Post Flood Requirements and the SDE
Understanding Substantial Damage

“The 50% Rule”:

If damages from ANY source (flood, fire, tornado, alien attack, zombies, etc..) exceed 50%.

The structure must be brought into compliance with floodplain regulations (elevated or floodproofed).
The formula

\[
\text{Cost of damage} \geq 50\% \\
\text{Market value of the building}
\]

\[
\frac{\$75,000 \text{ damage}}{\$140,000 \text{ house}} = 54\%
\]
Substantial Damage

Cumulative Substantial damage tracking (example)

2008 - $20,000 damage / $100,000 = 20% damage
2011 - $10,000 damage / $120,000 = 8% damage
2015 - $28,600 damage / $130,000 = 22% damage

50% cumulative damage

Building must be brought up to flood code!

The Illinois state model ordinance tracks CUMULATIVE substantial damage
Substantial Damage

Determining Building Value

Building value is the market value of the building prior to the damage

- Tax assessor records
- Professional appraisal

Apply consistent methodology
Post Flood Responsibilities

- **MOVE FAST!** Don’t wait for FEMA!
- Identify, tag, photograph, and document flooded structures
- Post information for the public on permit requirements. Use media sources.
- Provide technical information
- Contact State or FEMA for assistance and guidance if needed.
Field Inspections During Flood Crest
Post Flood – Survey

➢ Document high water marks
➢ Digital photos
➢ Mark locations on map
➢ Post notices on properties
➢ Follow up letters

By Ice Skate or by boat!
Think about where you place your notices

15 feet above ground!
Cull the Herd
100% damaged
Focus on the Tough Ones
40% – 60% Damaged
Some are REALLY tough!

Ottawa Central School

One inch of flooding.

Substantially damaged.

Fall 2008
Learn to use the Substantial Damage Estimator (SDE)

• Download the SDE

• Obtain the base cost #s from Marshall Swift or Means (I can’t say that).

• Work with the Tax Assessor.

• Use the “cheat sheet” to enter the percent damage for each component.

• Be fast, uniform, & equitable.

• Get the letters out ASAP.

• Can address challenged estimates later.
Learn to use the SDE (cont.)

➢ On site inspection done for each flooded structure.

➢ Information recorded on damage inspection worksheets (field sheets).

➢ Entered into SDE back at the office
Learn to use the SDE (v2.2.1)
Main Menu

1. Main toolbar
2. View search
3. Bulk Editor
4. Enter default data
5. Add property
6. Add Residential property
7. Add non-residential assessment
8. Save mapping
9. Import/Export
10. View reports
11. Generate Geo file
12. User manual
Learn to use the SDE – Tab 1 - Address
Learn to use the SDE – Tab 2 – Structure information
Learn to use the SDE – Tab 3 - Cost
Learn to use the SDE – Tab 4 – Element Percent

<table>
<thead>
<tr>
<th>Item</th>
<th>Percent Damaged</th>
<th>Element Percentage</th>
<th>Item Cost</th>
<th>Damage Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation</td>
<td>25</td>
<td>3.7</td>
<td>$2,694.24</td>
<td>$2,020.68</td>
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<tr>
<td>Superstructure</td>
<td>50</td>
<td>30.8</td>
<td>$22,427.74</td>
<td>$11,213.87</td>
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<tr>
<td>Roof Covering</td>
<td>25</td>
<td>1.9</td>
<td>$1,383.54</td>
<td>$345.88</td>
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<tr>
<td>Plumbing</td>
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<tr>
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<td>100</td>
<td>26.2</td>
<td>$19,078.14</td>
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<tr>
<td>Interiors</td>
<td>100</td>
<td>21.5</td>
<td>$15,655.73</td>
<td>$15,655.73</td>
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<tr>
<td>HVAC</td>
<td>50</td>
<td>11.2</td>
<td>$8,155.54</td>
<td>$4,077.77</td>
</tr>
</tbody>
</table>

Total Replacement Cost: $72,817.34
Total Estimated Damages: $54,958.88
SDE Inspection Elements

- Foundation
- Superstructure (Framing and Masonry)
- Roof
- Insulation and weather stripping
- Exterior Finish
- Interior Finish (Drywall)
- Doors- Windows-Shutters
- Lumber Finished

- Hardware
- Cabinets-Countertops
- Floor Covering
- Plumbing
- Electrical
- Built-in Appliances
- Heating-Cooling (HVAC)
- Painting
Learn to use the SDE – tab 5
Learn to use the SDE – tab 5
Learn to use the SDE – Error Window

There are Errors in your assessment, please correct.

