



VOLUME 9, No.32

NEWSLETTER

SUMMER 1991

## THEY DID IT!

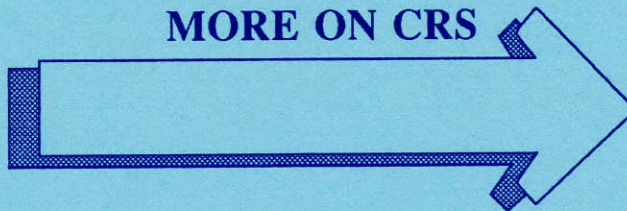
**Congratulations** to the following 27 Texas communities. They took action to apply for the Community Rating System (CRS) in its first year. Their action can save property owners in their communities over \$740,000 next year and even more in following years. We salute all of them for their initiative.

Arlington	Dallas	Lewisville	Austin
Denton	Baytown	Duncanville	Wichita Falls
Benbrook	El Paso	Pasadena	Burleson
Friendswood	Port Arthur	Carrollton	Galveston
Richardson	Cleburne	Garland	Sweetwater
Coppell	Grand Prairie	The Colony	Corpus Christi
League City	North Richland Hills	Matagorda County	

### You Can Do It Too!

The deadline for the second round of applications is December 15, 1991. The CRS Coordinators Manual explains the program and how to apply. Call us at 512/371-6316 or Kathy Hand at FEMA-Region VI, 817/898-5185 for a copy. Workshops will be scheduled in the early fall to provide more assistance to interested communities.

**MORE ON CRS**





## APPLICATION CALENDAR:

December 15, 1990	Applications due to the FEMA regional office
February 1, 1991	Comments due from state and regional agencies in response to the Notice of Application.
July 1, 1991	FIA advises the community if there are enough points for it to be designated a Class 9. During the next 12 months, a CRS Specialist will visit the community to determine its verified CRS classification (1-9).
October 1, 1991	The Class 9 credits take effect for all new and renewed flood insurance policies in the community.
December 15, 1991	Applications and modifications due to the FEMA regional office. [The annual application, review, and verification cycle is repeated.]
July 1, 1992	FIA advises communities that applied in 1990 if there are enough points for them to be designated Class 1-8. Communities that applied in 1991 are told if they are designated Class 9.
October 1, 1992	Premium rates for new and renewal flood insurance policies effective after this date reflect the community's verified CRS classification.

### SAVE YOUR CITIZENS SOME MONEY - APPLY FOR CRS

The Community Rating System (CRS) is a new voluntary program that can save flood insurance premium dollars for property owners, if the Community applies and qualifies.

The CRS is an incentive program for communities participating in the Regular Phase of the National Flood Insurance Program (NFIP) to do more than the minimum requirements. Applications to participate in the CRS are due each year by December 15 and can affect premiums after October 1 of the succeeding year.

There are ten community classes in the CRS. Class 1 communities have the largest premium credit and Class 10 communities receive no premium credit. All communities that do not

apply for CRS classification are Class 10 communities.

The insurance premium credit is based on whether a property is in or out of the Special Flood Hazard Area (SFHA), i.e., the A and V zones as shown on the community's Flood Insurance Rate Map. The premium credit for properties in the SFHA increases according to a community's CRS class. The premium credit for properties outside of SFHA is the same for Class 1-8 communities because premiums in these areas are already relatively low and can be lowered further through the Preferred Risk Policy. Also, most of the activities undertaken to qualify for those classes are implemented only in the floodplain.

The qualifying community total points, CRS classes, and flood insurance premium credits are shown in Figure 1.



**Figure 1. Classes and Premium Credits**

Total Points	Class	Non-SFHA	
		SFHA Credit	SFHA Credit
4,500 +	1	45%*	5%*
4,001 - 4,500	2	40%*	5%*
3,501 - 4,000	3	35%*	5%*
3,001 - 3,500	4	30%*	5%*
2,501 - 3,000	5	25%*	5%*
2,001 - 2,500	6	20%*	5%*
1,501 - 2,000	7	15%*	5%*
1,001 - 1,500	8	10%*	5%*
501 - 1,000	9	5%	5%
0 - 500	10	0	0

\* The credits for classes 1-8 are tentative. The actual premium credits for these classes will take effect on October 1, 1992 and will be determined by FIA by October 1, 1991.

The "Preferred Risk Policy" is not subject to premium rate credits because it already has a lower premium than other policies. 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.

Figure 2 lists the creditable activities and shows the maximum credit points possible if a community implements 100% of the elements credited for an activity. The points are then adjusted to reflect the relative impact of an activity on a community's flood problem.

