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# Floodplain Management *Today*



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NEBRASKA DEPARTMENT OF NATURAL RESOURCES FLOODPLAIN SECTION

MAY 2014

## 2014 Homeowner Flood Insurance Affordability Act

The Homeowner Flood Insurance Affordability Act (HFIAA) was signed into law by President Obama in March 2014. The new law repeals and modifies certain provisions of the Biggert-Waters Act of 2012 (BW-12). HFIAA provides a new layer of complexity for Nebraska floodplain administrators and it's important to know what the changes are and how they affect flood insurance policyholders in your community.

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The major aspects of HFIAA include refunds due to some BW-12 premium increases, reverting back to subsidized rates for pre-FIRM structures, new surcharges on all policies, reinstating grandfathering, and changes to other aspects of NFIP programs. Some of these changes repeal BW-12 provisions, some changes modify elements of BW-12, and some BW-12 reforms are kept in place. FEMA is currently working on developing the changes, so all of the effects of the new law are not yet known. This summary is what we know at this point.

HFIAA reinstates FEMA's authority to use subsidized rates for pre-FIRM structures. FEMA issued its first HFIAA implementation guidance to the Write-Your-Own insurance companies on April 15, 2014. That bulletin instructs them to resume issuing policies using subsidized rates for all new and renewal transactions processed on or after May 1, 2014.

For certain policies affected by BW-12's elimination of pre-FIRM subsidies, HFIAA calls for refunds of the excess premiums. Refunds apply to policyholders in high-risk areas who were required to pay a full-risk rate on a new flood insurance policy on or after July 6<sup>th</sup>, 2012. FEMA is working with the Write-Your-Own insurance providers to develop guidelines and timelines for processing these refunds. Refunds may also apply to policyholders whose premium increased more than 18% for policies that were renewed after March 21<sup>st</sup>, 2014. Refunds will not apply to policyholders paying the 25% annual rate increase on pre-FIRM subsidized non-primary residence, business, severe repetitive loss property, or substantially-damaged or improved property.

HFIAA calls for gradual rate increases on subsidized policies rather than immediate full-risk rates, a significant change from BW-12. Annual increases are limited to 18% per year, with limited exceptions. While FEMA is creating guidelines based upon HFIAA, new policyholders will be allowed to assume prior owner's flood insurance policies with the same rates.

A new aspect that HFIAA implemented is a surcharge on all policies, put in place to contribute to the financial sustainability of the NFIP. Every flood insurance policy, regardless of whether it is full-risk rated or not, for a primary residence will have a \$25 surcharge and all other policies will have a \$250 surcharge.

HFIAA also repeals the BW-12 provision to eliminate grandfathering of post-FIRM, remapped policies. This allows FEMA to grandfather properties into lower risk classes, as it was able to before BW-12. For properties newly mapped into the floodplain, HFIAA allows the first year rate to be the same rate as a preferred risk policy. For subsequent policy years, FEMA has not issued guidance yet, although it is likely that base rates for grandfathered policies will increase in these years.

HFIAA sets broad high-level changes as well. FEMA is now required to develop a monthly installment payment plan on certain policies. The new law calls for the designation of a "Flood Insurance Advocate" that will help educate property owners and policyholders on mitigation measure as well as insurance requirements. FEMA is also encouraged, through HFIAA, to minimize the number of policies where premiums are greater than 1% of the coverage amount. Similarly, FEMA is required to complete an affordability framework that will contain proposals that concern the affordability of flood insurance in low-income populations around the country.

With HFIAA, FEMA will take time to develop frameworks for the implementation of many of the changes. Floodplain administrators should use this time to gain a better understanding of the changes so they can better respond to questions from residents and businesses. As more information on changes to the NFIP becomes available, we will let floodplain administrators know. The Association of State Floodplain Managers (ASFPM) is also tracking changes due to HFIAA and more information can be found on [www.floods.org](http://www.floods.org).

## **FMA & PDM Grant Funds Available**

Both the Flood Mitigation Assistance (FMA) and the Pre-Disaster Mitigation (PDM) grants are available for application currently. Both grants prioritize mitigation planning. FMA further prioritizes project that mitigate severe repetitive loss and repetitive loss properties. PDM further prioritizes non-flood mitigation projects and then flood mitigation projects (not just repetitive loss). The federal-local cost share is 75/25 unless the project mitigates a severe repetitive loss property, where the federal-local cost share is 100/0, or a repetitive loss property, where the cost share is 90/10. More information is at <http://www.fema.gov/hazard-mitigation-assistance>

June 9<sup>th</sup> is the NEMA/NDNR deadline for project applications so that Mary Baker and Mitch Paine, the respective hazard mitigation staff, can review projects for submittal to FEMA by July 25<sup>th</sup>. If you have questions about any project eligibility, contact either Mary Baker ([Mary.Baker@nebraska.gov](mailto:Mary.Baker@nebraska.gov)) or Mitch Paine ([Mitch.Paine@nebraska.gov](mailto:Mitch.Paine@nebraska.gov)).

