICATION
REPORT

Lane County, OR

NFIP Number: 415591

Date of Verification Visit: July 27, 2007

Verified Class 7

New Application

This Verification Report is provided to explain the recommendations of Insurance Services Office, Inc. (ISO) to DHS/FEMA concerning credits under the Community Rating System (CRS) for the above named community.

A total of 1777 credit points are verified which results in a recommendation that the community be classified as a CRS Class 7. The community has met the Class 7 prerequisite with a Building Code Effectiveness Grading Schedule (BCEGS) Classification of 4/3. The following is a summary of our findings with the total CRS credit points for each activity listed in parenthesis:

Activity 310 – Elevation Certificates: The Planning Department maintains elevation certificates for new and substantially improved buildings. Copies of elevation certificates are made available upon request. (56 points)

Activity 320 – Map Information Service: Credit is provided for furnishing inquirers with flood zone information from the community's latest Flood Insurance Rate Map (FIRM), publicizing the service annually and maintaining records. (140 points)

Activity 330 – Outreach Projects: A community brochure is mailed to all properties in the community on an annual basis. An outreach brochure is mailed annually to all properties in the community's Special Flood Hazard Area (SFHA). The community also provides flood information through displays at public buildings. (145 points)

Activity 340 – Hazard Disclosure: Credit is provided for state and community regulations requiring disclosure of flood hazards. (10 points)

Activity 350 – Flood Protection Information: Documents relating to floodplain management are available in the reference section of the Lane County Public Library. Credit is also provided for floodplain information displayed on the community's website. (70 points)

Activity 360 – Flood Protection Assistance: The community provides technical advice and assistance to interested property owners and annually publicizes the service. (59 points)

Lane County, OR
NFIP #: 415591

Page 2

Activity 420 – Open Space Preservation: Credit is provided for preserving approximately 31,520 acres in the SFHA as open space. Credit is also provided for open space land that is preserved in a natural state. (239 points)

Activity 430 – Higher Regulatory Standards: Credit is provided for enforcing regulations that require freeboard for new and substantial improvement construction, land development criteria, state mandated regulatory standards and elevation of new and replacement homes in existing manufactured home parks. Credit is also provided for a Building Code Effectiveness Grading Schedule (BCEGS) Classification of 4/3 and for certification as a floodplain manager. (659 points)

Activity 440 – Flood Data Maintenance: Credit is provided for maintaining and using digitized maps in the day to day management of the floodplain. Credit is also provided for maintaining copies of all previous FIRMs and Flood Insurance Study reports. (128 points)

Activity 450 – Stormwater Management: The community enforces regulations for freeboard in non-SFHA zones, soil and erosion control, and water quality. (87 points)

Activity 510 – Floodplain Management Planning: Based on the updates made to the NFIP Report of Repetitive Losses as of June 30, 2007, Lane County has 19 repetitive loss properties and is a Category C community for CRS purposes. All requirements for the 2008 application have been met. Credit is provided for the adoption and implementation of the Floodplain Management Plan. Since Lane County is a Category C community with an approved Floodplain Management Plan, a **progress report must be submitted on an annual basis.** (55 points)

Activity 530 – Flood Protection: Credit is provided for buildings that have been flood proofed, elevated or otherwise modified to protect them from flood damage. (71 points)

Activity 540 – Drainage System Maintenance: The community enforces a regulation prohibiting dumping in the drainage system. (30 points)

Activity 610 – Flood Warning Program: Credit is provided for a program that provides timely identification of impending flood threats, disseminates warnings to appropriate floodplain residents, and coordinates flood response activities. (28 points)

Lane County, OR
NFIP #: 415591

Page 3

Attached is the Community Calculations Worksheet that lists the verified credit points for the Community Rating System.

CEO Name / Address:

Jeff Spartz
Administrator of Lane County
125 East 8th Avenue
Eugene, Oregon 97401

CRS Coordinator Name / Address:

Keir Miller
Planner
125 East 8th Avenue
Eugene , Oregon 97401
(541) 682-4631

Date Report Prepared: July 16, 2008

Community : Lane County, OR

NFIP Number : 415591

720 COMMUNITY CREDIT CALCULATIONS (New Application):

CALCULATION SECTION :

Verified Activity Calculations:	Credit
c310 56	56
c320 140	140
c330 145	145
c340 10	10
c350 70	70
c360 59	59
c410 x CGA =	
c420 219 x CGA 1.09 =	239
c430 605 x CGA 1.09 =	659
c440 117 x CGA 1.09 =	128
c450 80 x CGA 1.09 =	87
c510 55	55
c520	
c530 71	71
c540 30	30
c610 28	28
c620	
c630	

722 Community Classification Calculation:

cT = total of above	cT = <u>1777</u>
Community Classification (from Appendix C):	Class = <u>7</u>

CEO Name/Address:

Jeff Spartz
 Administrator of Lane County
 125 East 8th Avenue
 Eugene, Oregon 97401

CRS Coordinator Name/Address:

Keir Miller
 Planner
 125 East 8th Avenue
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 (541) 682-4631

Date Report Prepared: July 16, 2008