



**Date:** November 14, 2023  
**To:** Honorable Mayor and City Council Members  
**Thru:** Shawn O'Leary, Director of Public Works  
**From:** Jason Murphy, Stormwater Program Manager  
**Subject:** Agenda Item - Approval of Ordinance No. O-2324-14  
Revised Floodplain Ordinance

**BACKGROUND:**

The City's Floodplain Ordinance which is included in Section 36-533 of the City of Norman Code of Ordinances, was first adopted by the City of Norman on July 8, 1975. The ordinance has been revised fifteen (15) times. Revisions occurred in 1978, 1981, 1986, 1987, 1989, 1997, 2003, 2004, 2007, 2008, 2012, 2017, 2020, 2021 and 2022. The floodplain ordinance was originally adopted as a requirement of the City of Norman's participation in the National Flood Insurance Program (NFIP), which was established by the U.S. Congress in 1968 and is administered by the Department of Homeland Security's Federal Emergency Management Agency (FEMA).

**DISCUSSION:**

Residents and business owners in Norman are eligible for a reduction in flood insurance premiums because of the city's active participation in FEMA's National Flood Insurance Program (NFIP) Community Rating System (CRS). In addition to lower premiums, the CRS program helps to reduce the threat of injury or death and property damage due to flooding in Norman.

The CRS is a voluntary program for NFIP participating communities. The intended goals of the CRS program are to reduce flood losses, facilitate accurate insurance ratings and promote the awareness of flood insurance. The CRS program rewards communities for implementing activities that protect their residents from flooding. These programs include public outreach, floodplain open space preservation and higher regulatory standards.

Communities are rewarded by having the individual flood insurance policyholder's premiums reduced. Flood insurance premium reductions run in 5 percent increments, from 5 percent to 45 percent. Class ratings range from 10 to 1. The higher the flood protection activity, the lower the Class rating. Norman became a Class 6 community in 2022. Norman's flood insurance policyholders who reside in Special Flood Hazard Areas receive a 20 percent reduction on flood insurance premiums. The reduction in flood insurance premiums represents an annual savings in premium costs for Norman policyholders and will take effect at the time a new policy is written or an effective policy is renewed.

The CRS Coordinator's Manual is the guidebook for the CRS program. The Coordinator's Manual spells out the credits and credit criteria for community activities and programs that go above and beyond the minimum requirements for participation in FEMA's National Flood Insurance Program. The Coordinator's Manual explains how the CRS operates, how credits are calculated, and what documentation is required, and also acts as guidance for communities in enhancing their flood loss reduction and resource protection activities. According the CRS manual, including provisions in a flood hazard ordinance for cumulative substantial

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improvement and substantial damage (SI/SD) is worth up to 90 points, or about 20% of the points needed to improve a class rating from 6 to 5.

Currently, the City’s Flood Hazard Ordinance includes language related to SI/SD that states that any cost to repair or improve a structure in the floodplain that exceeds 50% of the value of the structure is considered substantial improvement and therefore requires that the structure be brought into full compliance with all current Flood Hazard Ordinance requirements. Proposed cumulative substantial improvement language would require that the cost of repairs or improvements would be calculated over a ten-year period for determining if the threshold for substantial improvement has been met. In addition to changes in the definition of substantial improvement, two new definitions will be added to the ordinance to clarify “market value” and define “cumulative cost” and how they are calculated.

The following example demonstrates the effects of the ordinance revision:

An existing, non-conforming house in the floodplain has a market value of \$100,000 and the owner applies for a floodplain permit to renovate portions of the structure for a total cost of \$25,000, resulting in a 25% cost of improvements to the structure. Two years later, that same house now has a market value of \$125,000 and is damaged during a flooding event resulting in repair costs of \$35,000 resulting in a 28% cost of improvement to structure. The combined cost of improvements is 53% of the market value of the structure over a two-year period. Under existing requirements, the structure would not be required to come into compliance with the flood hazard ordinance by flood proofing, raising or otherwise mitigating flood risk. With cumulative SI/SD requirements, a permit could not be granted unless the structure was renovated in such a manner as to make it compliant with the flood hazard ordinance and therefore help mitigate the flooding risk.

The following is the proposed timeline for the ordinance revision:

<b>Norman Revised Floodplain Ordinance Schedule</b>	
<b>Item</b>	<b>Completion Date</b>
Proposed Ordinance Changes Approved by OWRB	August 9, 2023
Proposed Ordinance Changes Approved by Floodplain Permit Committee	August 21, 2023
Proposed Ordinance Approved by Planning Commission	October 12, 2023
Proposed Ordinance Changes to City Council 1st Reading	November 14, 2023
Proposed Ordinance Changes to City Council 2nd Reading	November 28, 2023
Revised Floodplain Ordinance Becomes Effective	December 28, 2023

The following is a summary of the proposed revisions to the ordinance. Changes and additions to existing language are underlined:

36-533 (c) *Definitions.* The following words, terms, and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Cumulative Cost is the sum of the cost of repairs, construction, rehabilitation,

addition, or other improvement of a structure divided by the assessed market value of a structure at the time that a cost is incurred and is calculated over the immediate past 10-year period.

Market Value means, for purposes of determining substantial improvement, the value of a structure and any attached improvements. The assessed value of a structure, as determined by the Cleveland County Assessor, shall be presumed to be the market value unless evidence of an alternative valuation is presented to and accepted by the Floodplain Permit Committee. The Floodplain Permit Committee is ultimately responsible for determining the market value of a structure, although an appeal can be made to the Board of Adjustment.

Substantial improvement means any combination of repairs, reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds fifty (50) percent of the market value of the structure before “start of construction” of the improvement. This includes structures that have incurred “substantial damage”, regardless of the actual work performed. The cost used in the substantial improvement determination shall be the cumulative costs of all previous improvements for a specific building or structure during the immediate past 10-year period. The term "substantial improvement" does not, however, include either:

1. Any project for improvement of a structure to correct existing violations of State or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary conditions;  
or
2. Any alteration of an historic structure, provided that the alteration will not preclude the structure's continued designation as an historic structure.

**RECOMMENDATION:** Staff recommends that Council approve Ordinance No. O-2324-14, which amends Sections 533 (“FH, Flood Hazard District”) of the zoning ordinance.

Reviewed by: Scott Sturtz, City Engineer  
Jane Hudson, Director of Planning and Community Development  
Beth Muckala, Assistant City Attorney III