



## Agenda Report

19-472

Agenda Date: 7/9/2019

### REPORT TO COUNCIL

#### SUBJECT

Action on the 2019 Annual Report Related to the Federal Emergency Management Agency's National Flood Insurance Program's Community Rating System

#### BACKGROUND

The City has participated in the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program's (NFIP) Community Rating System (CRS) program since 2002. CRS is a voluntary incentive program that recognizes and encourages community floodplain management activities that exceed the minimum NFIP requirements.

Flood insurance premium rates for residents and businesses are discounted to reflect the reduced flood risk resulting from the community activities meeting the three goals of the CRS:

1. Reduce flood damage to insurable property;
2. Strengthen and support the insurance aspects of the NFIP; and
3. Encourage a comprehensive approach to floodplain management.

The City is currently CRS Class 8, which means the City's residents and businesses in a Special Flood Hazard Area (SFHA) are eligible for a 10 percent insurance premium discount, and others in the City that are not in a SFHA are eligible for a 5 percent insurance premium discount. The average annual flood policy premium in the City is approximately \$875, and average insurance coverage is about \$310,000. Due to participation in the CRS program, the estimated total flood insurance premium savings in the City is over \$72,500 for 2019. Estimated premium savings is slightly up from 2018, possibly due to rising insurance premium costs.

The City works closely with the Santa Clara Valley Water District (Valley Water), whose participation in CRS dates back to 1998. Valley Water's participation in CRS allows them to document qualifying flood risk reduction activities they perform throughout the Santa Clara County. CRS credits for these Valley Water activities are then transferred to each CRS participating community, including the City of Santa Clara, and contributes to the flood insurance premium discount residents and businesses enjoy.

The Program for Public Information (PPI) was introduced into CRS in 2013. The PPI encourages participating CRS communities to work together with local stakeholders to design a program for community outreach on flood risk reduction that best fits local needs. Valley Water took a lead in the development of the Santa Clara County Multi-Jurisdictional PPI, a countywide collaboration outreach program to increase flood awareness. The countywide Multi-Jurisdictional PPI was created by Valley Water and all participating CRS communities in April 2015.

FEMA requires that an annual evaluation report on the Multi-Jurisdictional PPI be shared with the elected bodies that approved them. City Council approved the 2015 Santa Clara County Multi-Jurisdictional PPI related to floodplain management on July 14, 2015. The Annual Evaluation Report for FY 2016 (Year One), FY 2017 (Year Two), FY 2018 (Year Three) were presented to the Council on October 14, 2016, May 8, 2018 and October 9, 2018 respectively.

### **DISCUSSION**

The fourth annual report to FEMA documenting PPI activities and accomplishments in FY 2019 was released by Valley Water in June 2019 and the report is being provided to the Council as an informational item to satisfy the FEMA requirement. In addition to the general flood awareness message that FEMA wants all CRS communities to share, three additional messages were added for Santa Clara County based on input received through the PPI stakeholder process. They are (1) FEMA's "Turn Around, Don't Drown ®" which encourages people to stay out of flooded roads, whether driving or walking; (2) Download disaster apps; and (3) Make a family emergency plan before an emergency happens. A draft of the Annual Evaluation Report for FY19 (Attachment 1) is included for further information.

The PPI gives the City opportunities to earn extra credit points under the NFIP CRS program. Every 500 CRS points translates to a 5 percent discount on flood insurance premium for properties in the SFHA. In addition to the annual recertification submittal to FEMA, a field audit is performed by FEMA representative every five years to verify flood reduction activities that have been implemented, and to determine the City's new CRS Class. In September 2018, the City had its latest verification visit which was based on revised, more comprehensive CRS requirements.

Staff received preliminary results on the last verification visit from FEMA. The preliminary results indicated the City will be receiving all of the available CRS credit points for the City's work related to PPI, which is around 300 points. Because of the City's improved services related to flood safety outreach, floodplain regulation enforcement, and flood hazard mitigation, the City's CRS Class rating should be upgraded from Class 8 to Class 7 based on the preliminary results. This change in Class would mean that residents receive a 15 percent discount instead of the current 10 percent discount for properties in the SFHA. Staff is awaiting the final 5-year verification report from FEMA and will share it with the Council upon receiving.

### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

### **FISCAL IMPACT**

The staff time for the City's participation in CRS is and has been supported by the General Fund. Since the outreach projects are set to repeat annually, the increase in staff effort due to implementation of PPI is small and it is mainly for project documentation.

### **COORDINATION**

This report has been coordinated with the Finance Department and City Attorney's Office.

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

**RECOMMENDATION**

Note and File the 2019 Annual Report for the Santa Clara County Multi-Jurisdictional Program for Public Information related to the Federal Emergency Management Agency's National Flood Insurance Program's Community Rating System.

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Annual Evaluation Report for FY19