

Agenda Item

April 14, 2025

- TO: Honorable Mayor and City Council through City Administrator
- FROM: Chris Kerr, Community Development Director Dago Garcia, City Engineer
- SUBJECT: Initiate Amendments of the Woodburn Development Ordinance (WDO) and the City's Floodplain Management Ordinance necessary for conformance with the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP) – Endangered Species Act (ESA) Integration in Oregon (LA 2025-01)

<u>RECOMMENDATION</u>:

Adopt the attached Resolution initiating the legislative amendment process for amending the Woodburn Development Ordinance and the Woodburn Flood Plain Management Ordinance.

BACKGROUND:

The Federal Emergency Management Agency's (FEMA's) mission is to help people before, during, and after disasters. The National Floor Insurance Program (NFIP) was created by the U.S. Congress in 1968 to help minimize the costs of disaster relief and reduce the loss of life and property caused by flooding. NFIP-participating communities (which includes Woodburn) are then required to maintain state and local floodplain management regulations that reduce future flood damage. The regulations include construction methods and details that must be followed when constructing within flood management areas, and they control the alteration of the floodplain so as not to increase flood damage risk. As a result of the City participating in the NFIP, property owners within the City limits are eligible to purchase federally backed flood insurance policies.

As a federal agency, FEMA must also consider whether NFIP activities affect threatened and endangered species protected by the Endangered Species Act (ESA).

In 2009, FEMA was sued by several environmental groups in Oregon for failing to adequately consider the effects of the NFIP on ESA listed species and their habitat

in Oregon. In 2010, FEMA settled; agreed to consult regarding the effects of the NFIP in Oregon on threatened and endangered species and designated critical habitat.

In April 2016, the National Marine Fisheries Service issued the Oregon NFIP Biological Opinion (BiOp). The BiOp concluded FEMA's implementation of the NFIP in Oregon jeopardizes the continued existence of threatened and endangered species and adversely modifies designated critical habitat. Subsequently, FEMA has been evaluating proposed changes to the NFIP through an environmental impact statement (EIS), in compliance with the National Environmental Policy Act (NEPA).

The Final Implementation Plan for the proposed changes is anticipated by 2026 following the Record of Decision in the EIS process, then FEMA will fully implement the plan in 2027. Until then, communities have been directed by FEMA to begin taking action to protect habitat and achieve what is called "no net loss."

Since last fall, FEMA has offered certain workshops and assistance for local communities to learn more in order to implement interim measures, called Pre-Implementation Compliance Measures (PICMs).

NFIP Communities have been directed to select one of the following three PICMs:

1) Prohibit all new development in the floodplain.

2) Incorporate the ESA into local floodplain ordinances (based on a model ordinance developed by FEMA).

3) Require permit applicants to develop a Floodplain Habitat Assessment documenting that their proposed development in the Special Flood Hazard Area will achieve "no net loss."

Option #1 is draconian and unrealistic due the severe impacts on property owners in the city. Option #2 (adoption of the PICM model floodplain ordinance) by a community is intended to ensure that development meets ESA compliance as performance standards are built into the code. Option #3, a/k/a "Permit-by-Permit" approach would require each individual development application to analyze potential loss to floodplain functions and propose mitigation that abides by the mitigation requirements outlined in the habitat assessment guide and ensures no net loss of the impacted functions.

Communities must report to FEMA on their implementation of interim measures. Based on FEMA's timeframe for election of the PICMs (Dec 1, 2024), the City has been "defaulted" to the permit-by-permit option described above, but it may still choose to adopt the FEMA model ordinance by incorporating their model code into the applicable sections of our WDO and related floodplain management regulations. While participation in the NFIP is voluntary, nonparticipating flood-prone communities and communities who have withdrawn or are suspended from the program face the following sanctions:

1. No resident will be able to purchase a flood insurance policy.

2. Existing flood insurance policies will not be renewed.

3. No Federal grants or loans for development may be made in identified flood hazard areas under programs administered by Federal agencies such as HUD, EPA, and SBA;

4. No Federal disaster assistance may be provided to repair insurable buildings located in identified flood hazard areas for damage caused by a flood.

5. No Federal mortgage insurance or loan guarantees may be provided in identified flood hazard areas. This includes policies written by FHA, VA, and others.

6. Federally insured or regulated lending institutions such as banks and credit unions must notify applicants seeking loans for insurable buildings in flood hazard areas that there is a flood hazard and that the property is not eligible for Federal disaster relief.

Rather than risk suspension or removal from the NFIP, City staff feel strongly that the City should initiate an ordinance adoption process to meet the implementation deadlines currently set by FEMA (July 31, 2025).

While a group of local governments in the State are seeking a preliminary injunction against the new NFIP directives, and the City is closely monitoring that litigation for any decision that may halt or delay implementation of the PICMs, staff want to be prepared with an adoption option regardless of such outcome.

DISCUSSION:

The City is proposing amendments to the Woodburn Development Ordinance and Woodburn Floodplain Ordinance to comply with the PICM. In the coming weeks, staff will complete its detailed technical and legal analysis of Options #2 and #3 of the three PICM options (adoption of the model code or establish an individual permit-by-permit site habitat assessment) to determine which option to carry forward for recommended adoption. In general, the code amendments will be directed by FEMA to protect habitat and achieve "no net loss" measures that will avoid, minimize, and mitigate impacts to Upper Willamette salmonoid species in the floodplain areas. The goal is for floodplain development in Woodburn to achieve "no net loss" to beneficial floodplain functions which would look like no net increase in fill, no net increase in impervious surfaces, and no net loss of trees.

Both PICM options—the model code and the habitat assessment—present administrative challenges, however:

- Adoption of specific code provisions will provide a clearer road map for staff and applicants, but the current model has not been reviewed by the state (DLCD) and may fail to meet Oregon housing requirements of being "clear and objective."
- Applicants likely will need to retain consultant services for both options, but the site-by-site habitat assessment approach likely would require these to a greater degree.
- Under the site-by-site habitat assessment approach, it would be advisable for the County to retain a third-party reviewer with the necessary professional expertise to review the habitat assessments submitted by applicants. There are additional administrative costs associated with executing and managing this type of contract.

The proposed amendments will be reviewed and processed as Type 4 Legislative Amendments to the WDO. Currently, staff is aiming for the Woodburn Planning Commission to hold a public hearing on May 22, 2025, to consider the amendments. The Commission is expected to close the public hearing and deliberate on the proposed amendments that night. The Commission will then make a recommendation to the City Council. It is expected that a City Council public hearing on the amendments will occur in June.

Woodburn properties that may be affected by the code amendments (e.g. those located within the Special Flood Hazard Area) will be mailed notice 20-40 days prior to the first public hearing on this matter.

FINANCIAL IMPACT:

None.

Attachments:

- FEMA Letter to NFIP-Participating Communities July 15, 2024
- FEMA Pre-Implementation Compliance Measures Fact Sheets
- Oregon Department of Land Conservation & Development (DLCD) PICM FAQ
- Map of Woodburn Special Flood Hazard Areas



U.S. Department of Homeland Security FEMA Region 10 130 228th Street, SW Bothell, WA 98021-8627



July 15, 2024

Frank Lonergan 270 Montgomery Street Woodburn, Oregon 97071

Dear Frank Lonergan:

The purpose of this letter is to announce the start of the United States Department of Homeland Security's Federal Emergency Management Agency's (FEMA) Pre-Implementation Compliance Measures (PICM) for National Flood Insurance Program (NFIP) participating communities in Oregon. The intent of PICM is to ensure the continued existence of threatened or endangered species in compliance with the Endangered Species Act (ESA). These measures include coordination with communities to provide appropriate technical assistance, help identify available resources, deliver trainings, and facilitate workshops to ensure on-going communities in preparing for the Final NFIP-ESA Implementation Plan by helping them develop short and long-term solutions to ensure their on-going participation in the NFIP.

