

MEMORANDUM

DEPARTMENT OF PUBLIC WORKS County of Placer

TO: BOARD OF SUPERVISORS

DATE: November 3, 2009

FROM: KEN GREHM *KG*

SUBJECT: NATIONAL FLOOD INSURANCE PROGRAM – UPGRADE IN COMMUNITY RATING SYSTEM

ACTION REQUESTED / RECOMMENDATION

This item is for information only and no action is required. The County has recently been notified that our flood protection rating in the unincorporated areas of the County has been upgraded as measured by the Community Rating System (CRS) leading to lower flood insurance rates for our citizens.

BACKGROUND / SUMMARY

The National Flood Insurance Program (NFIP) was implemented to promote policies and practices to minimize flood losses in local communities. The Community Rating System (CRS) is a voluntary incentive program that encourages floodplain management activities that exceed the minimum NFIP requirements. Flood insurance premium rates are discounted to reflect the reduced flood risk resulting from actions that 1) reduce flood losses; 2) facilitate accurate insurance rating; and 3) promote the awareness of flood insurance.

Participating communities are periodically rated according to a set of criteria under four categories: 1) Public Information; 2) Mapping and Regulation; 3) Flood Damage Reduction; and 4) Flood Preparedness. A classification number is awarded between 1 and 10. The lower the number the better your program is considered and flood insurance premiums are discounted.

The County began participating in the NFIP in 1991. We have currently been rated as a CRS #5 which is an upgrade from our previous ratings of CRS 6 and 8. In 2007, Placer County citizens had a total of 569 policies representing over \$300,000 in annual premiums. 200 of these policies were located within special flood hazard areas (SFHA). With a CRS rating of 5, citizens with flood insurance within the SFHA will realize an average savings of approximately \$194 per year per policy which represents a 25% discount for these policyholders.

There are well over 1,000 communities participating in the NFIP. A CRS rating of 5 places us in the top 4% of programs nationwide. The only other entity in Placer County that participates in the NFIP is the City of Roseville which became the first community in the nation to attain a rating of 1 in 2006.

ENVIRONMENTAL

This proposed action is not a project as defined by Public Resources Code Section 15378 of the CEQA guidelines.

FISCAL IMPACT

Activities to maintain our participation in the National Flood Insurance Program (NFIP) are included in the CDRA and Public Works operating budgets. Unincorporated County citizens within the special flood hazard area (SFHA) would spend approximately \$155,000 in premiums annually for flood insurance. Because of the prudent floodplain management policies instituted by your Board and the CRS rating of 5, our citizens will receive premium discounts of approximately \$39,000 annually. This represents an average savings of \$194/policyholder.

