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## **E-EDITION NEWSLETTER**

## **NATURAL HAZARDS PLANNER**

**SPRING 2006**

NATURAL HAZARDS PROGRAM

OREGON DEPARTMENT OF LAND  
CONSERVATION & DEVELOPMENT (DLCD)



## **❖❖ E-Edition - Natural Hazards Planner, Spring 2006 ❖❖**

***IN THIS ISSUE: Disaster Declaration for Oregon, Congress Considers Changes to the NFIP, Flood Insurance for Areas Outside the “100-Year” Floodplain, Workshops Planned, Map Modernization Update, Flood Insurance Vs. Disaster Assistance Handout, FEMA Disaster Assistance Work -An Oregon Story, New Coastal Construction Guide, Why Am I Know Required to Have Flood Insurance? – A Question/Answer***

### **Federal Major Disaster Declaration Issued for Oregon**

On March 20, 2006, the Acting Director of the Federal Emergency Management Agency (FEMA), R. David Paulson, announced that President Bush had signed a major disaster declaration for Oregon. This declaration, DR-1632, makes available federal disaster aid to help in the repair from damages incurred from severe storms, flooding, landslides and mudslides that occurred from December 18, 2005 through January 21, 2006.

FEMA’s Acting Director said the following in his announcement:

*“...federal funding is available to state and eligible local governments and certain private nonprofit organizations on a cost-sharing basis for emergency work and the repair or replacement of facilities damaged by the severe storms, flooding, landslides and mudslides in the counties of Benton, Clackamas, Clatsop, Columbia, Coos, Crook, Curry, Douglas, Gilliam, Jackson, Jefferson, Josephine, Lincoln, Linn, Polk, Sherman, Tillamook and Wheeler; and in the Confederated Tribes of the Warm Springs Reservation. Federal funding is also available on a cost-sharing basis for hazard mitigation measures statewide.”* (Yamhill County was added to the declaration 4/20/06.)

Mr. Lee Champagne was named as the Federal Coordinating Officer for the Oregon disaster. Mr. Champagne indicated in a statement that additional designations may be made at a later date if requested by the state and warranted by the results of further damage assessments.

Oregon Emergency Management (OEM) will be working closely with FEMA and coordinating disaster relief efforts on behalf of state and local governments. For more information about Oregon’s federal disaster declaration and assistance opportunities, see:

[http://egov.oregon.gov/OOHS/OEM/fin\\_rec/fema\\_1632\\_dr-or.shtml](http://egov.oregon.gov/OOHS/OEM/fin_rec/fema_1632_dr-or.shtml)

### **Congress Considers Changes to the National Flood Insurance Program**

Prior to the 2004 and 2005 hurricane seasons, the National Flood Insurance Program (NFIP) was self-sufficient. After the devastating losses associated with the four major hurricanes in 2004 and Hurricane’s Katrina and Rita in 2005, amendments to the NFIP are under consideration by the 109<sup>th</sup> Congress. Some of the changes being contemplated are as follows:

- Require FEMA to study aspects of the NFIP and report back to Congress. This includes informing Congress about:

1. The status of pre-FIRM properties and mandatory purchase requirements for natural 100-year floodplain and non-Federally related loans;
2. The financial status of the NFIP
  - Increase the premium rates for non-residential properties and second homes where the current premiums are less than the actual estimated risk premium rate;
  - Increase coverage for residences from \$250,000 to \$335,000, for personal possessions from \$100,000 to \$135,000 and businesses from \$500,000 to \$670,000.
  - Reduce the flood insurance policy's effective date from 30 days to 15 days after initial purchase.
  - Provide additional coverage options such as basement improvements, loss of contents from basements and crawl spaces, and financial losses due to business interruptions;
  - Prepare a national levee inventory
  - Update flood maps to include lands inundated if dams or levees fail and continue with map modernization;
  - Increase NFIP's borrowing authority up to 6.5 billion dollars;
  - Establish an insurance claims appeal process;
  - Authorize FEMA to hire more staff.