**Figure 2. Maximum points for the CRS creditable activities.**

<u>Series Activity</u>	<u>Max Points</u>
<b>300 Public Information Activities</b>	
310 Elevation Certificate	140
320 Map Determinations	140
330 Outreach Projects	175
340 Hazard Disclosure	80
350 Flood Protection Library	25
360 Flood Protection Assistance	66
<b>400 Mapping and Regulatory Activities</b>	
410 Additional Flood Data	247
420 Open Space Preservation	450
430 Higher Regulatory Standards	445
440 Flood Data Maintenance	125
450 Stormwater Management	331
<b>500 Flood Damage Reduction Activities</b>	
510 Repetitive Loss Projects	800
520 Acquisition and Relocation	1,600
530 Retrofitting	1,400
540 Drainage System Maintenance	375
<b>600 Flood Preparedness Activities</b>	
610 Flood Warning Program	205
620 Levee Safety	120
630 Dam Safety	95

Full explanation of the creditable activities and the adjustment process are contained in the CRS Coordinators Manual which is available to any community desiring more information. Call us at 512/371-6316.

## REMEMBER

**Your community receives one copy of this Newsletter. Please circulate to all key personnel with responsibilities in Floodplain Management or Emergency Management.**



## **COSTS AND BENEFITS:**

No fee will be charged for a community to apply for a classification or to participate in the CRS. Because there may be a cost to implement the creditable activities, some communities may be concerned whether the cost of initiating a new activity will be offset by the flood insurance premium credits.

It is important to note that reduction in flood insurance rates is only one of the rewards communities receive from undertaking the floodplain management activities described here. Others include:

- o Increased public safety
- o Reduction of damages to property and public infrastructure
- o Avoidance of economic disruption and losses
- o Reduction of human suffering
- o Protection of the environment

As stated above, communities should prepare and implement those activities that best deal with the local flood problem, not just those items that are listed in the CRS Schedule. In considering whether to undertake a new activity, communities will want to consider all of the benefits the activity will provide (in addition to insurance premium credits) in order to determine whether it is cost effective.

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## **CRS INITIATIVE IN MARYLAND**

Kent County, Maryland, one of the Chesapeake Bay's surrounding counties, is actively pursuing participation in the Community Rating System

(CRS). Funding for addition of new activities can be a stumbling block, but Kent County is finding a way around it that should be of interest to all coastal communities. The Coastal Zone Management Act (CZMA), administered by NOAA's Office of Coastal Resources Management, includes reduction of coastal hazards among its goals. NOAA provides funding to coastal states with a portion passed down to the local level to help achieve CZMA goals.

Kent County has applied for CZMA funding to identify and map existing flood-prone structures, to develop a mailing list of owners, to identify available flood damage deduction information, and to develop a report to mail to property owners. An added benefit of this activity will be to complement a recently completed Corps of Engineers/FEMA/National Weather Service Hurricane Evacuation Study by providing accurate information on the number and location of hurricane-prone evacuation sites.

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**IN TEXAS**, the General Land Office (GLO) has been nominated as the State coordinating agency for Coastal Zone Management. The GLO has initiated legislation to qualify Texas and Texas communities for the NOAA funding mentioned above. Ms. Sally Davenport, Director of the Coastal Division at GLO is the point of contact for information. General Land Office, Coastal Division, 1700 North Congress, Austin, Texas 78701-1495. Telephone 512/463-5385.





## CRS POTENTIAL or LET'S TALK \$\$\$\$

A Class 9 in CRS offers 5 percent premium credits on all flood insurance policies (except "Preferred Risk" policies). Even more savings are possible in classes 1-8.

Listed below are the top 25 communities in Texas in terms of flood insurance premiums and the potential 5% savings.

December 1990		
<u>Community</u>	<u>Written Premium</u>	<u>5% of Premium</u>
Houston	\$11,748,343	\$ 587,417
Harris County*	\$ 5,576,923	\$ 278,846
Galveston	\$ 3,454,460	\$ 172,723
Galveston County*	\$ 2,416,117	\$ 120,805
Texas City	\$ 2,036,338	\$ 101,816
Pasadena	\$ 1,874,352	\$ 93,717
Brazoria County*	\$ 1,457,397	\$ 72,869
Beaumont	\$ 1,410,707	\$ 70,535
Port Arthur	\$ 1,267,969	\$ 63,398
Corpus Christi	\$ 1,262,386	\$ 63,119
Baytown	\$ 1,111,047	\$ 55,552
League City	\$ 1,096,207	\$ 54,810
Friendswood	\$ 982,375	\$ 49,118
Lake Jackson	\$ 845,017	\$ 42,250
Austin	\$ 784,793	\$ 39,239
El Paso	\$ 763,959	\$ 38,197
Abilene	\$ 692,522	\$ 34,626
South Padre Island	\$ 631,564	\$ 31,578
Pearland	\$ 616,747	\$ 30,837
La Porte	\$ 604,703	\$ 30,235
Montgomery County*	\$ 585,132	\$ 29,256
Deer Park	\$ 543,849	\$ 27,192
Alvin	\$ 519,771	\$ 25,988
Seabrook	\$ 519,052	\$ 25,952
Aransas County*	\$ 514,949	\$ 25,747
	=====	=====
	\$43,316,979	\$2,165,822
State Total	\$63,644,596	\$3,182,229

