

NFIP Substantial Damage & Improvement Seminar

Kansas Emergency Management Agency Annual Conference
September 13, 2017



Agenda

- Introduction to SI/SD
- NFIP Administration and Enforcement
- Local FPA Responsibilities
- Preliminary Damage Assessment (PDA) Process
- Field Observations
- Questions



FEMA

Introduction to SI/SD

Substantial Improvement or Substantial Damage:

$$\frac{\textit{Cost of Improvement or Cost to Repair to Pre-Damage Condition}}{\textit{Pre-Damage Market Value of the Building}} \geq 50\%$$

Introduction to SI/SD

- Purpose
 - Protect the property owner's safety and investment
 - Reduce exposure to flood damage
 - Reduce the burden on taxpayers (disaster assistance)
- But they also help Communities:
 - Prepare for Preliminary Damage Assessments (PDAs)
 - Identify common construction problems
- Why 50%?
 - The 50% threshold was chosen as a compromise between two extremes. One, prohibiting all investment and the other, allowing unrestrained investment.

NFIP Administration & Enforcement

Authorities & Guidance

Code of Federal Regulations

- 44 CFR 59.22
- 44 CFR 60.3

FEMA Publications

- FEMA P-758
- FEMA 213



NFIP Administration & Enforcement



NFIP Administration & Enforcement

- If work constitutes SI/SD, then structures must be brought into full compliance with NFIP requirements for new construction.
- At a minimum, this means:
 - Lowest floor must be elevated to or above the base flood elevation (BFE)
 - Or for non-residential structures only, dry flood-proofed to or above the BFE
- This can also be accomplished by:
 - Demolition
 - Relocation
 - Buy-outs

NFIP Administration & Enforcement

What if a SI/SD structure is not brought into compliance?

- Community
 - Jeopardizes good standing with and participation in the NFIP
 - Negative impacts on CRS class
- Policyholders
 - Jeopardizes their safety and investment
 - Impacts flood insurance rates
 - Post Flood Underwriting

Local FPA Responsibilities

Triage Method

Local FPA Responsibilities

Triage Method

Well Below 40%



Local FPA Responsibilities

Triage Method

Between 40-60%



Local FPA Responsibilities

Triage Method

Well above 60%



Local FPA Responsibilities



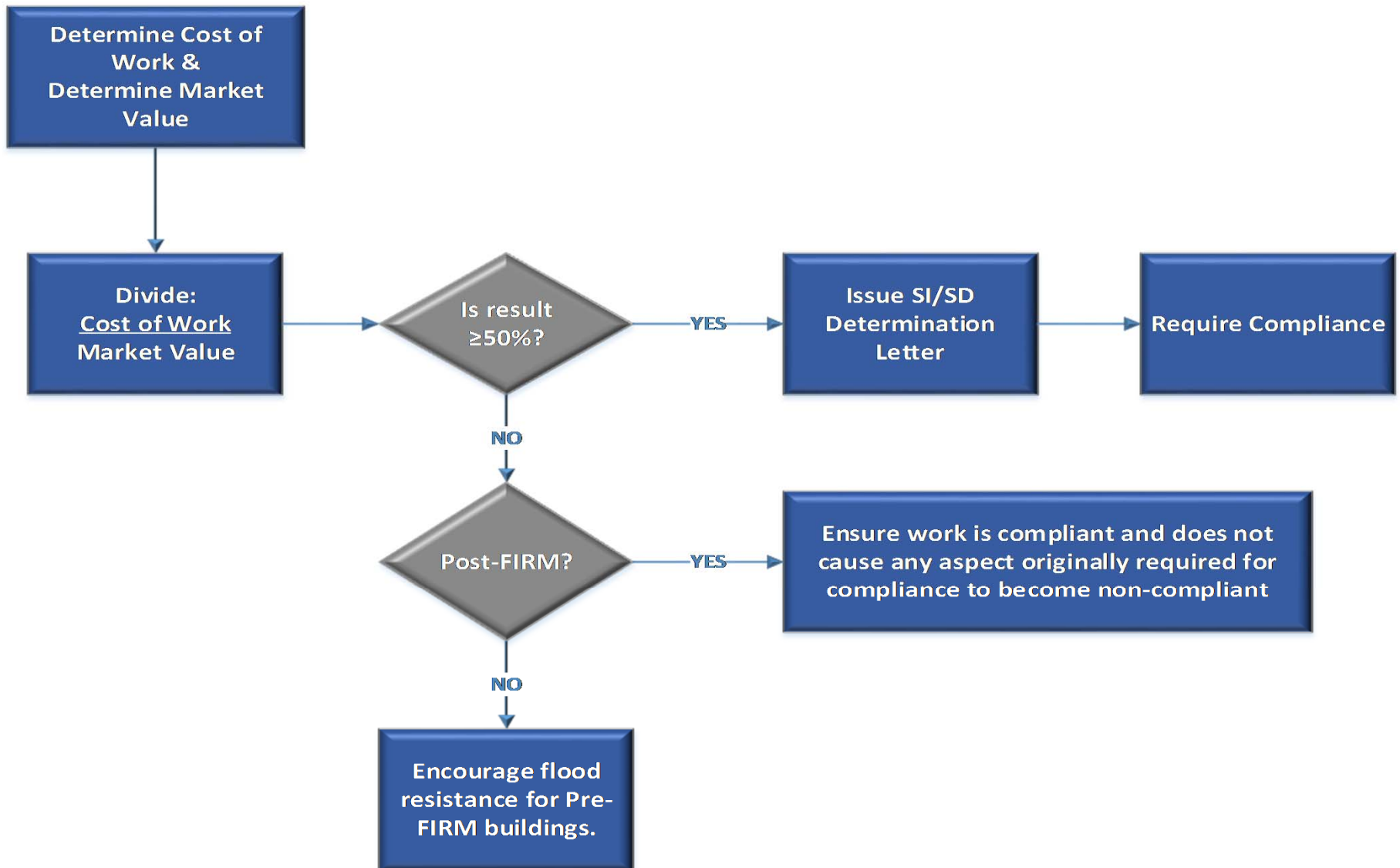
- Be prepared to explain determinations
- Develop written procedures
- Be consistent
- Document everything