FEMA is currently conducting a National Environmental Policy Act (NEPA) evaluation of impacts associated with the Oregon NFIP-ESA Implementation Plan. FEMA developed this plan, in part, due to a Biological Opinion in 2016 from National Marine Fisheries Services. The Biological Opinion recommended specific measures for FEMA to take to avoid jeopardizing endangered species, including interim compliance measures. The release of the Final Implementation Plan (Plan) is anticipated by 2026, following the Record of Decision in the Environmental Impact Statement (EIS) process, then FEMA will fully implement the Plan in 2027.

FEMA has heard concerns from several communities regarding challenges they are facing to meet the expectations of this Plan. To provide communities with the support needed to incorporate ESA considerations to their permitting of development in the floodplain, FEMA will inform, educate, and support our Oregon NFIP participating communities through the PICM before the Final Implementation Plan is released.

NFIP participating communities in Oregon must select one of the PICM pathways which include the following: (1) adopt a model ordinance that considers impacts to species and their habitat and requires mitigation to a no net loss standard; (2) choose to require a habitat assessment and mitigation plan for development on a permit-by-permit basis; or (3) putting in place a prohibition on floodplain development in the Special Flood Hazard Area (SFHA). Communities must pick a PICM pathway by December 1, 2024. If a community fails to inform FEMA of its selection, they will default to the permit-by-permit PICM pathway. Communities will be required to report their floodplain development activities to FEMA beginning in January of 2025. Failure to report may result in a compliance visit.

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As a part of the PICM, FEMA will implement a delay in the processing of two types of Letters of Map Changes in the Oregon NFIP-ESA Implementation Plan area, specifically Letters of Map Changes associated with the placement of fill in the floodplain: Conditional Letter of Map Revision Based on Fill (CLOMR-F) and Letter of Map Revision Based on Fill (LOMR-F) requests. This action was specifically requested by NMFS in their 2016 Biological Opinion and serves to remove any perceived programmatic incentive of using fill in the floodplain. This delay in processing will begin on August 1, 2024, and will be in place until the Final Implementation Plan is released.

Your community's ongoing participation in the NFIP is critical, as it provides access to flood insurance for property owners, renters, and businesses. In City Of Woodburn there are currently 30 of NFIP policies in force representing \$8207000 in coverage for your community.

FEMA will be conducting informational virtual webinars this summer to provide an overview and status update for the Oregon NFIP-ESA integration, introduce the Pre-Implementation Compliance Measures, and provide an opportunity for Oregon NFIP floodplain managers to ask questions of FEMA staff. In the fall, FEMA will hold workshops to provide in-depth opportunities for local technical staff to work with FEMA technical staff, to understand and discuss issues relating to the PICM.

The webinars will be held virtually over Zoom. The information at each webinar is the same so your jurisdiction only needs to attend one. You can register for a webinar using the links below.

- Wednesday, July 31 at 3-5pm PT: <u>https://kearnswest.zoom.us/meeting/register/tZEkc-murjstGdPJiFioethjRk-id8N-k0hj</u>
- Tuesday, August 13 at 9:30-11:30am PT: <u>https://kearnswest.zoom.us/meeting/register/tZAod-isrTsqGN0KqckRLPPeaZuu4rv96lcR</u>
- Thursday, August 15 at 2-4pm PT: https://kearnswest.zoom.us/meeting/register/tZIqcOGpqDojHtTXaa946aI9dMpCTcJIH_zt
- Wednesday, August 21 at 12:30-2:30pm PT: https://kearnswest.zoom.us/meeting/register/tZYqcuGsrD8rH9DZO22vG0v9KrNzVeUZA9g y

FEMA will also develop a questionnaire to allow communities to identify how they currently incorporate or plan to incorporate ESA considerations, both in the short-term and long-term. To assist communities in making this determination, FEMA will be offering guidance on the potential pathways that help ensure current compliance. Communities will also be asked to help identify what technical assistance and training would be most beneficial. Feedback from this questionnaire will drive FEMA's engagement and outreach.

Upon completion of the Environmental Impact Statement review and determination, the Final Implementation Plan will be distributed along with several guidance documents and a series of Frequently Asked Questions. FEMA will also be starting NFIP Compliance Audits, in which we will be reviewing permits issued by communities for development in the floodplain and will expect the community to be able to demonstrate what actions are being taken to address ESA considerations.

If you have any questions, please contact us through our project email address <u>fema-r10-mit-</u><u>PICM@fema.dhs.gov</u>. Thank you for your community's on-going efforts to reduce flood risk in your

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community and for your support as we worked toward these milestones.

Sincerely,

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Willie G. Nunn Regional Administrator FEMA Region 10

cc: ChrisKerr, City Of Woodburn John Graves, Floodplain Management and Insurance Branch Chief Deanna Wright, Oregon State National Flood Insurance Program Coordinator

Enclosure: Pre-Implementation Compliance Measures Fact Sheet

Oregon National Flood Insurance Program Endangered Species Act Integration

Pre-Implementation Compliance Measures Overview

Beginning this summer, FEMA will assist communities with coming changes to the National Flood Insurance Program (NFIP) in Oregon.

Why are the changes needed?

As the result of a Biological Opinion issued by the National Marine Fisheries Service, communities are required to demonstrate how floodplain development is compliant with the Endangered Species Act in Special Flood Hazard Areas. Changes are needed to protect the habitat of several species of fish and the Southern Resident killer whales to comply with the Endangered Species Act (ESA). FEMA outlined these changes in the <u>draft Oregon NFIP-ESA Implementation Plan</u>.



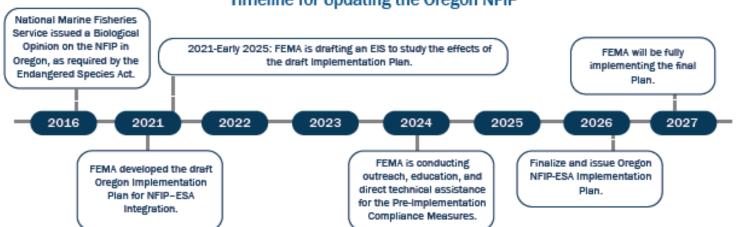
The National Flood Insurance Program serves to protect lives and property, while reducing costs to taxpayers due to flooding loss.

Current status

FEMA is evaluating proposed changes to the NFIP outlined in the Implementation Plan through an environmental impact statement (EIS), in compliance with the National Environmental Policy Act (NEPA).

What is "no net loss"?

Any development action resulting in negative impacts to one or more key floodplain functions that are then mitigated or avoided to offset said impacts. The Final Implementation Plan is anticipated by 2026 following the Record of Decision in the EIS process, then FEMA will fully implement the plan in 2027. Until then, communities need to begin taking action to protect habitat and achieve "no net loss." FEMA is offering several resources for communities to learn more and implement interim measures, called Pre-Implementation Compliance Measures (PICMs).



Timeline for Updating the Oregon NFIP



What can communities do to comply with these changes?

Oregon communities participating in the NFIP can take short-term measures to comply with ESA requirements, known as PICMs. FEMA developed these measures in response to concerns from communities about the time and resources needed to meet requirements and ensure their future good standing in the NFIP. By implementing these measures now, communities will be better prepared for compliance audits, which will begin when the Final Implementation Plan is in place.

Communities can select one of the following three PICMs:

- · Prohibit all new development in the floodplain.
- Incorporate the ESA into local floodplain ordinances.
- Require permit applicants to develop a Floodplain Habitat Assessment documenting that their proposed development in the Special Flood Hazard Area will achieve "no net loss."

Communities must report to FEMA on their implementation of interim measures.

In addition to the above measures, as of August 1, 2024, FEMA is temporarily suspending processing applications for Letters of Map Revision based on Fill (LOMR-Fs) and Conditional Letters of Map Revision based on Fill (CLOMR-Fs) in NFIP communities to avoid potentially negative effects on ESAlisted species.

