

SECTION 3: FLOODPLAIN MANAGEMENT

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3.1. FLOODPLAIN MANAGEMENT

The strategies and tools available to prevent problems and protect people and development from flooding have been developed over many years. A short history of U.S. policy on floodplain management will help explain their evolution.

3.1.1. Historical responses to flooding

Historically, people at risk from flooding could only hope for help from their neighbors and charitable organizations in the event of a flood. Government assistance varied from community to community and flood insurance was scarce.

The Federal government got involved in floodplain management in the 1800s, when it had an interest in maintaining the navigability of rivers to facilitate interstate commerce. The great Mississippi River flood of 1927 led the Federal government to become a major player in flood control.

As defined by the Flood Control Acts of 1928 and 1936, the role of government agencies was to build massive flood control structures to control the great rivers, protect coastal areas, and prevent flash flooding. The 1936 act alone authorized construction of some 250 projects for both flood control and relief work.

Until the 1960s, such structural flood control projects were seen as the primary way to reduce flood losses. Public policy emphasized that flood losses could be curbed by controlling floodwater with structures such as dams, levees, and floodwalls.

During the 1960s, there was a growing questioning of the effectiveness of this single solution. Disaster relief expenses were going up, making all taxpayers pay more to provide relief to those with property in floodplains. Studies during the 60s concluded that flood losses were increasing in spite of the number of flood control structures that had been built.

One of the main reasons structural flood control projects failed to reduce flood losses was because people continued to build in floodplains. In response, Federal, State, and local agencies began to develop policies and programs with a “non-structural” emphasis, ones that did not prescribe projects to control or redirect the path of floods. Since the 1960s, floodplain management has evolved from heavy reliance on flood control, or structural measures, to one using a combination of many tools.

The creation of the National Flood Insurance Program (NFIP) in 1968 was a landmark step in this evolution. The NFIP:

- ◆ established an insurance program as an alternative to disaster relief,
- ◆ distributed responsibility for floodplain management to all levels of government and the private sector,
- ◆ set a national standard for regulating new development in floodplains, and
- ◆ began a comprehensive floodplain mapping program.

