




TOWN OF FAIRFAX

STAFF REPORT

December 5, 2018

TO: Mayor and Town Council

FROM: Garrett Toy, Town Manager 

SUBJECT: Receive report on recertification of FEMA Community Rating System (CRS) resulting in flood insurance premium reduction for residents

RECOMMENDATION

Receive the report on the Town's Community Rating System Annual Recertification.

BACKGROUND AND DISCUSSION

FEMA, the Federal Emergency Management Agency, manages the National Flood Insurance Program, which dictates rates for homeowners who pay for either mandatory or optional flood insurance. The rate structure of flood insurance premiums is being reformed as a result of FEMA's recent budget deficits, the outcome of which will mean incremental rate increases for many residents in Town.

The Community Rating System (CRS) is a voluntary program that encourages and rewards communities for going beyond FEMA's minimum requirements. By joining CRS, the Town earns a flood insurance premium reduction for its residents. These reductions range from 5% to 45% depending on our CRS classification (1-10 with 1 receiving a 45% reduction), which is determined by the number of activities that the Town gets credited for. Examples of the eligible activities include providing public information, active floodplain management, and flood preparedness such as a flood warning system.

The Town initially applied for the CRS program in 2015. In 2017, FEMA completed its review and gave the Town a rating of 9 for its flood related activities. As a result, effective October 1, 2017, residents received a 5% reduction in their flood insurance rates. CRS also requires the Town to continue to maintain and document the activities that helped it get a lower rating and to annually recertify its program to FEMA.

In August 2018, FEMA reviewed our documentation and recertified the Town's CRS 9 rating, which continues the 5% reduction in flood insurance rates. While it may be possible for the Town to achieve a CRS rating of 8, we are not actively pursuing such a CRS rating due to the lack of staff resources needed to compile and/or implement the various programs needed for a lower rating.

FISCAL IMPACT

While there is staff time to manage and document the process, there is a positive financial impact in reducing the flood insurance rates for the residents and Town. The Town saves approximately \$1,000 per year in reduced flood insurance rates.