\*Unincorporated Area





## CHECKS AND BALANCES

(Excerpted from Minnesota "Water Talk", Winter 1990)



Recently the Federal Emergency Management Agency (FEMA) has been checking up on how well a community administers its floodplain zoning ordinance through local flood insurance applications rather than by a Community Assessment Visit (CAV) conducted by TWC or FEMA staff.

When a homeowner applies for flood insurance, several key pieces of information are collected; the elevation of the lowest floor, the elevation of the 100-year flood and whether or not the structure was built after the effective date of the community's Flood Insurance Rate Map (FIRM).

If the lowest floor of the house was constructed below the 100-year flood elevation and if it was constructed this way after the effective date of the FIRM, the building official or zoning administrator may receive a letter similar to the following:

October 24, 1989  
Mr. Building O. Ficial  
City Administrator  
Somewhere City Hall  
100 West Main Street  
Somewhere, Texas 76201

Dear Mr. Ficial:

We have recently received information from our flood insurance underwriters regarding a building within your corporate limits. The insurance agent submitted the following information on the structure:

Building Address: 1200 Central Avenue, Somewhere, Texas  
Structure type: Single Family Residential, one story, no basement  
Lowest floor elevation: 1167.3 NGVD      Base Flood Elevation: 1173.7 NGVD  
Flood Zone: A-4      Date of construction: ? Application indicated "Post-FIRM"

Your community adopted floodplain management regulations to join the National Flood Insurance Program (NFIP). Minimum NFIP standards require the lowest floor (including basement) of all new residential structures to be elevated to or above the Base Flood Elevation. It appears that this building was constructed in violation of those minimum standards. Please verify the accuracy of the information above and advise us of any corrections. If the data is correct, please send us information on any variance that may have been granted (including justification for granting a variance) or information on specific actions the City is taking to correct the violation. Please reply within 30 days of the date of this letter. For your information, the premium for \$100,500 of structural coverage on this structure costs the owner \$718. If the building had been constructed with its lowest floor at the Base Flood Elevation the premium for the same coverage would be about \$201.

Again, we expect to hear from you or your representative within 30 days concerning this apparent violation of your floodplain regulations.

Sincerely,

Chief  
Natural & Technological Hazards Division  
FEMA-Region VI



The apparent failure of the community to properly administer its floodplain zoning ordinance is going to cost the homeowner and subsequent homeowners a lot of money over the life of the structure.

As indicated in the letter, if the lowest floor had been constructed at the base flood elevation (BFE-1173.7), the flood insurance would be a lot less expensive, but be cautioned that for some communities in Texas the lowest floor of structures must be built at one or more feet above the BFE. If the lowest floor of the structure had been elevated properly, the structure might be removed from the floodplain entirely and flood insurance, if desired or required would be even less expensive than indicated in this example.

It is necessary to be very conscientious in administering a local floodplain zoning ordinance because failure to properly administer the ordinance can become very expensive for floodplain residents. If your community is having trouble interpreting its ordinance or using the floodplain maps please call us. We are ready to provide any assistance that we can.



**TEXAS  
DAM  
SAFETY  
PROGRAM**

FEMA Headquarters has determined that the Texas Dam Safety Program meets the standards of the "Model Dam Safety Program" developed by the Association of State Dam Safety Officials (ASDSO).

Texas is the first state in FEMA-Region VI and one of only seven in the country to be certified by FEMA.

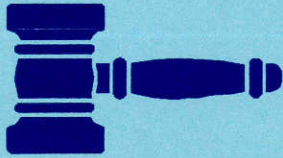
The Dam Safety certification is an immediate benefit to communities that have applied for the CRS. Activity 630 - Dam Safety is valued at 95 possible points. Fifty of the 95 points are based on the certification of the State dam safety program and can be counted by all communities in the State. Additional points are available to communities that are downstream of dams, if

they have dam failure regulations and/or a dam failure emergency plan in place.

