

January 26, 2009

Kevin Houck, P.E., CFM, Chair
Colorado Association of Stormwater and Floodplain Managers
c/o Colorado Water Conservation Board
Watershed Protection and Flood Mitigation Section
1313 Sherman Street, Room 721
Denver, CO 80203

Dear Mr. Houck:

This letter is in response to the Association's October 24 paper on suggestions for the Community Rating System.

Attached is the Association's paper with the CRS Task Force's responses in italics after each item.

I do want to thank CASFM for taking the time to collate and itemize all of these concerns from its members. We agree with most of the suggestions and are working on them. CASFM's thoughts on these responses would be appreciated.

Sincerely,

Tom Powell, Chair
CRS Task Force

Attachments

- Comments on the Community Rating System
- Verification Aids
- Sam Brody JAPA article

Cc: Marsha Hilmes-Robinson, CFM, CASFM CRS Committee Chair

Comments on the Community Rating System (CRS) From the Colorado Association of Stormwater and Floodplain Managers CRS Committee

Property Acquisition: A community that has several thousand structures in its floodplains and has an aggressive acquisition program for floodplain properties often can only qualify for the default credit because the CRS bases its acquisition credits on the percentage of structures acquired with respect to the number at risk and does not consider the considerable funding that has gone to property acquisition.

For example, a community that has 500 floodplain structures gains more points for acquiring 50 structures (10%) than a community that has 4,000 structures at risk and acquires 200 structures (5%) because the percentage is much smaller (but costs for acquisition may have been several \$Million more). Some type of credit could be acknowledged given the amount of funding that a community must invest in acquiring floodplain structures.

Response: This has been a concern of communities since the CRS began. Our response is based on two long-standing policies that the Task Force has upheld. First, CRS credit is based on what portion of the community's flood problem is impacted. It is the Community Rating System. The bigger the problem the more the community has to do. Further, the bigger the problem, the bigger the total insurance premium discount to the community's residents.

The second long-standing policy is that scores are based on the impact on the ground, not the cost to implement the activity. From a flood-loss reduction perspective, it does not matter whether a community purchased 50 structures or the Corps of Engineers bought them or a flood wiped them out. What gets the credit is that the number of buildings exposed to flood damage in the community has been reduced.

We do agree that it doesn't look attractive to have a major floodplain clearance program receive a relatively small number of points. Acquisition and relocation are the most effective flood protection techniques and deserve a lot of credit. As part of our new Strategic Plan, over the next few years we will be evaluating Activity 520 and we will be looking at the relative weights and scoring under the system.

Defined Parameters: In some cases the CRS appears to base credits on how well a community matches very specific parameters about flood mitigation and public information (such as specific public process and community involvement steps) and does not consider variations to these objectives that achieve the same results but may not have followed the detailed rules. The floodplain management planning and public information program strategy plan activities are examples of this.

Response: Initially, all CRS credits were specific criteria that a community could compare its products to. For example, an outreach project's score was based on how it was distributed and what topics it covered. Many people called this "prescriptive," although it was not our intent to tell communities how to do something, only to measure what they do against a yardstick developed by floodplain management professionals.

We found that for some activities, communities could do good jobs in many different ways. The professionals could not state that there was a one best way. We therefore, had to devise a system to score different approaches differently. We decided on scoring the thought process that determined what was best for the community. That is the basis for the credit criteria for floodplain management planning and the public information program strategy – not what the products are, but the fact that the community followed a logical process to select the best measures for its situation.

As long as the basic steps are followed, communities can vary in the details. However, such variance may be reflected in the scoring – the more involved the decision process, the more points it deserves. For example, a community can prepare a floodplain management plan with a public notice and a website and meet the requirement for the public input step. However, if there is a citizens' planning committee, the score will be higher because experience has shown that the result is a better plan that is more likely to be supported and implemented over the years.

We have accepted variations to some of the prerequisite steps, where the community can show that what it did still accomplished the overall objective. If there are specific steps or prerequisites that your membership feels are onerous or irrelevant, we would like to hear about it as we evaluate and revise the credit criteria.

In 2009 we will be reviewing an alternative approach to the public information program strategy. We would like your comments on the proposed approach (which will be ready for review in February) and we are interested if any community would be willing to pilot the proposal.

Open Space Preservation: The CRS does not recognize a community's investment in open space acquisition of lands in adjacent jurisdictions (such as an unincorporated county property adjacent to a city) that serve a significant benefit to the reduction of flood losses. Instead, the jurisdiction that has no investment in the property acquisition, receives the CRS credits.

