

KANSAS

FLOODPLAIN MANAGEMENT

TIPS



April 2014

National Flood Insurance Reform Act Legislation

In July of 2012 the Biggert Waters National Flood Insurance Reform Act (BW12) gave the National Flood Insurance Program (NFIP) stability by approving the program for 5 years. BW12 also attempted to put the NFIP on a sound financial footing by eliminating subsidies on flood insurance. An unintended consequence of BW12 was that many property owners saw flood insurance premiums jump by many thousands of dollars. This happened to people in Kansas who purchased homes in the floodplain or who refinanced. Real estate sales were effected in some communities.

In 2013, action was taken to address the unintended consequences of BW12. Implementation of Section 207 has been delayed until October 1, 2014. Section 207 would have eliminated grandfathering of insurance for properties that were originally built in compliance and then remapped in to the floodplain or to a higher base flood elevation.

On January 30, 2014 the Senate passed a bill that would have delayed implementation of many rate hikes under BW12 until an affordability study could be completed. Once completed, the Federal Emergency Management Agency would be given time to review and implement the recommendations from the affordability study. This would have delayed some provisions of BW12 for four years.

The Consolidated Appropriations Act of 2014 contained language prohibiting FEMA from spending funds to enact Section 207 of BW12. Section 207 changes will be delayed until funding is made available to allow implementation. This didn't repeal or change BW12.

On March 4, 2014 the House passed bill HR3370 with broad support. The bill does more than delay provisions of BW12. Many sections are changed or deleted. On March 13, 2014 the Senate the same bill with wide support as well. The President signed the bill into law on March 21, 2014. The bill is titled the "Homeowner Flood Insurance Affordability Act of 2013."

For a citizen whose flood insurance jumped by 500% last year, the recent Congressional action is good news. Some people were facing bankruptcy to pay for actuarial rated flood insurance they could not afford. However, these latest changes undo many positive changes and once again, raise questions about the long term success of the NFIP.

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The new Homeowner Flood Insurance Affordability Act of 2014 has 31 different sections. A copy of the Act will be sent out with the email version of this issue for those who want to read it. Here is a brief look at some of the sections of the new law.

Section 3 repeals rate increases caused by certain triggers under BW12. Properties that were sold after July 6, 2012 and new policies purchased after July 6, 2012 were going straight to actuarial rates. Elevation certificates were being done for homes with basements built before a flood map existed so they would know what the actuarial rated premium would be. The new law removes those triggers and also has a provision for facilitation of timely refunds to those who have already paid for higher insurance premiums under BW12.

Section 4 is titled “Restoration of Grandfathered Rates”. Grandfathered flood insurance will not be completely eliminated. This will be of particular interest in communities that have a recent Flood Insurance Rate Map (FIRM). Grandfathering in the future, for properties newly mapped in to a floodplain, is uncertain depending on how FEMA interprets this section for Pre-FIRM structures.

Section 5 sets an 18% cap limit on the amount of annual rate increases. Higher increases may still apply to certain classes of policies. Many policies will eventually go to actuarial rating. It may take a little longer for them to get there.

Section 6 clarifies rate increases for properties newly mapped in to a floodplain.

Section 7 directs FEMA to minimize the number of policies where the annual premium exceeds one percent of the total coverage provided by the policy. Coastal V zone policies are often higher than one percent of total coverage, without BW12 changes.

Section 8 creates an annual premium surcharge. The surcharge will be \$25 per year on primary residences and \$250 per year on non-residential and non-primary residences. The money from the surcharge will go in to an NFIP reserve fund.

Section 11 allows monthly installment payments for premiums. There were property owners who could not afford the full up front payment in the past. Policies had lapsed while a property owner saved up money to pay the premium and then found out actuarial rates applied under BW12 because of the lapse.

Section 12 has wording for an optional high-deductible policy for residential properties. There is potential to have a \$10,000 deductible under certain circumstances.

Section 13 has language to exclude detached structures from mandatory purchase requirements. This issue often comes up in rural areas with farms that have outbuildings.

Section 15 strikes the 30% substantial improvement language from BW12 and returns it to 50%.

Section 18 authorizes use of funds to reimburse homeowners for successful map appeals.

Section 21 continues the treatment of residential floodproofed basements. This is good news for ten Kansas communities previously authorized for the residential basement floodproofing program.

As more information becomes available about the Act, we will make it available.

Acquiring an Elevation Certificate

Recent changes to the National Flood Insurance Program (NFIP) require more properties to have elevation certificates. Elevation certificates are used for insurance purposes to determine an actuarial rating. As demand has increased for elevation certificates citizens have started asking where to get the elevation certificate documents.

The most common way of obtaining an elevation certificate is for the property owner to hire a professional engineer or a licensed land surveyor to complete a form for them. The Kansas Society of Land Surveyors has a website that has a search engine to find companies that do survey work in your area. Visit www.ksls.com and use the find a surveyor button on the right hand side of the screen. This will show a map of Kansas. Select your county on the map to get a list of companies that do survey work there.

Hiring a licensed professional to complete an elevation certificate may not always be necessary. For homes built after a community joined the NFIP the floodplain managers for local communities should have elevation certificates on file with original floodplain development permits. The previous homeowner may have a copy of an elevation certificate, often filed with old closing documents. There are special circumstances when a property owner may fill out his or her own elevation certificate for a home in an unnumbered A zone that was built prior to the Flood Insurance Rate Map.