## CRS Activity: Map Information Service (320)

By Mitch Paine, CFM

In our last edition of *Floodplain Management Today*, we discussed important things to know when looking to apply for the NFIP Community Rating System (CRS). In this and future editions, we'll delve into some of the individual CRS elements and talk about what your community can do to both obtain CRS points and develop better floodplain management programs. For those communities who don't participate in CRS, this can be a useful guide for floodplain map information that would be very useful to provide residents or businesses that call.

CRS Activity 320 credits what floodplain administrators or other community staff provide when community members call in and ask about floodplains and their property. Maps, such as FIRMs and other community maps, are very useful in showing residents and businesses the flood hazards in their area. Many maps, however, are difficult for the lay person to read and the community office is the best source for clarification and more information. The map-related information provided by communities can help people understand their own risk from flooding and can help bankers, insurance agents, and real estate agents understand the flood hazards for the properties they're working with. Most communities, in addition to their FIRM, have other map information that can help residents and businesses learn more about special flood-related hazards, local drainage issues, and natural floodplain functions.

Nearly every community in Nebraska gets credit for this under the old *2007 CRS Coordinator's Manual*. But, under the *2013 CRS Coordinator's Manual*, the points and their requirements have changed. Previously, 140 points were available, but now 90 points are available and they're based upon the type of information that you give inquirers.

In order to obtain credit for 320 Map Information Service, there are a few criteria that your community must meet. Your community must at least provide basic FIRM information like flood zone, panel number, etc. The person providing the service at the city, village, or county must have a map that can locate street addresses to ensure that the correct property address is used. The service must be individualized, not just information on a website. Two other important criteria must be met as well: the service must be publicized to all residents annually and a log of service provided must be kept. If these are all met, then your community can get credit for the following areas.

Seven categories of points are available for credit, based upon what maps the community uses and the information provided to inquirers.

- Basic FIRM information (MI1) – communities can receive 30 points for providing basic information found on a FIRM like whether or not a property is in the special flood hazard area, the FIRM zone, and other elements of a FIRM.
- Additional FIRM information (MI2) – communities can receive 20 points for telling an inquirer if their property is in a floodway and providing information on the regulatory requirements for developing in a floodway.
- Problems not shown on the FIRM (MI3) – if a community provides information about other flood problems like local drainage issues or levee failure zones, then another 20 points can be obtained.
- Flood depth data (MI4) – communities can receive 20 points for providing inquirers the depth of flooding at their particular property in a 1% annual chance event. If a community has BFEs and an elevation certificate for the property, they may be able to give estimates on flood depths.

- Special flood-related hazards (MI5) – 20 points can be received for telling callers about any special flood-related hazards like uncertain flow paths, flooding in closed basin lakes, or ice jam flooding areas.
- Historical flood information (MI6) – 20 points can be received here for letting inquirers know if their property has been flooded in the past or providing historic flood levels for the community or area based upon high-water marks or other historical data.
- Natural floodplain functions (MI7) – communities can receive 20 points for telling callers about areas that should be protected for natural floodplain functions. These areas might be wetlands, endangered species critical habitat, or areas getting credit under CRS element 420 (Open Space Preservation).

Maps like NDNR's Interactive Map can be used to obtain much of this information to get credit for 320 Map Information Service. Other maps like the National Wetland Inventory, the USACE ice jam monitoring websites, and locally-produced maps of flood hazard areas are all very useful tools to provide your residents and businesses with the best information about their flood risk.

For CRS credit, communities will have to document how you publicize the service each year, will have to provide the log of services provided, and at each verification visit every 5 years, communities will have to show the CRS specialist all FIRMs since 1999. Credit is provided up to 90 points for 320 Map Information Service.

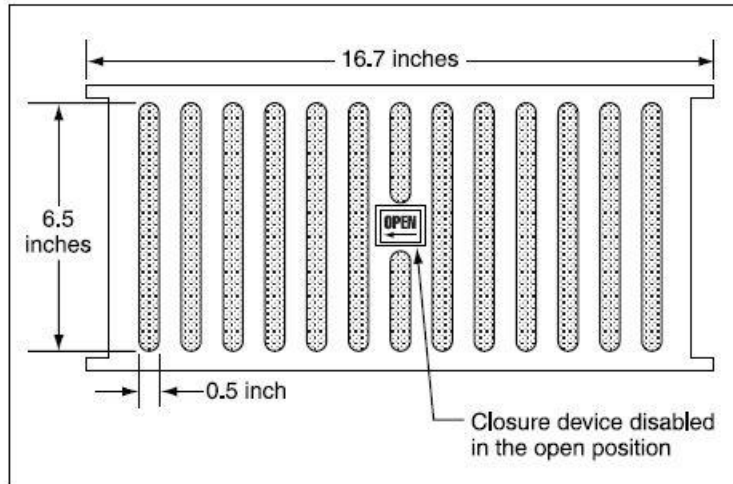
And, if you have any other questions or want assistance with CRS, contact Mitch Paine at NDNR at [Mitch.Paine@nebraska.gov](mailto:Mitch.Paine@nebraska.gov). If you need copies, electronic or paper, of the FEMA or NDNR flood products for your area, contact Andrew Christenson at NDNR at [Andrew.Christenson@nebraska.gov](mailto:Andrew.Christenson@nebraska.gov).

