So why don't more communities participate in the Community Rating System (CRS)?

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Mark Lujan, FEMA Region 6
Stephanie Routh, CFM Dewberry
Barrett Goodwin, CFM GISP Dewberry

Agenda

- Program Overview
- Program Benefits
- Assessing Return On Investment (ROI)
- Common Perceptions
- Changing Perceptions
- Application Process
- Resources

What is CRS?

- Community Rating System
- Voluntary incentive program for cities and counties
- Administered by FEMA
- Goals:
  - Reduce flood damage
  - Strengthen insurance aspects of the NFIP
  - Encourage comprehensive floodplain management approach
How are CRS Communities Ranked?

- CRS communities earn credit points that determine classifications - 5% - 45% reduction

<table>
<thead>
<tr>
<th>Credit Points</th>
<th>CRS Class</th>
<th>Fractional Reduction for Properties Located in the 100-Year Flood Hazard Area DNHI drawn on the Community Flood Insurance Rate Map (NFIP)</th>
<th>Fractional Reduction for Properties Outside of the DNH drawn on the Community NFIP (does not apply for Preferred Risk Policies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 0.05</td>
<td>1</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>0.06 - 0.10</td>
<td>2</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>0.11 - 0.15</td>
<td>3</td>
<td>15%</td>
<td>0%</td>
</tr>
<tr>
<td>0.16 - 0.20</td>
<td>4</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>0.21 - 0.25</td>
<td>5</td>
<td>25%</td>
<td>0%</td>
</tr>
<tr>
<td>0.26 - 0.30</td>
<td>6</td>
<td>30%</td>
<td>0%</td>
</tr>
<tr>
<td>0.31 - 0.35</td>
<td>7</td>
<td>35%</td>
<td>0%</td>
</tr>
<tr>
<td>0.36 - 0.40</td>
<td>8</td>
<td>40%</td>
<td>0%</td>
</tr>
<tr>
<td>0.41 - 0.45</td>
<td>9</td>
<td>45%</td>
<td>0%</td>
</tr>
<tr>
<td>0.46 - 0.50</td>
<td>10</td>
<td>50%</td>
<td>0%</td>
</tr>
</tbody>
</table>

- To reward communities that improve their resilience against the effects of flood risk.
- Foster a comprehensive approach to floodplain management.
- Reduce flood damage to insurable property.
- Strengthen and support the insurance aspects of the NFIP.

Goals of CRS

CRS Activities and Credit Points

- The CRS Classes are based on 4 Series categories:
  - Public Information 300 Series
  - Mapping & Regulations 400 Series
  - Flood Damage Reduction 500 Series
  - Warning & Response 600 Series

- 19 Activities for credit within these 4 topic areas
- 94 elements that make up credit points
Who Participates in CRS?

- 6% of all NFIP communities participate in CRS, nationwide; but this represents 66% of all insurance policies!
- Incorporated communities are the majority
- More challenging for unincorporated areas
- Tribal Nations are eligible
- Must be a community with floodplain management authority
  - Not a University or non-profit corporation

Benefits of Joining CRS

- Insurance savings
- More money staying in the community

<table>
<thead>
<tr>
<th>Community</th>
<th>Class/Discount</th>
<th>Total Policies</th>
<th>Per Policy Annual Savings</th>
<th>Community Annual Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denton County</td>
<td>6/20%</td>
<td>421</td>
<td>$161</td>
<td>$68,891</td>
</tr>
<tr>
<td>Houston</td>
<td>6/25%</td>
<td>121,489</td>
<td>$105</td>
<td>$12.7 M</td>
</tr>
<tr>
<td>Arlington (City)</td>
<td>7/15%</td>
<td>1,558</td>
<td>$72</td>
<td>$112,072</td>
</tr>
<tr>
<td>Midland (City)</td>
<td>8/10%</td>
<td>1,105</td>
<td>$80</td>
<td>$99,516</td>
</tr>
<tr>
<td>Grand Prairie (City)</td>
<td>6/25%</td>
<td>301</td>
<td>$77</td>
<td>$23,179</td>
</tr>
</tbody>
</table>