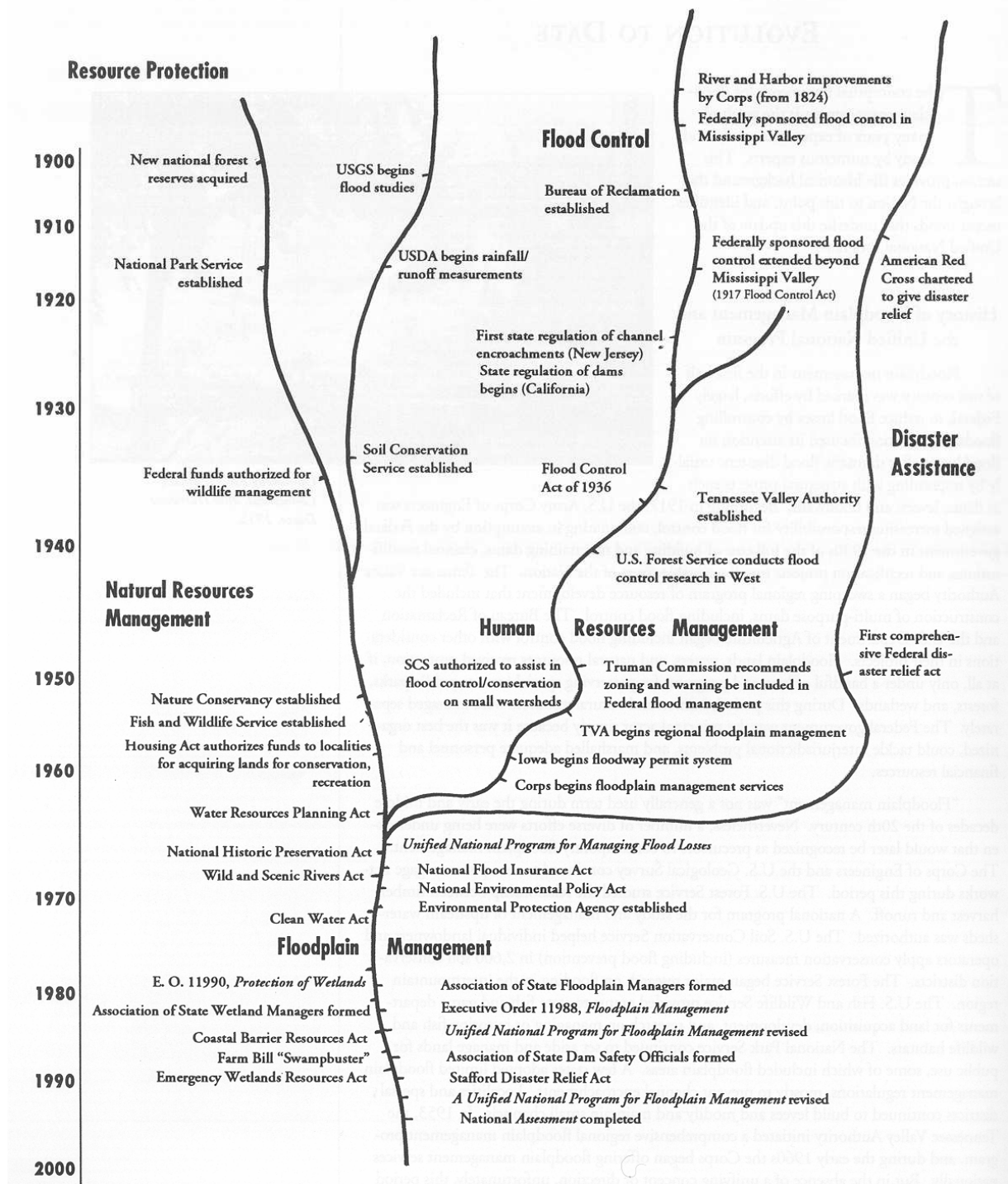


Figure 3-1: The Evolution of Floodplain Management
 Source: *A Unified National Program for Floodplain Management*,
 FEMA 248, 1994

Also during the 1960s and 1970s, interest increased in protecting and restoring the environment including the natural resources and functions of floodplains. Coordinating flood-loss reduction programs with environmental protection and watershed management programs has since become a major goal of Federal, State, and local programs (see Figure 3-1).

3.1.2. Resulting non-structural floodplain protection measures

As a result of this evolution, floodplain administrators no longer depend solely on structural projects to control floodwater. United States floodplain policies are now multi-purpose and result in a mix of solutions to suit many situations. Consequently, floodplain administrators have several non-structural flood protection measures at their disposal. They include:

- ◆ regulations to prohibit development in high-hazard areas,
- ◆ building codes requiring flood-resistant construction for new buildings in floodprone areas,
- ◆ acquisition and relocation of buildings in high hazard areas,
- ◆ modifying or retrofitting existing buildings,
- ◆ installing flood warning systems,
- ◆ controlling stormwater runoff, and
- ◆ providing self-help advice to property owners.

3.1.3. The Unified National Program for Floodplain Management

To coordinate the efforts of the many government programs that can affect flooding or floodplain development, Congress created the Unified National Program for Floodplain Management under the National Flood Insurance Act of 1968.

The Unified National Program set forth a conceptual framework for coordinating the floodplain management efforts of Federal, State, and local agencies as well as private parties. The program is coordinated by a Federal Interagency Floodplain Management Task Force made up of Federal agencies that are involved in flooding or with development that can be affected by flooding.

The Task Force defines "floodplain management" as "a decision-making process that aims to achieve the wise use of the nation's floodplains." "Wise use" means both reduced flood losses *and* protection of the natural resources and functions of floodplains. Where floodplain development is permitted, floodplain management results in development and construction measures that minimize the risk to life and property from floods and the risk to the floodplain's natural functions posed by human development.

The Task Force has identified four floodplain management strategies for reducing the human economic losses from flooding as well as minimizing the losses of natural and beneficial floodplain resources. As shown in Figure 3-2, each strategy is supported by an array of tools. Many of the tools can be used in more than one strategy.

In most cases, a combination of these tools is needed to reduce risks and protect natural resources and functions. Because floodplain management is a process, there is no one “best” set of tools or one single “wise use” of the floodplain.

The important message from this definition of floodplain management is to consider all the options and account for both the hazard and the natural values before developing or implementing any action that will change the floodplain.

Strategy 1: Modify human susceptibility to flood damage: Reduce disruption by avoiding hazardous, uneconomic or unwise use of floodplains.

- ◆ Regulating floodplain use
- ◆ Establishing development and redevelopment policies
- ◆ Acquiring land to preserve open space
- ◆ Elevating or floodproofing new buildings
- ◆ Retrofitting existing buildings
- ◆ Forecasting, warning systems and emergency plans
- ◆ Restoring and preserving the natural functions of floodplains

Strategy 2: Modify the impact of flooding: Assist individuals and communities to prepare for, respond to and recover from a flood.

- ◆ Information and education to assist self-help and protection measures
- ◆ Flood emergency measures during a flood
- ◆ Disaster assistance, flood insurance and tax adjustments
- ◆ Post-flood recovery plans and programs to protect against future floods

Strategy 3: Modify flooding itself: Develop projects that control floodwater.

- ◆ Dams and reservoirs that store excess water
- ◆ Dikes, levees and floodwalls to keep water away from developed areas
- ◆ Altering channels to make them more efficient
- ◆ Diverting high flows around developed areas
- ◆ Treating land to hold as much rain as possible where it falls
- ◆ Storing excess runoff with on-site detention measures
- ◆ Protecting inland development with shoreline protection measures
- ◆ Controlling runoff from areas under development outside the floodplain

Strategy 4: Preserve and restore natural resources: Renew the vitality and purpose of floodplains by reestablishing and maintaining floodplain environments in their natural state.

- ◆ Regulations to steer development away from sensitive or natural areas
- ◆ Development and redevelopment policies
- ◆ Land acquisition and open space preservation
- ◆ Information and education on how to protect natural floodplain resources
- ◆ Tax adjustments for preserving or restoring lands to their natural state
- ◆ Beach nourishment and dune building

Figure 3-2: Floodplain Management Strategies and Tools

Source: *Unified National Program for Floodplain Management*,
FEMA 100, 1986

3.2. FLOODPLAIN MANAGEMENT IN ILLINOIS

3.2.1. Office of Water Resources

The key State agency in floodplain management is the Illinois Department of Natural Resources' Office of Water Resources (IDNR/OWR). Its roots can be traced back to 1823 when the Illinois Legislature formed the Illinois Michigan Canal Commission.

In 1917, the General Assembly combined the authorities of the Canal Commissioners, the Rivers and Lakes Commission, and the Illinois Waterway Commission into one office. Its basic authorities were covered by the Rivers, Lakes, and Streams Act which was passed in 1911, and the earliest activities concentrated on the Illinois River and other large river basin issues including flood control, public waters protection, and navigation.

In the early 1970s, Illinois was pursuing the same interests that broadened the nation's approach to flooding. The predecessor agency to the IDNR/OWR, the Division of Waterways in the Department of Public Works and Buildings, became the Division of Water Resources in the Department of Transportation.

The new title reflected the change in direction from being a public works agency to one that deals with many aspects of floodplain and water resource management. Also during the 1970s, the Division began a very active role in mapping and regulating floodplains.

In 1995, a governor's executive order created the Department of Natural Resources. The Division of Water Resources left IDOT to become the Office of Water Resources in IDNR. OWR's current floodplain management responsibilities include:

- ◆ Regulation of construction in the floodways of rivers and streams.
- ◆ Regulation of construction in floodplains where floodways have not been mapped.
- ◆ Regulation of construction of appropriate uses in designated floodways in northeastern Illinois.
- ◆ Regulation of construction along the waters of Lake Michigan.
- ◆ Protection of public bodies of water from private encroachment and wrongful use
- ◆ Regulation of dam safety.
- ◆ Coordination of the National Flood Insurance Program.
- ◆ Advisor to county stormwater management commissions.
- ◆ Planning and construction of mitigation and flood control projects to reduce urban flood damage.
- ◆ Coordinator and advisor on stream preservation programs.
- ◆ Representing Illinois in three river basin commissions and national organizations of water resources, floodplain management, urban flood control and dam safety officials.
- ◆ Lead State agency for federal urban flood control and navigation projects.
- ◆ Lead agency for State water planning and State water laws and policies.

3.2.2. County stormwater management agencies

Following a severe flood in the Chicago area in 1987, the Illinois General Assembly granted special floodplain management powers to the five “collar” counties of McHenry, Lake, Kane, DuPage, and Will. Stormwater management commissions have been created in these counties with the authority to set minimum standards for their municipalities and unincorporated areas.

As of 2005, all five have enacted county-wide ordinances to better coordinate and enforce regulations on development in their floodplains. Their standards supersede any less restrictive Federal and State standards.

In 2004, similar law was passed giving the authority for general supervision of stormwater management in Cook County to the Metropolitan Water Reclamation District (MWRD). In 2005, a bill was signed granting authority to Boone, DeKalb, Grundy, Kankakee, Kendall, LaSalle, Madison, Monroe, and St. Clair counties to create stormwater management committees.

3.3. ASSOCIATIONS

Government agencies are not the only organizations involved in floodplain management. Two professional associations have played leadership roles in the evolution of the field.

3.3.1. The Association of State Floodplain Managers

In 1977, the Association of State Floodplain Managers (ASFPM) was created in Chicago. Initially, it was an organization of Midwestern state agencies but quickly grew to a national organization representing professionals and agencies at all levels of government and in the private sector.

Today, ASFPM serves over 3,000 floodplain managers, including some from other countries. It has monthly newsletters, an annual training conference and specialty conferences, and workshops each year. It has an active Washington, D.C., presence and has succeeded in getting important changes to Federal floodplain management legislation and programs.

