



TO: VICTOR CARDENAS, CITY MANAGER
FROM: CHARLES BOULARD, COMMUNITY DEVELOPMENT
SUBJECT: COMMUNITY FLOOD INSURANCE ASSESSMENT
DATE: MARCH 19, 2024

MEMORANDUM

Mayor and Council –

FYI from Staff's efforts in working with FEMA on Flood Insurance evaluation. The process is rather labor intensive, and we are unsure how much it is utilized.

- Victor

The City of Novi recently completed the 5-year review for National Flood Insurance (NFIP) Program Community Rating System (CRS) with FEMA. Participation in this program allows property owners within the City of Novi to qualify for a discount on flood insurance through the NFIP. Reporting is required annually with an additional audit every 5 years and includes verification of internal processes, mapping, and design requirements along with outreach and communications.

Despite reduced scoring based on the delayed adoption of the current Building Codes by the State of Michigan, the City of Novi was able to increase to a Class 7 in NFIP CRS.

This rating qualifies residents for a 15% discount on flood insurance for most policies issued or renewed beginning October 1, 2024. While Flood Insurance may be required by lending institutions for properties within the typical 100-year A and AE flood zones, in many cases property owners in the higher B, C and X zones will choose the purchase insurance to protect against other water related events.

While the regulations and requirements for design and construction in flood zone areas are mandatory, participation in the Community Rating System is optional. Participation requires dedication of significant resources in technical reporting, outreach, education, and promotion. City staff will continue to evaluate the cost vs benefit of the program going forward.

Please see the attached documentation from FEMA for additional detail.