

Testimony for THE SENATE

TWENTY-THIRD LEGISLATURE 2006

SENATE CONCURRENT RESOLUTION NO. 217

AND

COMPANION RESOLUTION SR 147

COMMITTEE ON INTERGOVERNMENTAL AFFAIRS (IGA)

DATE: MARCH 28, 2006 IN CONFERENCE ROOM 225

Chair: Senator David Y. Ige

Vice-Chair: Senator Donna Mercado Kim

IN SUPPORT FOR ADOPTION

AS FLOODING CAUSES HUNDREDS OF MILLIONS OF DOLLARS

AND MORE, RECENTLY, WORTH OF DAMAGE TO HOMES

AND BUSINESSES AND LIVES AROUND THE COUNTRY

By Wendell Lum

Committee on Intergovernmental Affairs
Senator David Y. Ige, Chair
Senator Donna Mercado Kim, Vice Chair
and members

LATE TESTIMONY

Subject: Requesting the Counties to Adopt an ordinance to participate in the National Flood Insurance Program Community Rating System (CRS)

We, the City & County of Honolulu, including all the other counties have been participating in the National Flood Insurance Program (NFIP) since the 1980's. However, we are not getting discounts on flood insurance except Maui County for our residents (landowners and renters) living in low-risk and high-risk flood zones. Over a thousand of cities and municipalities on the mainland are getting flood insurance discounts through the NFIP. Maui County is the only participant in the State of Hawaii since 1995 but is participating minimally getting 10% discount for high-risk flood zones and 5% discount for low-risk flood zones. FEMA tells 26% of flood insurance claims come from low-risk flood zones nationally.

My Kaneohe Neighborhood Board No. 30 passed a resolution year ago, more or less, to involve the City & County of Honolulu to seriously get involved in the Community Rating System (CRS) full-time as the Hurricane Katrina brings this into the limelight again. The Honolulu City Council also passed a similar resolution through councilperson Gary Okino suggesting the current mayor to get involved but has not.

To participate in the Community Rating System (CRS Program) there are criteria to follow to get discounts. One of these, for example, for the City and County of Honolulu is to fund one position (1) in the Department of Planning & Permitting full-time to implement the details required by the National Flood Insurance Program Community Rating System. Budget limitations was the excuse given to fund that position by the Mayor given to myself and the Kaneohe Neighborhood Board by his representative, Mr. Lester Chang, the current Director of the Department of Park & Recreation and my Board's Mayor's representative some months ago after Honolulu City Council Budget hearings then.

Our flood maps have recently been updated and are available from FEMA and the Department of Planning & Permitting.

I feel every homeowner, owner of a business or tenant should know what flood zone they live in or do business there. Some satisfaction from property damage and loss from contents are covered from flooding due to heavy rains, hurricanes, tsunamis, and earthquakes with flood insurance on amounts you choose to cover with limitations. Better yet with discounts by participation in FEMA's Community Rating System (CRS) making it much more affordable for more land owners and to lessen the cost on compulsory flood insurance also when required by lending institutions for loans.

Waikiki, our economic spark that contributes heavily to our economy, is susceptible to damage from flooding from various types of disasters. It is a matter of fact that it is a question of when and sooner or later that a major disaster will occur in the islands. Participation in the CRS Program can help more land owners and tenants to buy flood insurance if they know the possible consequences of dealing with a natural disaster like flooding which homeowners insurance does not cover. There also is a 30-day waiting period when you purchase flood insurance.

Mahalo,



Wendell Lum (member Kaneohe N.B. & OMPO CAC rep.)

HOW THE COMMUNITY RATING SYSTEM (CRS) WORKS:

Possibility of flooding from rainstorms, hurricanes, and even tsunamis from earthquakes from any where in the Pacific Ocean can affect our island State. Millions of dollars worth of damage to homes and businesses around the country of our 50 states occur each year. Standard homeowners and commercial property policies do not cover flood losses. The Federal Emergency Management Agency (FEMA) administers the National Flood Insurance Program.

The National Flood Insurance Program (NFIP) offers reasonably priced flood insurance in communities that comply with minimum standards for floodplain management but without discounts.

The NFIP's Community Rating System (CRS) recognizes community efforts beyond those minimum standards by reducing flood insurance premiums for the community's property owners.

CRS discounts on flood insurance premiums range from 5% up to 45%. Those discounts provide an incentive for new flood protection activities that can help save lives and property in the event of a flood. Our counties are probably doing many of the CRS activities. To get credit, community officials will need to prepare an application documenting the efforts.

The CRS assigns credit points for each activity. Based on the total number of points a community earns, the CRS assigns you to one of 10 classes. Your discount on flood insurance premiums is based on your class.

WHAT YOU CAN DO TO GET CREDIT

The CRS grants credit for 18 different activities that fall into four series. A brief description of the series include:

PUBLIC INFORMATION

This series includes six activities that advise people about the flood hazard, flood insurance and ways to reduce flood damage. One popular activity is maintaining a collection of flood-related materials at the local library.

MAPPING AND REGULATIONS

This series, with five activities, consists of programs that provide increased protection to new development. One activity is maintaining open space in the floodplain.

FLOOD DAMAGE REDUCTION

This series has four activities that reduce the flood risk to existing development. Maintaining the drainage systems in your community is one important activity.

FLOOD PREPAREDNESS

This series has three activities, including flood warning, levee safety and dam safety projects.

When deciding what flood protection activities to implement, CRS credit will be only part of the decision-making process. All counties should evaluate all the activities for their ability to increase public safety, reduce property damage, avoid economic disruption and loss, and protect the environment.