



Please accept these comments on behalf of NJAFM in response for request for information on the National Flood Insurance Program's (NFIP) Community Rating System (CRS) redesign effort

#### List of Questions for Commenters

**(1) Should FEMA provide each community with a report highlighting potential CRS program credits (often referred to as "points/credits") that the community could earn to mitigate risk and reduce insurance premiums, explaining strategies on how to receive more points, and flagging NFIP minimum floodplain management standards compliance issues? Why or why not?**

#### Response (1)

**Increased Awareness and Participation:** Many communities may not be fully aware of the CRS program and the benefits it can provide. A detailed report can educate local officials and stakeholders about how they can earn credits and reduce flood insurance premiums, potentially increasing participation in the CRS program.

**Tailored Guidance:** Providing a report that outlines specific strategies for earning more points can help communities develop targeted actions to improve their CRS rating. This guidance could be more effective than generic advice and help communities prioritize their efforts.

**Compliance and Risk Mitigation:** By flagging compliance issues with NFIP minimum floodplain management standards, the report can lead to improved floodplain management practices, reducing risk and potentially lowering the severity of future flood-related damages.

**Resource Allocation:** Understanding potential CRS credits and strategies can help communities allocate their resources more efficiently and effectively. Communities can strategize their efforts on actions that will yield the best return in terms of cost, CRS points thus lowering the cost of insurance premium.

**Enhanced Collaboration:** A comprehensive report could facilitate better collaboration between FEMA and the local communities it serves.

**Encourage CRS Mentorship:** It would also be helpful if FEMA provided each community with the CRS rating of communities in the same home county. FEMA should encourage similarly threatened communities to cooperate with one another in better understand CRS benefits and challenges.

**(2) Should FEMA auto enroll all NFIP participating communities into the CRS program to give the community CRS credit for activities that they already undertake that exceed NFIP minimum floodplain management standards ( e.g., community has an open space preservation program to reduce flooding)? Auto enrollment means all communities would automatically participate in CRS by virtue of participating in the NFIP.**

## **Response (2)**

**Increased Participation:** Auto-enrollment would ensure that every community participating in the NFIP could also be benefiting from the CRS program. This could significantly decrease the complexity of entering the program, which is often the first obstacle to full participation in the program. Auto-enrollment could simplify the process for communities by reducing administrative burdens and making it easier for them to receive benefits for their floodplain management practices.

**Recognition of Existing Efforts:** Communities that already engage in activities exceeding NFIP minimum standards (such as open space preservation) would receive credit for these efforts without having to apply separately for the CRS program. This could provide an incentive for communities to enhance or maintain their flood mitigation activities.

**Increased Awareness:** Automatically enrolling communities could raise awareness of the CRS program and its benefits, potentially encouraging local officials to invest more in flood mitigation activities to earn additional credits.

**Resource Allocation and Capacity:** FEMA would need to manage a significant increase in the number of communities participating in the CRS program. This could strain resources, as CRS administration requires reviewing community documentation, verifying activities, and ensuring compliance with program requirements.

**Community Readiness and Maintenance:** Not all communities may be ready or equipped to meet the CRS program requirements. Auto-enrollment could lead to communities being in the program without fully understanding or meeting the criteria, potentially causing issues with compliance and management. It could also lead to communities initially receiving the policy cost reduction of benefits only to see them lost if a community is ill prepared to maintain CRS activities. Implementing auto-enrollment would involve significant administrative work, including setting up systems to manage and track an increased number of CRS participants, addressing compliance issues, and providing support to communities.

**Gradual Implementation:** One approach could be to gradually phase in auto-enrollment or to provide an opt-in option where communities can choose to participate in the CRS program if they believe it will benefit them. This would allow FEMA to manage the transition more smoothly and allow FEMA to provide resources to those communities that volunteer to put in the effort and commitment required to maintain a successful program.

**Provide Communities an Option to Enroll Automatically:** Being in the CRS program is a huge resource commitment. Automatically enrolling communities into the program without warning them of the reporting they would have to do to maintain their discount could be met with a resistance for those communities that don't want to be in the program. An option to automatically enroll should be considered.