<table>
<thead>
<tr>
<th>The Field</th>
<th>Your Entry</th>
<th>Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFIP Community ID</td>
<td></td>
<td>Please enter a valid NFIP Community Name ID, this is a...</td>
</tr>
<tr>
<td>Stories</td>
<td>Select One</td>
<td>Please select the number of Stories.</td>
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<td>Structure Use</td>
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<td>Please select the use for this structure</td>
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<table>
<thead>
<tr>
<th>The Field</th>
<th>Your Entry</th>
<th>Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elev. of Lowest Floor</td>
<td></td>
<td>Please enter numeric values only.</td>
</tr>
<tr>
<td>Longitude</td>
<td></td>
<td>Please provide a longitude in decimal format.</td>
</tr>
<tr>
<td>Latitude</td>
<td></td>
<td>Please provide a latitude in decimal format.</td>
</tr>
<tr>
<td>Year of Construction</td>
<td></td>
<td>Please enter a valid Year</td>
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</table>

<table>
<thead>
<tr>
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<th>Your Entry</th>
<th>Format</th>
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<tbody>
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<tr>
<td>Building Last Name</td>
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<td>Please enter the last name for the building address.</td>
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<td>Building Street Number</td>
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<td>Please enter the address number for the building address.</td>
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<td>Building Street Name</td>
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<td>Please enter the street (without suffix) for the building...</td>
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<tr>
<td>Building Street Suffix</td>
<td>Select a Suffix</td>
<td>Please enter the street suffix for the building address.</td>
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</table>

Address Errors/Warnings Close current assessment without saving
SAMPLE DAMAGE DETERMINATION LETTER

06/12/2000
John & Jane Q. Public
1234, Flooded By The River Rd.

Information relates to the address referenced above.

Community Number: 170XXX
Parcel Zone Information: Zone A
Fair Market Value: $31,226 (based on 3.1 x assessed value)
Flood Damage:
   June 2008
   Total damages
   $18,864
Percent Damaged: 60.4%
Ordinance Requirement: Mitigation (elevation, removal)

The determination is that this structure is declared **Substantially Damaged** and must be brought into compliance with the (insert community name) Floodplain Ordinance prior to repair and reoccupation. For this structure to be in compliance with the ordinance, the structure must be elevated, moved outside the floodplain or demolished.

If you have any additional questions, you may feel free to give me a call.

Sincerely,

Your Name and Title
Let’s Go Red Tagging in Jersey County!!!

The Illinois River

Our Target House

Let’s call this 1.5 feet of flooding
FIRM Zone and BFE

Zone AE

440 feet
Use the Assessor’s Card

Parcel Number 42-10-232-057-00

Building Tax assessment $4,050
Tax Assessors Square Footage

- **Square footage:** 841 square feet
- **Built in:** 1950
Building Cost Values

Low Quality Home
One story
841 sq. ft.

Cost = $80.00 per square foot
### Local Multipliers

<table>
<thead>
<tr>
<th>Location</th>
<th>Multiplier</th>
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<tbody>
<tr>
<td>Alton, IL</td>
<td>1.07</td>
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Alton, IL = 1.07
Use the “Cheat Sheet”

See the State of Illinois Post Flood Packet
2013 Damage Assessment

Subdivision

<table>
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<tr>
<th>Subdivision</th>
<th>Powerline</th>
<th>Elev. of Lowest Floor</th>
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<td></td>
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<td>405.5 ft</td>
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Community

<table>
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<tr>
<th>NIP Community Name</th>
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<td>39.101941</td>
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Building Address

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<tr>
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Mailing Address

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<tr>
<th>Owner's Name</th>
<th>Grover, Carl</th>
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<th>PO Box 1357 Not Entered</th>
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<table>
<thead>
<tr>
<th>Care Of</th>
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Element Percentages

