



Community Development Department

DATE: March 2, 2021

FROM: Ben Ehreth, AICP, Community Development Director

ITEM: Information on the City of Bismarck Involvement on the National Flood Insurance Program and the Community Rating System Program

REQUEST

At the February 23, 2021 meeting of the Bismarck City Commission a variety of information was requested related to the National Flood Insurance Program (NFIP) and well as the Community Rating System (CRS). The intent of this agenda item is to present information on the aforementioned items, as well as, seek direction on any further amendments to the City of Bismarck Floodplain ordinance.

BACKGROUND INFORMATION

At the February 23, 2021 Bismarck City Commission meeting agenda item number five a variety of questions arose as to the City of Bismarck's involvement in the NFIP and CRS programs. Following is information intended to address questions related to these programs:

What is the NFIP including the ramifications for non-involvement?

- The NFIP was established by the National Flood Insurance Act of 1968. The general purpose of the NFIP is both to offer primary flood insurance to properties with significant flood risk, and to reduce flood risk through the adoption of floodplain management standards. Communities volunteer to participate in the NFIP in order to have access to federal flood insurance, and in return are required to adopt minimum standards. The NFIP is housed within the Federal Emergency Management Agency (FEMA) and offers insurance policies that are marketed and sold through private insurers, but with the risks borne by the U.S. federal government. It is delivered to the public by a network of approximately 60 insurance companies and the NFIP Direct. The NFIP provides flood insurance to property owners, renters and businesses, and having this coverage helps them recover faster when floodwaters recede. The United States Congress limits the availability of the NFIP to communities that adopt adequate land use control

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measures with effective enforcement provisions to reduce flood damages by restricting development in areas exposed to flooding.

- Participation in the NFIP is voluntary from a federal perspective. To join a community must comply with the following:
 - Complete an application
 - Adopt a resolution of intent to participate and cooperate with FEMA
 - Adopt and submit a floodplain management ordinance that meets or exceeds the minimum NFIP criteria. The floodplain management ordinance must also adopt any associated Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map (FHBM) for the community
- Bismarck's first floodplain ordinance was adopted in May 1977
- Ramifications for non-participation include the following:
 - No resident would be able to purchase a flood insurance policy
 - Existing flood insurance policies would not be renewed
 - No federal mortgage insurance or loan guarantees may be provided in identified flood hazard areas
 - No federal disaster assistance may be provided to repair insurable building located in identified flood hazard areas for damage caused by a flood
 - No federal grants or loans for development may be made in identified flood hazard areas under programs administered by federal agencies such as Housing and Urban Development (HUD), the Environmental Protection Agency (EPA), and the Small Business Administration (SBA)
 - Federally insured or regulated lending institutions, such as banks and credit unions, must notify applicants seeking loans for insurable buildings in flood hazard areas that there exists a flood hazard and that the property is not eligible for federal disaster relief
- As a point of reference, the 2011 flooding event on the Missouri River cost a total of \$17,700, 838 with \$15,930,473 federally reimbursed

How many properties are insured by the NFIP program in the City of Bismarck and the associated Extra-territorial Area (ETA) and at what cost?

- Currently, over 650 flood insurance policies are provided to residents of the City of Bismarck and surrounding ETA
- Combined premiums for all policies in Bismarck and the surrounding ETA are greater than \$440,000
- The total insured value of property under the NFIP in Bismarck and the surrounding area is \$192 million

What is the CRS program?

- The CRS program is a voluntary incentive program that recognizes and encourages community floodplain management practices that exceed the minimum requirements of the NFIP. Currently, over 1,500 communities participate in the program nationwide. In CRS communities, flood insurance premium rates are discounted to reflect the reduced flood risk resulting from the community's efforts that address the following program goals:
 - Reduce and avoid flood damage to insurable property

- Strengthen and support insurance aspects of the NFIP
- Foster comprehensive floodplain management
- There are currently a variety of classes that qualify for different benefit levels within the CRS program as described in the following table. Presently the City of Bismarck and the surrounding ETA are in Class 8 of the program.

Credit Points	Class	Premium Reduction SFHA*	Premium Reduction Non-SFHA**
4,500+	1	45%	10%
4,000 – 4,499	2	40%	10%
3,500 – 3,999	3	35%	10%
3,000 – 3,499	4	30%	10%
2,500 – 2,999	5	25%	10%
2,000 – 2,499	6	20%	10%
1,500 – 1,999	7	15%	5%
1,000 – 1,499	8	10%	5%
500 – 999	9	5%	5%
0 – 499	10	0	0

When did the City of Bismarck become a CRS community?

- The City of Bismarck pursued application into the program in 2016 and was accepted in 2017

Why did the City of Bismarck pursue participation in the CRS program?

- The City of Bismarck pursued involvement in the program to obtain credit and recognition for CRS qualifying activities that were already being conducted by the community and to provide opportunity for flood insurance policy-holders to take advantage of eligible insurance premium discounts as a result of the existing floodplain management activities already in place prior to applying to the CRS program
- It should be noted that major floodplain ordinance modifications were pursued in 2010 and 2011 in reaction to the 2009 ice jam flooding event on the Missouri River. In other words, the CRS program and associated discount were not the intent of our current floodplain ordinance. Rather they were a benefit to higher regulatory standards put in place in response to recommendations associated with the 2009 ice jam flooding event.

What are the ramifications for not participating in the CRS program?

- A loss of insurance rating premium discounts for City of Bismarck and the surrounding ETA flood insurance policy holders.

Where are the existing and proposed levees and road grade raises to protect against flooding of ice jams on the Missouri River?

- A map of the ice jam flood protection projects is attached

What does an accredited or certified flood control system mean?