***(3) Would there be any advantage if FEMA were to assess an escalating surcharge on NFIP policy premiums for NFIP participating communities that are not in compliance with the NFIP minimum***

***floodplain management standards? This would be in addition to the NFIP Probation policy surcharge that is in [44 CFR 59.24\(b\)](#).***

### **Response (3)**

Implementing an escalating surcharge on NFIP policy premiums for communities not in compliance with NFIP minimum floodplain management standards could have the following effects:

**Incentive and Cost for Compliance:** An escalating surcharge could provide a strong enough financial incentive for communities to improve their floodplain management practices and achieve compliance with NFIP standards. Communities would be motivated to address deficiencies and avoid higher premiums for their residents. However, many non-compliant communities may not have the financial, technical, or professional capacity to become NFIP compliant and thus languish with the increased cost of non-compliance passed along to policy holders, many of which are in vulnerable communities. This also brings about the question of equity in charging those in smaller or impoverished communities a higher policy rate or surcharge simply because their community lacks the resources necessary to achieve NFIP compliance.

**Increased Funding for Mitigation:** The additional revenue generated from surcharges could be used to fund flood mitigation and risk reduction programs, potentially supporting communities in their efforts to improve floodplain management and resilience. Communities might be encouraged to take a proactive approach to floodplain management and address issues before they escalate, thereby reducing long-term risks and costs.

**Incentivize Compliance:** Communities that don't meet the NFIP minimum standards should not receive the same benefits such as a CRS program discounts. The focus for these communities should be to provide incentives to bring them into compliance and improve their capacity so when they are prepared to maintain their NFIP status and succeed in CRS.

***(4) What are the advantages and/or disadvantages of providing technical assistance to communities to support CRS participation? Would communities take advantage of technical assistance and if so, what type(s) of technical assistance would be most helpful? Examples of suggested technical assistance include assisting communities with the preparation of required CRS documents, CRS project management, CRS program support, and preparation of repetitive loss analysis.***

### **Response (4)**

Providing technical assistance can improve CRS program participation and effectiveness, especially for communities with limited resources or expertise. Balancing the benefits with potential challenges and ensuring equitable and effective support will be key to maximizing the impact of technical assistance efforts.

#### **Advantages**

**Improved Program Participation:** Technical assistance can help communities navigate the complexities of the CRS program, increasing their likelihood of successful participation in the long-term and achieving higher CRS ratings. This can lead to greater flood insurance premium reductions for residents.

**Enhanced Flood Mitigation Efforts:** Providing support for activities can help communities implement effective flood mitigation measures and strategies. This can lead to better risk reduction outcomes.

**Capacity Building:** Technical assistance can build local capacity by training community staff and officials on CRS requirements and best practices. This empowers communities to manage and sustain their own CRS efforts independently over the long term.

**Efficiency and Accuracy:** Assistance with preparing CRS documents and conducting repetitive loss analyses can improve the accuracy and completeness of submissions, reducing the likelihood of errors or omissions that could impact a community's CRS rating. Increasing accuracy and reducing errors saves both time and money for FEMA and the participating community. It also encourages participation when there are less bureaucratic obstacles in achieving intended outcomes.

**Increased Equity:** Technical assistance can help smaller or resource-constrained communities participate in the CRS program, which they might otherwise struggle to do on their own. This promotes more equitable access to the benefits of the CRS program.

## **Concerns**

**Resource Constraints:** Providing technical assistance requires resources, including funding, staffing, and expertise. Managing these resources effectively can be challenging, particularly if there is high demand for assistance. Offering technical assistance could increase administrative burdens for the agency providing the support. Ensuring that assistance is effective and tailored to each community's needs can be time-consuming. Is FEMA up to the challenge?

**Dependence on External Support:** Over-reliance on external technical assistance might lead some communities to become dependent rather than developing their own capabilities and expertise. The goal of any technical assistance should be to increase a community's internal capacity so they will eventually be able to administer CRS on their own, preferably in house where institutional knowledge can be passed along through the organization.

**Potential for Inequity in Assistance Distribution:** If not managed carefully, there could be disparities in the level of assistance provided to different communities, potentially leading to unequal benefits and outcomes.

## **Types of Technical Assistance That Could Be Most Helpful**

**Preparation of Required CRS Documents:** Helping communities prepare and organize the necessary documentation for CRS program applications can streamline the process and ensure that submissions meet program requirements.

**CRS Project Management:** Providing support for managing CRS-related projects can help communities implement effective flood mitigation and management initiatives. This includes project planning, execution, and evaluation.

**CRS Program Support:** Offering ongoing support for managing and maintaining CRS activities, including compliance monitoring and reporting, can help communities sustain their CRS efforts and continuously improve their ratings.

