

# Action Plan

## Category 1 –Flood Mitigation Planning and Coordination

### Action 1.5 Join FEMA's Community Rating System to Reduce Insurance Premiums



## Overview and Implementation Strategy:

The District should consider participation in FEMA's Community Rating System (CRS), a voluntary program that allows communities to earn flood-insurance discounts for policyholders. FEMA runs the CRS as a voluntary incentive program to encourage floodplain management activities that exceed the minimum requirements necessary for participation in the National Flood Insurance Program (NFIP). For participating CRS communities, flood insurance premium rates for property owners are discounted to reflect the reduced flood risk resulting from actions meeting the three goals of the CRS: reduce flood losses; facilitate accurate insurance rating; and promote the awareness of flood insurance. Participating in the CRS program is not without cost – it will take one additional permanent staff position and substantial coordination amongst District agencies to collaborate and report on progress annually to FEMA to qualify for insurance discounts.

The benefit that attracts communities to the CRS the most is the reduction in flood insurance premiums for their residents and businesses. The dollar savings varies according to the CRS class of the enrolled community (Class 1 having the biggest premium reduction and Class 10 having the smallest), the number of insurance policies, and the amount of coverage purchased by each policy. In addition to the benefit of lower cost flood insurance, CRS floodplain management activities enhance public safety, reduce damages to property and public infrastructure, avoid economic disruption and losses, reduce human suffering, and protect the environment. For many communities, the desire to maintain standing in the CRS program has proven to be an effective motivator to continue implementing flood protection programs during the “dry years.” The fact that the community's CRS status could be affected by the elimination of a flood-related activity or a weakening of the regulatory requirements for new development is further incentive to promote activities and policies that increase flood resilience.

#### Impacted City Ward/ANC:

- All Wards and ANCs.
- Every NFIP policy holder resident in the District.

#### Lead Agency:

- DOEE

#### Supporting Agencies, Roles/Commitments:

- FEMA - would conduct CRS review and site visit CAV
- U.S. Army Corps of Engineers - communication with DC Silver Jackets outreach and communication strategies
- HSEMA - coordination with All-Hazard Plan
- DOB - permitting and building codes
- DISB - Communication around insurance policies
- Other Agency Partners with programs where CRS credit can be earned

## Background:

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#### Impact of this Effort on Task Force Goal:

- If the District is able to join the CRS program, it would reduce the insurance premiums for residents who purchased an NFIP policy.
- By undertaking new floodplain management activities required by the CRS program, the District will be more protected from floods. Activities will enhance public safety, reduce damage to property and public infrastructure, and avoid economic disruption and loss.

#### Requirements for participation:

If the District were interested in participating in the CRS program, it would first need to apply to FEMA, and FEMA would conduct a Community Assistance Visit (audit) of the District's floodplain management programs including record management, and identification of any homes in the floodplain that were not properly permitted through DOB and DOEE.

If the District's application was accepted into the CRS, it must recertify its status every year by reporting on the activities and processes conducted by multiple District agencies in support of the CRS. The District must continue to implement its credited activities to keep its classification. Failure to properly document or engage in the promised activities would result in a lower rating or removal from the program. This would also lower or remove any flood insurance subsidy for the residents.

#### Historical Context:

In 2010, DOEE received a report to review the District's ability FEMA's CRS program and, if so, the level of credit the District could receive in each CRS series of activities and the District's potential classification in the program.

- If the prerequisites are met, the District, in 2010, would have obtained a Class 7 rating by continuing floodplain management activities currently implemented by District staff. With an increased level of effort identified in the recommendations, the District could improve to a CRS Class 6, 5, or 4 rating; a Class 5 or 6 being the most realistic.
- At the time of this report, if the District were a Class 7 CRS community, policy holders in the mapped floodplain would save an average of \$394 every year in flood insurance premiums, for a total Districtwide savings of over \$105,000.
- As of 2022, if the District were a Class 7 CRS community, policy holders in the mapped floodplain would save an average of \$388 per year for a total Districtwide savings of \$130,000.

## Equity

#### How does this action prioritize equity and residents who are most impacted?

The underlying reason for this action is to provide decrease the high cost of flood insurance and improve flood insurance affordability for residents. This will have more profound impacts on low-income residents and residents in the floodplain. In the District, these population characteristics are both found primarily in Ward 7 and Ward 8.

## Timeline:

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#### Actions to Decide if the District Should Join the CRS Program

Fiscal Year	Responsible Agency	Action
2022	DOEE	DOEE begins self-assessment of CRS savings and predicted class level to present to the Task Force. Assessment should include any projected costs to District and identify agency leads and responsibilities.
2023	Task Force	Vote on whether to join CRS program

#### Actions if the District Decides to Join the CRS Program

Fiscal Year	Responsible Agency	Action
2023	DOEE	DOEE prepares a CRS application and sends it to FEMA Region III.
2024	FEMA	FEMA visits the community, conducts a Community Assistance Visit (CAV), and verifies status of each element for which the District is claiming credit.
2024	DOEE DOB DISB	DOEE, with assistance from DISB, DOB, and others, prepares final application package, including documentation for each credit, and two certifications signed by the Mayor.
2025	FEMA	12 months after initial visit, FEMA produces a verification report, and enrolls the District in the CRS Program. FEMA provides 4-month advance notice to insurance companies about the rate adjustment.
2026 and beyond	DOEE DOB DISB	Each year, a community must recertify that it is continuing to meet the prerequisites for its class and to implement the activities for which it has earned credit. The District must provide documentation as proof that each credit is currently being implemented, and submit these reports annually. Information will come from multiple agencies but can be combined by DOEE.

Cycle verifications, or audits, are conducted by FEMA periodically after the initial application.

#### Budget:

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Fiscal Year	Responsible Agency	Funding Source	Amount to be Requested	Description
2023	DOEE	Local	In-Kind	DOEE will use staff time to analyze the costs and benefits of joining the CRS program.
2024 onward	DOEE	Local	\$120,000	Staff salary and benefits for the CRS coordinator position at DOEE
	DOB DISB HSEMA	Local	In-Kind TBD	CRS will take substantial effort from multiple District agencies in order to meet the strict reporting requirements. Staff time from these agencies is required for them to provide information to the CRS coordinator in support of recertification verifications. DOEE or the agency leading CRS will not be successful without full interagency District cooperation. Without this guaranteed full access to reporting needs, CRS will fail.

### Public Outreach and Input:

#### Public outreach & engagement approach/actions:

- If the District were to join the CRS, it requires a certain number of outreach activities per year in all wards of the District. This would align with the Flood Task Force Action Plan on Yearly Outreach.

#### What were the Public Comments of relevance to this Action?

There have not been any public comments related to this activity so far.