3.3.2. The Illinois Association for Floodplain and Stormwater Management

In 1985, floodplain management professionals in Illinois created the Illinois Association for Floodplain and Stormwater Management (IAFSM). The objectives of the IAFSM are to promote the common interest in floodplain and stormwater management, enhance cooperation among various local, State, and Federal agencies, and encourage effective and innovative approaches to managing the State's floodplain and stormwater management systems. With almost 500 members, IAFSM is currently one of the largest chapter in ASFPM.

IAFSM also hosts an annual training conference, workshops, and “twilight seminars” throughout the year. It publishes a quarterly newsletter and is the author of this floodplain management desk reference.

Both associations certify floodplain managers. ASFPM’s policy is to not certify any resident of Illinois unless that person is first certified by IAFSM or receives special approval from IAFSM.

As of December, 2005, IAFSM boasts over 200 Certified Floodplain Managers (CFM). Section 14.1.7. provides additional information on becoming a CFM.

3.4. THE NATIONAL FLOOD INSURANCE PROGRAM

3.4.1. Prior to the NFIP

Historically, people at risk from flooding could only hope for help from their neighbors and charitable organizations in the event of a flood. Government assistance varied from community to community, and flood insurance was scarce. During the 1920s, the insurance industry concluded that flood insurance could not be a profitable venture because the only people who would want flood coverage would be those who lived in floodplains. Since they were sure to be flooded, the rates would be too high to attract customers.

3.4.2. Creation

During the 1960s, Congress became concerned with problems related to the traditional methods of dealing with floods and flood damage — construction of structural projects and Federal disaster assistance. Both were proving to be quite expensive, with no end in sight.

Congress concluded that:

- ◆ Although Federal flood programs were funded by all taxpayers, they primarily helped only residents of floodplains.
- ◆ Flood protection structures were expensive and could not protect everyone.
- ◆ People continued to build and live in floodplains, thus still risking disaster.
- ◆ Disaster relief was both inadequate and expensive.
- ◆ The private insurance industry could not sell affordable flood insurance because only those at high risk would buy it.

In 1968, Congress passed the National Flood Insurance Act to correct some of the shortcomings of the traditional flood control and flood relief programs. The act created the National Flood Insurance Program (NFIP) to:

- ◆ Transfer the costs of private property flood losses from the taxpayers to floodplain property owners through flood insurance premiums.
- ◆ Provide floodplain residents and property owners with financial aid after floods, especially smaller floods that do not warrant Federal disaster aid.
- ◆ Guide development away from flood hazard areas.
- ◆ Require that new, substantially improved, and substantially damaged buildings be constructed in ways that will minimize or prevent damage in a flood.

Congress charged the Federal Insurance Administration (which at that time was in the Department of Housing and Urban Development) with responsibility for the program.

3.4.3. Evolution

Participation in the NFIP grew slowly. In 1972, Hurricane Agnes devastated a wide area of the eastern United States. Disaster assistance costs were the highest ever, leading Congress to examine why the NFIP was so little used. Investigators found that few communities had joined the NFIP — there were fewer than 100,000 flood insurance policies in force nationwide.

To remedy this, the Flood Disaster Protection Act was passed in 1973, requiring that buildings located in identified flood hazard areas have flood insurance coverage as a condition of Federal aid or loans from Federally-insured banks and savings and loans, and as a condition for receiving Federal disaster assistance. These “sanctions” for non-participation, which are detailed later in this section, make it hard for any community that wants Federal assistance for properties in floodplains to avoid joining the NFIP.

The 1973 Act spurred participation in the program dramatically. By the end of the decade, more than 15,000 communities had signed on and about two million flood insurance policies were in effect (see Figure 3-3). In Illinois, over 700 communities had joined by 1980.