**Repetitive Loss Analysis:** Assisting with the preparation of repetitive loss analysis can help communities understand and address properties that have experienced frequent flooding, leading to targeted mitigation efforts and potentially better CRS credits.

**Training and Capacity Building:** Providing training sessions and workshops on CRS requirements, best practices, and program management can build local expertise and self-sufficiency.

**Technical Guidance and Consultation:** Offering expert guidance on specific CRS activities and requirements, such as floodplain mapping, public information activities, or open space preservation, can help communities implement effective strategies and earn additional CRS credits.

**Compliance Information:** Give communities up to the minute access to their negative rating list/violations and give them access to their flood insurance payout per property information so they can focus their attention on compliance where the greatest need exists.

***(5a) FEMA currently offers premium discounts for many CRS activities through the NFIP's current pricing approach. In CRS participating communities, this may lead to policyholders receiving "double" discounts for the same CRS activities ( e.g., elevation of individual structure above the NFIP's minimum elevation requirement resulting in a structure level discount through the NFIP's current pricing approach and a CRS credit for a community-wide higher structure elevation regulation).***

***(a) If FEMA were to provide NFIP premium discounts to individual policyholders for CRS activities, through the NFIP's current pricing approach, should FEMA offer duplicate CRS discounts for the same activities that are already reflected in individual premiums? Why or why not?***

#### **Response (5a)**

There would have to be a detailed analysis to show where supposed "double discounts" were occurring to appropriately answer this question. With the implementation of Risk Rating 2.0, and the lack of transparency surrounding how specific rates are calculated. One can no longer assume an individual homeowner is the recipient of any NFIP policy discount associated with mitigating personal property.

***(5b) Assuming no to (a), would communities be incentivized to adopt measures in excess of FEMA's minimum floodplain management standards for community-wide activities that reduce future flood risk ( e.g., stormwater management regulations or enhanced future land use planning) if FEMA were to only offer CRS discounts for those community-wide activities that reduce future flood risk?***

#### **Response (5b)**

This question is somewhat vague and requires more context for a precise answer. The impact would depend on the specific credits available for various activities and whether a community can feasibly implement them. Voluntary participation in the Community Rating System (CRS) is already challenging due to factors such as the additional costs of administering the program, increased staff workload, and the lack of direct financial incentives for the community beyond potential future flood cost savings. If

FEMA were to remove or reduce the incentives that communities rely on to maintain or improve their CRS rating, particularly those associated with human and cultural capital such as outreach, public engagement, and messaging, it could have the opposite effect. Communities might be discouraged from participating, which could increase their vulnerability to flood threats and put the public in harms way due to their lack of community engagement with the program.

**(6) Are there additional community-level activities that are not currently included in the CRS program that measurably reduce flood risk to property? Please describe and, if available, provide national-level data that demonstrate how the activities measurably reduce current and/or future flood risk reduction to property.**

### Response (6)

#### Green Infrastructure and Nature Based Initiatives:

- **Description:** Incorporating green infrastructure such as urban forests, green roofs, and permeable pavements helps manage stormwater more effectively and reduces runoff.
- **Impact:** These measures can decrease the volume and speed of runoff, reducing flood risk and improving water quality. According to the EPA green roofs can reduce stormwater runoff by up to 60%, and permeable pavements can significantly reduce surface runoff.
- **Data:** National studies, such as those by the [Environmental Protection Agency \(EPA\), show that green infrastructure](#) can reduce stormwater runoff by up to 30-50% and has been linked to a decrease in localized flooding.

#### Habitat and Floodplain Restoration Projects:

- **Description:** Restoring natural floodplains and wetlands enhances their capacity to absorb and slow floodwaters.
- **Impact:** Restoring floodplains can significantly mitigate flood risks by increasing natural water storage and reducing flood peaks. The National Oceanic and Atmospheric Administration (NOAA) reports that wetland restoration can reduce flood levels by 1-2 feet in some areas.
- **Data:** According to NOAA, floodplain restoration projects in the Mississippi River Basin have demonstrated reduced flood stages by up to 0.5 feet, illustrating their effectiveness in flood risk reduction.