FEMA is here to support your community.

FEMA is offering several resources to assist communities in preparing for the Oregon NFIP-ESA Implementation Plan.

- Informational Webinars (Summer 2024): Learn about what FEMA is doing to revise the Implementation Plan and receive an introduction to the PICMs.
- Questionnaire (Summer 2024): Share what floodplain management measures your community is currently implementing to comply with the ESA, which PICMs you're most interested in, and what support you need. Your feedback will help us plan the fall workshops and identify needs for technical assistance.
- Workshops (Fall 2024): Get an in-depth look at PICMs and talk through questions and concerns with FEMA staff.
- Technical Assistance (Begins in Fall 2024): Get support from FEMA to begin implementing PICMs.

Learn more and participate

Visit <u>www.fema.gov/about/organization/region-10/oregon/nfip-esa-integration</u> to read the latest information about NFIP-ESA Integration in Oregon.

You can also contact us at FEMA-R10-MIT-PICM@fema.dhs.gov

Learn more at fema.gov

Pre-Implementation Compliance Measures Basics

What are PICMs?

Pre-Implementation Compliance Measures, also known as PICMS, are short-term measures that communities must adopt to comply with Endangered Species Act (ESA) requirements under the NFIP. FEMA has developed these measures to address Reasonable and Prudent Alternative (RPA) Element 2 (Interim Measures) in the 2016 National Fisheries and Marine Services (NMFS) Biological Opinion (BiOp). These interim measures are intended to occur as the agency undertakes a National Environmental Policy Act (NEPA) review to assess the effects of FEMA's proposed NFIP-ESA integration efforts.

Under PICM, communities may select one of three compliance measures:

- 1. Prohibit all new development in the floodplain;
- 2. Incorporate the ESA performance standards into local floodplain ordinances through a model ordinance; or
- 3. Require permit applications to develop a Floodplain Habitat Assessment documenting that their proposed development in the Special Flood Hazard Area (SFHA) will achieve no net loss.

Which communities in Oregon are subject to PICM?

PICM, and future Oregon NFIP-ESA integration performance standards, apply to communities that are:

- 1. Located in the Oregon implementation area, as specified by the 2016 NMFS BiOp;
- 2. Participating in the NFIP; and
- 3. Have a mapped SFHA

PICM standards and requirements only apply to areas located within the SFHA.



What is no net loss?

Any development action resulting in negative impacts to one or more key floodplain functions that are then mitigated or avoided to offset said impacts.

In other words: when developing in the SFHA, all development actions must be adequately avoided or mitigated to ensure that floodplain functions can operate at the same capacity as before the development action occurred.

No Net Loss focuses on the floodplain functions of:

- Floodplain Storage
- Water Quality
- Vegetation



The NFIP is a national program, why is only Oregon subject to PICM?

NFIP-ESA integration is occurring in areas where FEMA has consulted with the US Fish and Wildlife Service (USFWS) and NMFS. FEMA consulted with NMFS to address changes needed to the NFIP program within Oregon's Columbia River drainage basin and Coast to better protect ESA-listed species of salmonoids and southern resident killer whales within the area.

Other areas where consultations have occurred are in the Puget Sound of Washington, California, New Mexico, and Florida. Other ESA-listed species may have their needs addressed in the future in other parts of the country.

What authority allows FEMA to apply additional performance standards for No Net Loss?

Under 44 CFR 60.3(a)(2) a community must ensure that all other Federal, State and Local permits have been obtained when they are permitting a project in the SFHA. As such a local community must ensure that a "take permit" under section 10 of the ESA is not required. The NMFS Biological Opinion on the implementation of the NFIP in Oregon has determined that developing a floodplain may affect the three key floodplain functions and potentially cause take.

Therefore, a community must ensure that any project that has an adverse effect on those three functions mitigates for the effect to a no net loss standard. FEMA has been authorized take under the RPAs in the NMFS BiOp on the implementation of the NFIP in Oregon. A community participating in the NFIP can use the NFIP take authorization for coverage as long as they are abiding by the NFIP-ESA performance standards.

<u>A community also has the option of seeking their own take coverage</u> for a project through another federal nexus. They may also choose to develop a Habitat Conservation Plan for their floodplain development program under section 10 of the ESA and obtain their own take permit.

How long is PICM supposed to last?

PICM is intended to address ESA compliance as <u>interim measures</u> while the agency undertakes a NEPA review of FEMA's proposed NFIP-ESA integration efforts. PICM will be required for communities through the remainder of the Environmental Impact Statement (EIS) process. Once the Record of Decision (ROD) for the EIS is issued, and thus marking the end of the EIS process, PICM will no longer be required. The ROD is expected to be issued in 2026.

When will PICM go into effect?

Communities must adopt and implement a PICM by **December 1st, 2024**. If communities do not select a PICM by this deadline, they will be defaulted to the Permit-by-Permit approach. Communities adopting the model ordinance, must ensure the ordinance is adopted by their community by July 31st, 2025. As communities work to adopt the ordinance, they will still be required to implement another PICM option between December 1st, 2024 and July 31st, 2025.

Learn more and participate

Visit <u>www.fema.gov/about/organization/region-10/oregon/nfip-esa-integration</u> to access the model ordinance, habitat assessment guide, and read the latest information about NFIP-ESA Integration in Oregon.

You can also contact us at FEMA-R10-MIT-PICM@fema.dhs.gov

Pre-Implementation Compliance Measure Selection

Understanding your community's needs is essential to selecting a Pre-Implementation Compliance Measure (PICM) suited to you.

Under PICM, communities may select one of three measures to ensure Endangered Species Act (ESA) compliance:

- Prohibit all new development in the floodplain;
- Incorporate the ESA performance standards into local floodplain ordinances through the PICM Model Ordinance; or
- Require permit applications to develop a Floodplain Habitat Assessment documenting that their proposed development in the Special Flood Hazard Area (SFHA) will achieve no net loss.

PICM, and future Oregon NFIP-ESA integration performance standards apply to the following communities:

- Located within the NFIP-ESA implementation area;
- Participating in the NFIP; and
- Have a mapped Special Flood Hazard Area (SFHA)

Furthermore, portions of the community that do not fit the above criteria are not subject to PICM. **PICM** standards and requirements do not extend beyond the SFHA.

Understanding the PICM Options

The 2016 National Marine Fisheries Service (NMFS) Biological Opinion (BiOp) identifies that FEMA's interim compliance with the ESA must require communities to:

- Prohibit all NFIP-related actions in the SFHA; or
- Determine the presence of fish or critical habitat, assess permit applications for potential impacts to species and habitat, and require that any action with potential adverse effects be fully mitigated with no net loss of floodplain functions.

The PICM Model Ordinance and Permit-by-Permit approaches attempt to mitigate impacts of development and ensure no net loss of floodplain functions.

Adoption of the PICM model floodplain ordinance by a community would ensure that development meets ESA compliance as performance standards are built into the code.

A Permit-by-Permit approach would require development applications to analyze potential loss to floodplain functions and propose mitigation that abides by the mitigation requirements outlined in the habitat assessment guide and ensures no net loss of the impacted functions.

What is the main difference between the PICM Model Ordinance and Permit-by-Permit approaches?

Both the PICM Model Ordinance and Permit-by-Permit approaches require a community to analyze and determine the potential loss to three key floodplain functions (floodplain storage, water quality, and vegetation) and required mitigation for any loss to those functions by using pre-determined ratios. Mitigation ratios are provided to ensure that permitted development meets the No Net Loss standards without having to do further analysis of mitigation options to comply with the ESA. For instance, the intrinsic habitat value of a single tree at 6" diameter breast height (dbh) in the Riparian Buffer Zone (RBZ) has already been factored into the ratios and requires a minimum of 3 trees to be planted to make up for the loss of habitat value at the development site.