### **Understanding Risk and Protecting Investments - Flood Insurance for Properties Outside the "100-Year" Floodplain**

The old saying of what you don't know can't hurt you is not at all applicable to public awareness about flood insurance. Many people are unaware that their standard homeowner's or business insurance does not cover flood damages, and they may not find out until after a flood has occurred. Those living or running a business in a regulated floodplain (i.e. the area inundated by the 1% chance flood or "100-Year" floodplain) are generally more aware of the importance of flood insurance to protect their investments. And if they do not understand the importance of flood insurance, they may end up with a policy anyhow due to the mandatory purchase requirements of the NFIP that kick in when a "federally backed" loan or mortgage is secured.

But what about those living or running a business outside of the mapped and regulated floodplain? The mandatory purchase requirements of the NFIP do not apply, and the NFIP does not mandate regulation of new development in these areas. So the flood risk in these areas must be negligible, correct?! Jumping to this conclusion is very problematic! Nationwide, between 20 to 25 percent of all NFIP insurance claims have historically been paid for damages to properties located outside

of regulated floodplains. Many people do not know this and furthermore may assume that flood insurance is not available in these areas. In actuality, flood insurance is available to anyone living or running a business in a city or county that participates in the NFIP.

The NFIP also offers a flood insurance product – the “preferred risk” policy - for structures located in certain moderate risk areas outside of the 1% chance mapped and regulated floodplain. The “preferred risk” policy is a lower cost flood policy that was created in 1989 in response to requests from insurance agents for an inexpensive and easy to process policy that would offer protection to those in lower risk areas. Specifically, home owners living in areas shown on NFIP federal insurance rate maps as Zones B, C, and X can obtain various levels of coverage up to \$250,000 for structural damage and \$100,000 contents.<sup>1</sup> Renters in these moderate risk zones are also eligible to purchase the contents coverage with a preferred risk policy. Preferred risk policies are also available for commercial buildings.

So why might buying a “preferred risk” or standard flood policy be a good idea if your home or business is outside of the regulated (i.e. 1% chance) floodplain? First of all, the mapped floodplain is a theoretical “snapshot” of the lands likely to be inundated during a hypothetical flood event. As is the case with all theories, there are many variables and assumptions that impact upon the establishment of the 1% chance floodplain. No one can predict the actual rainfall amounts before a flood event occurs. If more rain occurs than the amount used to establish the flood maps, more serious flooding will occur. In Oregon, freezing temperatures followed closely by heavy rainfall combined with snowmelt have produced serious flood events. When this occurs (e.g., 1996), not only are lands identified as in the floodplain usually affected or threatened by flooding, but also there are always some lands not identified as in the floodplain that experience flooding as well. Second of all, flood insurance studies and floodplain mapping cannot take into consideration all activities within a watershed that influence the magnitude of a flood or the effects a flood will have in certain areas. For example, an unforeseen log or debris jam can dramatically alter a flood event. Also, development that occurs within the watershed after the flood maps were issued can modify the magnitude and intensity of a flood beyond that reflected on flood maps. Historically, flood maps have not been updated frequently do to the expense of remapping.

So the next time someone says to you “I don’t need flood insurance” you might want to ask why, discuss flood risk, and then suggest that he or she carefully consider the option of a NFIP “preferred risk” or standard policy. For more information, you can direct people to [www.floodsmart.gov](http://www.floodsmart.gov) or their local insurance agent.

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<sup>1</sup> B, C, and X zones are areas with less than a 1% chance of flooding each year; areas that have less than a 1% chance of sheet flow flooding with an average depth of less than 1 foot; areas that have less than a 1% chance of stream flooding where the contributing drainage area is less than 1 square mile; or areas protected from floods by levees. No base flood elevations or depths are shown within these zones.

## **FEMA & DLCD Announce Floodplain Management Workshops**

FEMA and DLCD are pleased to announce a “circuit rider” floodplain management workshop. The workshop will cover floodplain management basics, including NFIP standards and processes, the use of the new (2006) elevation certificate for floodplain development, and various links between the regulatory program and flood insurance policy rating. The workshop is designed to assist individuals with understanding the NFIP, with a particular emphasis on local government participation and regulatory requirements for development in special flood hazard areas. The workshop is designed for individuals who work with development in and management of special flood hazard areas. This includes local planners, building officials and plans examiners, emergency managers, surveyors, engineers, etc. The workshop will be held in five locations as follows:

- May 10 Coos Bay** Coos Bay Library, Small Conf. Room, 525 W Anderson Ave.
- May 16 White City** ODOT Building, Conference Room B&C, 100 Antelope Road
- May 18 Bend** Deschutes County Offices, Barnes Conf. Room, Bend Parkway & Lafayette (physical location), (1300 NW Wall St., Suite 200 – mailing address)
- May 22 Salem** OR State Fire Marshall’s Office, 4760 Portland Road NE
- May 24 Tillamook** OR Department of Forestry –Tillamook District Office, Main Conference Room, 5005 Third St.

FOR MORE INFORMATION or to register for a workshop, contact [christine.valentine@state.or.us](mailto:christine.valentine@state.or.us) (or 503-373-0050 X250 if you do not have e-mail).

## **Changes in the Flood Map Modernization Initiative**

FEMA recently performed a mid-program evaluation of the Flood Map Modernization Initiative that considered input from Congress and other stakeholders. FEMA is implementing changes (Mid-Course Adjustment) that will result in providing better-targeted and more accurate flood data while also producing digital flood maps for a significant portion of the United States. As initially envisioned in 2003, Flood Map Modernization was focused on creating a digital flood layer for all communities at risk of flooding. Now the focus is on developing flood maps that meet new higher standards (Floodplain Boundary Standard) for mapping and for a greater allocation of resources to those communities at greatest flood risk. As a result there would be a delay in receiving a new map for lower risk communities. Congress is considering extending the Flood Map Modernization Initiative beyond 2009 to 2013 so all counties at risk would receive Digital Flood Insurance Rate Maps.

FOR MORE INFORMATION, contact [mark.dariento@state.or.us](mailto:mark.dariento@state.or.us) (or 503-373-0050 ext. 269 if you do not have e-mail.)

## **PROTECT YOUR INVESTMENT!**

### **The Benefits Of Flood Insurance Versus Disaster Assistance**

#### **FLOOD INSURANCE**

- **You are in control. Flood insurance claims are paid even if a disaster is not declared by the President.**
  
- **Between 20 and 25 % of all claims paid by the NFIP are outside of Special Flood Hazard Areas.**
  
- **There is no payback requirement.**
  
- **Flood insurance policies are continuous. Policies are not cancelled for repeat losses.**
  
- **Flood insurance reimburses you for all covered losses up to \$250,000 for homeowners and \$500,000 for businesses.**
  
- **The average cost of a \$100,000 flood policy is a little more than \$400 annually, or just over one dollar per day. The cost of a \$50,000 flood policy may be as low as \$180 annually, depending on where you live, or less than 50 cents per day.**

#### **DISASTER ASSISTANCE**

- **Most forms of federal disaster assistance require a Presidential declaration.**
  
- **Federal disaster assistance declarations are awarded in less than 50% of flooding incidents.**
  
- **The most typical form of disaster assistance is a loan that must be repaid with interest.**
  
- **The duration of a Small Business Administration (SBA) disaster home loan is approximately 30 years.**
  
- **The average Individuals and Households Program award is about \$4,000.**
  
- **Repayment on a \$50,000 SBA disaster home loan is \$240 a month or \$2,880 annually assuming a 4% interest rate.**

*Source: FEMA Publication F-216 (08/04) and [www.floodsmart.gov](http://www.floodsmart.gov)*

## **Being a FEMA Disaster Assistance Employee – an Oregon Story**

Last October Jim Knight, who retired from DLCD in March 2003, worked in Louisiana for a month as a temporary FEMA Disaster Assistance Employee. We asked Jim to describe his FEMA experiences in the aftermath of Hurricanes Katrina and Rita.

*Question: Jim, where were you assigned in Louisiana? How were the communities where you were deployed affected by the hurricanes?*

Upon arrival in Louisiana, I reported to the FEMA Joint Field Office (JFO) in Baton Rouge. A DFO is the on-site headquarters where FEMA and representatives of other federal, state and local agencies coordinate and direct the overall response to the disaster.

For the first two weeks I was assigned to a Disaster Recovery Center or DRC in the city of Minden. Minden is in the northwest part of the state, about 30 miles east of Shreveport. Then I was sent to a DRC in Lake Charles in southwest Louisiana down near the Gulf. Lake Charles is about 120 miles west of Baton Rouge.

Neither of these two suffered the horrific damage endured by New Orleans and other areas along the coast lying in the immediate path of the hurricanes. In fact, Minden was virtually undamaged and functioned as a relocation community for victims evacuated to escape from Katrina and Rita. Lake Charles, on the other hand, got hit pretty hard with many homes and businesses suffering major wind and rain damage from Rita. One image I still recall in Lake Charles was the huge debris piles of tree limbs stacked along the residential streets near the DRC.

*Question: What were your duties at the DRCs in Minden and Lake Charles?*

I was assigned as a Mitigation Advisor at both DRCs. The duties of a Mitigation Advisor vary depending upon the nature of the disaster to which you are assigned. Officially, a Mitigation Advisor provides disaster victims information, assistance and referrals to help eliminate or reduce risk to themselves and their property from future disasters.

However, I quickly found out that very few of the people I spoke with knew or understood what the term "mitigation" meant and how a Mitigation Advisor was supposed to help them. For them, their whole focus was on dealing with their immediate needs and not thinking about how to protect themselves from future storms.

Much of my time was spent advising victims how to cope with the nasty physical damage and health threats caused by mold and mildew that ravages water-damaged homes and personal property, particularly given the high heat and humidity on the Gulf Coast. Other issues dealt with insurance problems, storm-resistant construction techniques and home disaster kits.

*Question: What other agencies and relief groups and organizations were stationed at your DRCs?*

The great value of a FEMA DRC is that it brings together under one roof a broad range of agencies and organizations in or near communities where disasters have actually hit. In Minden, our DRC was located in an abandoned Wal-Mart store while in Lake Charles we worked out of a damaged parochial school gym. While I never knew the exact number, at the height of the relief operation there was probably near a 100 or more DRCs operating throughout the Gulf region and several adjoining states.

At the DRCs where I worked victims could obtain help and information from FEMA about applying for emergency financial and housing assistance, including temporary travel trailers, as well as obtaining mitigation information. In addition to these FEMA services we were joined by representatives from a number of other federal agencies including the Small Business Administration, USDA Rural Housing, Social Security Administration, Housing and Urban Development, Postal Service, IRS and the Corps of Engineers. State, local and other aid organizations present included crisis counselors, legal aid, Red Cross, Medicaid, unemployment assistance and the Louisiana State Insurance Commissioner. Of course, the composition of agencies at a DRC varies based on staff limitations and the needs and priorities of victims in the area being served by the DRC.

*Question: How would you characterize your FEMA service in Louisiana?*

Well, let's see. It was certainly intense as I worked for 30 days straight without any days off. Our hours at the DRC were long, usually averaging 10 to 11 hours a day. While the work itself wasn't physically taxing, it could be pretty trying emotionally. The toughest times were when I sat across my table with folks (often with young children in tow) with tears in their eyes. These were the people whose family life, homes, personal possessions and jobs had been turned upside down. Many of these victims lacked the financial means to get back on their feet, didn't have any insurance, often were without medical care and were simply struggling to wade through a blizzard of government forms and procedures not knowing if they could get their lives back together.

It was moments like these I found myself "shelving" my mitigation speech and just sitting there as a compassionate listener struggling the best I could to offer some sense of hope, counsel and optimism for the future. I guess I succeeded to some extent as a number of folks at the end of these conversations expressed sincere thanks for my coming to down to Louisiana. When I told them I was from Oregon, many said how lucky I was to live in such a beautiful state.

How would I sum it all up in word? I guess the word gratification comes to mind. Knowing that I did the best I could under fairly trying circumstances and being a part of a huge effort composed of very talented and dedicated co-workers drawn from all over the country to help our fellow citizens in distress - that's what gratification means to me.

*Question: Do you have any suggestions for FEMA based on your experience in Louisiana?*

While I fully understand and accept that mitigation is one of FEMA's core missions, I would suggest that FEMA try to come up with a better title than Mitigation Advisor so to better communicate to lay people what our function at a DRC is supposed to be. Something like



Disaster Assistance Advisor or Counselor would seem to come closer to conveying to victims what we are there for and what assistance they can expect from us. In Lake Charles I was given the humorous (but fairly accurate) nickname of Mold Man but I don't think that would pass muster with the FEMA higher ups.