- An accredited flood control system is a system that FEMA has determined meets requirements of the NFIP regulations as cited in the Code of Federal Regulations (CFR) Title 44, Chapter 1, Section 65.10 and that FEMA has recognized on a FIRM as reducing the flood hazards posed by a base flood (or 1% annual chance of flooding).

Why is the flood control system not certified?

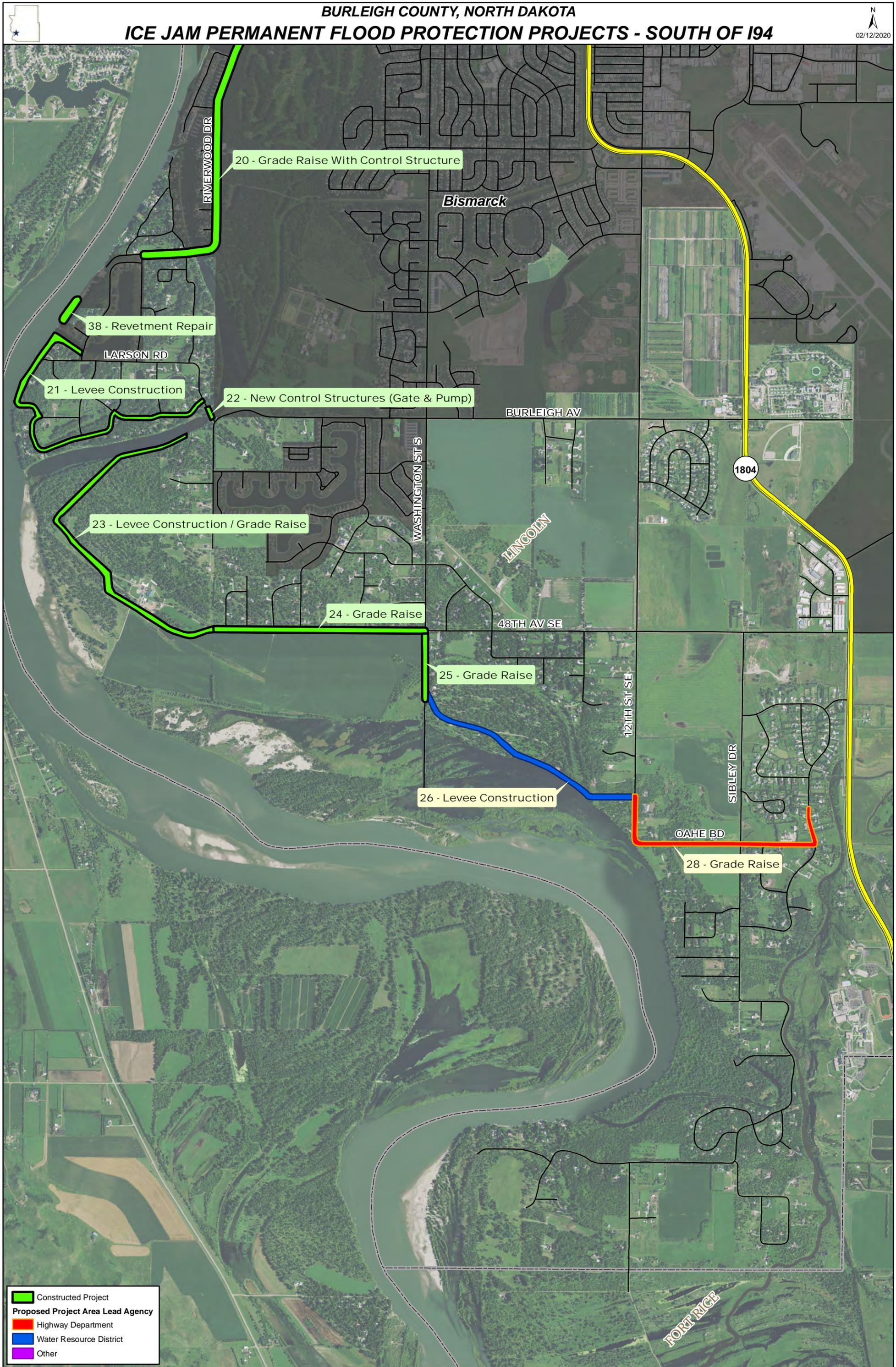
- The flood control system features are designed using a protection elevation based on a 20-foot stage at the USGS Bismarck Gage. This is based on the recorded 2011 peak flow elevation (19.3 feet) and allows for .7 feet of freeboard. Freeboard is a term used to describe the additional amount above flood level used as a factor of safety. The City of Bismarck and Burleigh County flood control features included roadway grade raises, earthen levees, related structure items, and an emergency response plan. These systems provide effective flood control but do not meet the FEMA requirements for an accredited flood control system, as they do not provide the required three feet of freeboard above the Base Flood Elevation (BFE). The compliance cost to meet the three-foot freeboard criteria was deemed not financially feasible and created design issues with construction near existing residential and rural structures. Additionally, the certification process would have required a Conditional Letter of Map Revision (CLOMR), a full FEMA design and compliance review, and a final Letter of Map Revision (LOMR) to be completed verifying compliance. These efforts would have involved significant expense and delays in construction. There are also gaps in the flood protection system which will be filled by temporary Emergency Response Measures (ERM) in times of flooding events, making certification impractical.

Is it possible to certify the flood control system now or at some point in the future?

- Not at this time, however it is believed the flood control system provides for reasonable and prudent protection in the community, although not to FEMA certification standards.

RECOMMENDED CITY COMMISSION ACTION

Receive the presentation and provide staff guidance if further amendments to the floodplain regulations are necessary.



Constructed Project

Proposed Project Area Lead Agency

- █ Highway Department
- █ Water Resource District
- █ Other