



PUBLIC WORKS DEPARTMENT

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CITY COUNCIL STAFF REPORT

Meeting: July 15, 2025

Subject

Annual Evaluation Report on the Federal Emergency Management Agency (FEMA) Community Rating System's (CRS) Program for Public Information.

Recommended Action

Adopt Resolution No. 25-XXX Accepting the Annual Evaluation Report for Fiscal Year 2025 (Year 4) of the 2021 Santa Clara County Multi-Jurisdictional Program for Public Information.

Background

The Community Rating System (CRS) is a voluntary program under the FEMA National Flood Insurance Program (NFIP) that allows communities to earn flood insurance premium discounts for their residents and businesses by conducting floodplain management activities that exceed NFIP minimum requirements. Communities earn CRS points for activities that promote flood risk reduction practices and encourage the purchase of flood insurance. Activities eligible for CRS points include flood emergency preparedness planning, maintenance of elevation certificates and benchmarks, open space preservation within the designated floodplain, and public outreach and education of flood risk and flood insurance. The CRS class ratings are assigned to participating communities based on points earned, with each 500-point increment resulting in a better class rating. Each incremental improvement in class rating (CRS class ratings range from 10 to 1) qualifies residents and businesses within the participating community to an additional five percent discount on flood insurance premiums for properties located within a Special Flood Hazard Area (SFHA). For example, 500 points earned would equate to a CRS class rating of 9 (or a five percent discount), 1,000 points earned would equate to a CRS class rating of 8 (or a 10 percent discount), etc.

FEMA requires the elected body of each community that participates in the CRS program to approve a five-year Multi-Jurisdictional Program for Public Information (PPI) in order to receive points for the PPI CRS activity. The PPI allows communities to work together on messaging that helps to reduce flood risks and to design a collective outreach program that delivers these messages effectively and efficiently. The number of points earned as a result of having an approved PPI will vary depending on how extensive the program is

implemented within each participating community's jurisdiction; however, it is expected to range from 80 to 200 points for communities who participate in the Santa Clara County (County) PPI.

Although Valley Water is not a land-use agency, FEMA recognized Valley Water's already robust public outreach efforts in flood risk reduction messages and approved the classification of Valley Water as a fictitious community within the CRS program. This unique arrangement not only allows Valley Water to act as the lead agency in creating the first PPI for the County but also allows the County communities participating in the CRS program to claim points earned by Valley Water. The Valley Water District Board adopted the first PPI in 2015 for use by communities within the County that participate in the CRS program.

The PPI is required to be updated every five years to evaluate the public outreach messaging and to adjust the PPI as needed and FEMA requires the governing bodies of the participating CRS communities to approve the updated 2021 PPI in order to either begin or continue to earn points. The Valley Water District Board approved the updated 2021 five-year PPI on April 27, 2021, and provided the document to participating jurisdictions for approval and implementation with the communities' existing CRS programs. In turn, the Cupertino City Council adopted Resolution No. 21-073 approving the 2021 PPI on August 17, 2021.

In addition to updating the PPI every five years, FEMA requires an annual evaluation report describing PPI implementation efforts and requires the participating communities to share each annual report with their governing bodies to remain an active PPI participant and continue receiving PPI points. City Council adopted Resolution No. 22-088 accepting the Annual Evaluation Report for FY 22 (Year 1) on July 19, 2022, Resolution No. 23-090 accepting the Annual Evaluation Report for FY 23 (Year 2) on July 18, 2023, and Resolution No. 24-076 accepting the Annual Evaluation Report for FY 24 (Year 3) on July 16, 2024.

Reasons for Recommendation and Available Options

Valley Water initiated the preparation of the fourth annual evaluation report by hosting meetings in March and May 2025 where staff and stakeholders from each participating community were invited to provide input on their respective PPI project accomplishments for this fiscal year. The Annual Evaluation Report for FY 25 (Year 4) of the 2021 County Multi-Jurisdictional Program for Public Information (Attachment B) is the fourth annual evaluation report under the 2021 PPI and is a culmination of the input provided by the participating communities from the two meetings.

The City has participated in the CRS program since 2005. Following a comprehensive five-year review by FEMA in January 2025, the City recently improved its CRS rating from a Class 7 to a Class 6, in part due to the City's participation in the PPI, which equates to a 20 percent flood insurance premium discount for properties located within a SFHA, and

a 10 percent flood insurance premium discount for properties located outside a SFHA. City property owners pay approximately \$65,000 per year in flood insurance premiums (as of June 2025, per the NFIP). The total annual savings to policy holders attributable to the City's CRS discount is approximately \$10,600.

Neighboring cities have earned similar CRS ratings (Los Altos – 7, Mountain View – 7, Sunnyvale – 7, Palo Alto – 6). It would be challenging and require additional staff resources for the City to earn enough additional CRS points to qualify for a CRS class rating of 5 without undertaking significant new efforts requiring additional funding or major floodplain management policy changes. However, when City Council adopted Resolution No. 21-073 accepting the updated 2021 PPI, it allowed the City to begin earning points for this CRS activity which allowed the City to attain a CRS class rating of 6 and continue to provide discounts for flood insurance to Cupertino residents and businesses.

The City was recently made aware of Valley Water's consideration of discontinuing their role as the PPI host. Should this occur, the City could lose some or all of its points for this CRS activity which could result in the City's CRS rating being reduced to a Class 7. Staff will monitor this situation and may, in the future, recommend that the City send a formal letter to the Valley Water Board requesting they continue to provide support for the PPI to Cupertino and our neighboring cities.

The City continues to be an active PPI participant. The City's FY 25 Project Accomplishments are listed starting on page 18 of the Annual Evaluation Report (Attachment B). Staff recommends adopting the Draft Resolution accepting the Annual Evaluation Report for Fiscal Year 2025 (Year 4) of the 2021 Santa Clara County Multi-Jurisdictional Program for Public Information (Attachment A). By adopting the resolution to accept the annual report, the City is meeting FEMA's requirements to continue earning points for this CRS activity.

Sustainability Impact

No sustainability impact.

Fiscal Impact

No fiscal impact.

City Work Program (CWP) Item/Description

None

City Council Goal

Quality of Life

California Environmental Quality Act

No California Environmental Quality Act impact.

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Approved for Submission by: Tina Kapoor, Interim City Manager

Attachments:

A – Draft Resolution

B – Annual Evaluation Report for FY 25