

# STAFF REPORT

## City of Lancaster

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Date: February 10, 2009

To: Mayor Parris and City Council Members

From: James R. Williams, Director of Public Works

Subject: **Announcement of FEMA Flood Zone Changes**

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### **Recommendation:**

Public announcement of recent FEMA Flood Zone changes that affect a significant portion of Lancaster parcels. The City of Lancaster has successfully petitioned FEMA to change flood zone areas by providing a study of flood control improvements proving many parcels are no longer a high risk for flooding. These changes eliminate the federal requirement for purchasing flood insurance for approximately 82% of the 2,800 parcels previously designated as being in a high risk flood zone.

### **Fiscal Impact:**

Community Fiscal Impact would be a significant reduction in premiums for flood insurance. Flood insurance policies are sold through private insurance companies under FEMA guidelines. The 2,280 parcels moved from high risk zones into low to moderate risk zones are no longer required to purchase flood insurance. However, FEMA encourages property owners in these lower risk zones to still purchase low cost Preferred Risk Policies, because 25% of flood damage claims come from lower risk zones.

Currently there are 431 flood policies in force in Lancaster insuring 88 million dollars in property values for which the yearly premiums cost \$356,000 or an average of \$800 per policy.

### **Background:**

The City of Lancaster is part of the National Flood Insurance Program, which makes the City responsible to provide access to flood maps and flood insurance information to its residents. Since January, 1978, Lancaster residents have made eleven claims against flood insurance policies covering \$25,000 in damages. In 2005, Lancaster residents paid for over 800 flood insurance policies. In 2005 the City of Lancaster initiated a study to determine if flood control facilities constructed over the years, such as channelizing the Amargosa Creek and installing various storm drain systems, had reduced the risk of flooding enough to change the designation of some Lancaster areas from High Risk flood zones into Low Risk flood zones.

Citing favorable statistics in the study, Lancaster submitted a Letter of Map Revision application to FEMA for approval. Over the next few years, FEMA performed graduated model studies and accepted our recommendations through a series of Letters of Map

Revision. FEMA finalized these changes in their nationwide release of new Flood Insurance Rate Maps (FIRMs) in September, 2008.

Between 2005 and the release of the new FIRMs, the Letters of Map Revision superseded the existing FIRMs for determining if policies were required and the number of policies decreased. However, citizens and insurance companies are not always aware of the changes. Recently the City has been able to obtain a list of addresses which still have flood insurance in Lancaster. Staff will notify those property owners residing in the revised flood zones to contact their insurance carrier to investigate if they may reduce or eliminate their policies.

AT:lcs

**Attachments:**

Map of Zone changes