Under the PICM Model Ordinance approach, compliance with NFIP-ESA integration standards for PICM are built into the code and therefore, no separate process is needed to ensure compliance. The Permit-by-Permit approach requires all new floodplain development analyze any negative impact to the floodplain functions and identify and implement appropriate mitigation measures to ensure NFIP-ESA compliance.

Is it possible to adopt the PICM Model Ordinance but also allow for a Permit-by-Permit approach for more complicated projects that do not necessarily fit into typical site development type of processes?

Both approaches require new development to analyze and determine the potential loss to the floodplain functions and mitigate for any loss to those functions at the required ratios specified in the PICM Model Ordinance and Habitat Assessment Guide. As development would require the same mitigation, a Permit-by-Permit approach and habitat assessment for a project would not be needed if a community has already adopted the Model Ordinance.

Would prohibiting all new development in the SFHA prevent habitat or floodplain restoration projects from being implemented?

The 2016 NMFS BiOp did not carve out exceptions under Element 2 of the RPA when proposing to prohibit all NFIP-related actions in the SFHA. However, FEMA would agree that restoration projects and a few other activities could be exempt from this PICM option if the community is careful in how they word the prohibition and exceptions.

How are communities expected to adopt a PICM?

Communities must use their locally adopted and required processes to ensure that they are able to legally implement the chosen PICM option.

What is the Habitat Assessment Guide and when is it used?

The Habitat Assessment Guide is used under the Permit-by-Permit approach. The guide provides a methodology to review and analyze potential loss to floodplain functions that a development might incur as well as guidance surrounding mitigation required to ensure NFIP-ESA requirements under PICM. A community may use this guide to review a submitted assessment for new development to ensure that the methodology for evaluating impacts and proper mitigation to achieve no net loss is being met.

Can a community change PICMs during this process?

Communities can change PICMs throughout the process but are required to implement their current PICM until their new measure is ready to be fully implemented.

How do communities make their selection known to FEMA?

Communities can notify FEMA of their PICM selection through an email to the FEMA-R10-MIT-PICM inbox.

Learn more and participate

Visit <u>www.fema.gov/about/organization/region-10/oregon/nfip-esa-integration</u> to access the model ordinance, habitat assessment guide, and read the latest information about NFIP-ESA Integration in Oregon.

You can also contact us at FEMA-R10-MIT-PICM@fema.dhs.gov

Oregon National Flood Insurance Program Endangered Species Act Integration

Pre-Implementation Compliance Measure Timeline

What is the timeline for implementing PICM?

Under PICM, communities may select one of three measures to ensure ESA compliance:

- 1. Prohibit all new development in the floodplain;
- Incorporate the ESA performance standards into local floodplain ordinances through the PICM Model Ordinance; or
- Require permit applications to develop a Floodplain Habitat Assessment documenting that their proposed development in the Special Flood Hazard Area (SFHA) will achieve no net loss.

Communities must adopt and implement a PICM by December 1st, 2024, ensuring any changes needed to implement this option have already been made.

Communities that do not select a PICM by December 1st, 2024, will be defaulted to the Permit-by-Permit approach.

Communities seeking to adopt performance standards into local floodplain ordinances through the PICM Model Ordinance will have until July 31st, 2025, to adopt ordinances and make necessary changes. However, <u>the</u> <u>community must still implement another PICM between</u> <u>December 1st and July 31st to ensure ESA compliance in</u> <u>the interim</u>.

Can communities request extensions?

No, communities must meet the established December 1st, 2024 deadline or default to a Permit-by-Permit approach. FEMA will work with communities to assess the status of the adoption and implementation of PICMs leading up to the deadline.

Are projects that obtained a development permit before December 1st required to meet PICM?

Existing projects with permits obtained before December 1^{st} will not be subject to PICM.



PICM Reporting Requirements

Beginning January 31st, 2025, communities will be required to collect data elements related to the Reasonable and Prudent Alternative (RPA) 5 in the National Marine Fisheries Service (NMFS) 2016 Biological Opinion (BiOp). Collection of these data elements is required on <u>all</u> <u>new floodplain development permits</u>.

Required data elements for reporting include, but are not limited to:

- Applicant, project title, project description;
- Project location and size of project in SFHA, Riparian Buffer Zone (RBZ), and Floodway;
- Amount of fill added and compensatory storage created;
- Area of clearing and grading that occurred;
- Acres disconnected and reconnected to/from the floodplain;
- Amount of new impervious surface added;
- Type and amount of water quality mitigation provided;
- Number of trees removed and their size;
- Number of trees planted.

Communities will report this data back to FEMA via reporting toolkit on an annual basis, beginning January 31, 2026.

The reporting toolkit, when available, will be downloadable from FEMA's website.

Are projects permitted before PICM implementation, but where construction occurs after PICM begins, subject to PICM?

FEMA encourages communities to follow local vesting laws. The agency's focus is on new permits and applications after December 1st. Construction of projects that were permitted before this deadline can continue as normal.

What if a community's adoption process timeline does not allow us to meet the December 1st deadline of implementing a PICM?

While FEMA recognizes that the time it takes to implement a PICM varies by community, there is still an obligation to abide by ESA requirements. If a community cannot implement a PICM by the December 1st deadline, FEMA will work with the community to consider alternative options to remain compliant with ESA requirements in the interim.

How do communities make their selection known to FEMA?

Communities can notify FEMA of their PICM selection through an email to the FEMA-R10-MIT-PICM inbox. (FEMA-r10-mit-picm@fema.dhs.gov).

What penalties are communities looking at if they cannot meet the December deadline?

Communities will default to the permit-by-permit option if no selection was given to FEMA by December 1st. If FEMA does not hear from a community, the agency will contact them to identify what technical assistance is needed to implement PICM. If a community has no PICM implemented by July 31st, 2025, FEMA will prioritize an audit of floodplain development activities that occurred in the community, specifically focused on the PICM time-period to assess what has occurred and any mitigation that would have been required for development that occurred.

Learn more and participate

Visit <u>www.fema.gov/about/organization/region-10/oregon/nfip-esa-integration</u> to access the reporting tool, model ordinance, habitat assessment guide, and read the latest information about NFIP-ESA Integration in Oregon.

You can also contact us at FEMA-R10-MIT-PICM@fema.dhs.gov

Pre-Implementation Compliance Measure Mitigation

Why is mitigation required?

Unlike ESA implementation in the Puget Sound of Washington, the 2016 National Marine Fisheries Service (NMFS) Biological Opinion (BiOp) for Oregon allows for adverse effects to occur in the Special Flood Hazard Area (SFHA), as long as they result in a no net loss of floodplain functions. No Net Loss allows for mitigation and minimization of development and development-related impacts to occur in the SFHA, instead of just avoidance.

Under No Net Loss, development actions can occur as long as adverse actions are mitigated so floodplain functions can still operate at the same capacity as before the development action happened. Compliance of No Net Loss standards is most commonly achieved through the use of mitigation ratios.

What are the floodplain functions?

NMFS, in the 2016 BiOp, has identified three floodplain functions that must be mitigated when developing in the SFHA to ensure ESA compliance:

- Floodplain Storage
- Water Quality
- Vegetation

To make mitigating for these three functions measurable, FEMA has identified proxies for each of the functions that translate to potential development actions occurring in the floodplain. These proxies include:

- Undeveloped Space (Floodplain Storage)
- Pervious Surface (Water Quality)
- Trees (Vegetation)

PICM mitigation requirements include compensation for the loss of undeveloped space, pervious surface, and the removal of trees on a development site.