Response: You raise a good point. Credit is based on what happens in the community that has legal jurisdiction over the property. The fact that another jurisdiction, such as the state, a regional drainage district, or the county has implemented or funded a project that benefits a city has been viewed as irrelevant. As noted earlier, the CRS doesn't care how much a project cost or who paid for it, what counts is the impact on the ground.

On the other hand, if it can be shown that an action outside its corporate limits has reduced flooding in the community, we should be able to calculate credit under Activity 530, Flood Protection. We are also looking into other issues related to extraterritorial jurisdiction. For example, there are complications in other states where a city enforces regulations outside its corporate limits, but the residents of the county don't get the CRS discount. Stay tuned.

Repetitive Losses: Communities that have repetitive losses and propose some effort to eliminate those (which is required under the CRS) are recognized to receive credit. On the other hand, there is no reward for being proactive about maintaining a community that has no repetitive losses.

Response: This is similar to another basic tenet of the CRS that has haunted us since the program began. There are a lot of points for preventive and flood loss reduction activities in the 400 and 500 series. Community A has always had tough regulations that can get a good score in the 400 series. Community B allowed a lot of floodplain development in the '60's and '70's and then passed tough regulations. B can get the same score in the 400 series and has more opportunities for scoring in the 500 series.

This dilemma is somewhat moderated by the scoring being based on the size of the community's problem, as discussed in the response to the first issue. Community A may have 100 buildings in the floodplain. Acquiring 10 of them results in a score of 320 points. Community B may have 1,000 buildings in the floodplain. Acquiring 10 of them results in a default score of 50 points.

There are bonus points for mitigation of repetitive loss properties, that either community A or B could qualify for. As you know, repetitive loss properties represent only 1% of the NFIP policies but account for over 30% of the claim payments. These bonuses are intended to encourage communities to address one of the biggest problems faced by the NFIP.

As part of the Strategic Plan work, there will be a "weighting review" meeting in 2010. At that time, the Task Force will be debating the problem of whether the program rewards those who have done poor jobs managing the floodplain. We will also compare the points for regulatory standards vs. damage reduction and if they look out of balance, we will make adjustments.

Another option that has come up would be to give an automatic class rating of 1 or a 2 to a community that has few or no buildings in the floodplain, for whatever reason. This would be a relatively inexpensive way for FEMA to recognize really good situations (it's inexpensive, because there would be few or no policies that would get the full 45% discount). We would appreciate your thoughts on this idea.

Complicated Activities (Ex. Additional Flood Data, Activity 410): When activities are so complicated that communities and even the ISO representatives themselves have trouble understanding the requirements and documentation, are those activities really achieving their purpose? Many communities will simply give up at some point and say it is not worth the effort. We suggest that these more complicated activities be reviewed for their effectiveness and also do a few pilot studies before implementing new activity requirements.

Response: We want a system that accurately and fairly scores what a community deserves. If one community has studied 10% of its floodplain and another used a different technique to study 20% of its flood problem area, it takes a little work to differentiate between the two. Some of that workload can be reduced with GIS and some verification shortcuts that we are developing, such as uniform minimum credit for certain state activities.

We have also brought on board a new 410 technical reviewer, Dave Carlton, PE, past Chair of the ASFPM Stormwater Committee. He is giving the ISO field specialists more guidance on what to look for and what to collect.

Two things should be noted: First, once a score has been calculated, the work is done. Unlike an outreach project that must be implemented every year, credit for mapping is based on the map product, which may have been produced 5 or 10 years ago. The only work is in calculating the score, not implementing the activity, too.

Second, we are sensitive to the workload that may be involved and are always looking for ways to facilitate it. Attached is a paper developed for the Strategic Plan on verification aids. We plan to revise it periodically, so your ideas and suggestions would be helpful.

Low Density Zoning encourages Sprawl: A key issue in the West is encouraging “smart growth” by trying to reduce urban sprawl. Although the purpose of Activity 430LD is try to minimize the amount of development in the floodplain, an argument can be made that it is encouraging sprawl. The overlap with other credits, such as Open Space Preservation, further complicates this activity. An improvement to this credit would be to try to integrate the goals of smart growth (high density development) and minimizing development in the floodplain in a way that can be easily implemented at the local level and allows for flexibility based on the site conditions. Discussion with representatives from the various western states is encouraged to find practical implementation strategies.

