

## **RESOLUTION NO. 20140515-064**

**WHEREAS**, the City of Austin has a responsibility to ensure the public health and safety of its residents and is committed to establishing policies that protect the long-term well-being and viability of our community; and

**WHEREAS**, there are 65 watersheds that are either wholly or partially within the city limits of Austin and all are susceptible to recurring flash flooding; and

**WHEREAS**, according to the National Climatic Data Center, Texas leads the nation in flash flood fatalities and between 1959 and 2008 had three times the number of fatalities as the next leading state and approximately 77% of all fatalities occurred in vehicles; and

**WHEREAS**, flooding is the most common hazard for the Central Texas area and 60 people have died in flash flooding in Travis County since 1960; and

**WHEREAS**, the City of Austin's commitment to addressing watershed conditions goes back to 1974 when the City Council adopted the Waterway Development Ordinance that limited development in the 25-year floodplain and required new developments to identify appropriate erosion controls; and

**WHEREAS**, after the Memorial Day flood of 1981, which was responsible for 13 deaths and significant property damage, the City of Austin implemented a new drainage fee to provide funding for an expanded storm water management program; and

**WHEREAS**, strong public support for flood and erosion proposals was demonstrated as City of Austin voters approved bond packages totaling \$75 million for capital improvement projects between 1981 and 1984; and

**WHEREAS**, the predecessor to the Watershed Protection Department was created in 1996 with the merger of the flood and erosion programs of the Public Works Department with the water quality protection programs of the Environmental and Conservation Services Department, and has the mission to reduce the impact of flooding, erosion and water pollution in our community in order to protect lives, property and the environment; and

**WHEREAS**, shortly after its formation, the Watershed Protection Department initiated a Watershed Master Plan to better prioritize service needs and refine program direction; and

**WHEREAS**, the Watershed Master Plan (Master Plan) was approved in June 2001 and identifies opportunities for optimizing existing resources through improved prioritization, mission integration and a renewed commitment to the use of environmentally responsible, cost-effective and sustainable solutions; and

**WHEREAS**, as a means of developing options for capital infrastructure projects, operational program enhancements and regulatory modifications, the Master Plan inventoried existing watershed problems and gauged the impact of future urbanization in 17 watersheds, but did not include the Onion Creek watershed which was intended for future phases of study; and

**WHEREAS**, the Master Plan states that within those 17 watersheds in 2001, the number of inhabited structures at risk from a 100- year flood within

the City of Austin was estimated at that time to be 8,000 buildings, putting as many as 20,000 people at risk of high flood waters; and

**WHEREAS**, the Onion Creek Watershed has experienced severe flooding in 1998, 2001 and most recently in a storm event that began on October 30, 2013, causing a disaster in Central Texas that included the deaths of 5 individuals, the displacement of hundreds of families and the damage or destruction of millions of dollars in property; and

**WHEREAS**, the Halloween Flood of 2013 raised water levels above the banks of Walnut Creek, Shoal Creek, Williamson Creek and Bull Creek, in addition to Onion Creek, where levels exceeded the record stage and flow at the United States Geological Service gauge located in the area, and estimates indicate a rise of 40.15 feet, which broke the previous record of 38.00 feet measured during a September 9, 1921 storm; and

**WHEREAS**, the City of Austin has partnered with the U.S. Army Corps of Engineers since 1999 to find solutions to flooding in the Onion Creek Watershed which contains many homes built before current watershed protection ordinances or updated flood maps were adopted; and

**WHEREAS**, the City of Austin, Travis County, and the U.S. Army Corps of Engineers recommended a buyout program for the approximately 483 homes in the City of Austin 25-year floodplain which was estimated in 2006 to cost \$76 million and was designated to be shared 35% locally and 65% federally; and

**WHEREAS**, the City of Austin started to fund and purchase homes beginning with a \$2.4 million bond approved in 1998 and a \$28 million bond

that voters supported in 2006 and which collectively removed 323 homes before the Halloween Floods occurred; and

**WHEREAS**, the U.S. Congress authorized the Onion Creek buy out project in 2007, but no funding was granted until March 2014 when \$11.8 million was appropriated to the City of Austin and Travis County; and

**WHEREAS**, it has been noted by those with familiarity with the program that this initial appropriation improves the likelihood of continuing project support; and

**WHEREAS**, one of the other means of federal assistance for flood prone areas is the National Flood Insurance Program (NFIP) created by Congress in 1968 and administered by the Federal Emergency Management Agency (FEMA) to help provide a means for property owners to financially protect themselves from losses and as an alternative to disaster assistance to meet the escalating costs of repairing damage to buildings and their contents caused by floods; and

**WHEREAS**, the NFIP was created in response to the unaffordability and exclusion of coverage for floods in the private insurance market that began in the 1950s, and also as a way for the federal government to incentivize flood risk management practices in local communities; and

**WHEREAS**, the NFIP offers flood insurance to homeowners, renters, and business owners if their community participates in the NFIP by agreeing to adopt and enforce ordinances that meet or exceed FEMA requirements to reduce the risk of flooding, which the City of Austin did in 1981; and

**WHEREAS**, FEMA determines a community's flood risk in a flood insurance study that includes statistical data for river flow, hydrologic analyses, and rainfall and topographic surveys to create flood hazard maps that outline a community's different risk areas; and