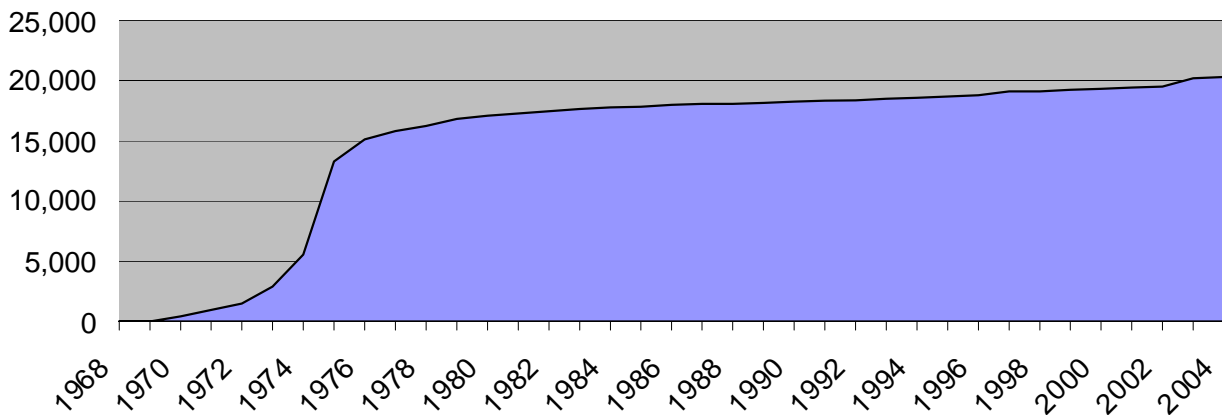


Figure 3-3: NFIP community participation

In 1979, the Federal Insurance Administration (FIA) and the NFIP were transferred to the newly created Federal Emergency Management Agency (FEMA). During the early 1980s, FIA worked to reduce the program’s dependence on its authority to borrow from the Federal Treasury.

Through a series of rate increases and other adjustments, the program has been self-supporting since 1986. The NFIP is funded primarily through premium income, which pays all the costs of administration, mapping, and claims.

Since 1973, the program has been amended several times. The most important changes came under the National Flood Insurance Reform Act of 1994 which fine tuned various aspects of the program, such as authorizing the Community Rating System, increasing the maximum amount of flood insurance coverage, and establishing a grant program for mitigation plans and projects.

The Reform Act strengthened the provisions that mandate the purchase of flood insurance that were created in the 1973 Flood Disaster Protection Act. As a result, the improved enforcement and the initiation of a flood insurance advertising campaign known as “Cover America,” boosted sales of flood insurance policies again. By the end of the 1990s, there were 4.1 million flood insurance policies in force.

By 2005, the number of participating communities exceeded 20,000 out of 22,000 with identified floodplains. There are nearly 800 participating communities in Illinois, out of 900 that have identified floodplains. As shown in Figure 3-3, the greatest growth occurred in the late 1970s, after the provisions of the 1973 amendments took effect.

In 2003, FEMA and the NFIP were transferred to the newly created Department of Homeland Security, but it is still referred to as FEMA.

3.5. HOW THE NFIP WORKS

The NFIP is based on a mutual agreement between the Federal Government and the community. Federally guaranteed flood insurance is made available in those communities that agree to regulate development in their mapped floodplains. If the communities do their part in making sure future floodplain development meets certain criteria, FEMA will provide flood insurance for properties in the community.

There are three basic parts to the NFIP:

1. mapping,
2. insurance, and
3. regulations.

These three parts are interconnected and mutually supportive.

3.5.1. Mapping

FEMA has prepared a floodplain map and developed flood hazard data for most communities in the country. The maps and data are used for several purposes:

- ◆ Communities, States, and Federal agencies use them as the basis for the regulating new floodprone construction,
- ◆ Insurance agents use them when rating flood insurance policies, and
- ◆ Lenders and Federal agencies use them to determine when flood insurance must be purchased as a condition of a loan or financial assistance.

FEMA has issued two kinds of maps:

- ◆ The first map received by most communities was called a Flood Hazard Boundary Map (FHBM). This simply showed the boundaries of the floodplain using approximate methods.
- ◆ Most communities have had their FHBMs replaced by a Flood Insurance Rate Map, or FIRM. It shows flood elevations and other hazard information needed to better protect new construction from flood damage. Community FIRMs are currently being replaced by countywide digital FIRMs.

Buildings that pre-date the FIRM are treated differently than buildings built after the flood hazard was made public on the FIRM. These existing structures are called “pre-FIRM” buildings, while new construction is called “post-FIRM.”

The flood insurance rates for post-FIRM buildings are based on how protected they are from the mapped hazard. Therefore, both the NFIP’s regulations and insurance coverage depend on the accuracy and utility of the maps.

The NFIP’s maps and flood studies are covered in depth in Part 2.

3.5.2. Insurance

Every building located in a participating community may be covered by a flood insurance policy, even buildings not located in a mapped floodplain. Coverage is for damage by a “flood.”

A flood is defined by the NFIP as a “general and temporary condition of partial or complete inundation of normally dry land areas from:

1. the overflow of inland or tidal waters or
2. the unusual and rapid accumulation or runoff of surface waters from any source.”

Flood insurance premiums for post-FIRM buildings are based on the degree of flood protection provided to the buildings. Therefore, it is very important for communities to ensure that new buildings in the floodplain are constructed properly.

The flood insurance premium rates for pre-FIRM buildings are subsidized by the NFIP. Owners of these policies do not pay “actuarial” rates, i.e., rates which are based on the true risk that is exposed to the building.

No matter whether a building is pre-FIRM or post-FIRM, with flood insurance, owners of floodprone properties pay more of their share toward flood relief. In addition, they get claims paid when needed, and they do not have to wait for a disaster declaration for assistance for financial recovery.