· <https://www.fisheries.noaa.gov/feature-story/habitat-restoration-projects-offer-protection-flooding>

· <https://www.gulfspillrestoration.noaa.gov/2023/04/one-year-upper-barataria-marsh-creation-project-track-2023-completion>

· <https://www.fisheries.noaa.gov/national/habitat-conservation/transformational-habitat-restoration-and-coastal-resilience-projects>

#### Community-Based Flood Education Programs:



- **Description:** Implementing educational programs that inform residents about flood risks, preparedness, and mitigation measures.
- **Impact:** Increased community awareness can lead to higher adoption of flood protection measures and better preparedness, reducing the overall impact of floods.
- **Data:** Studies from FEMA and the National Flood Insurance Program (NFIP) indicate that communities with robust flood education programs experience higher rates of flood insurance coverage and improved preparedness, which can reduce overall flood damage.

#### School Based - Flood Education Programs:

- **Description:** Including flood awareness, preparedness, causes, mitigation, etc. in the public-school curriculum
- **Impact:** Increased student awareness and preparedness can save lives as well as prepares students to make better decisions about flood risk when they become adults.

**Data:** According to the Federal Emergency Management Agency's (FEMA's) research on historical flood risk, 98 percent of U.S. counties have been impacted by a flooding event. No community is spared from the possibility of a flood event.

<https://www.semswa.org/education-outreach/flooding/flood-safety/flood-awareness-for-kids/>

***(7) Would a participating CRS community be willing to exchange CRS insurance policyholder premium discounts ( e.g., all, some, or none) in a community for other comparable community-level benefits, such as enhanced technical assistance for the local CRS program or capacity-building grants? For example, if the aggregate amount of CRS discounts offered to individuals in the community totals \$100,000, would the community be interested in redistributing the total individual CRS discounts ( e.g., \$100,000) among the community and the individual policyholders ( e.g., \$50,000 to the community for enhanced technical assistance grants and \$50,000 to be distributed to individual policyholders in the form of CRS discounts)? By redistributing the CRS insurance policyholder premium discount benefits from the policyholders to the community, there would be a potential for both wider risk reduction and larger financial benefit to the community. Would such an approach make non-participating CRS communities more inclined to join the CRS program?***

#### Response (6)

One of the key challenges communities face when considering joining the CRS program is convincing local governing officials that the benefits of participating outweigh the costs of administering and implementing the program. The primary difficulty in this argument is that the benefits to the community often come in the form of discounts for policyholders in special flood hazard areas, rather than direct financial returns to the local government.

Local governments may anticipate potential cost savings from reduced flood damage due to improved hazard mitigation, but these benefits are often intangible and harder to quantify on an accounting ledger. As a result, some local officials might find it appealing to exchange CRS insurance policyholder discounts for more tangible community-level benefits, such as financial incentives for mitigation actions, technical assistance, or grants. This approach could make the CRS program more attractive to non participating communities as well.

A redistribution strategy may face resistance from policyholders, many of whom receive substantial discounts on their NFIP policies. As insurance rates increase to actuarial levels, policyholders will increasingly lose more savings each year should a redistribution take place. Community dissatisfaction with the program could lead to calls to end participation in CRS or it could see policy holders drop their flood insurance coverage due to the increase in cost. However, redistributing CRS discounts could help the community cover administration fees, fund mitigation activities, and enhance flood threat reduction efforts without placing an additional financial burden on municipal revenues. This could offer a practical benefit to the community and support its overall flood management strategy.

FEMA may want to avoid an “all or nothing at all” approach to redistribution by determining a reasonable share approach between policy holder’s discounts and tangible community-level benefits.

**(8) Besides individual flood insurance financial premium discounts, what other benefits would best incentivize communities to maintain participation in or to join the CRS program?**

**Response (8)**

1. Grant advantages or higher grant matches
2. Progressive incentives: Provide additional incentives each time a community improves its class rating, and conversely remove them should they lose a class rating
3. Technical assistance and financial resources to administer the CRS program
4. Access to grants specifically intended to support the implementation of new activities that will advance a community’s CRS class
5. Matching grants for marketing and community outreach events
6. Recognition and awards for outstanding achievements in CRS
7. Incentives for partnering with academic institutions on research programs related to flood hazard mitigation in their local community
8. Allow for shared CRS points for regional programming and/or coordinated activities amongst multiple CRS communities
9. FEMA to host a national conference or regional conferences for CRS communities
10. Provide standardized CRS management and reporting software such as Forerunner

