



OSAGE COUNTY EMERGENCY MANAGEMENT AGENCY

FLOODPLAIN MANAGEMENT FACT SHEET

(SUBSTANTIAL DAMAGE & SUBSTANTIAL IMPROVEMENTS)

What happens if a Pre-FIRM, Un-Elevated Structure, is Damaged or Renovated?

Pre-FIRM structures are those buildings that were built prior to the date the community joined the National Flood Insurance Program (NFIP). In Osage County that date would be February 2, 1990. Typically most structures built before this date were not aware that a Special Flood Hazard Area (SFHA) had been identified and for some streams the Base Flood Elevation (BFE) was provided. Those buildings that fall under this description are considered to be “Un-Elevated Pre-FIRM Structures” and are not a violation of the floodplain management ordinance. The Pre-FIRM date for insurance purposes is December 15, 1983 which is different than the date previously provided for determining potential violations in Osage County for compliance purposes.

However, if the existing Pre-FIRM structure is damaged, or if it is renovated, those activities could require that the existing structure will have to meet the minimum elevation requirements of the floodplain management ordinance.

What is Substantial Damage?

Substantial Damage is defined as *“damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed fifty (50) percent of the market value of the structure before the damage occurred.”*

It is important to note that substantial damage can occur from any origin. So a fire, tornado, and earthquake could trigger the substantial damage requirements. Damage from termites could trigger the substantial damage requirements. Of course damage from a flood could trigger the substantial damage requirements. This is by no means a complete list of damage that could occur to an existing structure.

The formula to determine if the damage qualifies as “substantial” is relatively straight forward. For example if the existing structure had a fair market value of \$50,000.00 dollars, and it will take more than \$25,000.00 to bring the structure back to its pre-damage condition, then that situation would be considered a “substantial damage” structure. It is the responsibility of the floodplain administrator to determine if substantial damage has occurred to structures located within the SFHA.

What does the Substantial Damage declaration mean to my repair/rebuilding project?

When an existing structure has been declared to be “Substantially Damaged” that means it automatically becomes a “Substantial Improvement” and will now need to comply with the elevation requirements as part of the repair or rebuilding. Substantial Improvement is considered to be New Construction under the NFIP regulations and this is why it must meet the elevation requirements.

So even if the original repair plan did not require the replacement of the existing foundation, it might need to be removed and replaced, to meet the floodplain management ordinance. An example might be a slab-on-grade existing structure that will need to be rebuilt on a crawlspace foundation instead.

What if my house is not damaged but I want to remodel?

Substantial Improvement is defined as *“any combination of reconstruction, alteration, or improvement to a building, taking place during the life of the building, in which the cumulative percentage of improvement equals or exceeds fifty (50) percent of the current market value of the building. For the purposes of this definition, an improvement occurs when the first alteration of any wall, ceiling, floor, or other structural part of the building commences, whether or not that alteration affects the external dimensions of the building. This term includes structures, which have incurred “repetitive loss” or “substantial damage”, regardless of the actual repair work done.”*

Once again, the yardstick used to determine if a project qualifies as a Substantial Improvement is if the renovation, alteration, or remodeling costs is going to exceeding fifty percent of the current market value of the existing structure. The formula looks very similar to the one presented earlier, with the exception of replacing “repair costs” with “improvement costs” in the equation. Typically in Osage County the current market value is obtained from the Assessor’s office. It might be acceptable to use a certified appraisal in lieu of the Assessor’s value if it more accurate represents the current housing market values in Osage County.

There are some costs associated with rebuilding or renovating an existing structure that are exempt from the fifty (50) percent calculation. A list of these excludable items is provided in FEMA publication 480, in figure 8-1, on page 8-8.

If an addition is being added to the existing structure, and if the only improvement is the addition, then it may be possible that the only part that needs to be elevated would be the addition.

If an addition is being added to the existing structure, and the existing structure is also being renovated / remodeled, then both the addition as well as the existing structure would need to be elevated.

If an additional floor is being added to an existing structure, or if the existing structure is being partially or completely renovated, then the entire existing structure would need to be elevated.

Other Sources of Information

To assist with questions that might arise about Substantial Damage issues, FEMA has created publication 213, titled *“Answers to Questions about Substantially Damaged Buildings”* dated May 1991.

FEMA publication 480 titled, *“National Flood Insurance Program (NFIP) Floodplain Management Requirements – A Study Guide and Desk Reference for Local Officials”* dated February 2005.

All the above listed materials can be found at FEMA.gov or at:

www.osagecountyma.com/pages/floodprogram.htm