Local FPA Responsibilities

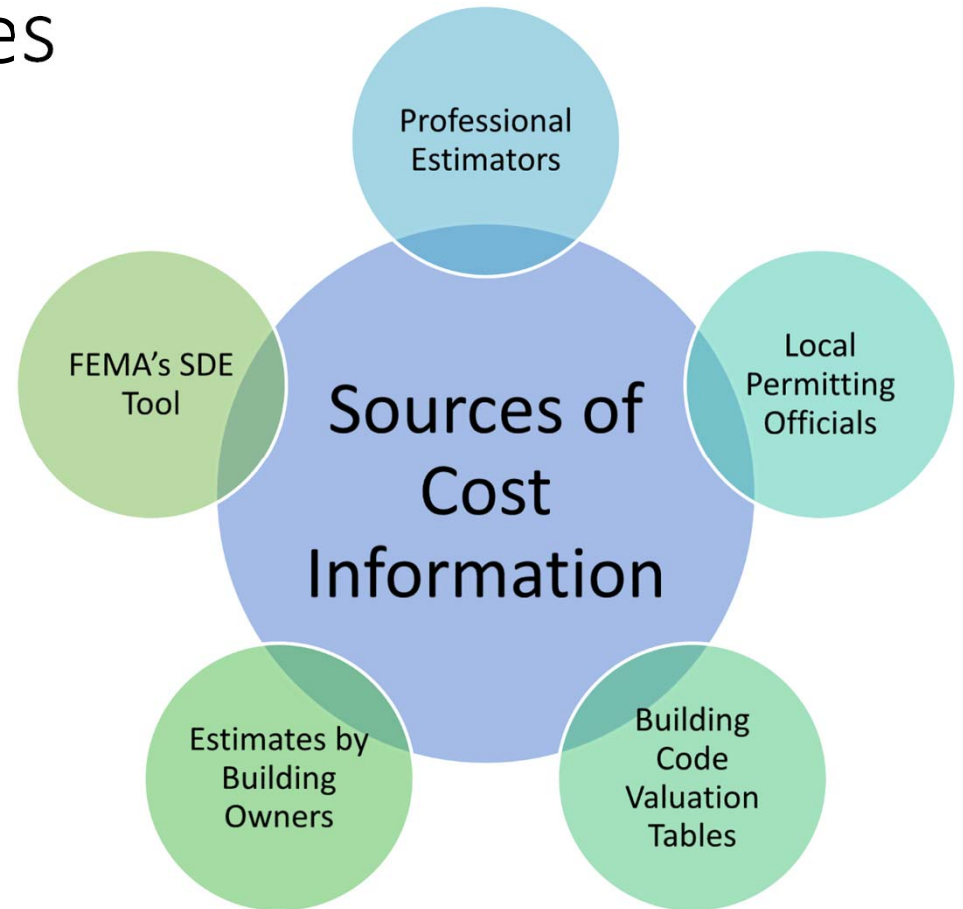


- Four Major Actions

- 1) Determine Costs
- 2) Determine Market Values
- 3) Make SI/SD Determinations
- 4) Require Compliance Construction Techniques