Floodplain Function	Proxy (No Net loss of)	Mitigates Against	
Floodplain Storage	Undeveloped Space	Developed Space	
Water Quality	Pervious Surfaces	Impervious Surface	
Vegetation	Vegetation Trees		

Floodplain functions, proxies, and actions mitigated against

Undeveloped Space

Undeveloped space is defined as the volume of flood capacity and fish-accessible (the ability of a fish to access a space) and fish-egress-able (the ability of a fish to exit a space) habitat <u>from the existing ground to the Base Flood Elevation</u> (BFE) that is undeveloped.

Any form of development that reduces this flood storage volume and fish accessible/egress-able habitat must be mitigated to achieve no net loss. Examples of this development include, but are not limited to:

• Addition of fill

Pilings

- Structures
- Concrete structures (vaults or tanks)

Mitigation is required for the volumetric space that occupies the area between the existing ground and BFE. Proper mitigation includes creating an acceptable amount of undeveloped space between the existing ground and BFE as determined by the mitigation ratios.

<u>Fish accessibility and egress-ability is a key component of floodplain storage</u>, as it ensures we are maintaining habitat dynamics for ESA-listed species. Mitigating with ratios for undeveloped space will ensure you are also accounting for fish accessibility and egress-ability.

Pervious and Impervious Surfaces

Pervious surfaces are surfaces that can be penetrated by water and help regulate the rate of surface water runoff. Impervious surfaces are the opposite. They are surfaces that cannot be penetrated by water and thereby increase surface water runoff, leading to erosion of stream banks, degradation of habitat, and increased sediment loads in streams. Impervious surfaces also heat up water as it travels to the waterbody and increase the overall temperature of the waterway. Additionally, impervious surfaces carry pollutants into the waterbody that would have otherwise been filtered out by pervious surfaces.

In PICM, there are three options to mitigate against the addition of impervious surfaces:

- A replacement of the equivalent amount of area where impervious surfaces were added with pervious surfaces;
- Development actions use documented low impact development or green infrastructure practices to infiltrate and treat stormwater produced by the new impervious surface; or
- When the above two methods are not feasible, require professional stormwater retention to ensure no increase in peak volume or flow and proper treatment to minimize pollutant loading.

Trees

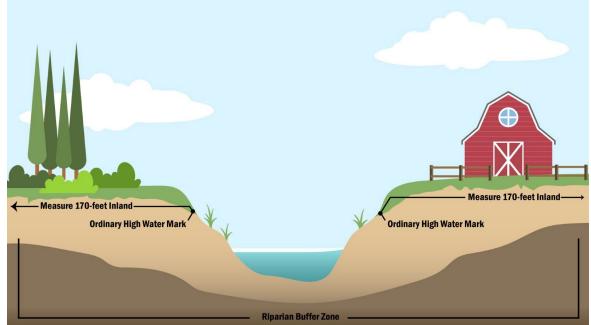
Trees play a vital role in the ecosystem and habitat of salmon. They stabilize banks against erosion, provide shade which regulates temperature for the waterbody, and creates habitat that attracts insects and other vital food sources. Under PICM, each tree over 6" diameter breast height (dbh) that is removed in the SFHA, must be replaced as identified by ratios. As larger trees provide a greater role in ecosystem services, more trees are required to replace them.

Replacement trees must be native species that would occur naturally in the Level III ecoregion of the impact area. Replacement trees are assumed to be saplings and younger trees.

The RBZ and Me

The Riparian Buffer Zone (RBZ) is an area of land bordering rivers, streams, and other water bodies that provides an outsized role in supporting floodplain functions that affect ESA-listed species and essential fish habitat (EFH). The RBZ serves as important habitat to fish during flooding events, providing refuge from high velocity flows in the floodway. Vegetation attracts insects and other vital food sources, filters sediment and pollutants from runoff, and moderates water temperature through the shade it provides, and stabilizes eroding banks.

Under PICM, FEMA has established a 170-foot RBZ for use in the NFIP-ESA integration area. This 170-foot standard is measured from the ordinary high-water mark of a fresh waterbody, or from the mean higher-high water line of a marine shoreline or tidally influenced river reach. This distance generally equates to 80% of the maximum potential tree height of common tree species in the implementation area. <u>The RBZ does not extend</u> beyond the SFHA, meaning that the RBZ ends where the SFHA ends, if it is less than 170 feet. Communities, otherwise, cannot reduce the 170-foot RBZ boundary during PICM.



Measuring the Riparian Buffer Zone

The RBZ has additional requirements on top of achieving No Net Loss standards due to its outsized role in the floodplain functions. **The RBZ does not ban development**. When developing, the RBZ requires a beneficial gain standard in addition to No Net Loss to provide additional benefits with no negative components to ESA-listed species and essential fish habitats. The beneficial gain standard is as follows:

• An area within the same reach of the project and equivalent to 5% of the total project area within the RBZ shall be planted with native herbaceous and shrub vegetation.

Beneficial gain is required for development in the RBZ, with the following exceptions:

- Habitat restoration activities,
- Activities considered exempt from No Net Loss,
- Functionally dependent uses: A use which cannot perform its intended purpose unless it is located or carried out in proximity to water. The term includes:
 - Docking and port facilities that are necessary for the loading and unloading of cargo or passengers; and
 - Ship building and ship repair facilities.
 - Functionally dependent uses <u>do not include</u> long-term storage, related manufacturing facilities, or ancillary facilities such as restrooms.

Understanding the Mitigation Ratio Table

Mitigation ratios are provided in PICM to ensure that permitted development meets the No Net Loss standards without having to do further analysis of mitigation options to comply with the ESA. For instance, the intrinsic habitat value of a single tree at 6" diameter breast height (dbh) in the Riparian Buffer Zone (RBZ) has already been factored into the ratios and requires a minimum of 3 trees to be planted to make up for the loss of habitat value at the development site.

Mitigation ratios to ensure ESA compliance vary based off location in the SFHA. The RBZ and Floodway play an outsized role in supporting floodplain functions, therefore higher ratios for mitigation are required to negate the impact of development. Development actions in the RBZ-fringe (the area outside of the RBZ but within the rest of the SFHA) have a lesser impact on floodplain functions and therefore lower ratios can negate any adverse impact.

Mitigation is preferred to occur within the same site as where the development impacts occur, but offsite mitigation is possible at the same ratios if mitigation is happening in the same reach (the section of waterway where similar hydrologic conditions exist). If mitigation needs to occur outside of the reach where development is happening, ratio requirements are essentially doubled.

<u>Mitigation ratio requirements are only necessary when development impacts are occurring in the SFHA</u>. If development is happening partially inside the SFHA, ratios and mitigation is only required for impacts within the area.

	Undeveloped	Pervious	Trees	Trees	Trees (39" <dbh)< th=""></dbh)<>
Basic Mitigate Ratios	Space (ft ³)	Surface (ft ²)	(6" <dbh≤20″)< th=""><th>(20"<dbh≤39″)< th=""><th></th></dbh≤39″)<></th></dbh≤20″)<>	(20" <dbh≤39″)< th=""><th></th></dbh≤39″)<>	
RBZ and Floodway	2:1	1:1	3:1	5:1	6:1
RBZ-Fringe	1.5:1	1:1	2:1	4:1	5:1
Mitigation multipliers					
Mitigation onsite to	100%	100%	100%	100%	100%
Mitigation offsite, same					
reach					
Mitigation onsite to	200%	200%	200%	200%	200%
Mitigation offsite,					
different reach, same					
watershed (5 th)					

Proposed Mitigation Ratios to Achieve No Net Loss Standards

Do communities have to mitigate for each floodplain function, or do they choose only one of the functions to mitigate?

Communities must mitigate for each impact to the floodplain function.

Can a community use one action to mitigate for multiple functions?

Communities would need to ensure that each floodplain function is properly mitigated. In some instances, one mitigation action can count towards mitigation of more than one floodplain function. For example, removing a 200 ft² structure could count towards both flood storage and water quality mitigation if the action is creating both undeveloped space and pervious surface.

