

# Community Rating System



Source: Manitou Springs

## Hazards Addressed



Flood

## How it Works

The **Community Rating System** (CRS) is a voluntary, incentive-based community program that recognizes, encourages, and rewards local floodplain management activities that exceed the minimum standards of the National Flood Insurance Program (NFIP). CRS provides a framework and a variety of technical resources to help participating communities implement a comprehensive flood risk management program designed to reduce and avoid flood losses and to strengthen the insurance aspects of the NFIP. In return, flood insurance rates for existing policyholders community-wide are discounted to reflect the reduced flood risk resulting from community actions.

The CRS program is administered by FEMA with support from Insurance Services Office, Inc. (ISO). It uses a class rating system that is similar to fire insurance ratings to determine flood insurance premium reductions for properties located in and outside of the Special Flood Hazard Area (SFHA). Communities earn credit points based on the local implementation of specific activities recommended in the *CRS Coordinator's Manual*, and the number of points earned determines the CRS class. Classes are rated from 9 to 1, with each incremental improvement providing an additional five percent insurance premium discount. A community in the CRS Class 9 qualifies for a premium reduction in the SFHA of five percent; whereas a community in the CRS Class 1 receives the highest possible reduction of 45 percent.

In total there are nearly 100 distinct activities or elements eligible for credit under CRS, all organized under four categories:

- **Public Information Activities.** This includes local activities that educate people about flood hazards, flood protection, and flood insurance. Activities are typically directed toward residents, property owners, insurance or real estate agents, or other

stakeholders. Examples include elevation certificates, map information service, outreach projects, hazard disclosure, flood protection information, flood protection assistance, and flood insurance promotion.

- **Mapping and Regulations.** This includes activities that exceed the NFIP's minimum standards to offer flood protection for new and existing development. Examples include floodplain mapping, open space preservation, higher regulatory standards, flood data maintenance, and stormwater management.
- **Flood Damage Reduction Activities.** These activities focus primarily on reducing flood damage to existing buildings. Examples include floodplain management planning, acquisition and relocation, drainage system maintenance, and retrofitting existing buildings.
- **Warning and Response.** These activities focus on emergency warnings and response in order to save lives and minimize property damage. Examples include flood threat recognition systems, critical facilities planning, levee or dam failure warning systems, and response operations planning.

## Implementation

The Colorado Water Conservation Board (CWCB) maintains a comprehensive web resource for communities interested in participating in the CRS program. The website includes information for communities that are new to CRS; program pre-requisites; a description of CRS-eligible activities; a calculator for determining CRS points; on Community Assistance Visits (CAVs); and information about maintaining CRS status. The portal also includes a map of all participating communities in Colorado and their current CRS rating.

## Where It's Been Done

The **City of Delta** recognized that the benefits of CRS extend beyond flood insurance premium discounts. Despite having less than 20 NFIP policyholders in the entire community, the City has actively participated in the program since 1996 and is currently rated as CRS Class 8. Delta receives credit points for a number of ongoing and routine municipal activities, including significant points for open space preservation and drainage system maintenance. The City also gets credit for public outreach activities administered by its Community Development Department, such as annual mailings to local realtors and insurance companies about floodplain management, hazard disclosure, and its participation in CRS. The City has also promoted the advantages of purchasing flood insurance at public meetings, presentations to community groups, and through local newspaper articles.

The **Pikes Peak Regional Building Department (RBD)** is an example of how a county or regional authority can help administer CRS-creditable activities for multiple jurisdictions across a region. Under an inter-governmental agreement, the Pikes Peak RBD serves El Paso County; the cities of Colorado Springs, Fountain, and Manitou Springs; and the towns of Green Mountain Falls, Monument, and Palmer Lake. Although primarily tasked with the enforcement of building codes, the RBD's Floodplain Management Office provides services to all communities, including but not limited to: enforcing regulations, reviewing site plans,

issuing floodplain development permits, maintaining local floodplain maps, investigating and resolving floodplain violations, performing flood mitigation evaluations, and other activities for credit under CRS. Through its efforts, the RBD has assisted the City of Colorado Springs in becoming a CRS Class 5 community and all other jurisdictions to become CRS Class 7 communities, demonstrating how **regional collaboration on CRS can increase potential credit points while also reducing some of the local administrative burdens associated with the program.**

Some argue that a similar concept to the Community Rating System should be developed for wildfire mitigation activities. The program could benefit communities that implement wildfire mitigation measures by offering incentives such as preferred forest management and fuel treatment, community planning assistance, or higher ranking for access to competitive grant programs (*Lessons for Wildfire*, 2014). **Summit County** has explored using the CRS concept to reduce wildfire hazards. The goal is to combine multiple approaches, including implementation of Firewise Community development guidelines, development code/zoning ordinance integration with wildfire hazard reduction planning, and community action, such as efforts by the Summit County Wildfire Council to provide free chipping and grants for improving firefighting infrastructure (cisterns, improved emergency access, fuels reduction programs, etc.). It is anticipated that through these efforts the community's wildfire hazard rating could be lowered, resulting in potentially lower insurance rates (*National Flood Insurance*, 2015).