Section D of the elevation certificate states that both sides of the form should be copied and provided to the community. This will allow community officials to keep records of obtained elevation certificates and to provide copies to citizens.

Expiring Forms

The Federal Emergency Management Agency (FEMA) forms MT-1 and MT-2 expired on February 28, 2014. These are the forms used for Letters of Map Amendment and Letters of Map Revision. New forms are not yet available. You may continue to use the old forms until FEMA makes updated forms available.

Completing Forms

When completing the elevation certificate or requesting a letter of map revision there is a place on the forms to document the base flood elevation. In unnumbered Zone A areas the information is not provided with the Flood Insurance Rate Map (FIRM). Surveyors and engineers will often use data from a mapping project and provided by Kansas Department of Agriculture Division of Water Resources. The forms will ask for source of elevation data. The source should be listed as "State Division of Water Resource, DFIRM data from MapMod." Available elevation data is on line at <http://gis.kda.ks.gov/floodplain/>.

Welcome Tara Lanzrath

Tara Lanzrath has joined the Floodplain Management Team as the new Floodplain Mapping Specialist. Tara has previous work experience with the Division of Water Resources as an Environmental Scientist within the Basin Management Team. In this position she used a variety of water rights and hydrologic information to produce decision support products including maps, charts, tables, and reports. These products helped to explain the causes of water resource challenges in addition to helping understand the effects of proposed management strategies. Tara looks forward to meeting and assisting community floodplain managers.

Training Opportunities

The Floodplain Management Program will host the following training sessions throughout Kansas. If you are interested in any of the no-cost training opportunities, please contact Tom Morey at 785-296-5440 or Steve Samuelson at 785-296-4622. A training registration form is in this newsletter.

Post Flood Responsibilities

This free class is intended for community officials responsible for administering floodplain management regulations. The course focuses on what to do during and after a disaster event. Topics include substantial damage, permitting, Increased Cost of Compliance and violations. Approved 3.5 hours toward CFM. Limited to 20 participants.

- Liberal - July 15, 2014 12:30 p.m.-4:30 p.m.

Elevation Certificates and Letters Of Map Amendment

This free class is designed for community officials responsible for administering floodplain management as well as surveyors and engineers who complete Letters Of Map Amendment (LOMA) and Elevation Certificate forms. The course will focus on accurate completion of Federal Emergency Management Agency (FEMA) technical forms, building diagrams and base flood elevation. Approved 3.5 hours toward CFM. Limited to 20 participants.

- Oskaloosa May 13, 2014 8:30 a.m.-12:30 p.m.

Basics of the National Flood Insurance Program

This class is for officials responsible for administering their local floodplain management ordinance. The focus is on the National Flood Insurance Program (NFIP) and concepts of floodplain management, maps and studies, ordinance administration, and the relationship between floodplain management and flood insurance. Approved 3.5 hours toward CFM. Limited to 20 participants.

- Garden City - July 16, 2014 8:30 a.m.-12:30 p.m.

Find more information about floodplain management from Kansas Department of Agriculture
Division of Water Resources on line at:
<http://agriculture.ks.gov/divisions-programs/dwr/floodplain>

Email saves money on postage. The electronic newsletter also has links and the photos are in color. If you are getting this newsletter by postal mail and would prefer email please contact Steve Samuelson at steve.samuelson@kda.ks.gov.

Mark your calendar. The Kansas Association for Floodplain Management 2014 conference will be September 3 and 4 in Wichita. More information will be posted at the website: www.kafm.org. Registration will be done through a link on the website. If you have questions about registration please contact Don Slone, Chairman, at 913-667-1708.

Kansas Department of Agriculture
Division of Water Resources
Floodplain Program
Training Registration Form

Name _____

Title _____

Organization _____

Address _____

City _____ State _____ Zip _____

Telephone _____ Fax _____

E-mail _____

Name, date and location of training you will attend _____

*Please share this invitation with anyone else who could benefit from the training.

**Classroom locations will be sent to registered participants one week before the training.

Please mail or fax your registration to:

KANSAS DEPARTMENT OF AGRICULTURE
FLOODPLAIN MANAGEMENT PROGRAM
109 SW 9th STREET, 2nd FLOOR
TOPEKA, KS 66612-1283
Fax to: 785-296-1176

If you have questions about training, please contact Steve Samuelson by email at steve.samuelson@kda.ks.gov or by phone 785-296-4622, or contact Tom Morey at tom.morey@kda.ks.gov and 785-296-5440.

Please help us keep our records current. If the name that appears on this newsletter is for an individual no longer with your organization, please call 785-296-4622, or email steve.samuelson@kda.ks.gov to report the change.

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Kansas Department of Agriculture
Division of Water Resources
Floodplain Management
109 SW 9th St 2nd Floor
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ASFPM 2014 National Conference in Seattle

The 2014 Association of State Floodplain Managers National Conference will be June 1-6 2014 in Seattle, Washington. This conference is an excellent opportunity for floodplain managers to receive training on mapping technologies, regulations, permitting, outreach and best practices. It is estimated the conference will be attended by more than 1,000 floodplain management professionals. This conference is great chance to meet people for networking and to learn the latest news in floodplain management.

KDA/DWR Water Structures Floodplain Program Staff

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