The Importance of Flood Insurance

Every flood season, property owners in high risk flood areas face the risk of sustaining some degree of flood damage to their property. However, floods can happen in medium and low-risk flood areas as well—and from causes that include inadequate drainage systems, failed dams and freak storms. In fact, about 25 percent of all flood insurance claims come from outside floodplains.

Standard homeowners’ insurance does not cover damage from floods, but because Snohomish County participates in the National Flood Insurance Program (NFIP), you can buy a separate flood insurance policy no matter where you live.

And because Snohomish County has adopted number of programs and practices that go well beyond the minimum NFIP requirements, qualifying for the Community Rating System (CRS), you will be able to receive a 25 percent discount on your flood insurance policy. This discount amounts to an average savings of $377/year per policy for floodplain properties.

Homes with federally backed mortgages located in the floodplain are required to have a current flood insurance policy. Also, property owners who have received a federal grant for previous flood losses are required to have a current flood insurance policy to qualify for any future aid.

Separate flood insurance policies are available for the building and the contents. The NFIP encourages property owners to purchase both for the broadest protection. Improvements in the long-term safety of a home, such as home elevation or relocation mentioned in this brochure, often result in broader protection. Improvements in the long-term safety of a home, such as home elevation or relocation mentioned in this brochure, often result in a discount amounting to an average savings of $377/year per policy for floodplain properties.

For more information, please visit the National Flood Insurance Program information site at www.floodsmart.gov, and search for “NFIP” and “NFIP—summary of coverage.” You may also call the NFIP Help Center at 1-800-427-4661 or check with your current insurance provider.

Applying for FEMA Grant Funding to Protect Your Property

The Federal Emergency Management Agency (FEMA) offers a variety of grant programs to state and local governments to complete projects that will reduce future flood losses. Some programs are offered annually, while others are made available after a disaster event. Snohomish County applies for this funding on behalf of owners of flood-prone properties who have brought forward carefully planned flood-protection projects.

Requirements for Participation

Eligible properties include homes located below the Base Flood Elevation (the regulatory flood level) which have had one or more flood damage claims, or sustained severe repetitive losses or substantial damage. Most grant programs also require homeowners to have a current flood insurance policy. The county chooses the most cost-effective projects to move forward for state consideration.

Grant funds can be used for elevation and/or relocation of a flood-prone home, or acquisition of a flood-prone home for the purpose of demolition or relocation. Please see inside for more information on each of these projects.

Throughout the grant process, the property owner works directly with two Snohomish County departments:

- Public Works Surface Water Management (SWM) helps property owners determine which type of project might best reduce their home’s future flood damage and whether the project might qualify for grant assistance. SWM manages FEMA grants and will serve as a conduit of funds between private property owners, the State Emergency Management Agency and FEMA.

- Planning and Development Services (PDS) helps property owners learn which actions (home elevation and/or relocation) are allowed on the site, and provides assistance throughout the permit process.

Federal and state grants generally provide only partial funding for a private property owner’s project. Property owners are responsible for 10-25 percent of the total costs, as well as obtaining construction bids, meeting all permitting requirements, and paying all project costs prior to receiving reimbursement from grant funds.
Federal Grants Focus on Preventing Repeat Flood-Damage Claims by Insured Property Owners

Floods are the most common, costly natural disaster in the United States and in Snohomish County. With five major river systems and over 140,000 acres of floodplain, Snohomish County also has the greatest number of “repetitive loss” flood insurance claims in FEMA Region 10 (Washington, Oregon, Alaska and Idaho.)

The elevation of a home at its current location is the most common means of reducing flood risk. The process typically consists of raising the home above the Base Flood Elevation for the site. Owners of homes in flood-prone areas work with the Department of Planning and Development Services (PDS) and follow the appropriate permit process to properly elevate their home and reduce future flood damage. Owners of homes in flood-prone areas who already have experienced repeated or significant damage from floods may also want to talk with Snohomish County Public Works Surface Water Management to see if their home may qualify for a home elevation grant from FEMA. Eligible grant proposals are for homes that pass a cost-benefit analysis—a formula FEMA adopted to help communities determine the long-term reduction of flood damage. Elevation and relocation projects must have cost-benefit analyses. Owners of homes in flood-prone areas may also qualify for a home elevation grant.

In some cases, the most effective means of eliminating repeated flood damage to a home is not to elevate it in its current location, but to relocate the home on the same or different lot prior to elevating it. For example, elevating homes situated on top of a steep slope overlooking a river or in the path of a river’s changing and on-coming channel may only provide a short reprieve from flood damage.

FEMA’s goal in providing grant assistance to communities is the long-term reduction of flood damage. Relocation projects are also eligible for grant funding, provided they are cost-effective. If your home has sustained flood damage, you are encouraged to contact Public Works Surface Water Management to discuss the best options for your home’s long-term flood safety and potential grant assistance, and the Planning and Development Services Department to find out about the required permits and processes for the options you may be considering.

Substantial Damage is damage sustained by a structure whereby the cost of restoring the structure to its pre-damage condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

Additional Benefit for Policyholders

Flood insurance policyholders may qualify for additional funding through a program called “Increased Costs of Compliance” (or ICC). To find out if you might qualify for this program, please contact your insurance agent or visit www.fema.gov and type “ICC” in the search box.

Federal grants are available to local governments to enable them to purchase homes located in high-risk areas that have suffered major flood damage on a regular basis. These grants enable local jurisdictions to acquire consistently flood-prone properties and either demolish the substantially damaged structure onsite or move it out of the floodway for repair. The county and the willing seller agree on the sale, and then the property is converted to open space by deed restriction.

Qualifying properties are often river-front properties where the channel is changing, which poses a continuous hazard to residents and requires a long-term solution. As with other grant programs, proposed projects must undergo a cost-benefit analysis. The county ranks proposed projects competitively according to their cost-effectiveness.

Snohomish County and FEMA work together with willing sellers on home acquisitions, which require an 18-24 month process for completion. Acquisitions require the homeowner to bear up to 25 percent of the value of the buyout.

Demolition may be necessary in cases where damage is too severe to warrant elevation or relocation, or where the home is in such poor condition that it is not worth the investment to make improvements. Please contact the county Planning and Development Services (PDS) Department at 425-388-3311 for more information. The county plans and approves projects through its Surface Water Master Plan.

The majority of the repetitive loss properties are older homes, which were “grandfathered” into the National Flood Insurance Program (NFIP) when the program was adopted by the county. They are allowed lower rates on their flood insurance premiums (relative to their actual risk) because these homes were constructed in compliance with the development regulations of their time, before the first floodplain building regulations were adopted by Snohomish County in 1984. Repairs to these structures after they have sustained flood damage can become extremely costly. Substantially damaged structures are required to be rebuilt to meet current construction and building code standards or be demolished. In some locations, current regulations do not allow rebuilding, and relocation or acquisition might be considered.

The federal grants offered by FEMA, with their focus on reducing future flood losses, can make it possible for Snohomish County and floodplain-area homeowners to work together for long-term reductions in flood damage. FEMA offers grant funding for the action show below.