700 COMMUNITY CLASSIFICATION CALCULATIONS

In this series, the credit points for each activity undergo final adjustment. In Section 710, the scores for mapping and regulatory activities are adjusted to reflect the community's rate of growth. The points for all the activities are then totaled in Section 720. Appendix C relates the community's total points to its Community Rating System (CRS) classification and flood insurance premium credit.

Contents of Series 700

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710 COMMUNITY GROWTH ADJUSTMENT

Summary of Section 710

Activities related to new development are more important in growing communities than in communities with little or no pressure for future development in floodplains. In this section, the 400 series' regulatory activities are adjusted to reflect the community's average growth rate.

711 Growth Data.

a. U.S. Census growth rate (USGR): USGR is the latest U.S. Census' average annual rate of population growth for the whole county. Use of this rate accounts for growth pressure throughout the area and for potential annexations. The U.S. Census data for a community can be obtained from the FEMA Regional Office.

b. Community growth rate (CMGR): CMGR is the growth rate of population or buildings that may be submitted by the community. This information must be taken from a growth rate accounting system used for state or federal reporting requirements. A community may want to submit a second growth rate if it is higher than USGR. If a second source is submitted, the two rates are averaged.

712 Growth Adjustment Calculation.

a. Average growth rate (AGR): AGR is an average of the values for growth data, USGR and CMGR, if used.

b. Community growth adjustment (CGA): The net result of this adjustment is to increase the credit points earned for the 400 series of activities in growing communities.

713 Credit Documentation. If the community wants the average growth rate to reflect a second source of growth data (CMGR), it must submit documentation that the second growth rate has been accepted by a state or federal agency.

710 COMMUNITY GROWTH ADJUSTMENT

Background: Activities related to new development are more important in growing communities than in communities with little or no pressure for future development in floodplains.

Activity Description: The 400 series' regulatory activities are adjusted to reflect the community's average growth rate. The community growth adjustment is applied by multiplying the number of points for the activity by the average growth rate.

711 Growth Data

Two sources of information can be used to determine a community's rate of growth.

a. U.S. Census growth rate (USGR)

The U.S. Census Growth Rate (USGR) is the latest U.S. Census' average annual rate of increase in the population of the whole county, including all incorporated cities and towns and unincorporated areas. Using this rate accounts for growth pressure throughout the area and for potential annexations.

The U.S. Census data for a community is provided by the Regional Office of the Department of Homeland Security's Federal Emergency Management Agency (FEMA) (see Appendix A) or the ISO/CRS Specialist. The growth rates provided to ISO by the FEMA Regional Offices will be used to calculate the community's Community Rating System (CRS) credit. If the community disagrees with the data, it must resolve the matter with its FEMA Regional Office.

b. Community growth rate (CMGR)

[Optional] CMGR is the growth rate of households or buildings that may be submitted by the community. This information must be taken from a growth rate accounting system that is used for state or federal reporting requirements (i.e., another agency has reviewed and accepted the approach). The minimum period for CMGR is five years. Annexation of developed areas may not be included as a source of growth. An incorporated municipality may use the U.S. Census growth rate for the community if it is higher than the USGR county growth rate.

A second source of growth data may be prepared by the community or a state agency. A community may want to submit a second growth rate if it is higher than USGR. If a second source is submitted, the two rates are averaged.

Many states have developed their own growth figures for formulae that are used to distribute grants or tax revenues. Whatever source is used, the data must have been reviewed and accepted by a state or federal agency.

The state or local growth rate data must represent construction of new insurable buildings in a community. Accordingly, data based on the annexation of areas already developed are not acceptable. Communities do not need to account for seasonal fluctuations in population.

712 Growth Adjustment Calculation

a. <u>A</u>verage <u>g</u>rowth <u>r</u>ate (AGR)

AGR, the average growth rate for the community, is an average of the values for growth data, USGR and CMGR, if used:

$$AGR = USGR \ \text{ or } \ \frac{USGR + CMGR}{2}$$

If AGR is less than 0.0, a value of 0.0 is used.

If AGR is greater than 5.0, a value of 5.0 is used.

Example 712.a-1. The FEMA Regional Office has advised Floodville that the Census' household growth rate for the county is 2.55: USGR = 2.55. The U.S. Census growth rate for the City of Floodville is 2.21. Because an average of the two will result in a lower growth rate, Floodville decides to use only USGR.

AGR = USGR = 2.55

b. <u>C</u>ommunity <u>g</u>rowth <u>a</u>djustment (CGA)

CGA = 1 + (0.1 x AGR)

The net result of this adjustment is to increase the credit points earned by growing communities for activities in the 400 series. The maximum increase is 50%, which would apply to communities with average growth rates of at least 5.0 (5.0 is the maximum value for AGR). Communities that are losing population are not affected because AGR must be greater than or equal to zero. The growth rate figures are entered on activity worksheet AW-710.

Example 712.b-1. Floodville's AGR = 2.55.

CGA = 1 + (0.1 x 2.55) = 1.255 = 1.26

Floodville's credit points for Activities 410 through 450 are increased by 26%.

713 Credit Documentation

The community must submit the following documentation:

[Required only if the community wants the average growth rate to reflect a second source of growth data] If the community has growth rate data other than U.S. Census data for households or buildings, documentation that these data have been accepted by a state or federal agency for reporting requirements.

720 COMMUNITY TOTAL POINTS

At this step the points for all of the community's activities are totaled. The resulting total decides the community's CRS classification.

a. The scores for the 400 series activities are multiplied by the current value for CGA (from Section 710).

b. The results are totaled with the scores for the other activities to arrive at the community's total points (cT).

In this step, the points for all of the community's activities are calculated and totaled. The result is the community's total credit points (cT), which determines the community's Community Rating System (CRS) classification.

If the community does not have enough total points to attain a better class than it currently has, then it should apply for additional activities or elements. An application for a smaller number of points than that needed for an improved class will be returned.

The classes and the resulting flood insurance premium credits may be revised from year to year by the Department of Homeland Security's FEMA based on experience gained in measuring the impacts of the activities. A current breakdown of credit points, the corresponding CRS classification, and the resulting premium credit appears as Appendix C.

Example 720.a-1. The verified scores for Floodville are computed below. Credit for the community growth adjustment (CGA) is included.

$$
\begin{array}{lr}
c310 = & 97 \\
c320 = & 140 \\
c330 = & 266 \\
c340 = & 66 \\
c350 = & 43 \\
c360 = & 48 \\
\end{array}
$$

$$
\begin{array}{l}
c410 = 206 \ \text{x CGA} \ 1.26 = 260 \\
c420 = 203 \ \text{x CGA} \ 1.26 = 256 \\
c430 = 117 \ \text{x CGA} \ 1.26 = 147 \\
c440 = \ 68 \ \text{x CGA} \ 1.26 = \ 86 \\
c450 = \ \ 0 \ \text{x CGA} \ 1.26 = \ \ 0 \\
\end{array}
$$

$$
\begin{array}{lr}
c510 = & 158 \\
c520 = & 324 \\
c530 = & 99 \\
c540 = & 230 \\
\end{array}
$$

c610 =   0
c620 =   0
c630 =   0

cT = total of above   2,220

Floodville has enough points for a Class 6. It has met the Class 7 or better BCEGS prerequisite discussed in Section 211b, so it is verified as a Class 6. [Note that some of the examples for the activities were for communities other than Floodville.]