**(9) The current CRS program credits 19 activities and 90+ elements recognized by the CRS program and identified in the CRS Coordinator's Manual along with the credit points assigned to each activity. An activity is a floodplain management activity for which CRS credit has been established ( e.g., mapping and regulations—higher regulatory standards). Elements are discrete parts of an activity that if implemented result in CRS credit points under that activity ( e.g., community-wide prohibition of outdoor storage in the SFHA, which is an element of the activity of higher regulatory standards). What are some advantages and/or disadvantages of reducing the number of activities and elements, and streamlining CRS reporting requirements?**

**Response (9)**

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Streamlining CRS reporting requirements can significantly lessen the administrative burden on communities. Fewer activities and elements would mean less documentation and reporting, making it easier for communities to manage their CRS participation. However, streamlining reporting requirements does not necessarily require a reduction in the number of activities and elements. Better technology platforms can be used to improve organization, improve compliance, while reducing the time and effort needed to administer the program.

Simplified processes could make it easier for communities to stay compliant with CRS requirements, potentially increasing participation and maintaining higher levels of engagement. However, reducing the number of activities and elements might overlook specific, localized flood risk factors that are important for certain communities. Communities without appropriate options would be less inclined to participate.

By concentrating on a smaller number of high-priority activities, the CRS program could enhance the overall effectiveness of flood risk reduction efforts. NFIP should evaluate what activities that result in safer communities and lower flood insurance payouts. This could lead to more meaningful improvements in flood resilience. However, if after streamlining, the remaining activities and elements are too large, expensive, or cost prohibitive to implement, many smaller, disadvantaged, or less resourced communities may not have a practical reason or ability to participate in CRS. Ensuring equity in credit allocation is crucial.

Transitioning to a reduced number of activities and streamlined reporting requirements could create confusion or challenges during the changeover period. Communities might need time and support to adapt to the new structure. Depending on which activities and elements remain, some communities could lose a significant number of points and reduce their CRS class rating. The results from streamlining could lead to questions about equity and questions about FEMA's evaluation and approach in ensuring fairness when recommending program changes.

**(10) What are the advantages and/or disadvantages of communities working with other communities to implement CRS under a regional approach? For example, a regional approach may include a regional watershed or planning commission that implements a CRS program for multiple communities or a shared CRS coordinator position among several communities.**

#### **Response (10)**

A regional approach to implementing the CRS can offer some advantages, including improved efficiency, consistency, and collaboration. However, it also presents challenges related to jurisdictional autonomy, coordination, resource allocation, and balancing the needs of multiple communities. Careful coordination and clear guidelines among participating communities are essential to the success of such a program.

#### **Advantages**



Addressing regional flooding is often beyond the means of one community. By combining efforts amongst multiple jurisdictions, a coordinated approach to resource allocation, cost share, administration, and monitoring can achieve better results on a larger scale necessary to combat regional threats. Cost savings can often be realized through economies of scales.

There is an opportunity for capacity building amongst jurisdictions. Communities that have been successfully involved in CRS and floodplain management may be able to mentor communities that are just beginning their efforts to enter CRS. It has been our experience that communities that are just starting out in CRS are more likely to seek answers to questions from nearby or neighboring jurisdictions already in the program rather than state or federal agencies.

Consensus amongst multiple jurisdictions in solving a problem brings about consistency in the application of floodplain management techniques and strategies. Unlike a community that operates in isolation using a patchwork of techniques to mitigate a flood incident, regional cooperation and coordination generally takes a more wholistic, multi-layered, strategic approach to floodplain management.

Some regional mitigation actions may count towards CRS points for communities that participate in the CRS program. It also opens earning CRS points for project communities may not have been able to implement on their own.

### **Concerns**

It is generally difficult to administer CRS for a single jurisdiction. Managing CRS for multiple jurisdictions becomes even more complex particularly when it comes to maintaining documentation and reporting. Perhaps the best approach is to keep CRS at the community level while providing more opportunities to earn CRS points for regional cooperation, regional mitigation efforts, and formal interjurisdictional agreements that tie back to activities and elements.

Not all communities participating in a regional cooperative agreement may have the same capacity or dedication to maintaining or improving their CRS programs. This disparity could lead to disagreements among communities about funding commitments, implementation strategies, or obtaining necessary approvals to move forward with the program.

Within a region, there could be hesitation among elected officials about having to rely on other jurisdictions for program results and then being held accountable for their outcomes.

Not all communities in the region may experience the same level of benefit from the shared CRS activities and investments. Smaller or less-resourced communities might receive less focus or consideration in decision-making, and they may receive fewer benefits compared to larger, more resourceful, or influential communities.