*Question: What advice do you have for folks on how best to prepare for a major disaster?*

Several things come to mind. First, assemble a well-stocked emergency home emergency kit and make sure everyone in the family knows where it is and what's in it. If you already have a kit, make sure you go through it from to time check on perishable items and to make sure everything is in working order. It's also probably wise to have emergency kits in the family vehicles in case it becomes necessary to evacuate your home. You can get information from FEMA ([www.FEMA.gov](http://www.FEMA.gov)), the Red Cross or your local emergency services department about items to include in your kit.

Second, periodically review your homeowner's policy with your insurance company and make sure your policy covers the likely disasters that could affect your area. Also having copies of your policy in your home emergency kit and bank safety deposit box is a smart idea.

Third, if you are planning to extensively remodel your home, build a new one or add on an accessory structure, check with your city county planning department to see what, if any, hazards are known to be in your area. With this information, you can talk with your local building official and your contractor about additional measures you can take to further protect your home from the effects of future disasters. That's what mitigation is all about.

### **Why Am I Now Required to Have Flood Insurance? –**

*Note: This article is reprinted from "Flood News" (Spring/Summer 2005) which is prepared by the Michigan Department of Environmental Quality, Land and Water Management Division. DLCD thanks Lyell Thomas of the Michigan DEQ for allowing us to reprint this.*

Question: I have recently applied to the bank for a home equity loan on the home that I have lived in for 37 years, and the original mortgage has been paid off for seven years. In all the years that I have lived in the home, I have never experienced any flooding impacts to the home, even though the home is only about 200 feet from the river channel. However, the bank is now claiming that I must purchase flood insurance to cover the amount of the home equity loan. I never had to have flood insurance before and have never experienced any flooding, so why is it required now, and what should I know about flood risks and the need for insurance?

Answer: Excellent question and similar to questions our office receives on a regular basis. Our response to this question has several parts to it as follows: The first thing is to congratulate you on how fortunate you have been to not have had to face the turmoil and frustration that can result from a flood event, especially when your home is relatively close to a river. Many people across the nation are not so lucky. Reasons for your good fortune may be because there simply has not been a storm event in your area that would cause the flood volume needed to affect your home. However, if you assume that your home is in the floodplain area of the stream where there is a 1 percent

chance of a flood flow being equaled or exceeded in any given year, then it simply becomes a waiting game. Given enough time, the 1 percent chance flood will occur, and if your home is in that flood prone area, it will be impacted. Such a flood event is commonly referred to as the 100-year storm event. However, that does not at all mean that it will only happen once every 100 years. Across the nation such flood events have happened in rapid succession of one another.

Another reason for your home not being impacted is the possibility that the structure is located on a higher ground elevation that puts it in a lower risk area for flooding. If this is the case, then you would have a good basis for asking FEMA to review your situation through the "Letter of Map Amendment" (LOMA) process. This process is an official FEMA review designed to identify specific small residential areas that are actually out of the 1 percent chance flood prone area. Such a finding by FEMA will provide a basis for the lending institution to not require you to obtain flood insurance.

The LOMA review process will require the collection and submittal of survey data provided by a registered surveyor to document the existing structural and adjacent ground elevations for comparison to the base flood elevation. FEMA's website provides the appropriate LOMA forms and guidance to assist one through the process. [http://www.fema.gov/plan/prevent/fhm/fmc\\_loma.shtm](http://www.fema.gov/plan/prevent/fhm/fmc_loma.shtm)

In recent years lending institutions have become more diligent in evaluating whether or not homes are in or out of special flood hazard areas (1 percent chance flood areas). Changes in federal regulations provided the ability for the federal government to fine lenders for failing to require flood insurance for loans on homes at flood risk, as defined by the NFIP. Thus, where your previous lender didn't require flood insurance, they have likely adjusted their lending policies to make sure that they stay compliant with federal NFIP lending regulations.

Here are some facts that you may find helpful in your evaluation of the benefits of obtaining or not obtaining flood insurance:

- Floods are the most common, and most costly, natural disasters.
- In the 1 percent chance flood risk areas, such as your house may be in, there is a 26 percent chance of being flooded during a 30-year mortgage.
- About 20-25 percent of all flood insurance claims paid by the NFIP are for impacts to properties outside of the 1 percent chance flood risk areas.
- The average premium for flood insurance through the NFIP is about \$400 per year.
- About 60 percent of all Presidentially-declared disasters involved flooding.
- Before most forms of federal disaster assistance can be offered, the President must declare a major disaster.
- Without a declaration federal disaster, assistance is not an option.
- The most common form of federal disaster money, when it is available, is a loan that must be paid back with interest.