Who is responsible for measuring the RBZ?

Communities are responsible for identifying the RBZ. FEMA will not identify them on Flood Insurance Rate Maps (FIRM).

Why do communities have to ensure ESA compliance in SFHAs that provide no fishaccessibility?

Even though there may not be essential fish habitat in an SFHA, development can still create indirect or cumulative impacts that have an adverse effect on ESA-listed species and habitat downstream.

Learn more and participate

Visit <u>www.fema.gov/about/organization/region-10/oregon/nfip-esa-integration</u> to access the model ordinance, habitat assessment guide, and read the latest information about NFIP-ESA Integration in Oregon.

You can also contact us at FEMA-R10-MIT-PICM@fema.dhs.gov

Frequently Asked Questions about Pre-Implementation Compliance Measures

October 4, 2024

Disclaimer: This FAQ is general guidance based on the information available to DLCD staff at this time. It is not a DLCD decision. It is not legal advice for any specific situation. Cities and counties should consult their legal counsel for advice on specific decisions.

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What are "Pre-Implementation Compliance Measures"?

In July 2024, the Federal Emergency Management Agency (FEMA) sent a letter to cities and counties in Oregon instructing them to make short term changes to how the city or county regulates development

in flood hazard areas. FEMA describes these short-term actions as "pre-implementation" because they are occurring before FEMA fully implements long-term changes to the National Flood Insurance Program (NFIP) to comply with the Endangered Species Act.

What led up to PICM?

In 2009, environmental advocacy organizations sued the Federal Emergency Management Agency (FEMA) alleging that FEMA violated the Endangered Species Act by not consulting with National Marine Fisheries Services (NMFS) about how the National Flood Insurance Program (NFIP) could jeopardize threatened species. FEMA resolved the lawsuit by formally consulting with NMFS to review the impact of the NFIP. In April 2016, NMFS issued its <u>Biological Opinion</u> (BiOp) that concludes that the NFIP in Oregon jeopardizes the survival of several threatened species, including salmon, sturgeon, eulachon, and orcas. The BiOp contained a reasonable and prudent alternative (RPA) with recommendations from NMFS to FEMA on how to avoid jeopardizing the threatened species. In October 2021, FEMA issued a draft implementation plan on how to reduce the negative impacts of the NFIP on threatened species.

In 2023, FEMA started reviewing the draft implementation plan using a National Environmental Policy Act (NEPA) process, which is still underway. Under the NEPA process FEMA will analyze whether there are additional alternatives or changes to the 2021 draft implementation plan to consider.

In September 2023, environmental advocacy organizations filed a lawsuit alleging that FEMA has been too slow to implement the BiOp. Plaintiffs included the <u>Center for Biological Diversity</u>, the <u>Northwest</u> <u>Environmental Defense Center</u>, <u>Willamette Riverkeeper</u>, and <u>The Conservation Angler</u>. See also coverage in the <u>Oregonian</u>.

In July 2024, FEMA announced a new program of pre-implementation compliance measures (PICM or short-term measures) for the BiOp, separate from the NEPA full implementation (long-term measures) process. FEMA hosted four <u>PICM webinars</u> in July and August, and is planning additional outreach to assist NFIP communities in the fall of 2024. Some of the PICM pathways are included in the 2016 BiOp under RPA, element 2.

FEMA now has two separate, but similar processes: NEPA evaluation of the full implementation plan, and interim action through PICM. FEMA's webpage <u>"Endangered Species Act Integration in Oregon"</u> contains information about both processes, but does not clearly distinguish between the two processes.

What is the role of the Oregon Department of Land Conservation and Development in PICM?

FEMA and the state provide funds to the Oregon Department of Land Conservation and Development (DLCD) for staff to help cities and counties participate in the NFIP. DLCD floodplain staff do not set program policies and cannot make decisions on behalf of FEMA. As FEMA provides more information about what they are requiring through PICM, DLCD floodplain staff will try to explain the program to cities and counties.

Frequently Asked Questions about Pre-Implementation Compliance Measures

While the floodplain staff at DLCD have a coordinating role communicating with FEMA, cities and counties are always free to communicate directly with FEMA staff. In this role, DLCD staff provided feedback on the full implementation plan (long-term measures) through the NEPA process. DLCD staff provided information about how the land use planning system in Oregon would affect the full implementation plan. DLCD did <u>not</u> have an opportunity to play a similar role while FEMA developed PICM.

On September 26, 2024, Governor Tina Kotek sent a <u>letter to FEMA</u> expressing concerns about PICM, similar to concerns raised in a <u>letter from members of congress</u> in August. DLCD will work with FEMA to address the governor's concerns.

What does a city or county need to do now?

FEMA is requiring cities and counties to select one of three PICM short-term paths by December 1, 2024:

- Pathway 1: Adopt the <u>PICM model floodplain management ordinance</u> that considers impacts to fish habitat and requires mitigation to a no net loss standard.
- Pathway 2: Review individual development proposals and require permit-by-permit habitat mitigation to achieve no net loss using "Floodplain Habitat Assessment and Mitigation" guidance from FEMA.
- Pathway 3: Prohibit all new development in the floodplain.

FEMA is also requiring cities and counties to gather additional data on local floodplain permitting starting January 31, 2025, and submit an annual report to FEMA starting January 2026.

If a city or county does not choose a PICM path by December 1, 2024, then FEMA expects the city or county to use Pathway 2 for permit-by-permit habitat assessment and mitigation.

Once local planning staff review the FEMA documents (<u>PICM model ordinance</u> and <u>habitat assessment</u> <u>guidance</u>), planning staff may want to discuss the PICM paths with other internal local staff, and their local legal counsel. A starting point could be to determine how much developable land is within the Special Floodplain Hazard Area (SFHA). With that data to inform local decision making, staff might want to report to decision makers and the public explaining the situation and may find this FAQ useful as background. An informational work-session could be helpful to explore options for what may or may not work at the local level. DLCD staff (<u>regional representatives</u> and <u>flood hazards staff</u>) are available for technical assistance; however, many questions will need to go to FEMA. Use the dedicated email address: <u>FEMA-R10-MIT-PICM@fema.dhs.gov</u>.

Does Pathway 3 "Prohibit floodplain development" require a moratorium?

No. A city or county has at least two options for prohibiting development in the special flood hazard area: temporary moratorium or permanent rezoning.

Frequently Asked Questions about Pre-Implementation Compliance Measures

Option A: Temporary Moratorium

<u>ORS 197.520 to 197.540</u> defines a process for a city or county to declare a moratorium to temporarily prevent all development in a specific area. Typically, a city or county would declare a moratorium where there are insufficient public facilities, which would not apply in this case. ORS 197.520(3) allows a different type of moratorium if a city or county demonstrates there is a compelling need based on the findings below:

For urban or urbanizable land:

- That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas;
- That the moratorium is sufficiently limited to ensure that a needed supply of affected housing types and the supply of commercial and industrial facilities within or in proximity to the city or county are not unreasonably restricted by the adoption of the moratorium;
- Stating the reasons alternative methods of achieving the objectives of the moratorium are unsatisfactory;
- That the city or county has determined that the public harm which would be caused by failure to impose a moratorium outweighs the adverse effects on other affected local governments, including shifts in demand for housing or economic development, public facilities and services and buildable lands, and the overall impact of the moratorium on population distribution; and
- That the city or county proposing the moratorium has determined that sufficient resources are available to complete the development of needed interim or permanent changes in plans, regulations or procedures within the period of effectiveness of the moratorium.

For rural land:

- That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas;
- Stating the reasons alternative methods of achieving the objectives of the moratorium are unsatisfactory;
- That the moratorium is sufficiently limited to ensure that lots or parcels outside the affected geographical areas are not unreasonably restricted by the adoption of the moratorium; and
- That the city or county proposing the moratorium has developed a work plan and time schedule for achieving the objectives of the moratorium.