Example of range of community savings

- Improved public safety and resilience
- Floodplain management program measured against state and national benchmarks
- Reduction in flood damage; potential for encouraging improvements to flood blight areas
- Increased environmental protection
- Residents reminded community is working to reduce flood losses and lower insurance costs
- More knowledgeable residents and greater support for flood protection measures
- Offset stormwater fees or flood improvement bonds by receiving discount on flood insurance premiums
Return On Investment (ROI)

- Is a being a class 8 worth it?
- $/Labor to get join CRS
- Can be part of an overall community resiliency strategy
- # and $premiums of insurance policies
- We just got new maps!

Evaluation Step

Strength/Weakness/Opportunities/Threats (SWOT)

Good Candidates for Participation

- Have a policy base that justifies the investment
- In full compliance with minimum NFIP requirements
- Already implementing some higher standards
- Performing outreach activities to inform residents about their flood risk
- Have staff with time and resources to oversee the CRS application process and maintain certification
Why don’t more communities participate?

- Perceived ROI for communities with few flood insurance policies
- Too complicated with 600+ page manual
- Community Assistance Visit (CAV) & Letter of good standing delays
- Floodplain violations and poor record keeping
- Special requirements for communities with repetitive loss properties
- Missing info on flood insurance policies on community-owned or leased properties

Ideas to Increase Participation

- Baby-steps, don’t get overwhelmed
- Change perception
  - From Level of Effort (old) To Return on Investment (new)
- Get the positive anecdotes out there
- Simplify the manual
- Money/Technical assistance for CRS applications
- Timely CAVs and close-out activities
- Violation forgiveness for historic problems and minor issues

Changing Perceptions

- > the policy count => ROI (Check your SWOT)
- 500 points to get to Class 9 (5% discount)
- TX CRS Uniform Credit
  - Activity 340 - 15 points – Other Disclosure Requirements
  - Activity 450 - 10 points – NPDES PH II (MS4)
  - Activity 420CE – 35 points – Coastal Open Space
  - Activity 430CE – 20 points – No driving on sand dunes
  - Activity 630 – up to 22 points for the State Dam Safety program
  - State model ordinance is a higher standard for credit
- Other significant points available in freeboard requirements, open space preservation, outreach efforts
Changing Perceptions, cont.

- Start with low hanging fruit
- Make a long term plan
- Seek help
  - CRS user group
  - Mentor – protégé
  - CRS training
  - Region and State Coordinator

The CRS Application Process

So why haven’t you joined?

We’ve encountered many communities who are unable to move beyond Step 1, because they don’t do a SWOT in order to get a sense of their ROI!

Is CRS Right for You?

- STOP... don’t answer that off the top of your head based on your current perception.
- Don’t let the anecdotes influence you.
- Take time to evaluate the ROI.
  - Now?
  - 3 years from now?
  - What happens if we are at real risk rates?
- There’s lots of people who can help you!
Resources

- CRS Resources page: crsresources.org
  - CRS Manual and examples
  - Training schedule and videos
  - CRS Quick Check
  - CRS Self Assessment
  - Contacts

- User Groups:
  - Floodplain Awareness Success in Texas
  - North Central Texas Users Group

- Regional contact: Mark.Lujan@fema.dhs.gov

Contact Us!

Mark Lujan, CFM, ANFI
FEMA Region 6
Program Specialist
CRS, Insurance, Compliance Subject Matter Expert
Mark.Lujan@fema.dhs.gov
940.383.7327

Stephanie Routh, CFM
Dewberry
CRS Subject Matter Expert; GIS and PM focused; FEMA projects for 12 years; all across the U.S.
south@dewberry.com
602.261.9726

Barrett Goodwin, CFM, GISP
Dewberry
GIS Expert; Helps communities join CRS; FEMA projects for 18 years, focused in Region 6
goodwin@dewberry.com
940.735.333
Denton, TX

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