

CHANGES COMING TO THE NATIONAL FLOOD INSURANCE PROGRAM – WHAT TO EXPECT

Impact of the Biggert-Waters Act on
your community

Why the Changes to the NFIP?

- 1968 - Congress created the National Flood Insurance Program to make flood insurance more affordable and decrease Federal Disaster Assistance expenditures.
 - Community Participation
 - Subsidized Rates
- 45 years later - Subsidized rates are unsustainable.
- 2012 - Congress passed legislation to make the program more sustainable and financially sound over the long term.



Changes are Coming to the NFIP

- **Flood Insurance Reform Act of 2012 (Biggert-Waters 2012)**
 - Rates for most properties will more accurately reflect risk
 - Make the NFIP more financially stable by raising rates on certain classes of property to reflect true flood risk; and
- **What to expect:**
 - Rate increases will occur for many policyholders over time and will eliminate subsidies.
 - Buying or selling a property, or a lapsed policy may trigger rate changes.
 - Communities will be able to make smart decisions and investments that will reduce risk and policy costs.



BW-12: What's Changing?

■ Flood insurance rates

- Will more accurately reflect risk.
- Subsidized rates for **non-primary** residences are being phased out now.
- Other subsidized rates will be eliminated over time:
 - New policies sold after July 6, 2012; and
 - Purchase of a property, allowing a policy to lapse, repetitive loss or cumulative damage, or other events, could trigger rate changes beginning in 2013.
- When a community adopts a new flood map, discounts like grandfathering will be phased out – meaning premiums will increase over time. Expected in 2014



Who **Will** Be Affected by Subsidy Changes?

- Not everyone
 - 20% of NFIP policies receive subsidies and even fewer will see immediate changes
 - This number is closer to 50% for Region V

- Near-term Changes

- Subsidized policy owners will see a 25% increase annually until rates reflect true risk:
 1. Non-primary residences (January 2013)
 2. Severe repetitive loss properties (October 2013)
 3. Business properties (October 2013)



Who **Will** Be Affected by Subsidy Changes?

▣ Important Reminder

- ▣ Not 25% increase over current premium
- ▣ Increase is based on the difference between the current (subsidized) rate and the full-risk rate
- ▣ Ex: Current = \$400; Full-risk = \$1200
- ▣ 1st year increase would be \$200 ($\$1200 - \$400 = \800 divided by 4)

Who Won't Be Affected by Subsidy Changes?

- ❑ Owners of primary residences in SFHAs will be able to keep their subsidized rates unless or until:
 - Property sold (*new rates will be charged to next owner if they insure*)
 - Policy lapse
 - Suffer severe, repeated flood losses; or
 - Purchase of new policy (*after July 6, 2012*)
 - Owners of properties currently rated actuarially with an elevation certificate.



When Will Changes Occur



January 1, 2013

- Premiums for older (pre-FIRM) **non-primary residences** in a Special Flood Hazard Area will increase by **25 %** each year until they reflect the full-risk rate.

When Will Changes Occur

October 2013

- ▣ **Full-risk rates** will apply to property not previously insured, newly purchased, or a policy which is repurchased after a lapse
- ▣ **25 % premium increase annually until full-risk rate**
pre-FIRM business properties, severe repetitive loss properties (1-4 residences), and properties where claims payments exceed fair market value will increase by 25 percent each year until they reflect the full-risk rate