Since its creation in 1968, the NFIP has paid out over \$11 billion in flood insurance claim payments nationally for large and small floods. Insurance provides relief for all floods, including those not severe enough to warrant Federal disaster aid. Flood insurance and its relation to construction regulations are discussed in more detail in Part 5.

3.5.3. Regulations

The NFIP underwrites flood insurance coverage only in those communities that adopt and enforce floodplain regulations that meet or exceed NFIP criteria. Buildings built in accordance with these regulations have a lower risk of flooding and can be insured at lower rates.

The community's floodplain regulations are designed to ensure that new buildings will be protected from the flood levels shown on the FIRM and that development will not make the flood hazard worse. Over time, exposure to flood damage should be reduced, as the remaining older pre-FIRM buildings are replaced by post-FIRM buildings. Eventually a community should have only post-FIRM buildings subject to little or no flood damage.

It should be noted that NFIP regulations are *minimum standards*. States and communities are encouraged to adopt and enforce additional or more restrictive rules that will better protect property from local flooding conditions.

The NFIP construction regulations focus on protecting insurable buildings, but they also provide a degree of protection to other types of development. These criteria are detailed in Part 3.

Floodplain regulations are often controversial and difficult to enforce. Many people want the freedom to build what they want without government controls. In some areas, they may not be aware they need a local permit to build.

As a result of public opposition, a community may be inclined to not fully enforce all of the provisions of its ordinance, which puts its participation in the NFIP in peril. If the community does not fulfill its NFIP obligations to the Federal government and allows construction in violation of its regulations, three things can happen:

1. New buildings will be built subject to flood damage by the base flood,
2. Insurance on an improperly constructed building may be very expensive, or
3. FEMA can impose sanctions on the community to encourage it to correct its floodplain management program. The sanctions are discussed at the end of this section.

3.6. NFIP ROLES AND RESPONSIBILITIES

The National Flood Insurance Program is founded on a mutual agreement between the Federal government and each participating community. Local, State, and Federal governments, and private insurance companies must share roles and responsibilities to meet the goals and objectives of the NFIP.

The community's role is of paramount importance. Residents and property owners can acquire flood insurance only if the community carries out its responsibilities.

3.6.1. The community role

A community is a governmental body with the statutory authority to enact and enforce development regulations. In Illinois, the NFIP definition of "community" means cities, villages, and

special towns. Counties qualify but only for their unincorporated areas. Townships, park districts, sanitary districts, levee districts, etc. do not have the statutory authority to qualify.

The community enacts and implements the floodplain regulations required for participation in the NFIP. The community's measures must meet regulations set by IDNR/OWR, as well as NFIP criteria. These requirements are covered in Part 3.

A participating community commits itself to:

- ◆ Adopting and enforcing a floodplain management ordinance.
- ◆ Issuing or denying floodplain development/building permits.
- ◆ Inspecting all development to assure compliance with the local ordinance and citing violations.
- ◆ Assuring that building sites are reasonably safe from flooding.
- ◆ Maintaining records of floodplain development.
- ◆ Making flood maps and elevation and floodproofing certificates available for public inspection.
- ◆ Assisting in the preparation and revision of floodplain maps and advising FEMA when updates to floodplain maps are needed.
- ◆ Helping residents obtain information on flood hazards, floodplain map data, flood insurance, and proper construction measures.
- ◆ Cooperating with neighboring communities' floodplain management activities.
- ◆ Designating an agency or official as a floodplain administrator that is to be responsible for implementing the community's commitments.

3.6.2. The State role

Each governor has selected a State coordinating agency for the NFIP. In Illinois, it is the Department of Natural Resources' Office of Water Resources. IDNR/OWR is responsible for:



- ◆ Ensuring that communities have the legal authorities necessary to adopt and enforce floodplain management regulations.
- ◆ Establishing minimum State regulatory requirements consistent with the NFIP.
- ◆ Providing technical and specialized assistance to local governments.
- ◆ Coordinating the activities of various State agencies that affect the NFIP.

Two other agencies are also active. IDNR's Water Survey is the official repository of floodplain maps and helps communities obtain the best available regulatory data. The Illinois Emergency

Management Agency coordinates flood warning and response activities and several flood hazard mitigation programs.

IDNR/OWR participates in FEMA's Community Assistance Program (CAP). Under CAP, NFIP funds help the Department provide technical assistance to communities and to monitor and evaluate their work.

Illinois also participates in the NFIP by establishing and enforcing floodplain management regulations for State-owned properties. This was done through Governor's Executive Order IV (1979).