## **Flood Openings**

By Bill Jones, CFM

The FEMA Elevation Certificate includes Section A. Certain structures are designed to have flood openings in accordance with local floodplain management ordinances. Section A is where surveyors provide information on openings that allow floodwater to enter a building to equalize the pressure against crawlspace and attached garage walls to prevent collapse in areas located below the Base Flood Elevation (BFE).

FEMA requires at least one opening on more than one wall. The requirement is that the openings provide a *net* surface area of at least one square inch for every square foot of enclosed area that is being vented. All areas subject to flooding must be vented and included in the calculation. Vents must be located within 12 inches of grade (inside or outside) and only the area below the Base Flood Elevation (BFE) can be calculated for compliance.



To illustrate the importance of using *net* area, in the above example, the *gross* opening area is 108.6 square inches, however, with 13 openings of 6.5" by 0.5", the NET opening area is only 42.5 square inches.

Surveyors using the FEMA Elevation Certificate provide the net area, and if that area in square inches does not equal or exceed the enclosed area in square feet, floodplain administrators and insurance agents must use the "lowest floor, including basement or crawlspace," as the reference floor for insurance and compliance. That would mean that the reference level for compliance and insurance rating would remain at the lowest floor; this is typically the bottom of the crawlspace or other area intended to have flood vents. Ornamental covers are allowed, however, as illustrated above, it is important that the owner/builder understand the ramifications of partially covering these openings. Covers on openings must function without human intervention. If using covers with closures, they must be left in the open position.

Elevation Certificate sections A. 8. d) and A. 9. d) are available for engineered openings. If a Nebraska professional engineer provides demonstration and certification that an opening area lesser than the basic requirement, (1 square in of opening for each square foot of enclosed area) meets flood protection standards, the reference level may then be raised to the next higher floor. Documentation with the engineer's seal and signature would be required to be attached to the elevation certificate. If you would like additional information on flood venting, see the list of technical bulletins on NDNR's website, [dnr.nebraska.gov](http://dnr.nebraska.gov), where you can find Technical Bulletin 1 (Openings in Foundation Walls and Walls of Enclosures).

There are two companies that FEMA has approved for use of their "engineered openings," Smart Vent, Inc. and Flood Flaps, LLC, they have provided documentation to FEMA to allow certification for a lesser ratio than 1 to 1 for the openings requirement. Flood Flaps certifies 220 feet of enclosed area per unit. Smart Vent certifies 200 square feet of enclosure for each 8"X16" unit. Additional information on these two is available at [www.Floodflaps.com](http://www.Floodflaps.com) and [www.smartvent.com](http://www.smartvent.com). Please note that there may be other approved companies.

## **Mark Your Calendar**

### **Training Opportunities**

If you have questions about these opportunities, contact John Callen, Mitch Paine, or Bill Jones.

#### **Upcoming Events**

The Nebraska Floodplain and Stormwater Managers Association (NeFSMA) Annual Conference will be held on **July 17<sup>th</sup>, 2014** at the Younes Conference Center in Kearney. You can register at [www.nefsma.com](http://www.nefsma.com).

#### **Online Training Resources**

In partnership with FEMA Region VII, STARR, and other Region VII States, an online training program for community officials is available. This training requires no travel – you can participate and earn CECs toward ASFPM’s CFM certification from your own desk. Just go to <http://j.mp/starronlinetraining> and click the *Upcoming* tab to view training details and register. Upcoming trainings include:

- ***NFIP Basics*** on May 29
- ***Elevation Certificates*** on June 12

CRS trainings on the same website include:

- ***Introduction to the CRS*** on July 15, October 21, December 16
- ***Preparing for a Verification Visit with the 2013 Coordinator's Manual*** on June 17, November 18
- ***Preparing for the Annual CRS Recertification*** on August 19, September 16
- ***Natural Floodplain Functions*** on June 18 and August 20
- ***Activity 540 (Drainage System Maintenance)*** on July 16 and September 17
- ***Developing Outreach Projects under Activity 330*** on October 22
- ***Activity 610 (Flood Warning and Response)*** on November 19
- ***Developing a Program for Public Information under Activity 330 or a Coverage Improvement Plan under Activity 370, and Using FloodSmart Tools*** on December 17

FEMA will also be holding a webinar about the Homeowner Flood Insurance Affordability Act on **June 24<sup>th</sup>, 2014** from 8:30 – 9:30am Central Time. If interested, simply call into the conference line at 1-800-320-4330, participant code 579905. The webinar address is: <https://fema.connectsolutions.com/r46ngbr4lxb/>. No need to sign up, all are invited!



**Floodplain Management *Today***

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**WANT MORE INFORMATION?**



Visit DNR's Floodplain Website at  
<http://dnr.nebraska.gov/fpm>

**Or Contact**

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