Other Changes

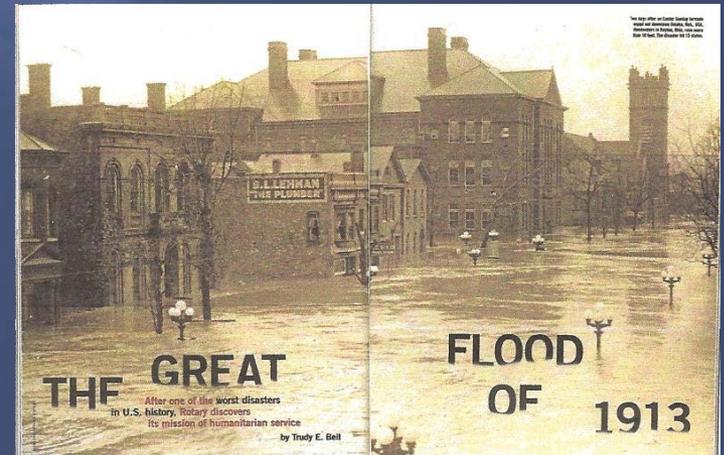
▣ Late 2014

Properties affected by map changes will see premiums increase over five years at a rate of **20%** per year to full-risk rates. Grandfathered rates to be phased out



What Does This Mean for Floodplain Administrators?

- ❑ Floodplain Management has never been more important!
 - Builds a more resilient and economically viable community before, during, and after a disaster event
- ❑ Change is coming!
 - **Prepare:** Know your community's flood risk and flood history
 - **Plan:** Learn about ways to help residents reduce their risk
 - **Communicate:** Share information on mitigating flood risk



How to Answer Flood Insurance Questions

- Direct questions to insurance agents or www.floodsmart.gov.
 - ▣ Do not speculate on flood insurance rates
 - Every property is different. What may apply to one, may not apply to another.
 - Don't perpetuate fear or feed into rumors.
- ▣ You do need to understand how floodplain management decisions can impact insurance rates



New Message to Homeowners

- **Talk to your insurance agent about options**
 - Get an **Elevation Certificate** to determine your correct rate!
 - Higher deductibles might lower your premium
- **Mitigate (Remember to get a permit)**
 - Building or rebuilding higher will lower your risk and could reduce your premium
 - Consider adding vents to your foundation or using breakaway walls
 - Talk with local officials about community-wide mitigation
 - Look at mitigation as a way to improve resale value



Floodplain Management and Insurance Disconnects

Under the Flood Insurance Reform Act of 2012, You Could Save More than \$90,000 over 10 Years if You Build 3 Feet above Base Flood Elevation*

**PREMIUM AT 4 FEET BELOW
BASE FLOOD ELEVATION**

**\$9,500/year
\$95,000/10 years**



BFE

**PREMIUM AT
BASE FLOOD ELEVATION**

**\$1,410/year
\$14,100/10 years**



BFE

**PREMIUM AT 3 FEET ABOVE
BASE FLOOD ELEVATION**

**\$427/year
\$4,270/10 years**



BFE

*\$250,000 building coverage only (does not include contents), AB (high to moderate risk) zone, single-family, one-story structure without a basement at: 4 feet below Base Flood Elevation (BFE); at BFE; and at 3 feet above BFE. (Rating per FEMA flood insurance manual, October 1, 2012). The illustration above is based on a standard National Flood Insurance Program (NFIP) deductible.



Saving Money on Flood Insurance

- ❑ Community Resiliency
- ❑ Retrofit/elevate elevate elevate
- ❑ Talk to insurance agent – Get an E.C.



The smartest way to save is to build higher.

Make Your Community Resilient

1. Enforce your floodplain ordinance
 1. Adopt higher standards in your ordinance
 2. Advise developers of possibility of future higher water elevations
1. Be familiar with the community's flood risk and Flood Insurance Rate Maps
1. Consider community-wide mitigation steps through Hazard Mitigation Plan
1. Outreach to your community's Mayor/Village President, Board, trustees, other departments, etc.

Retrofitting Structures

- ❑ Encourage retrofitting compliant-when-built structures to protect against current risk and maximize insurance savings
 - Install vents and ensure proper venting in lower enclosures
 - Elevate equipment
 - Backfill basements and lower enclosures
 - Elevate structure above BFE (anticipated)
 - Relocate structure out of SFHA
 - Flood proof non-residential structure



Remind people to get a permit!