Response: This is a good point that hasn't been brought to our attention before. It is certainly not our intention to encourage sprawl, but to discourage development in a hazard prone area. We would rather see 10 acre agricultural zoning districts than 1 acre “rural estate” districts and the points reflect that preference. From a flood protection perspective, a 1 acre residential district is still “better” than a ¼ acre district. However, we can see that other community goals, such as providing roads, would want to discourage low density zoning in certain areas. Hopefully, each community weighs these competing objectives and makes the best decision.

Again as part of our Strategic Plan, we will be reviewing credits for land development criteria. We expect to increase attention (and probably points) to things like cluster developments, Smart Growth and low impact development (LID) techniques. If your members have some good examples of these techniques, especially where they have resulted in better or less development of floodplains or wetlands, please have them contact our consultant, French Wetmore.

Complicated Activities that Receive Relatively Little Credit (Ex. Flood warning, Activity 610): Some activities, such as the Flood warning activity, have large amounts of required documentation for relatively little credit. Activities should be reviewed to find a balance between the amount of required documentation and the number of credits offered.

Response: This is similar to the earlier comment on Activity 410 being too complicated. Our response is similar: We want a system that accurately and fairly scores what a community deserves and we are reviewing ways to reduce the workload. Activity 610 is being evaluated this year.

Single Expert on Certain Activities: Some activities, such as flood warning, only have one person that is knowledgeable about the details and the scoring of points. Communities would like more information and knowledge about these activities and how they are scored.

Response: Some activities are particularly complicated. We would like these to be scored equitably across the country, so we have technical reviewers. There are at least two experts for each activity as shown in the table below. The second person is a back up when the workload gets heavy and periodically does a quality assurance review of a sample of the primary reviewer's work.

In the case of an activity like flood warning, the community's CRS Coordinator is usually not the point of contact. The technical reviewer may correspond and even talk with the community's contact, such as the emergency manager. As a result, the CRS Coordinator may not know what transpired.

The technical reviewer writes a memo to the ISO/CRS Specialist that explains the credit that should be provided. An interested community can ask for a copy of that memo. Our objective is to help improve local programs, not keep them guessing.

Technical Reviews and Reviewers			
Activity	Element	Primary Reviewer	Second Reviewer
330	OPS	Tom	French, David S.
410	All	Dave Carlton	French, Trak
430	OHS	Trak	Project Team
430	CAZ	Berry	Sherry, French
430LD	LDC	David	French
450	SMR, WMP	Les	Molly, Dave C
510	FMP	David S., Mandy	Berry, French
510	HCP	David S.	French
510	RLAA	French	David S.
530	Structural	French	Les
610	All	Berry	Les, French
620	LP	Dave Carlton	Berry
630	DFP	Les	Berry
SH	Coastal	Berry	Sherry, contractor
SH	Tsunamis	Berry	French
SH	Non-coastal	Les	Berry

Specific Code Language Requirements vs. Other Documentation: Each community has slightly different ways of putting together their code language. More discretion should be given to the ISO reps in determining if the intent of the activity has been achieved by being able to use other documentation beyond just the specific code language. Example –Stream Dumping Requirements, Activity 540 requires specific code language for credit. However, a community may have different code language that it uses to enforce the no dumping requirements and can show the implementation with enforcement letters.

Response: We have always encouraged staff to look at different language and see if it the language meets the credit criteria. This is explicitly stated in Section 221 of the CRS Coordinator's Manual. Please give us some examples of language your members think deserve the credit.

We have seen a problem across the country with the stream dumping regulations. The objective of the credit is to make it illegal to obstruct drainage flows by dumping materials in a channel or storage basin. Some communities have submitted their floodplain management ordinances and others have submitted pollution control regulations (which would prohibit pouring a toxic liquid into a stream but would not consider putting logs in a ditch as a violation). These have been denied credit because they don't meet the objective.

Ratio of Policies to Structures: Floodplain structures that do not have a federally backed loan associated with it are not required to purchase flood insurance. Communities that have a great number of FIS flood insurance policies could be rewarded based on the ratio of policies to floodplain structures (# of policies/ # of structures). This might provide additional incentives for communities to promote the purchase of flood insurance.