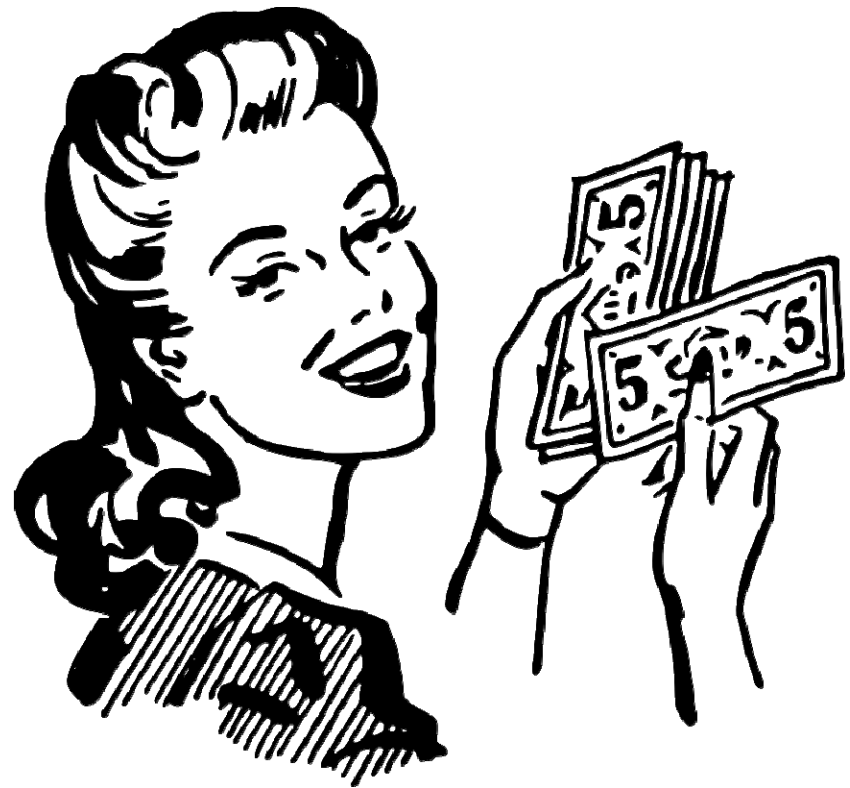
Local FPA Responsibilities



Local FPA Responsibilities

Determining Market Value

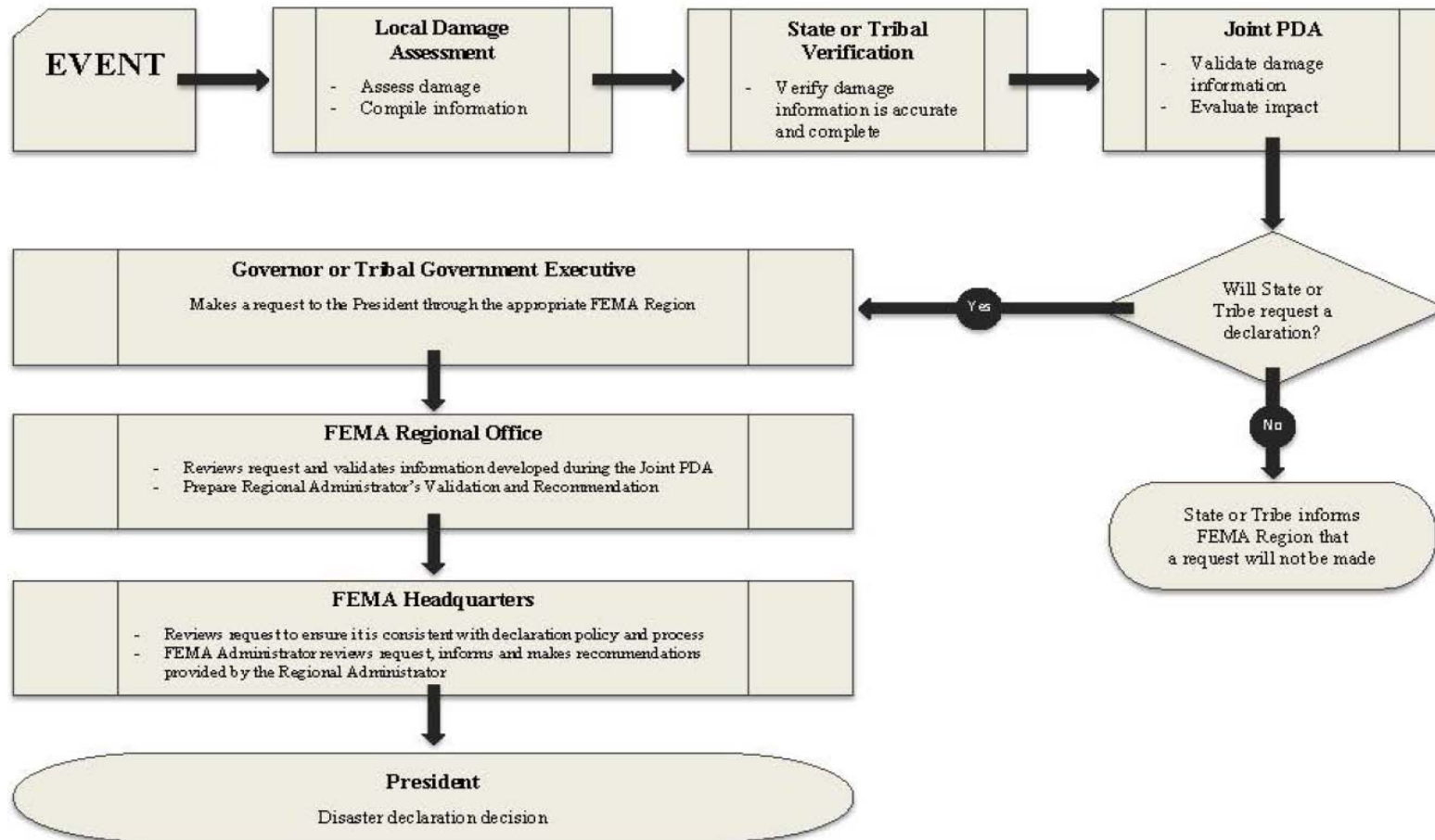
- Professional appraisal
- Adjusted assessed value
- Actual cash value
- Qualified estimates
- FEMA's SDE Tool



PDA Process

- Purpose
 - To identify and evaluate the magnitude and severity of a disaster and determine whether supplemental Federal and other assistance is necessary to recover.
- PDA Teams
 - Representatives from FEMA, the State, local officials and SBA.
- Individual Assistance v. Public Assistance

PDA Process



PDA Process

Degrees Of Damage

- Affected
- Minor
- Major
- Destroyed

Field Observations



Field Observations



Field Observations



Field Observations



Field Observations



Field Observations



Field Observations



Field Observations



Field Observations



Field Observations



Building Guidance

- FEMA P-347 “Above the Flood: Elevating your Floodprone House”
- TB 2 “Flood Damage-Resistant Materials Requirements”
- TB 1 “Openings in Foundation Walls and Walls of Enclosures”
- FEMA 15 “Design Guidelines for Flood Damage Reduction”
- FEMA 259 “Engineering Principles and Practices of Retrofitting Floodprone Residential Structures”
- FEMA P-1037 “Reducing Flood Risk to Residential Buildings that Cannot be Elevated”

Quick Facts

- 1 in 4 chance that a building in the SFHA will experience a 100-year flood.
- Studies show that every \$1 spent on disaster mitigation saves \$4 in post-disaster recovery and rebuilding costs. For NFIP insured structures, ICC is also an option.
- The United States suffered more than \$300 billion in flood-related damages.
- The NFIP has paid over \$14 billion in flood insurance claims.
- Approximately 25% of all claims paid by the NFIP are outside of the SFHA.
- The average cost of a \$100,000 flood policy is around \$400 annually, or just over a \$1 per day.

Questions?

Remember, allowing non-compliant reconstruction means putting people and property back in the same situation in which they flooded before!