



**DEPARTMENT OF  
PUBLIC WORKS**

DEVELOPMENT SERVICES

**CITY OF SACRAMENTO**  
CALIFORNIA

927 TENTH STREET  
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SACRAMENTO, CA  
95814-2795

916-449-8210  
FAX 916-449-8678

October 30, 1990

Transportation and Community Development  
Sacramento, California

**SUBJECT: COMMUNITY RATING SYSTEM PROGRAM**

**SUMMARY**

The Community Rating System (CRS) is a new program started by the National Flood Insurance Program that will allow participating communities to achieve reductions in flood insurance premiums for properties located within Special Flood Hazard Areas. Portions of the City of Sacramento are located within these areas.

The program lists eighteen activities that can be used to obtain points in this program. Based on the number of points achieved, the City of Sacramento can obtain a five to forty-five per cent reduction in flood insurance rates.

Staff recommends that the Transportation and Community Development Committee forward this item to the Council with a recommendation that the Department of Public Works should file an application for the Community Rating System program. It is urgent that staff begin preparing the application soon, due to the upcoming deadline (December 15, 1990). This item will be heard tonight by the City Council.

**BACKGROUND**

See attached report to City Council dated October 30, 1990.

**FINANCIAL DATA**

See attached report to City Council dated October 30, 1990.

**POLICY CONSIDERATION**

See attached report to City Council dated October 30, 1990.

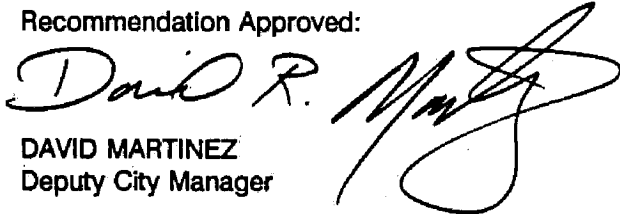
**MBE/WBE EFFORTS**

See attached report to City Council dated October 30, 1990.

**RECOMMENDATION**

It is recommended that the Transportation and Community Development Committee forward this item to the Council with their approval that the Department of Public Works should file an application for the Community Rating System Program.

Recommendation Approved:

  
DAVID MARTINEZ  
Deputy City Manager

FLH:dc  
DS1-26.B  
10.1790.2

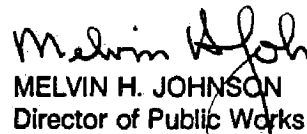
**CONTACT PERSON**

Fran Lee Halbakken, Senior Engineer  
449-2194

Respectfully submitted,

  
TERENCE W. MOORE  
Supervising Engineer

Approved:

  
MELVIN H. JOHNSON  
Director of Public Works

October 30, 1990  
All Districts



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SUBJECT: **COMMUNITY RATING SYSTEM PROGRAM**

**SUMMARY**

The Community Rating System (CRS) is a new program started by the National Flood Insurance Program that will allow participating communities to achieve reductions in flood insurance premiums for properties located within Special Flood Hazard Areas. Portions of the City of Sacramento are located within these areas.

The program lists eighteen activities that can be used to obtain points in this program. Based on the number of points achieved, the City of Sacramento can obtain a five to forty-five per cent reduction in flood insurance rates.

Staff recommends that the Council direct the Department of Public Works to file an application for the Community Rating System program. The last date that the Federal Emergency Management Agency (FEMA) in San Francisco will accept applications for the Community Rating System program is December 15, 1990. This item was heard by the Transportation and Community Development Committee this afternoon.

**BACKGROUND**

Since 1968, the National Flood Insurance Program (NFIP) has provided federally backed flood insurance to encourage communities to enact and enforce floodplain regulations. Until now, the program did little to recognize or encourage community activities to reduce flood damages to existing buildings, to manage development in areas not mapped by the NFIP, to protect new buildings beyond the minimum NFIP protection level, to help insurance agents obtain flood data, or to help people obtain flood insurance. Because these activities can have a great impact on the insurance premium base, flood damages, flood insurance claims, and federal disaster assistance payments, the Federal Insurance Administration (FIA) has implemented the Community Rating System.

Under the CRS, flood insurance premium credits are applied according to a communities's CRS classification. The classification is based on performance of activities that reduce flood losses. The program recognizes those communities that are doing more than the minimum to protect their residents from flood losses and to provide an incentive to initiate new flood protection activities.

The Community Rating System program is modelled after the fire insurance protection program which has proven to be a strong incentive for local communities to maintain or improve their fire protection program. There are ten classes within the CRS program with a class ten community having no premium credit and a class one community having the highest credit (45%). The City of Sacramento's classification would be based on credits awarded for our activities that reduce flood losses and promote the awareness of flood hazards.

**FINANCIAL DATA**

There is no fee required to file an application for the Community Rating System. Current City staff and resources should be adequate to prepare and process this application. No financial impact on the part of the City is expected as a direct result of this program. The CRS program can result in savings in flood insurance premiums of up to forty five per cent (45%) for property owners located within Special Flood Hazard Areas.

**POLICY CONSIDERATION**

The City of Sacramento is in the Regular Phase of the National Flood Insurance Program (NFIP). Every community in the NFIP will be classified whether or not it submits an application to join the CRS program. To achieve a classification higher than a class ten, the City must submit an application and earn points to improve its standing within the Community Rating System.

**MBE/WBE EFFORTS**

None, since no goods or services are being procured with this action.

**RECOMMENDATION**

It is recommended that the Council direct the Department of Public Works to file an application for the Community Rating System program.

Respectfully submitted,

*Terence W. Moore*

TERENCE W. MOORE  
Supervising Engineer

Recommendation Approved:

Approved:

WALTER J. SLIPE  
City Manager

MELVIN H. JOHNSON  
Director of Public Works

FLH:dc  
DS1-26.B  
10.1790.2

October 30, 1990  
All Districts

**CONTACT PERSON**

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449-2194

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