

700 COMMUNITY CLASSIFICATION CALCULATIONS

In this series, the credit points calculated for each of the Community Rating System (CRS) activities undergo final adjustment. In Section 710, the scores for Series 400 (Mapping and Regulations) activities are adjusted to reflect the county’s rate of growth. The points for all the activities are then totaled in Section 720.

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710 COUNTY GROWTH ADJUSTMENT

The OBJECTIVE of this credit calculation step is to increase the credit for activities related to managing new development in areas that are growing.

Background

Flood loss prevention activities have a greater impact in growing areas than in communities with little or no pressure for future development in their floodplains. Therefore, the credit points provided for activities in the 400 series (Mapping and Regulations) are adjusted to reflect the growth rate of the county in which a community is located. The county growth adjustment (CGA) is applied by multiplying the number of points for the activity by the growth rate (see Section 720).

Community Rating System (CRS) communities should be aware that if they have a significant amount of credit for the activities in the 400 series, and if their county has a high growth rate, then the growth rate is providing a significant proportion of their total credit. If the growth rate drops in the future, a community will lose credit points, and may lose its CRS class if it cannot make up those points.

711 Growth Data

The county growth adjustment used to adjust credit for the 400 series activities is calculated by Insurance Services Office, Inc. (ISO) for the county in which the community is located. If a community's corporate limits are in two or more counties, the county growth rates are averaged.

The annual growth rate for a county is calculated from the growth in dwelling units over a 10-year period beginning five years before and ending five years after the year of the verification visit. These numbers are updated every year.

The data used are

- (1) DU-5: The estimated number of dwelling units in the county five years ago, as reported by the U.S. Bureau of the Census, and
- (2) DU+5: The estimated number of dwelling units in the county five years from now, as projected by a Federal Emergency Management Agency (FEMA) demographic contractor, Applied Geographic Solutions, Inc.

712 Growth Adjustment Calculation

There are three steps to calculating the county growth adjustment. The first is to establish a county 10-year growth rate. Then the growth rates are converted to an annual county growth rate. Finally, the CGA is determined.

NOTE: The county growth adjustment is calculated by ISO and provided to the community. There is no need for additional calculations. The formulae are shown here to explain how the number that ISO provides is generated.

712.a. County 10-year growth rate (CGR)

A county's 10-year growth rate in dwelling units is calculated as

$$\text{CGR} = 1 + \frac{\text{DU}+5 - \text{DU}-5}{\text{DU}-5}, \text{ where}$$

DU+5 = the number of dwelling units projected 5 years from now, and

DU-5 = the number of dwelling units estimated by the U.S. Census five years ago

Example 712.a-1.

The estimated number of dwelling units in a county five years ago was 100,000, and the projected number of dwelling units five years from now is 130,000.

$$\text{DU}-5 = 100,000$$

$$\text{DU}+5 = 130,000$$

$$\text{CGR} = 1 + \frac{(130,000 - 100,000)}{100,000} = 1 + \frac{30,000}{100,000} = 1 + 0.30 = 1.30$$

The number of dwelling units in the county is predicted to grow by 30% over the 10-year period.

712.b. Annual growth adjustment (AGA)

The county 10-year growth rate is a product of 10 years of growth. This is converted to an annual growth rate. The annual growth rate accounts for the total increase in dwelling units each year, which changes every year. Therefore, dividing the 10-year growth rate by 10 does not produce a correct annual growth rate. A different formula must be used:

$$\text{AGA} = \text{CGR}^{(1 \div 10)}$$

Example 712.b-1.

Using the data in the previous example, $CGR = 1.3$.

$$AGA = 1.3^{(1 \div 10)} = 1.3^{(0.1)} = 1.0266$$

The number of dwelling units in the county is predicted to grow at a rate of 2.66% each year.

712.c. County growth adjustment (CGA**)**

The CGA is 10 times the annual growth adjustment, rounded to two decimal points.

$$CGA = (AGA \times 10) - 9, \text{ where}$$

CGA cannot be less than 1.0 or greater than 1.5

Example 712.c-1.

Using the data in the previous examples, $AGA = 1.0266$.

$$CGA = (1.0266 \times 10) - 9 = 10.266 - 9 = 1.266, \text{ rounded to } 1.27$$

The maximum value for CGA is 1.5. Counties with growth rates exceeding the maximum use 1.5 for CGA. Counties that are losing population are not affected because CGA must be greater than or equal to 1.0. If a community's corporate limits are in two or more counties, the county growth rates are averaged.

713 Credit Documentation

No documentation is required. The ISO/CRS Specialist has the growth rate data and the value for CGA for all counties. The data are also posted on www.CRSresources.org/700.

720 COMMUNITY TOTAL POINTS

At this step the points for all of the community's activities are totaled. The resulting total decides the community's Community Rating System (CRS) classification, provided that all the class prerequisites have been met.

Step 1. The credit for the 400 series activities are multiplied by the current value for CGA (from Section 710).

Step 2. The results are added to the credits for the other activities to arrive at the community's total points (cT).

The result is the community's total credit points (cT), which determines the community's CRS classification, assuming that all class prerequisites have been met. Table 110-1 relates the total points to the CRS classification and the flood insurance premium discount.

If the community does not have enough total points to attain a better class than it currently has, then it should request credit for additional activities or elements. A request for a modification with fewer points than are needed for an improved class will be returned.

The community's total points are verified by the ISO/CRS Specialist at the verification visit. The ISO/CRS Specialist submits a verification report to the Federal Emergency Management Agency (FEMA) and FEMA determines the community's CRS classification.

The classes and the resulting flood insurance premium credits may be revised from year to year by FEMA, based on experience gained in measuring the impacts of the activities.

Example 720-1.

The verified credits for a community are computed below. The county growth adjustment (CGA) is from the example in Section 710.

c310 =		58
c320 =		90
c330 =		175
c340 =		28
c350 =		56
c360 =		65
c370 =		0
c410 =	0 x CGA 1.27 =	0
c420 =	203 x CGA 1.27 =	258

Community Total Points

c430 = 117 x CGA 1.27 =	149
c440 = 68 x CGA 1.27 =	86
c450 = 60 x CGA 1.27 =	76
c510 =	158
c520 =	324
c530 =	60
c540 =	470
c610 =	105
c620 =	0
c630 =	0

cT = total of above 2,158

As seen in Table 110-1, the community has enough points to become a CRS Class 6. If it meets the Class 9 and Class 6 prerequisites discussed in Sections 211.a and 211.b, it can be verified as a Class 6.