3.6.3. The Federal role

In the Department of Homeland Security, FEMA administers the NFIP through its Regional Offices. There are 10 Regional Offices, each with a Mitigation Division that coordinates the NFIP with states and communities. Region V covers the states of Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.

The Regional Office is responsible for:



- ◆ Assisting the State NFIP coordinating agencies.
- ◆ Assessing community compliance with the minimum NFIP criteria.
- ◆ Advising local officials responsible for administering the ordinance.
- ◆ Answering questions from design professionals and the public.
- ◆ Helping review and adopt new maps and data.
- ◆ Administering the Hazard Mitigation Grant and Hazard Mitigation Assistance Programs.
- ◆ Providing information and training on the flood insurance purchase requirements.

FEMA's Washington, D.C., office sets national policy for floodplain regulations, researches floodplain construction practices and administers the flood hazard mapping program. They have mapped more than 100 million acres of flood hazard areas nationwide and designated some six million acres of floodways along 40,000 stream and river miles.

In addition, FEMA administers the insurance portion of the program. It sets flood insurance rates, establishes coverage, monitors applications and claims, and markets flood insurance. FEMA has established the NFIP as a self-supporting program. All NFIP expenses, including mapping and administrative costs, are paid through insurance premiums and fees from map revision requests.

Most applications and claims are processed by private insurance companies through an arrangement with FEMA called the Write-Your-Own Program. Furthermore, FEMA contracts for agent training and other assistance through regional insurance offices. They can be reached through the FEMA Regional Offices.

3.7. JOINING THE NFIP

3.7.1. Initial actions

The NFIP is based on a cooperative agreement between the community and FEMA. FEMA can only make flood insurance available in those communities that agree to regulate future development in the floodplain.

Participation in the NFIP is voluntary. There is no Federal or State law that requires a community to join. However, as discussed later in this section, a nonparticipating community faces sanctions, such as loss of Federal aid for insurable buildings in the floodplain. These make participation a very important decision for many communities. To join, a community submits an application form, a resolution of participation, and its floodplain management ordinance.

IDNR/OWR has a model resolution and ordinance. The resolution states the community's intent to participate and cooperate with FEMA. The community agrees to "maintain in force...adequate land use and control measures consistent with the [NFIP] criteria" and to:

- ◆ Assist FEMA in the delineation of the floodplain,
- ◆ Provide information concerning present uses and occupancy of the floodplain,
- ◆ Maintain for public inspection and furnish upon request, for the determination of applicable flood insurance risk premium rates within all areas having special flood hazards, elevation and floodproofing records on new construction,
- ◆ Cooperate with agencies and firms which undertake to study, survey, map, and identify floodplain areas, and cooperate with neighboring communities with respect to the management of adjoining floodplain areas in order to prevent aggravation of existing hazards, and
- ◆ Notify the Administrator whenever the boundaries of the community have been modified by annexation or the community has otherwise assumed or no longer has authority to adopt and enforce floodplain management regulations for a particular area.

The community must also adopt and submit a floodplain management ordinance that meets or exceeds the minimum NFIP and State criteria. These criteria are explained in Part 3.

As shown in Figure 3-3, most communities joined in the 1970s. At that time they were provided with a Flood Hazard Boundary Map which showed only the approximate boundaries of the floodplain. Generally, they entered the "Emergency Phase," whereby their regulatory responsibilities were limited because of the limited flood hazard data provided on the map.

3.7.2. Regular Phase

Participating communities receive a Flood Insurance Rate Map (FIRM) and most get a Flood Insurance Study with more detailed flood hazard data. After a period to review and appeal the draft map and study, the community is given six months to adopt the new data in a more comprehensive ordinance.

The FIRM takes effect at the end of the six month period. If the ordinance has been adopted in time, the community is converted to the “Regular Phase” on that date. That is also the date that differentiates “pre-FIRM” buildings from “post-FIRM buildings.”

If the ordinance is not adopted in time, the community is suspended from the NFIP. The FIRM still goes into effect on the same date and is used by lenders and Federal agencies for determining where loans can be issued and Federal assistance can be provided.

3.8. COMPLIANCE

3.8.1. Community Assistance Contacts and Community Assistance Visits

The community’s floodplain management program and permit records are reviewed periodically by the FEMA Regional Office or IDNR/OWR. Either agency may inspect records as part of a Community Assistance Visit (CAV) or Community Assistance Contact (CAC).

A CAC is used to establish contact with a community to determine if any problems or issues exist and to offer the community assistance if necessary. CACs can be conducted through telephone calls or brief visits.

A CAV is a site visit that includes a review of permit records and visits to recent construction sites. It is an opportunity to discuss problems that local officials are having and to identify any deficiencies in the community’s floodplain management program. It also serves to verify the community’s compliance with its obligations to the NFIP.

