

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Policy Session Worksheet

Presentation Date: May 2, 2017 **Approx Start Time:** 10:30 a.m. **Approx Length:** 1 hour

Presentation Title: Floodplain Community Rating System (CRS) and County Floodplain Programs and Activities

Departments: Transportation and Development, County Administration, Disaster Management

Presenter: Mike McCallister, Planning Director; Barbara Cartmill, DTD Director; Laurel Butman, Deputy County Administrator; Nancy Bush, Disaster Management Director

Other Invitees: Dan Johnson, Assistant DTD Director; Project Manager; Jay Wilson, Resilience Coordinator; Steve Hanschka, Senior Planner

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

We are requesting direction from the Board on future participation in the Federal Emergency Management Agency (FEMA) Community Rating System (CRS). In addition, we will update the Board about the County's ongoing efforts on floodplain management programs and activities.

EXECUTIVE SUMMARY:

Performance Clackamas: The Clackamas County Strategic Plan – Performance Clackamas includes five strategic priorities including one to “Ensure Safe, Healthy and Secure Communities.” This priority includes a performance measure which states: *By 2018, Clackamas County will achieve a Community Rating System score for flood safety (CRS) of 4, resulting in substantial savings in flood insurance premiums for county residents. (See Attachment 1.)*

FEMA Community Rating System: The FEMA CRS, part of the National Floodplain Insurance Program (NFIP), is a voluntary program that recognizes jurisdictions for participating in flood management practices that exceed NFIP minimum requirements. The rating system for the CRS program includes Class Ratings ranging from 1-10. A CRS rating of 1 is the best rating and a 10 is the lowest rating.

The program provides a 5% discount for every flood insurance policy holder in the 100-year floodplain for every one-point reduction in the CRS rating (i.e., 5% reduction for a Class 9; 10% reduction for Class 8; etc.). A summary of benefits for a Class 8 rating, based on 1,400 policy holders, is included in Attachment 2. The average flood insurance policy holder receives a 20% discount, or approximately \$96 in savings per year. The Class 4 rating identified in Performance Clackamas would result in a 30% discount for landowners, but cannot currently be met due to statutory constraints.

The CRS Program, which is detailed in a 600-page technical document, requires an extensive amount of technical documentation and reporting, and participation and coordination from at

least 10 County departments / divisions and outside governmental agencies including service districts, parks and libraries (see Attachment 3).

County History with CRS:

- 2004 – The County entered the CRS program as a Class 5. County participation efforts were initially undertaken voluntarily by the Planning and Zoning Division. The County maintained this Class 5 rating until 2012. This rating provided a flood insurance policy discount of 25% to roughly 1,400 homeowners in the 100-year flood zones, and a 10% discount to the policies of all homeowners located outside those zones.
- 2012 -- The County's rating was reduced to a Class 6, with an accompanying / reduced 20% flood insurance policy discount for homeowners.
- 2016: Under more stringent federal regulations and compliance procedures, the County's rating rose to a Class 10. This provides no discounts to homeowners. The rating downgrade happened in large part due to the economic down-turn and diminished capacity of departments to participate in the rigorous technical, tracking and reporting requirements of the CRS program. Despite the CRS rating of 10, the County is fully compliant with all NFIP standards that allows property owners to participate in the FEMA flood insurance program.

If we want to be eligible for a lower CRS rating by January 2019, the County will have to begin the enrollment process soon.

Floodplain management as a whole is an important County function that when fully implemented extends beyond just regulating and enforcing basic NFIP standards.

- The program covers many other County operations such as stormwater management; acquisition / buyout of hazard-prone properties; procurement of state and federal grants to fund and bolster floodplain management activities; development and maintenance of robust, multi-hazard mitigation planning, etc.
- Strong floodplain management also leads ideally to organizing floodplain management strategies around geographic regions and major river basins that target individual river systems, given the significantly different characteristics and conditions of countywide watersheds.
- The CRS can provide a framework for an organizational structure that can enhance County interdepartmental coordination and cooperation of all divisions and agencies that have a role in floodplain management.

Participation by Other Oregon Counties: Eight of the 36 Oregon counties participate in the CRS Program, and 6 have a rating better than 10 (see Attachment 4). Lack of participation by other counties is due to limited staffing resources and/or lack of expertise in floodplain management, lack of long-term sustainable funding and the overall complexity of the program.

Robust CRS Programs in Washington State: Three counties in Washington (King, Pierce and Thurston) have established models for CRS participation. All three counties have a CRS rating of 2, which provides a 40% reduction in flood insurance premiums. Two counties (King and Pierce) fund the CRS program through a countywide flood management or surface water district, surface water management fee and/or real estate excise tax. Thurston County funds the program through dedicated staff and general fund allocations. All three counties have a

dedicated CRS Coordinator on staff to manage the program. A summary of these programs is included in Attachment 5.

Environmental Lawsuit and the Biological Opinion (Bi-Op): An additional consideration in moving forward with the CRS program at this time concerns new FEMA regulations imposed by the National Marine Fisheries Service (NMFS). On April 14, 2016, NMFS issued a Bi-Op concluding that FEMA’s implementation of the National Flood Insurance Program in Oregon violated the Endangered Species Act (ESA) by allowing and encouraging floodplain development that jeopardizes the continued existence of 16 ESA-listed anadromous fish species and Southern Killer whales, and results in the destruction or adverse modification of critical habitat for the fish species. On that basis, FEMA has been directed to change its floodplain mapping protocols and minimum regulatory criteria, which in turn requires all Oregon jurisdictions to adopt, implement and enforce these new standards.

The required changes are known as “Reasonable and Prudent Alternatives” (RPA’s), which include six elements. The elements and the deadlines by which they must be completed are shown in the following table.

Deadline	Element #	Element Title
Sept. 15, 2016	1	Notice, education and outreach
March 15, 2018	2 3 (A, E) 5	Interim measures – update the Floodplain Ordinance consistent with FEMA’s model ordinance (in 2017-18 Planning Work Program) Mapping flood and flood-related hazard areas Data collection and reporting
Jan. 1, 2019	4	Floodplain management criteria (w/o regulatory revisions by FEMA)
Sept. 15, 2019	3 (B, C, D, F, G) 6	Mapping flood and flood-related hazard areas Compliance and enforcement (w/o regulatory revisions by FEMA)
Jan. 1, 2021		A component of the RPA that FEMA determines requires regulatory revisions

The Bi-Op and RPA’s represent a significant paradigm shift in floodplain management. The focus had been on regulating hazards and protection of life and property in floodplains. The new model is to regulate and mitigate environmental impacts from development to avoid jeopardizing the continued existence or destruction of critical habitat of endangered species. Staff anticipates that implementing the Bi-Op and RPA’s will result in a challenging and dynamic regulatory environment for the County and property owners over the next several years. All of the RPA’s will require and be part of the regulatory and reporting framework for participation in the CRS program.

Internal Flooding and Flood Recovery Efforts: Since the January 2011 flood event on the Sandy River, Clackamas County has led an effort with State and Federal agencies, watershed boards and property owners to work toward flood recovery, coordinated permitting, and outreach and education for future flooding events. This group, the Sandy River Sustainable Flood Recovery Team, led by Deputy County Administrator Laurel Butman, meets regularly to discuss countywide floodplain issues including emergency response, education outreach (Flood of Information events), buy-outs, repetitive loss program, regional and state

coordination, erosion control projects, grant requests for mitigation projects, floodplain and channel migration mapping projects, and other activities. Participants include staff from Disaster Management, PGA, Planning and Zoning, Engineering and WES.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? The cost of participation in the CRS program will depend on the CRS rating that is targeted. The lower the CRS rating, the higher the cost to track, implement and submit ongoing reporting to FEMA. There will always be a minimum cost that includes staff coordination and a consultant.

What is the funding source? There are no dedicated funding sources at this time. Funding sources could include dedicated general funds to each department and/or to hire a CRS coordinator. Other funding sources could include countywide flood control/surface water districts, surface water management fees or real estate excise taxes.

STRATEGIC PLAN ALIGNMENT:

- **How does this item align with your Department’s Strategic Business Plan goals?** The purpose of the CRS program is to provide an integrated countywide floodplain management program to provide flood insurance benefits to residents, limit loss of life and property, address health and safety standards, reduce public expenditures for flood protection and relief and disruption of commercial and governmental services. DTD’s Disaster Management Strategic Business plan includes a mission and goals to provide services to residents, property owners, business and the traveling public so that they can experience a safe, well-designed and livable community. This mission statement aligns with the County’s Performance Clackamas goals to ensure safe, healthy and secure communities.
- **How does this item align with the County’s Performance Clackamas goals?** This issue aligns with the county’s Performance Clackamas goal to *ensure safe, healthy and secure communities*. The goal currently includes a public safety priority to achieve a Community Rating System (CRS) score of four. The plan will have to be modified to achieve a rating of not less than five because under current law constraints, a four cannot be met. There would have to be state legislative changes related to channel migration zoning, buffers and building codes before a CRS of four could be met.

LEGAL/POLICY REQUIREMENTS:

1. The County is not legally required to participate in the CRS program.
2. As discussed in the executive summary, participation in the CRS program provides benefits to county residents by reducing flood insurance premiums. More importantly, it provides a coordinated flood management program to reduce flood risk and insurable damages, inform the public about flood risks and planning, create opportunities to complete buyouts and other positive floodplain management activities.

3. A long-term sustainable funding source is necessary to ensure continued participation in the CRS program. Long-term general fund dollars may not be a reliable funding mechanism due to changing financial environments and Board priorities.
4. The funding should support a dedicated position to oversee and manage CRS participation.
5. The CRS program could be housed in one of several departments or divisions including; County Administration, Disaster Management, DTD Administration, Planning and Zoning Division or Water Environment Services.
6. The CRS program requires broad participation and commitment from at least 10 County departments and divisions, WES, three service districts, North Clackamas Parks and Recreation District and library districts.

PUBLIC/GOVERNMENTAL PARTICIPATION: Contact has been made with impacted divisions and departments in the county and other jurisdictions. No public outreach efforts have been initiated as yet.

OPTIONS:

1. Direct funding for participation in the CRS program as identified in Performance Clackamas. CRS rating to be determined by the Board’s desired outcome. Please see attachment #3 for applicable costs.
2. Direct staff to research and identify specific funding mechanisms to support a CRS rating program and return for another policy session. This would include mechanisms such as countywide surface water and flood control special districts.
3. Direct staff to maintain the current, minimal level of participation in the CRS program monitor progress of the FEMA Bi-Op implementation measures and return to the Board in FY 18-19 to determine next steps for the CRS program.

RECOMMENDATION:

Staff respectively recommends #3, with the county maintaining at least the minimum program required to achieve a CRS ranking of 10. However, any specific level of achievement is dependent on the discussion and direction from this policy session.

ATTACHMENTS:

1. 2016 Performance Clackamas Strategic Plan Goal
2. CRS Flood Insurance Analysis
3. A) CRS Activity Summary and B) Activities and Participants
4. CRS Participation by Other Oregon Counties
5. CRS Washington Participants (King, Pierce and Thurston Counties)

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Mike McCallister @ 503-742-4522
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AREA OF STRATEGIC FOCUS

Ensure Safe, Healthy and Secure Communities

Goal: By 2018, Clackamas County will achieve a Community Rating System (CRS) score for flood safety of 4, resulting in substantial savings in flood insurance premiums for County residents.

Why this is important:

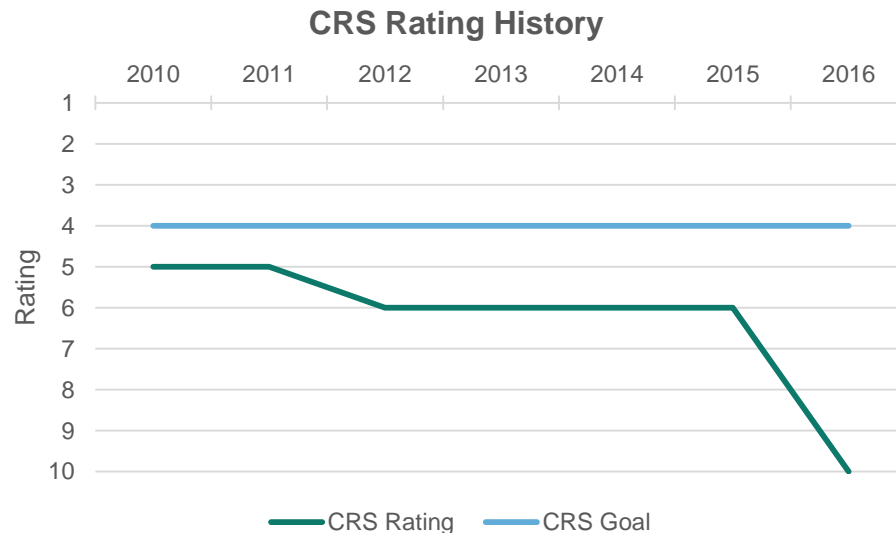
Clackamas County is susceptible to a variety of natural disasters, including floods. An improved CRS score is a sign that the County, its communities, its businesses and residents are better prepared to cope with and recover from this common threat.

How much does the County influence this?

Moderately. Participation in the CRS program requires intensive efforts by the County, other jurisdictions, special service districts and other agencies.

Where are we now:

Clackamas County received an initial CRS rating of 5 in 2004 which it held until the rating was downgraded to 6 in 2012. We underwent a CRS review from March to December 2015. We also engaged a consultant who provided scope and cost information for future work needed to meet this goal. We did not receive funding for this contract and the County's CRS rating dropped to 10 in 2016. Absent funding, this goal is unreachable.



FLOOD INSURANCE ANALYSIS – CRS RATING OF 8

Based on approximately 1,400 flood insurance policies in Clackamas County and applying the premium amount of \$1,000 each, the following gives premium savings based on a CRS Rating of 8. This rating will give a 10% discount for properties within the SFHA and 5% outside the SFHA. The Preferred Risk properties receive no discount as they are in zones with existing discounted rates.

	SFHA Zones	Outside SFHA	Preferred Risk
Discount	10%	5%	0%
Policies	55%	10%	35%
Total \$	\$746,000	\$138,000	\$0
Savings	\$74,000	\$6,900	\$0
# of Policies	770	140	490
Savings Each	\$96.10	\$49.29	\$0

CRS ACTIVITIES

300 Public Information Activities

310 Elevation Certificates: Communities are required to maintain a record of the elevation of the lowest floor of any new building or substantial improvement built in the SFHA. Also requires communities to make this information available for public inspection and insurance rating.

320 Map Information Service: Provides inquirers with information about the local flood hazard and about flood-prone areas that need special protections because of their natural functions. Map information can greatly help banks, real estate agents and anyone who needs flood hazard information.

330 Outreach Projects: Provides the public with information needed to increase flood hazard awareness and to motivate actions to reduce flood damage, encourage flood insurance coverage, and protect the natural functions of the floodplains.

340 Hazard Disclosure: Disclose a property's potential flood hazard to prospective buyers before the lender notifies them of the need for flood insurance. Public outreach to real estate agencies is a primary method.

350 Flood Protection Information: Provides the public with information about flood protection that is more detailed than that provided through outreach projects, such as, information placed in libraries or websites.

360 Flood Protection Assistance: Provides one-on-one assistance to people who are interested in protecting their property from flooding. The objective is to have a knowledgeable person directly advise a property owner about measures that would be appropriate for the owner's situation.

370 Flood Insurance Promotion: The objective is to improve flood insurance coverage in the community. Communities have an excellent opportunity to promote the availability of flood insurance and its importance as a preparedness measure.

400 Mapping & Regulations

410 Floodplain Mapping: Provides credit for developing maps and flood data for floodplain management in areas where FEMA did not provide data or for mapping to a higher level than required by FEMA.

420 Open Space Preservation: Prevent flood damage by keeping flood-prone lands free from development and protect and enhance the natural functions of the floodplain.

430 Higher Regulatory Standards: Credit regulations to protect existing and future development and natural floodplain functions that exceed the minimum criteria of the National Flood Insurance Program (NFIP).

440 Flood Data Maintenance: Make community floodplain data more accessible, current, useful, and/or accurate so that the information contributes to the improvement of local regulations, insurance rating, planning, disclosure, and property appraisals.

450 Storm water Management: Prevent development from increasing flood hazards to existing development and to maintain and improve water quality.

500 Flood Damage Reduction

510 Floodplain Mgmt. Planning: Credit the production of an overall strategy of programs, projects and measures that will reduce the adverse impact of the hazard on the community and help meet other community needs.

520 Acquisition & Relocation: Encourage communities to acquire, relocate, or otherwise clear existing buildings out of the flood hazard area.

530 Flood Protection: Protect buildings from flood damage by retrofitting the buildings so they suffer no or minimal damage when flooded and/or constructing small flood control projects that reduce the risk of flooding.

540 Drainage System Maintenance: Ensure that the community keeps its channels and storage basins clear of debris so that flood carrying and storage capacity are maintained.

600 Warning and Response

610 Flood Warning & Response: Encourage communities to ensure timely identification of impending flood threats, disseminate warnings to appropriate floodplain occupants, and coordinate flood response activities to reduce the threat of life and property.

620 Levees: Encourage communities to properly inspect and maintain levees and to identify impending levee failures in a timely manner, disseminate warnings to appropriate floodplain occupants and coordinate emergency response activities to reduce the threat to life and property.

630 Dams: Same objective as **620**.

CRS ACTIVITIES / PARTICIPANTS

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.
	Admin / BCC	Planning	Building	Surveyor	Engineering	Road Maintenance	WES	Disaster Mgmt.	NCPRD	Public & Govt Affairs	TS / GIS	Oak Lodge Water Services	Parks	Clean Water Services	Library
300 Public Information Activities															
310 Elevation Certificates		X	X	X											
320 Map Information Service		X			X	X	X	X		X	X				
330 Outreach Projects		X	X				X	X	X		X	X		X	
340 Hazard Disclosure		X	X				X	X		X	X	X		X	
350 Flood Protection Information		X	X		X		X	X		X	X	X		X	X
360 Flood Protection Assistance		X	X		X		X	X						X	X
370 Flood Insurance Promotion		X	X					X		X					X
400 Mapping & Regulations															
410 Floodplain Mapping		X	X	X	X	X	X	X		X				X	X
420 Open Space Preservation		X					X	X	X		X		X	X	
430 Higher Regulatory Standards	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
440 Flood Data Maintenance		X	X	X	X	X	X	X			X			X	
450 Storm water Management		X	X		X	X	X	X				X		X	
500 Flood Damage Reduction Activities															
510 Floodplain Mgmt. Planning		X	X	X	X	X	X	X	X	X	X	X	X	X	X
520 Acquisition & Relocation	X	X			X		X	X		X					
530 Flood Protection		X	X				X	X							
540 Drainage System Maintenance		X			X	X	X	X				X		X	
600 Warning and Response															
610 Flood Warning & Response		X	X		X	X	X	X		X	X				
620 Levees		X						X							
630 Dams		X						X							
Employee Requirements															
Estimated FTE	0.2	1.0 +	0.2	0.1	0.2	0.2	0.3	0.3	0.1	0.3	0.3	0.2	0.2	0.1	0.1

OREGON COUNTIES – CRS PROGRAM

The following list gives the status of each of the 36 Oregon counties relating to the FEMA CRS Program. In summary, of the 36 counties, 8 are in the program and 2 of the 8 are rated as a 10, which provides for no insurance premium discount.

Does Not Participate

1. Washington
2. Linn
3. Clatsop
4. Josephine
5. Columbia
6. Umatilla
7. Curry
8. Multnomah
9. Coos
10. Wheeler
11. Yamhill
12. Lincoln
13. Baker
14. Crook
15. Gilliam
16. Grant
17. Harney
18. Hood River
19. Jefferson
20. Klamath
21. Lake
22. Malheur
23. Morrow
24. Polk
25. Sherman
26. Union
27. Wallowa
28. Wasco

Participates / Rating

1. Clackamas / 10
2. Tillamook / 10
3. Deschutes / 8
4. Douglas / 8
5. Jackson / 7
6. Lane / 7
7. Benton / 6
8. Marion / 6

CRS WASHINGTON COUNTIES

1. King County

- Has a 2 rating, which provides a 40% premium reduction in the base areas and 10% outside.
- Receives \$35-40 million annually to support flood mitigation programs, including CRS.
- Receives \$5-6 million in annual grants for additional support.
- Funded by a countywide flood control district (\$.10 per \$1,000 assessed).
- Two departments are responsible for the program – Building, and Natural Resources & Parks.
- Assigned CRS coordinator.
- Some of their commissioners have challenged the need for the program.
- After entering the CRS, the county did not note a reduction in flood-related losses.
- Overall, their mitigation efforts increased by CRS participation.
- In summary, King County has considerable funding and staffing, and used the program activities to base their flood mitigation program.

2. Pierce County

- Has a 2 rating, which provides a 40% premium reduction in the base areas and 10% outside.
- Funded by a Surface Water Management Fee and Real Estate Excise Tax.
- Has a designated CRS coordinator.
- Provides residents an opportunity, through public hearings, for input and education prior to the 5-year cycle review.
- Use the program effectively for outreach and awareness in their mitigation efforts.
- Believe the CRS, in combination with the capital improvement projects and an aggressive building and home acquisition program, has reduced repetitive flood losses in the county.

3. Thurston County

- Recently awarded a 2 rating, which provides a 40% premium reduction in the base areas and 10% outside.
- A senior civil engineer in the Environmental Resource Dept. is the CRS coordinator and devotes approximately 100 hours in a non-verification year and 400 hours in a verification period.
- CRS program is intertwined in a recently completed Flood Hazard Mitigation Plan, which cost approximately \$55,000.
- Current Clackamas County Administrator was their administrator during the last 5-year CRS review.
- Like the other 2 counties, appears to have the dedicated staff and general fund allocation to support the program.
- During a verification year, total staff time in various departments is from 800-1,000 hours.
- According to the coordinator, funding for the program is absorbed within each affected department's budget.

Thurston, King and Pierce counties have the lower CRS ratings in the U.S., with the exception of Roseville, California, which has a rating of 1. No other counties have a rating of 2.