**POLICY COUNT CONTINUES RISE**

Since January 1990, the total number of flood insurance policies has risen from 2,247,323 to 2,438,857, or 191,534 new policies in 12 months. This increase of just over 8.5% is the healthiest growth rate the program has seen in years. Florida, Louisiana and Texas continue to lead the Nation, with over 1.4 million policies. The following have all experienced policy growth rates in excess of 10%: South Carolina, Florida, Maryland, Georgia, Alabama, Ohio, Hawaii, Indiana, Puerto Rico, Washington, Arkansas, Tennessee, Nevada, Virgin Islands, South Dakota, and Guam. California and Iowa are state leaders, each having experienced increases in excess of 30%. However, the overall lead goes to Washington, D.C., which started 1990 with only 48 policies and ended it with 537, for an increase of over 1000%.





## **CORRECTIVE ACTIONS CAN BE EXPENSIVE**

(Excerpted from the Michigan "The Floodwater Inquirer", Spring 1991)

Communities in the National Flood Insurance Program (NFIP) that fail to properly enforce the provisions of their flood hazard reduction ordinance or building code have often found themselves facing very expensive correction measures. Several Michigan communities are addressing the resolution of past permitting errors.

A community near the city of Flint is facing a possible liability suit due to a map reading error. In this instance, two residential structures were permitted to be constructed in a floodway, both houses were built with basements substantially below the 100-year flood elevation. The local official consulted the flood boundary-floodway map and mistakenly identified the floodway as zone C, or an area of minimal flooding. This error was then compounded, since the official felt that the site was not in the floodplain, a Department of Natural Resources floodplain regulatory authority permit was not required.

The resultant structures were found to be in violation of the Floodplain Regulatory Authority, 1929 PA 245, as amended by 1968 PA 167, which prohibits human habitation of a floodway, the

local floodplain management ordinance, and the local building code.

Needless to say, the owners of the two structures, when informed of the violation, felt that the community was at fault. Negotiations to resolve the violations continue. The final outcome will no doubt be expensive for the local unit of government.

In another area of the state, FEMA, Region V staff carried out a community assistance visit. During a drive through the community, several neighborhoods of recently constructed homes were identified as having their lowest floors below base flood elevation, many had basements up to seven feet below base flood elevation.

From that cursory examination, it was found that the zoning board of appeals had issued variances to allow basements in most of the cases. Based on approximately 20 variances to allow basement construction and, therefore, skirt the minimum NFIP requirement of "lowest floor including basement at or above the base flood elevation", intense review of the community program was needed.

FEMA requested that the community review its building permit activity over the previous five years and identify all structures built in the floodplain over that period. An additional 264 buildings were found to have been permitted in the floodplain. The communities' consulting engineering firm is now surveying these structures to ascertain lowest floor elevations and exterior adjacent grades. Resolution of these violations to the maximum extent possible will be required by FEMA in



order for the community to avoid probation. This entire enforcement action will be an expensive process for the local community.

### **What can be learned from these situations?**

Violations of the type reported are generally due to local officials who try to accommodate all citizen desires.

A "quick" reading of the floodplain map and issuance of a building permit because "they're coming tomorrow to pour the footers", results in a future liability. When a zoning board of appeals does not understand the true meaning of a variance, (it should be granted only for conditions unique to an individual lot, not because of a particular desire of the owner) heavy expenses may be incurred later. Ultimately, these expenses are passed on to the same citizens we're supposed to be protecting from flood losses.

Be sure your community has a very specific administrative procedure to follow when reviewing development proposals. Be certain that those individuals reading the various floodplain maps have had training and are familiar with flood insurance rate maps and flood boundary-floodway maps. They should know the difference between the two and understand what the various features on the maps mean. Many NFIP communities also have flood insurance studies; these books provide a great deal of additional information about your communities' particular flood hazard and are helpful in making development and planning decisions. Remember the old saying "act in haste, repent in leisure", quick decisions to

avoid a hostile citizen can result in future liability.

Develop a procedural handout, listing the various permits required and the steps which need to be taken in order to carry out a development in your community. This handout should be given to every development permit applicant. A further step can be the publication in your local newspaper of the permit process with an estimate of the time needed between the permit application and permit issuance.

Be certain that the citizens who serve on your zoning board of appeals have sufficient training and know the "whys and wherefors" of when a variance is appropriate. They are not to be used to get around an ordinance.