Frequently Asked Questions about Pre-Implementation Compliance Measures

Moratoriums are legally complicated. This description is only a summary of the law. A city or county should consult carefully with their legal counsel to determine whether and how a moratorium would work in their specific situation, and to review the applicable timelines for which a moratorium may be in place and circumstances for extending a moratorium.

Option B: Permanent Rezoning

A city or county could permanently rezone the land within the special flood hazard area to a zone that would not permit development. This would not be appropriate for all cities and counties, but could be appropriate if the area in the SFHA is relatively small, unlikely to develop, or publicly owned.

Is a "Measure 56 Notice" required for PICM short-term options?

Most likely yes, but cities and counties should consult with their legal counsel on how the notification requirements apply in the specific local circumstances.

Background on Measure 56 Notices

Cities and counties in Oregon are required to send a notice to landowners before "rezoning" property. This requirement was originally enacted through Ballot Measure 56 in 1998, and is codified in <u>Oregon</u> <u>Revised Statutes (ORS) 227.186</u> for cities and <u>ORS 215.503</u> for counties. The requirement uses a broad definition of rezoning that includes any change that "limits or prohibits land uses previously allowed." DLCD maintains a <u>webpage on the landowner notification requirement</u>.

Pathway 1 – Model ordinance

Cities and counties staff should carefully review current zoning and development regulations for property within the SFHA. If properties are zoned for open space or conservation, then the <u>PICM model</u> <u>ordinance</u> might not further limit uses.

If properties are zoned for residential, commercial or industrial use, the <u>PICM model ordinance</u> would likely limit those uses, and the Measure 56 notification requirement could apply. Most local floodplain codes require owners to obtain a permit for development in the floodplain. Permit processing varies for each city or county. Oregon's model floodplain Ordinance (version 2020) meets minimum NFIP standards. However, the updated <u>PICM model ordinance</u> contains new standards in section 6.0 (highlighted in yellow) which could limit currently allowed uses, in which case the Measure 56 notification requirement would apply.

Pathway 2 – Permit-by-permit habitat assessment and mitigation

Cities and counties should carefully review any existing requirements for habitat mitigation. Most cities and counties do not require mitigation for habitat impacts, so the city or county would be adopting a new ordinance to require assessment and mitigation for development in flood hazard areas. These new development regulations would most likely limit currently allowed uses, and thus the Measure 56 notification requirement would apply.

Frequently Asked Questions about Pre-Implementation Compliance Measures

Pathway 3 – Prohibit floodplain development

If a city or county declares a temporary moratorium under ORS 197.520 to 197.540, then the Measure 56 notification requirements would likely apply because a moratorium would limit or prohibit uses that would otherwise be allowed.

If a city or county rezones land or amends development regulations to permanently prohibit development within the SFHA, then the city or county should carefully review the previous zoning and allowed uses for each parcel. If some properties were previously zoned for open space or conservation, then the prohibition on development is not likely to be a limitation on future use. If some properties are zoned for residential, commercial or industrial use, then the prohibition on development would limit those uses, and thus the Measure 56 notification requirement would apply.

A city or county may not want to completely prohibit all development in the floodplain and may want to think about explicitly adding in activities exempt from the no net loss standards as listed in section 6.3 of the <u>PICM Model Ordinance</u>. Some of the exempt activities include normal maintenance of structures, street repairs, habitat restoration activities, routine agricultural practices, and normal maintenance of above ground utilities and would still require a local floodplain development permit. However, if a city or county wishes to include activities beyond those listed in section 6.3, then the city or county will likely need to adopt the model ordinance or require permit-by-permit habitat mitigation for the uses that are still allowed. It may be simpler to choose pathway 1 (model ordinance) or pathway 2 (permit-by-permit) instead. Cities and counties should communicate with FEMA about any exemptions.

Will the state waive legislative adoption requirements?

Each city or county has its own requirements for adopting an ordinance. The state has no authority to waive those requirements.

<u>ORS 197.610 through 197.625</u> requires cities and counties to submit notice to DLCD 35 days before the first hearing to adopt a change to a comprehensive plan or a land use regulation. The statute does not authorize DLCD to waive this requirement. If it is not possible to send the notice 35 days prior to the hearing, cities and counties should send the notice as soon as possible. The notice can include a draft ordinance that will be revised before adoption. If a city or county does not provide notice 35 days prior to the hearing, this does not invalidate the ordinance. A party that did not appear before the local government in the proceedings would be allowed to appeal the ordinance.

DLCD has no authority to waive the required Measure 56 notification to landowners that is described above.

Frequently Asked Questions about Pre-Implementation Compliance Measures

What if a city or county cannot complete the ordinance process by December 1, 2024?

Start the process of evaluating the PICM pathways as soon as possible. Keep FEMA informed via their PICM inbox <u>FEMA-R10-MIT-PICM@fema.dhs.gov</u> regarding your PICM path and progress.

Send questions to FEMA early in the process to give them time to respond, and document when replies are received.

Communicate often to FEMA to update them on your status and expected adoption date.

Is the model ordinance clear & objective?

Background on Clear and Objective Standards

Oregon Revised Statutes <u>197A.400</u> requires cities and counties to:

"adopt and apply only clear and objective standards, conditions and procedures *regulating the development of housing*, including needed housing, on land within an urban growth boundary." [emphasis added.]

The legislature amended this statute to include areas within unincorporated communities and rural residential zones. The amendment takes effect on July 1, 2025.

Reviewing Model Ordinances

DLCD plans to review the existing <u>Oregon Model Flood Hazard Ordinance</u> to identify standards for residential development that may not be clear and objective. Over the past year, DLCD also reviewed an early draft of the model ordinance in the NEPA process for the full implementation of the BiOp. DLCD identified several aspects of that early draft model ordinance that may not be clear and objective and suggested that FEMA revise those aspects. DLCD has not yet determined whether the <u>PICM Model</u> <u>Ordinance</u> has only clear and objective standards.

What is changing for cities and counties for letters of map revision based on fill?

FEMA has temporarily suspended processing of applications for letters of map revision based on fill (LOMR-F) and conditional letters of map revision based on fill (CLOMR-F) as of **August 1, 2024**. FEMA is doing this to remove any perceived incentive to using fill and to avoid potentially negative effects on habitat for threatened species.

FEMA is not prohibiting fill in the SFHA, rather they are suspending the opportunity for owners or developers to revise floodplain maps to be released from mandatory flood insurance. Therefore, if fill is used for structure elevation and there is a federally backed mortgage on the property, flood insurance will still be required. Cities and counties should continue to enforce their existing floodplain ordinance on regulations regarding placement of fill in flood hazard areas.

Frequently Asked Questions about Pre-Implementation Compliance Measures

If an applicant asks for a community acknowledgement form (CAF) for a CLOMR-F or LOMR-F for a project not covered in the exceptions below, it would be wise to <u>contact FEMA</u> before signing.

Exceptions for L/CLOMR-F processing:

- Projects that are undergoing Section 7 consultation via an alternative federal nexus
- LOMR-Fs for already processed CLOMR-Fs
- CLOMRs required for habitat restoration projects

What are the Measure 49 implications to the PICM pathways?

Measure 49 could apply in some situations, but it is unlikely that a city or county would have to pay compensation to a landowner. Cities and counties should consult with their legal counsel to analyze their specific situation.

Background:

<u>Ballot Measure 49</u> was approved by Oregon voters in 2007. Its initial impact was on property owners who acquired their property before land use regulations were established in the 1970's and 1980's. In many cases, those owners were permitted to build up to three houses, even though the current zoning would not allow new houses.