## Advantages and Key Talking Points

The primary benefit and motivation for communities to participate in CRS is the reduction in flood insurance premiums for resident policyholders. Other benefits include:

- Enhanced life safety and reduction in damage to property and public infrastructure, avoidance of economic disruption and losses, reduction in human suffering, and protection of the environment provided by the credited activities.
- Access to training, technical assistance, and other resources made available to CRS communities.
- Ability to evaluate local programs and activities against state and nationally recognized benchmarks.
- Recognition for strong local floodplain management programs.
- The program is not all about creating new activities or policies. Communities can often obtain credit points for activities and policies they are already implementing.
- There is no cost to participate. The only costs the community incurs are to implement creditable floodplain management activities and the staff time needed to document those activities and prepare for and participate in the recertification process and verification visits.

## Challenges

The most significant challenge for communities is the administration of the program. Each community must designate a local representative to oversee the development, implementation, and documentation of activities for which they are seeking credit. Documenting requirements for credit verification can be time-consuming depending on existing recordkeeping practices. Other challenges include:

- A modification to a community's CRS classification requires additional submittal materials, and is limited to one modification per year.
- Prerequisites for advanced classes can become a road block.
- With staff turnover, the program can be difficult to administer.

## Key Facts

|                                |  |
|--------------------------------|--|
| <b>Administrative capacity</b> | Experienced planner; floodplain manager                  |
| <b>Mapping</b>                 | Depends on chosen activities                             |
| <b>Regulatory requirements</b> | N/A  |
| <b>Maintenance</b>             | Annual review required by FEMA to maintain credit rating |
| <b>Adoption required</b>       | No   |
| <b>Statutory reference</b>     | N/A  |
| <b>Associated costs</b>        | Staff time, training and reporting                       |

## Examples

|  |   |
|--|---|
| <b>Delta County</b><br>Multi-Hazard Mitigation Plan                              | <a href="http://www.deltacounty.com/DocumentCenter/View/815/Multi-Hazard-Mitigation-Plan?bidId=">http://www.deltacounty.com/DocumentCenter/View/815/Multi-Hazard-Mitigation-Plan?bidId=</a> |
| <b>City of Fort Collins</b><br>Utilities, Class 2 – 40% discount                 | <a href="http://fcgov.com/utilities/what-we-do/stormwater/flooding/insurance">fcgov.com/utilities/what-we-do/stormwater/flooding/insurance</a>  |
| <b>City of Gunnison</b><br>Building Department, Class 7 – 15% discount           | <a href="http://www.cityofgunnison-co.gov/departments/building/index.php">http://www.cityofgunnison-co.gov/departments/building/index.php</a>   |
| <b>Town of Parker</b><br>Class 5 – 25% discount                                  | <a href="http://parkeronline.org/353/Floodplain-Management-Program">parkeronline.org/353/Floodplain-Management-Program</a>  |
| <b>Pikes Peak Regional Building Department</b><br>Regional Floodplain Management | <a href="https://www.pprbd.org/Download/Floodplain#FloodplainJump">https://www.pprbd.org/Download/Floodplain#FloodplainJump</a>   |

## For More Information

FEMA's CRS Website

[fema.gov/national-flood-insurance-program-community-rating-system](https://www.fema.gov/national-flood-insurance-program-community-rating-system)

Floodsmart.gov

<https://www.floodsmart.gov/>

CRS Resources

[crsresources.org](https://www.crsresources.org)

Lessons for Wildfire from Federal Flood Risk Management Programs

[headwaterseconomics.org/wildfire/solutions/lessons-for-fire-from-floodrisk](https://www.headwaterseconomics.org/wildfire/solutions/lessons-for-fire-from-floodrisk)

Colorado Water Conservation Board (CWCB) Community Rating System

<http://coloradohazardmapping.com/crs#!/home>