Determine if your permitting officials are familiar with the local flood hazard reduction ordinance or building code provisions which they are supposed to be enforcing. Strange as it may seem, many of the officials charged with the responsibility for flood hazard reduction in the local ordinance don't know it and may never have read the ordinance. This may be due to job turn over or other reasons; however, in a court of law that excuse will not reduce community liability.

Finally, don't forget that help is available. If you have a floodplain question, doubts about what that map feature means, or what specific requirements for a variance should be, do not hesitate to contact:

NFIP State Coordinator  
Texas Water Commission, D&FSS  
P.O. Box 13087  
Austin, TX 78711 (512/371-6317)



## **EROSION ZONE MANAGEMENT IN THE FUTURE**

(Excerpted from ASFP "News and Views", April 1991)

The "National Flood Insurance, Mitigation and Erosion Management Act of 1991" includes the framework for local regulation of identified erosion-prone areas along the coasts and Great Lakes shorelines. Intended to replace the current Section 1306, "Jones/Upton" provision, this proposal will require communities to manage erosion-prone areas to reduce the possibility of future damage and risk in return for assistance to mitigate current hazards.

Enactment of H.R. 1236 will establish minimum land use restrictions within the 10-, 30- and 60-year erosion zones based on erosion rates. Regulations for these areas are to be prepared within 24 months of enactment. Within 5 years, FIA is expected to have identified all coastal communities with erosion zones.

Included among land use provisions are restrictions on relocated structures, new and substantially improved buildings, and a provision for movability of certain new construction. Assistance is available for relocation of structures threatened by imminent collapse, with demolition reserved only if relocation is unsafe or more costly. An annual cap of \$5 million is established for activities related to mitigation of erosion hazards.

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What's the friendliest part of the earth?

## **STATE CAN BAR BUILDING W/O COMPENSATION**

(Excerpted from "Engineering News Record")

In a decision that has national implications, South Carolina's Supreme Court reversed a lower court ruling and upheld the State's controversial Beachfront Management Act (BMA), which allows the State to regulate the use of private property "to prevent serious public harm" without compensating affected landowners.

The 3-2 decision, which is expected to save South Carolina hundreds of millions of dollars in compensation, came as a result of a legal challenge to the state's 1988 law. That controversial law set strict limits on what can be built and rebuilt on South Carolina's 180-mile shoreline.

A lower court ruled in August 1989 that David Lucas, who owns two vacant oceanfront lots, is entitled to \$1.2 million in compensation from the state because BMA prohibits him from building anything more than a small deck or walkway. The following month, Hurricane Hugo slammed into the coast.

The state's high court overturned the initial ruling, asserting that South Carolina enacted BMA "to prevent a serious public harm" and that such an action does not equal a "regulatory taking" requiring compensation.

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*The ocean! Because it always **waves** at you*



**NATIONAL FLOOD INSURANCE PROGRAM  
FLOOD INSURANCE TRAINING for AGENTS and LENDERS  
(As of May 1, 1991)**

**AGENT SEMINAR SCHEDULE**

**HOUSTON REGIONAL OFFICE  
(FULL DAY REGULAR SEMINAR)  
7035 W. Tidwell, Bldg. J, Ste. 108**

Wednesday, May 8  
Wednesday, June 26  
Wednesday, Sept. 25  
Thursday, November 7

**SPECIALIST SEMINAR  
HOUSTON REGIONAL OFFICE:**

Wednesday, Aug. 28\*  
Wednesday, October 23\*  
Half day sessions 8:30 to 12:30pm\*

**HARLINGEN**  
Tuesday, June 25  
Holiday Inn  
1901 W. Tyler

**DALLAS**  
Wednesday, Aug. 14  
Holiday Inn (Bedford)  
3005 Airport Fwy.

**LENDER SEMINAR SCHEDULE**

**HOUSTON REGIONAL OFFICE  
7035 W. Tidwell, Bldg. J, Ste. 108**

Wednesday, May 29  
Wednesday, July 17  
Wednesday, August 7  
Wednesday, September 11  
Tuesday, October 22  
Wednesday, November 6

**HARLINGEN**  
Wednesday, June 26  
Holiday Inn  
1901 W. Tyler

**DALLAS**  
Thursday, August 15  
Holiday Inn (Bedford)  
3005 Airport Fwy.

**Call 713/690-0115 for more information.**

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**TELEPHONE # CHANGE  
-NEW TWIST ON 9 to 5**

The telephone numbers at the FEMA-Region VI offices in Denton, Texas have changed. The first digit of the last four digits has changed from 9 to 5. New numbers are 817/898-5xxx



TEXAS WATER COMMISSION  
DAM & FLOODPLAIN SAFETY SECTION  
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