

**NC Legislature's Environmental Review Commission**

**City and County Ordinance Working Group**

Monday, February 17, 2014 at 3:30 PM  
Room 414 of the Legislative Office Building, Raleigh

**Testimony for the North Carolina Association of Floodplain Managers**

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Thank you for the opportunity to comment on the Commission's study of the circumstances under which cities and counties should be authorized to enact ordinances that are more stringent than the State or federal statute or State rule.

Every community in North Carolina is susceptible to natural hazards. Fortunately, we can control much of our vulnerability to these hazards. Cities and Counties manage these risk through the manner in which they plan, design, and build. To accomplish these risk management objectives local governments use a variety of tools, including regulations.

Given the amount of information available to building designers, public policymakers and developers, there is no excuse for failing to minimize risk from natural hazards by considering and incorporating protective actions into decisions about where and how communities are planned and built.

Today, FEMA reduces the cost of insurance for over 93,000 flood insurance policy holders in North Carolina who own property in Cities and Counties that have adopted and are enforcing higher standards. Because of the effectiveness of these local higher standards policy holders save over \$8.3 million annually on their flood insurance premiums. The \$8.3 million annual reduction in the cost of flood insurance is equal to an average annual savings of 12% on flood insurance.

The \$8.3 million in discounts are earned by local governments participating in the National Flood Insurance Program's Community Rating System (CRS). The discounts are earned by local governments adopting regulations and standards higher than the minimum Federal floodplain management requirements. CRS credit points are earned for a wide range of floodplain management activities, and the total of these points determines the amount of the discount awarded to property owners.

Some of the higher standards that receive credit include but are not limited to:

- Requiring buildings to be elevated 1 or more feet above the base flood elevation established by Flood Insurance Studies. Credit is available for up to 5 feet of freeboard.
- Requiring buildings to be setback from streams and water sources. The larger the setback distance the more points earned.
- Requiring coastal buildings to setback from the first line of natural vegetation by at least 30 times the average annual erosion rate.
- Protect coastal wetlands by adopting conservation regulations.
- Adopting and enforcing erosion and sedimentation control rules.
- And finally, local governments receive credit for adopting Building Code provisions that allow N C Cities and Counties to meet the minimum FEMA standards for participation in the National Flood Insurance Program.

Building codes should be sufficient to meet the standards needed to adequately protect lives and property from the forces of known hazards.

In North Carolina adopting building codes is a shared responsibility. That responsibility is shared by the NC Building Code Council and local

governments. Since the NC Building Codes adopted by the Council do not meet the minimum FEMA floodplain management standards the General Assembly has given N C Local Governments the authority to adopt codes they deem necessary to protect citizens and businesses from the flood risk within their area of jurisdiction. The General Assembly granted this authority because it recognized flood risks are different from one jurisdiction to another and because the Assembly didn't want to have property owners denied flood insurance and disaster assistance.

*One way to look at the \$8.3 million saved is these funds stay in North Carolina. They don't go to Washington. These dollars remain available to families and businesses to spend in North Carolina. It is like having a new business start-up paying 166 new employees \$50,000 a year in salary. If the Commerce Department were here asking for a subsidy to land a new factory, using the theories of indirect and induced effects, they might tell you that investing the \$8.3 million will generate 415 new jobs a year because of the multiplier effects on the economy. The good thing is that these jobs are sustained every year with the \$8.3 million in savings.*

Savings on flood insurance premiums are just one of the benefits that come from the higher standards adopted by cities and counties. Other benefits include:

- They protect public safety and prevent loss of life and injury.
- They reduced property losses during flood and hurricane disasters. The average annual property loss savings in North Carolina are approximately \$205 million a year. And that loss reduction benefit grows by approximately \$9.1 million each year cities and counties continue to enforce these higher standards.
- The higher standards minimize operational downtime and accelerate recovery of government services, business operations and family stability after disasters; thus, reducing the reliance on disaster assistance.

- The standards reduce the costs of disaster response and recovery and the exposure to risk for first responders.
- These standards also help accomplish other community objectives, such as
  - leveraging capital improvements,
  - protecting infrastructure,
  - preserving open space,
  - building economic resiliency,
  - reducing environmental damage, and
  - protecting cultural and historical assets.

The North Carolina Association of Floodplain Managers believes that, *"Instead of repeated damage and continual demands for state and federal disaster assistance, resilient communities proactively protect themselves against hazards, build self-sufficiency, and become more sustainable."*

FOR THE MOST PART OUR CURRENT REGULATORY SYSTEM PROVIDES THE FLEXIBILITY FOR LOCAL GOVERNMENTS TO ACHIEVE THEIR FLOODPLAIN MANAGEMENT OBJECTIVES; the Association therefore ask the General Assembly keep the provisions of N. C. General Statute 143-138(e), which provides the authority for cities and counties to adopt the floodplain management regulations a political subdivision deems necessary considering the characteristics of its flood hazards and vulnerability.

Finally, we would ask that as you deliberate on the costs of regulations that you also consider their benefits to our citizens.

Thank you for the opportunity to offer this testimony. I will be glad to answer any questions you may have.