Measure 49 also applies to future changes in land use regulations. Those provisions are codified in <u>ORS</u> <u>195.300 to 195.336</u>. If a state or local government enacts a land use regulation that restricts a residential use and reduces the fair market value of a property, then the owner can apply for just compensation. The compensation can be monetary, or a waiver to allow the owner to use the property without applying the new land use regulation. This requirement does not apply if the new regulation is for the protection of public health and safety.

Pathway 1 – Model ordinance

If a property owner applied for just compensation as a result of a city or county adopting the PICM model ordinance, the city or county would process the claim as provided in ORS 195.300 through 314. This includes evaluating the claim to determine whether it is valid, and then deciding whether to waive the regulation or pay monetary compensation.

First, determine whether the claimant owned the property before the city or county adopted the new regulations in the model ordinance.

Next determine whether the new regulations restrict the use of the property for single-family dwellings. The statute does not include a specific definition of "restrict" in this context. If the new ordinance has the effect of completely prohibiting residential use, then it clearly restricts the use. If the new ordinance allows single-family dwellings, but places design standards or conditions of development, these likely do not restrict the use.

Frequently Asked Questions about Pre-Implementation Compliance Measures

Next, determine whether the regulations "restrict or prohibit activities for the protection of public health and safety" as provided in ORS 195.305(3)(b). Many aspects of regulating floodplains are based on safety; however, some of the regulations in the <u>PICM model ordinance</u> are based on improving fish habitat. This could result in complicated analysis to determine whether the habitat requirements restrict development beyond the restriction already created by regulations based on safety.

Next, review the property appraisals submitted by the claimant to determine whether the property value was actually reduced. Property in a flood hazard area may already have a low value. The property may still have value for agricultural use which would offset the loss due to the regulation.

If a property owner has a valid claim, then the city or county would decide to pay monetary compensation or to waive some regulations. The city or county is not required to waive all regulations, only "to the extent necessary to offset the reduction in the fair market value of the property" ORS 195.310(6)(b). The city or county could still apply regulations based on safety, and could still apply regulations that existed prior to adopting the <u>PICM model ordinance</u>.

Pathway 2 – Permit-by-permit habitat assessment and mitigation

The results would be similar to pathway 1. In most cases the habitat mitigation requirement would not prevent development, and the owner would likely not be entitled to just compensation. If the habitat mitigation requirements did prevent development, then the owner could apply for just compensation. The city or county would use the steps described above to determine whether it is a valid claim, and decide to waive some of the requirements, or pay monetary compensation.

Pathway 3 – Prohibit floodplain development

A temporary moratorium would likely not lead to a claim for just compensation because it is not a new land use regulation. Also, a temporary moratorium is unlikely to significantly affect fair market value because potential buyers know that the moratorium will end.

Rezoning to prohibit all development within the SFHA would likely be a basis for a claim for just compensation, especially for a property entirely within the SFHA. If a property includes area inside and outside the SFHA, and the owner could still develop the same number of dwellings in a different location, then the owner would likely not be able to make a claim for just compensation.

The city or county would use the steps described above to determine whether it is a valid claim, and decide to waive some of the requirements, or pay monetary compensation.

Where can I find additional information or ask questions about PICM?

FEMA has a webpage for <u>Endangered Species Act Integration in Oregon</u>. Email questions to the PICM email address: <u>FEMA-R10-MIT-PICM@fema.dhs.gov</u>.

Frequently Asked Questions about Pre-Implementation Compliance Measures

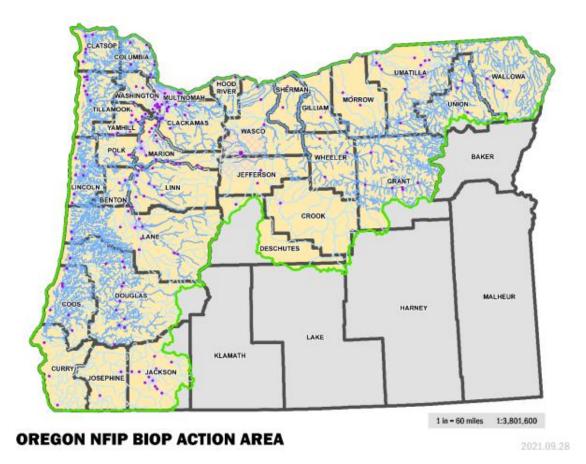
While DLCD staff are not responsible for PICM implementation, we are available to offer technical assistance. Email or call Oregon's NFIP Coordinator at DLCD, Deanna Wright, <u>deanna.wright@dlcd.oregon.gov</u>, 971-718-7473.

What if a city or county received a PICM letter in error, or did not receive a PICM letter?

Staff may contact FEMA's PICM inbox at: <u>FEMA-R10-MIT-PICM@fema.dhs.gov</u> to receive the letter, or you may contact DLCD staff. FEMA staff sent the email announcements to the city or county floodplain staff and the letter was mailed to each individual city or county chief elected officer. If you believe your community is outside of the BiOp action area (map instructions below), but you received a PICM letter, please contact FEMA PICM inbox for verification.

What area does the BiOp cover?

Below is a snapshot image of the Oregon NFIP BiOp Action Area:



Frequently Asked Questions about Pre-Implementation Compliance Measures

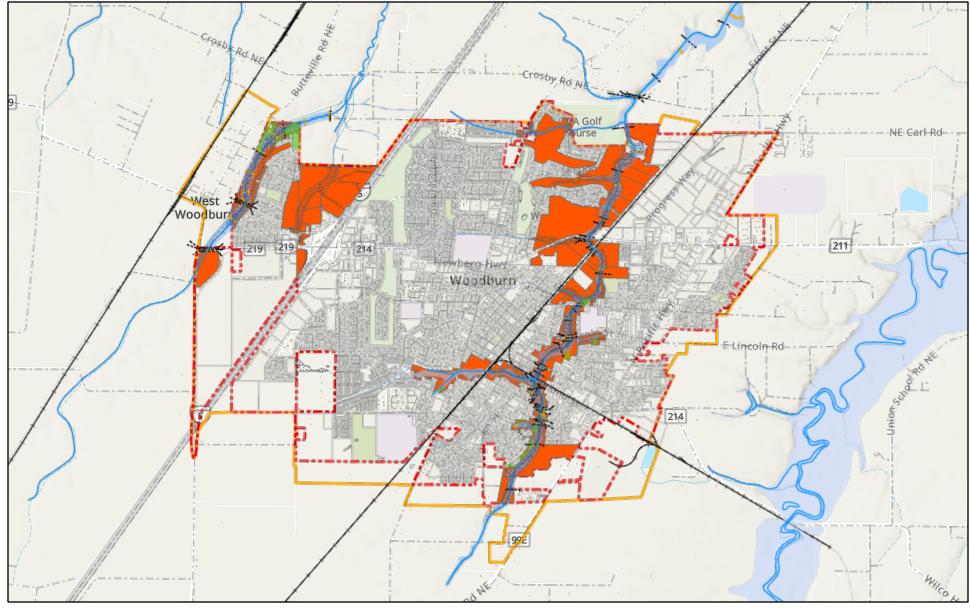
The BiOp is applicable in Special Flood Hazard Areas (SFHA) within the mapped salmon recovery domains for Oregon communities that participate in the NFIP. The BiOp covers approximately 90 percent of participating Oregon NFIP communities but does not apply to five counties.

NOAA Fisheries GIS mapping application tool

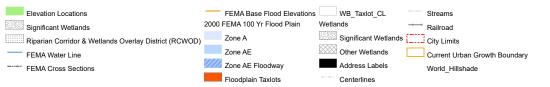
FEMA has published <u>directions</u> on how to determine if a proposed development or project area is within the BiOp area.

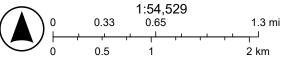
Frequently Asked Questions about Pre-Implementation Compliance Measures

Floodplain Taxlot Map









City of Woodburn, Oregon Metro, Oregon State Parks, State of Oregon GEO, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA,