

Substantial Damage Review

Louisiana 2016, Aftermath, Recommendations, and Future



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Substantial Damage Review

- Why Substantial Damage?
- 2016 Louisiana Flooding – SD in action
- 2018/19 SD Post Disaster Review
- SD Recommendations to local officials
- Future of SD



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Why Substantial Damage?

- National Flood Insurance Program established regulatory framework
 - Voluntary Insurance Program
 - Maps to support insurance rating FIRM
 - Development of SFHA
 - Local Building Standards for new construction/reduce risk to people and property
- Existing Building Inventory Grandfathered
 - Time would reduce risk
 - SI & SD to speed change



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Why Substantial Damage?

- Building to standards works!
 - Hurricane Ike -2008 – Hits Harris County/Houston TX
 - 2009-2017 75,000 structures built
 - 2017 Hurricane Harvey -51 inches of rain
 - <470 sustain water damage



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Why Substantial Damage?

Substantial improvement defined:

..means any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which exceeds 50 percent of the market value of the structure before the “start of construction” of the improvement. This term includes structures that have incurred “substantial damage,” regardless of the actual repair work performed.



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Why Substantial Damage?

- Substantial damage defined:

..means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damage condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.



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Why Substantial Damage?

- Goal

Reduce number of people and structures at risk



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2016 Louisiana Flooding

SD in action

- 2016 saw two declared flooding disasters in Louisiana, 4263 and 4277 with over 35 parishes' included. Several were declared in both disasters.
- 4277 was a very unusual flooding event with 24 inches of rain in a 24 hour period
- FEMA followed established practice of offering assistance in collecting Substantial Damage data to declared communities
- FEMA contracted the collection of data on 60,000+ structures for over 20 communities.



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2018/19 SD Post Disaster Review

- Region 6 first attempt at a detailed post disaster review of how SD data was used at the community level.
- Selected 8 diverse communities for review. Modified draft review process to capture how provided data was being used.
- Documented community capability, SD program integration to FPM, and other stakeholder coordination.
- Identified three communities for detailed review



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2018/19 SD Post Disaster Review

Notable Findings:

- Each community had a different approach to dealing with SD
- Several communities had difficulty incorporating supplied data to internal systems
- Only two communities were maintaining a list of SD structures
- Three communities developed effective coordination with mitigation grants programs
- One community enforced a mandatory renewal of occupancy permits for dwellings that sustained a defined level of flooding



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SD Recommendations to Local Officials

- Substantial Damage Management Plan
- Documentation
- Situational Awareness



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Substantial Damage Management Plan

1. Pre Planning:

1. Identify (Inventory) all non-compliant structures in SFHA
2. Identify most at risk development in SFHA
3. Establish criteria for “potentially SD” structures (i.e., water depth, time in water)
4. Designate consistent method for determining SD status
5. Identify and train inspectors and test information documentation systems



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Substantial Damage Management Plan

2. During Flooding Event:

1. Identify current and projected high-water in developed areas of SFHA
2. Leverage outside resources to identify potential SD structures (FEMA, USACE, etc.)
3. Deploy inspectors to most impacted areas
 1. Monitor activities and re-direct as needed to insure safe and effective use.
4. Document high-water marks.
5. Inspect all non-compliant structures in the SFHA that meet established criteria
6. Document each inspection with formal SD evaluation using consistent method
7. Provide early notification to owners including explanation of repair requirements and process for appeal
8. Identify gaps in inspection areas and plan to correct



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Substantial Damage Management Plan

3. Post Event:

1. Implement/Maintain a system to identify/flag all SD structures in permit system to prevent non-compliant repairs.
2. Maintain list of SD properties to document current status.
 1. Review list on set schedule
 2. Inspect properties frequently
 3. Use to facilitate and support mitigation programs
 4. Develop long term mitigation plan for SD properties
 5. Coordinate with Repetitive Loss (RL) and Sever Repetive Loss (SRL) programs



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Documents Maintained for SD

- Substantial Damage Program Management Plan
- List of all SD inspections by disaster including results
- SD evaluation document for each inspection
- Copy of notification to structure owned for each SD property
- List of all SD structures including current status and plan for compliance



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Future of Substantial Damage

- Increased national attention along with RL and SRL
- DRRA
 - Ends FEMA Mitigation SD data collection
 - Allows reimbursement for eligible local SD costs including contractor assistance through FEMA Public Assistance
 - Development of performance standards and documentation for reimbursement
- SD review will become a key component of R6 CAVS



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Proactive SD Program is Key to Maintaining NFIP Availability

- Insurance is the main driver of post flood recovery for the whole community.
- Post Harvey external assistance in Harris Co. at 100 days:
 - FEMA IA: 1.2 Billion \$
 - SBA Loans: 3.1 Billion \$
 - NFIP Claims payments 8.2 Billion \$
 - Other Insurance payments 4.4 Billion \$



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Questions/Comments?

Remember: Things can always get worse...





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