

WHEN YOUR HOME OR BUSINESS WAS COMPLETELY DESTROYED OR SUBSTANTIALLY DAMAGED



Hurricanes Rita and Katrina completely destroyed many homes and business in coastal Louisiana. If you were one of the unfortunate individuals or families who had this happen and you are starting over, be sure to do it correctly. Here are important facts you must consider as you rebuild. CHECK WITH YOUR PARISH OR COMMUNITY FLOODPLAIN ADMINISTRATOR FOR DETAILS. The parish or community Floodplain Administrator is located within the parish or community organization and is working on your behalf for a safer future.*

1. When your home or business is completely destroyed and you want a new building on the old foundation or slab, the structure must be elevated (or floodproofed if non-residential) to or above the *Base Flood Elevation* (BFE), or *Advisory Base Flood Elevation* (ABFE) or the *community defined elevation* and meet other applicable National Flood Insurance Program (NFIP) requirements. In Federal Emergency Management Agency (FEMA) terms the *community defined elevation* is called the *Design Flood Elevation* (See FEMA Coastal Construction Manual, FEMA 55). The structure may be called a “substantial improvement” or “new construction” since the old foundation has a residual value.
2. The NFIP considers a building to be “substantially damaged” when a structure sustains damage from flood, fire or any natural or human origin and the cost of restoring the structure to its pre-damage condition equals or exceeds 50 percent of the building’s pre-damage market value. This applies to all buildings in a flood hazard area, regardless of whether the building was covered by flood insurance or assistance is available.
3. A “substantially damaged” home or business located in a coastal high hazard area (the V-Zone in terms of the NFIP) must meet several requirements. First, it must be built to the *Base Flood Elevation*, or *Advisory Base Flood Elevation* or to the *community defined elevation*. Second, the structure must be on pilings or columns so that the bottom of the lowest horizontal structural member of the lowest floor is elevated to or above the BFE, or ABFE or to the *community defined elevation*. Third, the pile or column foundation supporting the structure must be anchored to resist flotation, collapse and lateral movement from the combined effects of wind and water forces of a 100-year flood. Fourth, before a permit to repair or rebuild a “substantially damaged” structure in a V-Zone is granted, a registered professional engineer or architect must develop, review and certify that the structural design, specifications and plans for the construction are in accordance with accepted standards or practice for meeting V-Zone foundations and anchoring requirements.
4. “Substantial improvement” means any reconstruction, rehabilitation, addition or other improvement which equals or exceeds 50 percent of the market value of the structure before the “start of construction” of the improvement. “Substantial improvement” includes structures which have incurred “substantial damage” regardless of the value of or actual cost of repair work.
5. “Substantial improvement” does not include correcting violations of state or local health, sanitary or safety code specifications which have been identified by the local code enforcement official and are necessary to assure safe living conditions OR any alteration of a “historic structure,” provided the alteration does not preclude the structure’s continued designation as a “historic structure.”

6. When a building is “substantially damaged” or “substantially improved” it becomes a Post-FIRM (Flood Insurance Rate Map) structure and is rated for NFIP flood insurance based on its flood risk. If the structure is rebuilt in violation of the parish or community floodplain management regulations and not elevated to or above the *Base Flood Elevation*, or *Advisory Base Flood Elevation* (or floodproofed if non-residential) or to the *community defined elevation*, the Post-FIRM rates and premiums will be significantly higher. For “substantially damaged” structures that have the lowest floors several feet or more below the BFE, ABFE or the *community defined elevation*, the annual premium could increase to thousands of dollars. CHECK WITH YOUR INSURANCE AGENT FOR AN ESTIMATE OF YOUR PREMIUM.
7. The parish or community floodplain administrator determines if a structure is “substantially damaged” or if there is “substantial improvement.”
8. Ask your NFIP adjuster about a possible Increased Cost of Compliance (ICC) claim payment. Most NFIP policies can pay up to \$30,000 for community-required demolition and/or elevation costs when substantial damage is declared by the floodplain administrator and the substantial damage was caused by flooding.
9. Sometimes permit applicants try to avoid the substantial improvement requirement by applying for a permit for only part of the job and then apply for another permit to finish the work a month or two later. If both applications together are worth more than 50 percent of the value of the building, the combined project should be considered a “substantial improvement” and subject to the rules. Remember: Parishes and communities now use and enforce the International Building Code and related I-Codes for ALL CONSTRUCTION, not just reconstruction of “substantially damaged” buildings. CAUTION: Check with your parish or community floodplain administrator. Your community may combine the value of permit applications over a period of years as one project.

*TO LOCATE YOUR PARISH OR COMMUNITY FLOODPLAIN ADMINISTRATOR, VISIT: www.louisianafloods.org and click on “Find your Local Floodplain Official.”

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