Response: This very suggestion is being explored as part of our current Strategic Plan evaluation of Activity 330, Outreach Projects. We are looking at an alternative to the existing credit for promotion of flood insurance (PFI). We have had no applications for PFI, we suspect because it is so expensive. The following is from a draft report. We would appreciate your members' thoughts on these three alternatives.

Promotion of Flood Insurance. No community has applied for the current credit for promoting flood insurance (PFI). It is very prescriptive and the cost of doing it is generally viewed as not worth the points. However, the Task Force wants a special outreach effort to encourage the purchase and retention of flood insurance. Three alternatives are proposed.

1. Max 50 points. Credit = 50 x % buildings in SFHA (bSF) with flood insurance policies. This is a straight-forward credit based on how many buildings have a policy (we plan to beef up collecting accurate counts for bSF as part of our cycle and recertification work). We don't care how or why they get good coverage.

This approach favors communities that already have broad coverage, such as most Florida coastal cities and those with recent flooding. As noted by the Ogilvy reviewers "You would get full credit if every eligible building in the SFHA has a policy? What change would you effect to get credit?" The answer is none, the credit is simply to reflect how much coverage there is.

2. Max 50 points. Credit = 50 x % increase in policies in force. This approach rewards change. However, it favors communities with low levels of coverage (going from 10% coverage to 20% coverage is a 100% increase and the community maxes out at 50 points, while going from 60% to 70% is only a 16% increase).
3. No separate credit. If a community's self-assessment shows the community or certain sectors of it to be underinsured, that should guide its projects to cover the topic of "insure for the risk." Under this option, a community can decide if it wants to encourage an increase in its policies in force and can figure out how to do it and how much to do when it prepares and updates its OPS.

Under the first two, communities can choose any approach(es) they want and they'll get the credit based on changes in policies in force, even if they do nothing. A self-assessment would help a local official design appropriate outreach projects, but would not be a prerequisite for the first two alternatives.

More Timely Feedback: Communities need to receive more timely feedback from ISO on special reviews/technical reviews. Many times, only a total score is given after the credits have been finalized. There needs to be an opportunity for more interaction between the reviewer and the community and for the community to respond to the reviewer's ratings. Many communities are continuously changing and/or reviewing their stormwater programs. It is important for the community to be able to evaluate how future changes they may be considering will impact their CRS credits. If detailed feedback on specific activities and the scoring is not provided, then the community is unable to make those evaluations. (Example – Activity 430 Higher Regulatory Standards – How will a proposed code change affect the score for OHS if the community doesn't know what the credit was given for that standard?)

Response: We should be doing this for standard reviews. As noted earlier, we can give an interested community a copy of the technical reviewer's memo. Local officials should always feel free to call up the ISO/CRS Specialist and ask about the details of scoring. Two other things should be noted. First that often one element won't make a class difference. If it does, we do accelerate the review process so it will be included in time.

Second, there are some more complicated reviews, such as OHS. By its nature, OHS is provided for something we haven't seen before. Proposed credits are reviewed by the technical reviewer, then by the project team, which makes a recommendation to FEMA. OHS reviews can take months, but the resolution should be in the form of a memo that can be given to the community.

Risk Assessments: Finally, as FEMA moves toward the RiskMAP Strategy, it may be worth investigating whether it is practical to determine flood insurance rates based on the "actual" damage amount projected through community risk assessments (using the standardized HAZUS methodology). This would allow communities in states with relatively less risk (i.e. Colorado) to benefit from lower premiums versus states with higher risk (i.e. Florida). This could make the cost of insurance more actuarially based.

Response: This proposal is bigger than the CRS. The NFIP has always recognized the difference in flood risk around the nation. This is done via the Flood Insurance Rate Maps that identify the areas within each community that have a 1% or greater chance of suffering a flood during a year. As a result, communities with relative less risk will have smaller floodplains, while communities that are more susceptible to flooding will have larger floodplains.

In addition, the NFIP has also always identified those areas of flood risk that are susceptible to increased damage from wave actions during flooding (i.e., V-Zones, that have wave heights of 3 feet or greater associated with their "1% annual floods". FEMA is currently conducting a study on Coastal A-Zones in order to determine the feasibility of identifying those areas of A-Zones that have significant wave height but where waves with the 1% storm are less than 3 feet.

The CRS Task Force is looking into reports written by Dr. Sam Brody of Texas A&M University. He has found a relation between CRS class and level of flood damage. Attached is one of his articles on the subject with the CRS references highlighted. We'd like to hear your members reactions to this article.