Most deficiencies in a community’s program or violations of local ordinances are generally due to a lack of understanding of the NFIP requirements, lack of technical skills, failure to understand the rationales behind the NFIP requirements, or lack of an appreciation of the insurance implications and other consequences of a decision. Most problems that are identified can be solved through community assistance efforts.

If a community doesn’t uphold its part of the agreement and fails to adequately enforce its floodplain management regulations, FEMA has recourse through three approaches:

1. Reclassification under the Community Rating System,
2. Probation, or
3. Suspension from the program.

Most communities comply with NFIP requirements before FEMA ever takes a formal compliance action. Communities often recognize that it is in everyone’s best interest to bring the community into compliance before probation or suspension occurs. One of the primary reasons communities comply is to avoid disruptions in the real estate market that would result with the potential loss of flood insurance.

3.8.2. Community Rating System reclassification

The Community Rating System (CRS) provides a discount in the flood insurance premiums for properties in communities that participate in the CRS program. The CRS is explained in detail in Section 18.

CRS communities that are deemed to no longer be in full compliance with the NFIP requirements can be reclassified to Class 10. Should this happen, property owners would lose their CRS flood insurance premium discounts.

3.8.3. Probation

Probation represents formal notification to the community that FEMA regards the community's floodplain management program as non-compliant with the NFIP criteria.

Prior to imposing probation, FEMA provides the community a 90-day written notice and lists specific deficiencies and violations. It also notifies all policy holders of the impending probation, telling them that an additional \$50 premium will be charged on policies sold or renewed during the probation period. The objective of this surcharge is to bring the policy holders' attention to the fact that their community is not compliant and failure to correct the problems may lead to suspension.

The community has 90 days to avoid this sanction by correcting deficiencies and remedying identified violations. Probation may be continued for up to one year after the community corrects all program deficiencies. This ensures that the community has truly changed its ways and become compliant and that all policies holders are advised of the situation when their policies are renewed.

3.8.4. Suspension

If, after a period of probation, a community fails to remedy its program deficiencies, it will be suspended from the NFIP. Suspension means the community is no longer in the NFIP. It is subject to the sanctions for non-participation that are explained in the next section.

FEMA grants a community 30 days to show why it should not be suspended and then gives it a 30-day suspension letter. FEMA may also conduct a written or oral hearing before suspension takes effect.

A community can automatically be suspended if, following due notice, it fails to adopt revisions to its floodplain ordinance in response to flood map revisions or amended minimum NFIP criteria. It can also be suspended within 30 days for knowingly making its ordinance noncompliant.

A community suspended under the NFIP may apply to the FEMA Regional Office for reinstatement by submitting the following:

- ◆ A local legislative or executive measure reaffirming the community's intent to comply with the NFIP criteria.
- ◆ Evidence that all program deficiencies have been corrected.
- ◆ Evidence that any violations have been remedied to the maximum extent possible.

FEMA may reinstate the community to full program status, bring it to a probationary status, or withhold reinstatement for up to one year after a satisfactory submission from the community.

3.8.5. Sanctions for non-participation

A community that does not join the NFIP, has withdrawn from the program, or is suspended faces the following sanctions:

- ◆ Flood insurance will not be available. No resident will be able to purchase a flood insurance policy.
- ◆ If the community withdraws or is suspended, existing flood insurance policies will not be renewed.
- ◆ No direct Federal grants or loans for development may be made in identified flood hazard areas under programs administered by Federal agencies such as HUD, EPA, and SBA. State agencies may also deny financial assistance for floodplain properties.
- ◆ No Federal disaster assistance may be provided to repair insurable buildings located in identified flood hazard areas for damage caused by a flood.
- ◆ No Federal mortgage insurance or loan guarantees may be provided in identified flood hazard areas. This includes policies written by FHA, VA, and others.
- ◆ 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 is a flood hazard and the property is not eligible for Federal disaster relief.

These sanctions can be severe on any community with a substantial number of buildings in the floodplain. Most communities with a flood problem have joined the NFIP and are in full compliance with their regulatory obligations.

3.8.6. Benefits for participating

Most communities have joined the NFIP because it offers some valuable benefits, including:

- ◆ Flood insurance is made available to all residents of the community. Without the NFIP, most residents and businesses would not have access to flood insurance. Only if a flood is large enough to warrant a Federal disaster declaration would they be eligible for financial assistance, and then it is mostly in the form of a loan that must be paid back with interest.
- ◆ The NFIP provides floodplain maps and data to help local officials guide future development and make other land use decisions with better knowledge about the true flood hazard. The community will be better protected from future disasters.
- ◆ Participation provides the opportunity for assistance from FEMA. Staff can provide technical assistance and programs can provide financial assistance for flood loss reduction efforts, hazard mapping and hazard mitigation.