**WHEREAS**, as a part of the Flood Disaster Protection Act of 1973, Congress mandated that federally regulated or insured mortgage lenders require flood insurance on properties that are located in a Special Flood Hazard Area (SFHA) that are at a high risk of flooding and, additionally, a private lender can require flood insurance even if it is not federally mandated; and

**WHEREAS**, FEMA has instituted a Community Rating System (CRS) as a voluntary program to provide incentives in the form of premium discounts of between 5% and 45% for policy holders in communities that go beyond the minimum floodplain management requirements to develop extra measures to provide protection from flooding; and

**WHEREAS**, the CRS grades communities into one of 10 classes with class 1 receiving the greatest discount and class 10 receiving no discount at all; and

**WHEREAS**, Austin, Texas is currently classified as a 6 in the CRS ranking, making residents eligible for a 20% discount in the SFHA and a 10% discount in non-SFHA areas; and

**WHEREAS**, the Flood Insurance Rate Map (FIRM) for Austin was first issued in 1981 and substantially updated in 1993, showing a rise in the 100-year floodplain by approximately 10 feet along Onion Creek which put several hundred homes in the Onion Creek Forest, Yarabee Bend, Onion

Creek Plantation, Silverstone and Timber Creek communities into the floodplain for the first time; and

**WHEREAS**, flood risks can and do change over time and FEMA is currently updating and modernizing the nation's FIRMs and in 2012 submitted preliminary maps for the Austin area that are projected to become effective August 18, 2014; and

**WHEREAS**, as of April 2012, the NFIP program had a national risk pool that insured 5.5 million homes and, while the program was meant to be self-supporting, a Government Accountability Office audit reported that the program was not actuarially sound and needed to raise rates to avoid continued borrowing brought on by Hurricane Katrina; and

**WHEREAS**, on July 6, 2012 Congress passed the Biggert-Waters Flood Insurance Reform Act of 2012 (BW-12) which sought to extend the NFIP while requiring significant reform and moving to full risk-based premiums to cover rising costs; and

**WHEREAS**, BW-12 resulted in steep increases in premiums that in some categories went up as much as 10-fold, and had an impact on low income households and the roughly 19% of policy holders that previously received a grandfathered or artificially low rate; and

**WHEREAS**, out of concern for the affordability impact of mandatory premiums and the risks associated with declining enrollment, the Homeowner Flood Insurance Affordability Act of 2014 was signed into law on March 21, 2014 and effective May 1, 2014 repealed and amended certain provisions of BW-12, including certain rate increases and reinstated the use of October 1, 2013 subsidized rates for certain eligible properties; and

**WHEREAS**, in addition to extending the phase-in of increased premiums, the Homeowners Flood Insurance Affordability Act of 2014 also made changes to grandfathering rules, established a flood insurance advocate for the fair treatment of policy holders, and requires a draft affordability framework be delivered to Congress within 18 months; and

**WHEREAS**, in developing the affordability framework, FEMA was directed to consider:

- accurate communication to customers of flood risks,
- targeted assistance based on financial ability to pay,
- individual and community actions to mitigate flood risk or lower cost of flood insurance,
- the impact of increases in premium rates on participation in NFIP,
- the impact of mapping updates on affordability of flood insurance,
- proposals for regulations to ensure flood insurance affordability and accessibility among low-income populations; and

**WHEREAS**, after Hurricane Sandy, issues of increasing premiums, an expanded floodplain risk area and low insurance take up rates, prompted New York City to commission a plan on climate change resiliency measures and a study on how to address the rising cost of flood insurance specifically; and

**WHEREAS**, the resulting report from the Rand Corporation on flood insurance impacts recommended policymakers consider a multi-layered

approach to mitigation and protection by providing assistance programs based on financial need for the cost of flood insurance, and to work to ensure that mitigation efforts are accurately and timely reflected in NFIP rates; and

**WHEREAS**, in an effort to both plan and proactively respond to Austin's own vulnerability to long-term changes in climate and major weather events, the City Council passed Resolution No. 20131121-060, directing the City Manager to explore ways to improve the resilience of our community and to conduct department level assessments and plans for city-wide disaster and emergency preparedness; and

**WHEREAS**, as of May 1, 2014, no detailed options for budget consideration have been provided in response to Resolution No 20131121-060; **NOW THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The City Manager is directed to bring forward options as a part of the fiscal year 2014-15 budget no later than July 15, 2014, for investment in flood prevention, protection and preparedness for properties city-wide.

Options should include, but are not limited to:

- early warning infrastructure and emergency communication systems,
- items addressing the rising costs of flood insurance appropriate to Austin such as a deductible sharing program or local flood insurance voucher or tax credit program for low-income households,
- public education efforts regarding flood risks and flood prevention as well as mitigation and insurance programs available, and



- improved road signage and warnings at low water crossings and other driver education efforts.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to prepare a report no later than June 16, 2014, identifying gaps in current flood insurance enrollment city-wide, a history of changes to the Flood Insurance Rate Map for Travis County, a summary of the local impact of federal legislation amending the National Flood Insurance Act, and opportunities for improving Austin's Community Rating System classification.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to analyze the impacts of pursuing local options for flood prevention and recovery efforts on the eligibility for federal buyout assistance and report back by June 16, 2014

**ADOPTED:** May 15, 2014

**ATTEST:** \_\_\_\_\_  
Jannette S. Goodall  
City Clerk