

Substantial Damage & Substantial Improvement in Your Community



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Overview:

- *Definitions*
- *Determinations*
- *How are they done*
- *When are they done*
- *Why are they done*
- *Your Community*



Terminology

- **Substantial Damage**– Damage to a structure that to restore would be => 50% of market value.
- **Substantial Improvement** – Any reconstruction, rehabilitation, addition or improvement that is => 50% of market value.



Determinations

- **Substantial Damage** determination for NFIP **MUST** be from local community official.
 - ▶ Not from insurance adjustor
 - ▶ Not from FEMA NFIP
 - ▶ Not from FEMA Individual Assistance
 - ▶ Not from SBA loan official



Determinations

- **Substantial Improvement** – Every permit that is issued for development in the Special Flood Hazard Area (SFHA) should be reviewed.



WHEN ????

Substantial Damage

determinations should be done ASAP
after damage incurred

Substantial Improvements

determinations should be documented
every time a permit is issued in SFHA
and documented on permit



Substantial Improvements

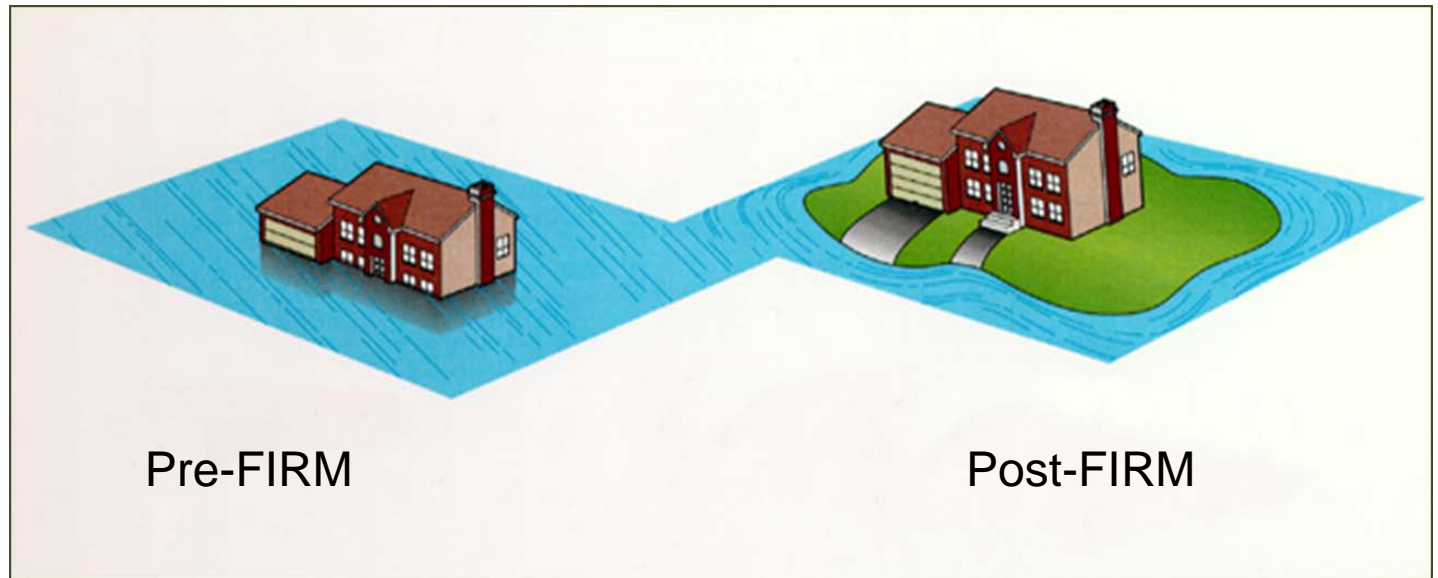


Maintenance Checklist; roof, attic, gutters, fireplace, HVAC, windows, doors, siding, paint, basement, hot water heater



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Pre-FIRM & Post-FIRM



Why is Pre-FIRM and Post-FIRM important?



- Lowest floor below or above BFE

- Structure is built in compliance or not in compliance

- Insurance Rating – Pre/Post FIRM and BFE





How many structures are Pre-FIRM for your community?

How many structures are Post-FIRM for your community?

Increased Cost of Compliance

- An **additional flood insurance claim payment** to help cover the cost of bringing a substantially or repetitively damaged building into compliance with the local floodplain management ordinance
- The insured building must be in the regulatory floodplain
- The claim must be **a direct result of a flood loss**



Questions?



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