Increased Cost of Compliance



Mitigation Grants



City of Ottawa



1982

The Ottawa "Flats" under water.



2008

Ottawa "Flats" after buyouts.

Resources

- ▣ FEMA Biggert Waters resource page
 - <http://www.fema.gov/flood-insurance-reform-act-2012>
- ▣ FloodSmart
 - www.FloodSmart.gov
- ▣ Map Service Center
 - www.msc.fema.gov
- ▣ FEMA NFIP Homepage
 - <http://www.fema.gov/business/nfip/>
- ▣ Map Information eXchange
 - https://www.floodmaps.fema.gov/fhm/fmx_main.html
 - 1.877.FEMA MAP (1.877.336.2627)
- ▣ NFIP I-Services
 - www.NFIPiservice.com (FEMA Bulletins, Reports, Training, Mailing Lists for flood insurance)

The Bottom Line

Many changes are coming to the Flood Insurance program

Congress acted to make program stronger financially

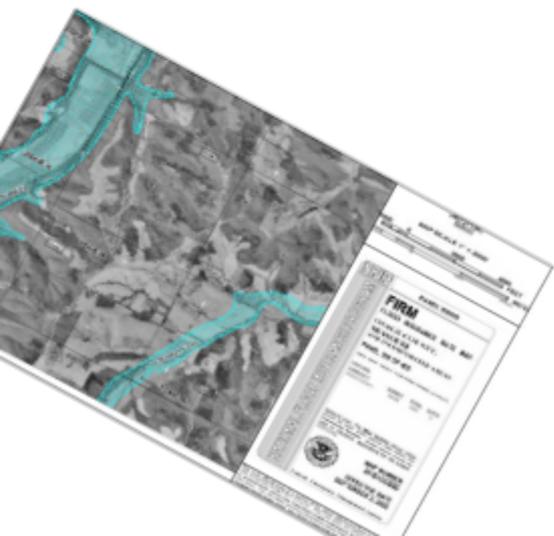
With many more policies, flood insurance rates will reflect full risk

Insurance rates will rise on some policies

There are specific actions which will trigger rate changes

Direct citizens to their insurance agent for how changes may affect

their property and flood insurance policy



The Bottom Line

- **Building or rebuilding higher can lower flood risk and could save money**
- **Know how to make smart floodplain management and insurance decisions**
- **Communities can lower flood risk and flood insurance premiums through:**
 - Reinforcing higher standards
 - Building and rebuilding to mitigate future flood damage
 - Various mitigation grants



LOMC REVIEW

Dispatches From The Front

A Tale Of Two Agencies

- ▣ State/local standards
- ▣ Federal Regulations
- ▣ Federal Guidance/Technical Bulletins
- ▣ When is fill not really fill?
- ▣ Community Acknowledgment Form: What knowledge? Who has the knowledge?
- ▣ Role of the surveyor/engineer

FORMS

MT-1s vs. MT-2s

LOMAs vs. LOMRs

- Letters of Map Change (LOMCs)
- MT-EZ Map Amendments
- MT-1s Map Amendments or LOMAs
- MT-2s Map Revisions or LOMRs

The image displays two FEMA forms. The top form is a 'LETTER OF MAP AMENDMENT DETERMINATION DOCUMENT (REMOVAL)' for the City of Aiken, South Carolina. It includes fields for 'COMMUNITY AND MAP PANEL INFORMATION', 'LEGAL PROPERTY DESCRIPTION', 'AFFECTED MAP PANEL', 'FLOODING SOURCE', and a 'DETERMINATION' table. The table lists 'LOT', 'BLOCK/SECTION', 'SUBDIVISION', 'STREET', 'OUTCOME', 'FLOOD ZONE', and '1% ANNUAL CHANCE FLOOD'. A 'Special Flood Hazard Area (SFHA)' is also indicated. The bottom form is a 'FIRM FLOOD INSURANCE RATE MAP' for the City of Dallas, Texas, showing 'ZONE X' and 'ZONE AE' areas. It includes a legend for flood zones, a scale of 1" = 1000', and a date of 'REVISED TO REFLECT LOMR EFFECTIVE: MAY 17, 2010'.

LOMC – Letter of Map Change

- Official revision to an effective Flood Insurance Rate Map (FIRM)
- Issued in place of the physical revision and republication of the effective map

Supports Risk MAP Vision

- Incorporates more detailed data
- More accurate risk assessment
- Better tools for planning and mitigation

Endangered Species Act of 1973, Section 7

- Requires Federal agencies to ensure actions they authorize, fund, or carry out do not jeopardize listed species
- Fish & Wildlife Service and National Marine Fisheries Service (“the Services”) implement the ESA
- ESA compliance must be shown for all CLOMRs and CLOMR-Fs submitted as of October 1, 2010
- DNR Role? We have no role.

Must submit one of these documents from the Services:

- Incidental Take Permit
- Incidental Take Statement
- “Not likely to adversely affect” determination from the Services
- An official letter from the Services concurring that the project has “No Effect” on listed species or critical habitat

FEMA may deny CLOMR/CLOMR-F if the project may harm a species or habitat

For more information, Google “FEMA Procedure Memorandum 64”

What Are Lenders Responsibilities?

Required lender actions through National Flood Insurance Reform Act of 1994:

- Determine whether building is located in SFHA
- Document determination
- Require that flood insurance to the appropriate limit be maintained (usually loan value or replacement value)
- Over the term of the loan, ensure flood insurance is in place if building is mapped into the SFHA or flood risk zone changes

Community Officials' Responsibilities

Required community official actions:

- Adopt and administer regulatory standards meeting the minimum state and federal requirements
- Require permits for all development in the SFHA
- Review floodplain projects to ensure compliance
- Initiate enforcement actions as needed and cooperate fully with state and federal agencies in resolving outstanding CAV violations and other compliance actions

Title 44 of the Code of Federal Regulations
Parts 65 and 70 provide procedures for FEMA to review scientific and/or technical data to create Letters of Map Change (LOMCs)



Map Amendments (MT-EZ and MT-1)

LOMA	Letter of Map Amendment
CLOMA	Conditional Letter of Map Amendment
LOMR-F	Letter of Map Revision Based on Fill
CLOMR-F	Conditional Letter of Map Revision Based on Fill
eLOMA	Electronic Letter of Map Amendment

MT-1

- May be used for all LOMAs, CLOMAs, LOMR-Fs, and CLOMR-Fs

MT-EZ

- May only be used for LOMAs
- Single structure/lot
- Must be outside of floodway

LOMA: A letter from FEMA stating that an existing structure or parcel of land that has not been elevated by fill (natural grade) would not be inundated by the base flood.

CLOMA: A letter from FEMA stating that a proposed structure that is not to be elevated by fill (natural grade) would not be inundated by the base flood if built as proposed.



LOMA or CLOMA

Results from limitations or inaccuracies in the base mapping used for Flood Insurance Studies.

Based on natural ground, **without fill or other physical changes to the SFHA, NFIP regulatory floodway, or BFEs.**

CLOMAs may be required by the community in order to obtain a building permit. (Requires submittal of certified as-built data after project completion for a LOMA to be issued).

Plat maps

Certified Site Survey

ESA Compliance: Procedure Memorandum No. 64

Metes and bounds descriptions and
accompanying maps

BFEs for Zone A areas

LOMA-Out As Shown

Submit following docs:

MT-EZ application form

Plat or parcel map

Official property deed

Aerial photo w/ location

Elevations are not needed

Before submitting, check with lender and ask if they will accept additional data for reconsideration



LOMA's In Zone A Areas

What if there is no BFE on the map?

Possible data sources include:

- U.S Army Corps of Engineers
- State agencies (i.e. Department of Natural Resources, Department of Transportation, etc.)
- Local community's Engineering, Planning, or Building Department
- Regional Planning Commission

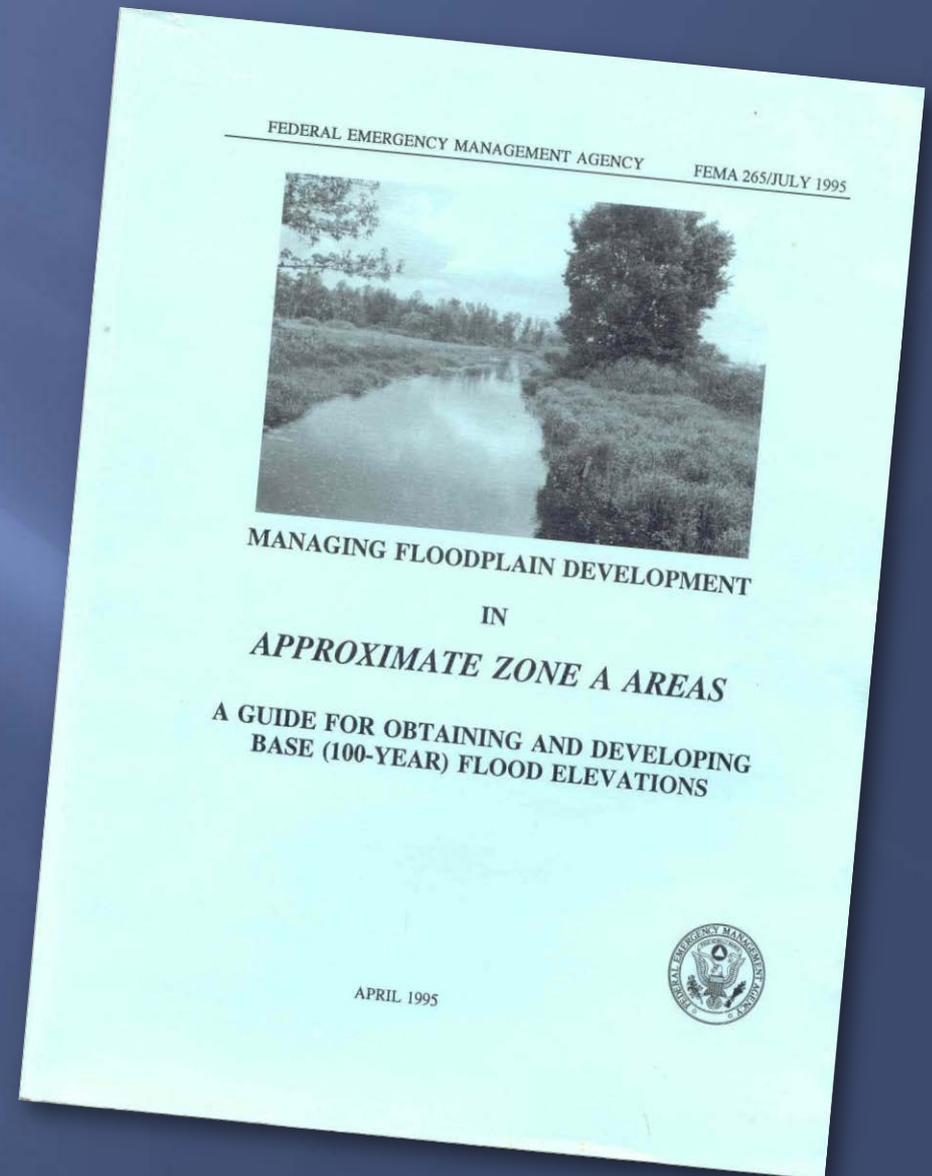
Zone A Manual and Quick-2

Provides guidance for developing BFEs in Zone A

Only used for issuing LOMA and determining whether flood insurance purchase requirements apply

Cannot be used for issuing zoning or building permits in Wisconsin

Only an engineering study which meets the standards in NR 116 is valid



What is an eLOMA?

- eLOMA is a Web-based application within the Mapping Information Platform (MIP) that provides Licensed Land Surveyors and Professional Engineers (Licensed Professionals) with a system to submit simple Letter of Map Amendment (LOMA) requests to FEMA.
- Map determination companies that are NFDA members can also submit eLOMAs (Certified Professionals).
- Only existing single residential structures or entire legally recorded properties qualify.

Why use eLOMA?

- It is fast and easy
- eLOMA requests audited by FEMA are processed within 5 business days of receiving all required supporting data from the Licensed Professional
- FEMA performs random audits of eLOMA submittals

eLOMA

May be used for LOMA requests for single structures or lots

eLOMA Limitations:

- Natural grade only – no fill
- Must be in a detailed studied areas AE, A1-30, or AH (No A, V, AO, or D zones)
- Must not be in a floodway
- No multi-lot requests
- Must not be a metes and bounds request

Online LOMC

- Can submit a LOMC request directly to FEMA (no surveyor or engineer required)
- For all LOMC types
- Application not complete until FEMA receives the supporting documentation and payment
- 60 days for amendments and 90 days for revisions

Online LOMC

- Ability to save information and complete applications at the applicant's convenience
- Immediate receipt of a case number once the completed online application is submitted
- Real-time updates on the application status as well as an inventory of all in-progress and previous applications submitted online

Online LOMC

- Convenient online payment of fees (if required)
- Frequent applicants can manage multiple LOMC requests online
- Clear and intuitive interface
- More efficient communications with LOMC processing staff

Use of LIDAR Data for LOMA's

- FEMA now accepts certified contours derived from LIDAR data for processing LOMA's
- If it meets Procedure Memorandum 61 standards, no survey data is required
- Accuracy must be certified for such use by either P.E. or licensed surveyor
- LAG is based on the 1st contour elevation below the footprint minus 1 foot or $\frac{1}{2}$ the contour elevation
- Follow same procedures as for normal LOMA

LOMR-F or CLOMR-F

Fill placement is/will be outside the NFIP regulatory floodway.
Fill in floodway requires a study and LOMR/CLOMR process

Community acknowledges the placement of fill and concurs that all floodplain management requirements will be met.

In Wisconsin fill must be two feet above BFE and building site must have dryland access

CLOMR-Fs may be required by the community in order to obtain a building permit. (Requires submittal of certified as-built data after project completion for a LOMR-F to be issued).

LOMR-F: A letter from FEMA stating that an existing structure or parcel of land that has been elevated by fill would not be inundated by the base flood.

CLOMR-F: A letter from FEMA stating that a parcel of land or proposed structure that will be elevated by fill would not be inundated by the base flood if fill is placed on the parcel as proposed or the structure is built as proposed.



Technical Bulletin 10-01 Basement Requirements

Two Options

- Ground surface around the building at/above BFE
 - Filled area extends at least 20 feet from foundation wall
 - Fill is at least five feet below the basement floor slab
 - Fill meets Proctor standard for compaction
 - Fill must be homogeneous and isotropic
 - Basement floor **should be** less than five feet below BFE
 - Adequate drainage system with sump pump
-
- If these standards can't be met, a licensed soils engineer or geologist can perform an analysis looking at soil depths, types and stratification layers
-
- If neither option can be met, the local official **should not** sign the community acknowledgment form

Data Timelines

Once all data received: minimum of 60 days for determination from FEMA

If additional data are required: Requestor (you) has 90 days to submit that data

When is the Community Acknowledgment form needed?

- LOMR-F / CLOMR-F (Section A)
- Involves a structure or property that has been inadvertently included within the NFIP regulatory floodway (Section B)

Why is the form needed?

- Provides FEMA written assurance that the community is aware that the structure or property is located within the NFIP regulatory floodway and meets all community floodplain management requirements (Section B)

Why is the form needed (continued)?

- Provides FEMA with written assurance that the LOMR-F / CLOMR-F request meets / will meet the minimum floodplain management requirements of the NFIP (Section 60.3) and is reasonably safe from flooding (Section A)
- Existing residential structures have their lowest floor elevated to or above the BFE
- The community has issued all permits for existing or proposed construction or other development
- There have been no encroachments to the NFIP regulatory floodway

Who can complete the form?

- Community official responsible for floodplain management

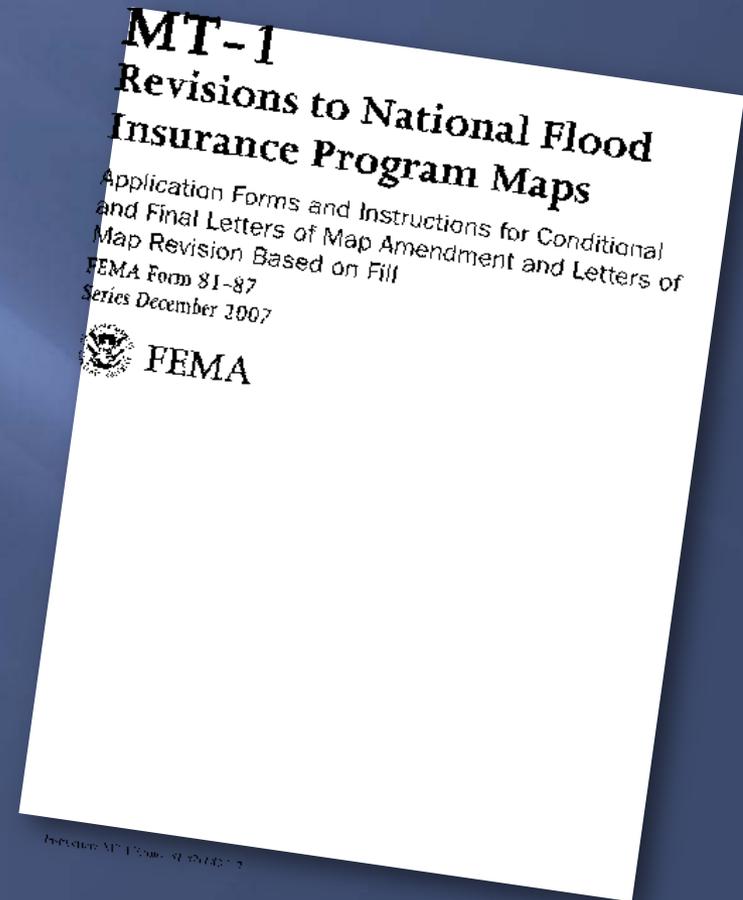
What does it say?

Based on the community's review, we find that the completed or proposed project meets or is designed to meet all of the floodplain management requirements:

- No fill in the floodway
- All permits have been or will be issued
- Removed parcel/structure(s) will be reasonably safe from flooding as defined in 44CFR 65.2(c), which states that: "base flood waters will not inundate the land or damage structures to be removed from the SFHA."

Common Application Problems

- Forms not signed or dated
- Elevation datum not included(1988 or 1929)
- Multiple buildings on property, not identified
- Deed/Plat not recorded
- Community Acknowledgement
- Form left blank at top



Administrative Options

- Require building sites to be identified on subdivision plats
- Require grading plans as a condition of issuing fill permits
- Require setback zones around filled sites
- Either prohibit basements in filled areas or require engineered basement designs

• CLOMR/LOMR

- CLOMRs are for proposed projects
- FEMA's comment on the effects that a proposed project would have on the FIRM
- Does not revise map; must be followed by a LOMR request when project completed
- Not a permit
- Not a substitute for DNR review/approval

When is a CLOMR required?

☐ Encroachment upon the floodway

- BFE increase > 0.00 foot between proposed and existing conditions

☐ Encroachment upon a Zone AE floodplain with no floodway

- BFE increase > 1.00 foot between proposed and existing conditions
- Includes all existing and anticipated development

LOMR

A letter from FEMA officially revising the current NFIP map to show changes to floodplains, floodways, or flood elevations

Does not republish effective FIRM and FIS

Annotated maps, profiles, and tables are attached to the letter

Requires DNR review/approval

When is a LOMR Required?

- Any change (increases or decreases) in BFE or floodplain boundaries resulting from physical changes or new studies
- Changes involving:
 - Floodways
 - Properties in alluvial fan areas
 - Coastal high hazard areas

Typical examples:

- New or more detailed analyses
- Updated hydrology
- Additional hydraulic information (more cross-sections, etc.)
- New topographic information
- No previous study (Zone A)
- Physical changes
- Projects (bridge/culvert, channelization, levee)
- Natural changes (erosion, subsidence, etc.)

- Required for any project that affects the BFE
- A community must notify FEMA within 6 months of the changes
- Requests for changes to effective maps must be initiated by community's CEO or designee (floodplain administrator)
- Community is ultimately responsible and must concur with revision
- A community has the right to request changes to any of the information on the FIRM

Application Materials

- Application/Certification Forms (MT2 Forms)
- Community Concurrence
- State Approval
- Review Fees (if applicable)
- H&H Analysis
- Topographic Workmap
- Annotated FIRM
- Certified Design Plans or Survey Data (if applicable)
- Property Owner Notifications (if applicable)
- Public Notification (if applicable)

65.12 Requirements

- Property owner notification – for areas where the project will increase the BFE, relative to existing conditions
- No structures impacted - certification that no insurable structures are affected by the increased BFE's
- Evaluation of alternatives – can the project be redesigned to avoid increases? Why not?
- Endangered Species Act compliance

Community Responsibilities

- Floodplain Administrator signs MT-2 Forms or provides letter that includes “reasonably safe from flooding” certification and meets ESA requirements
- By signing, community is certifying that fill placed on site and any basements or crawl spaces will meet the standards in Tech Bulletin 10-01.
- Every community affected must sign off

Individual Legal Notices

- Sent to all property owners adversely impacted by increase in water surface elevation or SFHA
- Explain location and magnitude of increase
- Can also be done as a public notice

Public Notice

- Published in local newspaper
- Location and magnitude of increase and decrease or shift in the floodway

OR

- Certification from community that “all affected property owners have been notified of the floodway revision”

NOTE:

Also required for SFHA, BFE, and Floodway establishment. Templates found in the instructions for the MT-2 Forms.

Changes to Appeal Period

- Appeal period only for LOMRs with changes to BFEs
- LOMRs could become effective immediately with property owner pre- acceptance

As of December 1, 2011

- Appeal period for all revisions to flood hazard information:
 - BFEs
 - Floodway Boundaries
 - Floodplain Boundaries
- Nearly all LOMRs are effective ~4.5 months after issuance
- Exceptions include reissuances and revisions to non-flood hazard information

Common Problems

Inadequate narrative

- Describe purpose
- Explain methodology

Fees – exempt vs. required

Project area vs. revised reach (must tie-in)

Wrong effective model used (should consider other LOMRs)

Does not use FEMA-approved hydrologic and hydraulic models

Fee-Exempt Projects

- Correct error in effective information
- Based on natural changes within SFHA
- Flood-control project \geq 50% federally funded
- Updated data and/or improved methodology

Any request involving manmade modifications within the SFHA will require a review fee:

- Regardless of whose project it was
- Except federally funded flood control project
- Regardless of when it was constructed
- Except pre-FIRM projects