- Flood insurance claims are paid even if a disaster declaration has not occurred.
- Flood insurance claims are paid promptly, and you don't have to make special application as you would for disaster assistance.
- Flood insurance can be purchased on the structure and/or its contents.
- Flood insurance is available to renters and businesses.

## **FEMA's Home Builder's Guide to Coastal Construction**

In August 2005, FEMA began offering a series of technical fact sheets to guide home builders in constructing safer homes within coastal areas. This publication is unique in that it is a compilation of 31 fact sheets covering a range of subjects:

- Fact Sheet No. 01, Coastal Building Successes and Failures
- Fact Sheet No. 02, Summary of Coastal Construction Requirements and Recommendations
- Fact Sheet No. 03, Using a Flood Insurance Rate Map (FIRM)
- Fact Sheet No. 04, Lowest Floor Elevation
- Fact Sheet No. 05, V-Zone Design and Construction Certification
- Fact Sheet No. 06, How Do Siting and Design Decisions Affect the Owner's Costs?
- Fact Sheet No. 07, Selecting a Lot and Siting the Building
- Fact Sheet No. 08, Coastal Building Materials
- Fact Sheet No. 09, Moisture Barrier Systems
- Fact Sheet No. 10, Load Paths
- Fact Sheet No. 11, Foundations in Coastal Areas
- Fact Sheet No. 12, Pile Installation
- Fact Sheet No. 13, Wood-Pile-to-Beam Connections
- Fact Sheet No. 14, Reinforced Masonry Pier Construction
- Fact Sheet No. 15, Foundation Walls
- Fact Sheet No. 16, Masonry Details
- Fact Sheet No. 17, Use of Connectors and Brackets
- Fact Sheet No. 18, Roof Sheathing Installation
- Fact Sheet No. 19, Roof Underlayment for Asphalt Shingle Roofs
- Fact Sheet No. 20, Asphalt Shingle Roofing for High-Wind Regions
- Fact Sheet No. 21, Tile Roofing for High-Wind Areas
- Fact Sheet No. 22, Window and Door Installation
- Fact Sheet No. 23, Housewrap
- Fact Sheet No. 24, Roof-to-Wall and Deck-to-Wall Flashing
- Fact Sheet No. 25, Siding Installation and Connectors
- Fact Sheet No. 26, Shutter Alternatives
- Fact Sheet No. 27, Enclosures and Breakaway Walls
- Fact Sheet No. 28, Decks, Pools, and Accessory Structures
- Fact Sheet No. 29, Protecting Utilities
- Fact Sheet No. 30, Repairs, Remodeling, Additions, and Retrofitting
- Fact Sheet No. 31, References

Most fact sheets are 3 or 4 pages, and each fact sheet can be viewed separately on the internet. You can download and print those sheets of interest without printing the entire publication. Check this publication out at [http://www.fema.gov/rebuild/mat/mat\\_fema499.shtm](http://www.fema.gov/rebuild/mat/mat_fema499.shtm).

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Contact Us:

*Have Questions? Comments? Ideas for or contributions to future editions of this newsletter? You can contact the Natural Hazards Program at the DLCD Salem office, 635 Capitol St. NE, Suite 150, Phone: 503-373-0050 X250. You can also send replies to DLCD care of [christine.valentine@state.or.us](mailto:christine.valentine@state.or.us).*

Editor's Notes:

*The DLCD website address is: [www.state.or.us](http://www.state.or.us) (or alternatively [www.oregon.gov/LCD/index.shtml](http://www.oregon.gov/LCD/index.shtml)). A copy of this e-edition newsletter is posted under the Natural Hazards Program section of the website.*

*DLCD's Natural Hazards Program would like to thank Mike Rupp, who is on temporary assignment with DLCD as a floodplain specialist for his contributions to this newsletter. (OK, Christine admits that Mike did 90%+ of the work!). The Program also thanks Michigan DEQ, Joseph Murray and Dennis Sigrist of OEM, and Jim Knight for their contributions to this edition.*

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