<table>
<thead>
<tr>
<th>Percentage Breakdown</th>
<th>Item Cost</th>
<th>% Damage</th>
<th>Damage Values</th>
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</thead>
<tbody>
<tr>
<td>Foundation</td>
<td>$6,503.20</td>
<td>25%</td>
<td>$1,625.80</td>
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<tr>
<td>Superstructure</td>
<td>$7,269.20</td>
<td>3%</td>
<td>$218.06</td>
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<td>Roof Covering</td>
<td>$2,349.50</td>
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<td>$0.00</td>
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<td>Exterior Finish</td>
<td>$3,770.70</td>
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<td>Interior Finish</td>
<td>$7,104.34</td>
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<td>$71.04</td>
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<td>Doors and Windows</td>
<td>$8,502.00</td>
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<td>$0.00</td>
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<tr>
<td>Cabinets and Countertops</td>
<td>$4,404.65</td>
<td>0%</td>
<td>$0.00</td>
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<td>Floor Finish</td>
<td>$4,207.00</td>
<td>85%</td>
<td>$3,575.70</td>
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<tr>
<td>Plumbing</td>
<td>$4,500.00</td>
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<td>$0.00</td>
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<tr>
<td>Electrical</td>
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<td>HVAC</td>
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<td>$0.00</td>
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Total Replacement Cost: $54,684.75
Total Estimated Damages: $9,227.44

Percent Damaged: 27.6%
Not Substantially Damaged

Cost Determination

<table>
<thead>
<tr>
<th>Computed Damages</th>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Total Estimated Damages</th>
<th>$9,227.44</th>
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<table>
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<tr>
<th>Depreciation Percentage</th>
<th>35.80%</th>
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<th>Percent of Existing Improvements and Repairs Pre-Disaster</th>
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<table>
<thead>
<tr>
<th>Computed Actual Cash Value</th>
<th>$35,414.03</th>
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</table>

<table>
<thead>
<tr>
<th>Repair/Reconstruction Percentage</th>
<th>27.6%</th>
</tr>
</thead>
</table>

*Per FEMA Publication 313, Actual Cash Value may be used as Market Value.*
2015 Damage Assessment

Substantial Damage Estimator

Building Address
Owner's Name: Grosvenor, Carl
Street Address: 1699 Cool Creek Road
City: Fiddie
County: Jersey
State: Illinois
Zip: 62031
Phone: N/A
Additional Owner(s): N/A

Mailing Address
Owner's Name: Grosvenor, Carl
Street Address: P.O. Box 1557 Not Entered Not Entered
City: Marionville
County: Warren
State: Missouri
Zip: 63037
Phone: N/A
Care Of: N/A

No Photo Available

Substantial Damage Estimator

Element Percentages

<table>
<thead>
<tr>
<th>Element</th>
<th>% Breakdown</th>
<th>Item Cost</th>
<th>% Damage</th>
<th>Damage Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation</td>
<td>11.9</td>
<td>$6,526.54</td>
<td>11.9</td>
<td>$774.11</td>
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<tr>
<td>Superstructure</td>
<td>13.3</td>
<td>$7,270.45</td>
<td>40</td>
<td>$2,905.68</td>
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<tr>
<td>Roof Covering</td>
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<td>$2,659.00</td>
<td>0</td>
<td>$0.00</td>
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<tr>
<td>Exterior Finish</td>
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<td>$3,771.85</td>
<td>20</td>
<td>$754.38</td>
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<td>13.8</td>
<td>$7,106.40</td>
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<td>$2,131.94</td>
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<tr>
<td>Doors and Windows</td>
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<td>$6,517.71</td>
<td>10</td>
<td>$652.77</td>
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<tr>
<td>Cabinets and Countertops</td>
<td>4.4</td>
<td>$2,425.35</td>
<td>10</td>
<td>$242.54</td>
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<tr>
<td>Floor Finish</td>
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<td>$4,306.21</td>
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<td>$3,448.61</td>
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<tr>
<td>Plumbing</td>
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<tr>
<td>Electrical</td>
<td>4.8</td>
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<tr>
<td>Appliances</td>
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<td>26</td>
<td>$572.26</td>
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<tr>
<td>HVAC</td>
<td>5.5</td>
<td>$3,801.04</td>
<td>0</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

100%
Total Replacement Cost: $54,965.00
Total Estimated Damages: $11,127.60

Percent Damaged: 33.3%
Not Substantially Damaged

Cost Determination

Computed Damages:

<table>
<thead>
<tr>
<th>Damage Summary</th>
<th>Replacement Cost</th>
<th>Total Estimated Damages</th>
<th>Not Substantially Damaged</th>
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</thead>
<tbody>
<tr>
<td>Replacement Cost</td>
<td>$54,965.00</td>
<td>$11,127.60</td>
<td></td>
</tr>
<tr>
<td>Depreciation Percentage</td>
<td>38.85%</td>
<td>Percent of Existing Improvements and Repairs Pre-Disaster 26%</td>
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</tr>
<tr>
<td>Computed Actual Value</td>
<td>$30,454.80</td>
<td>Repair/Reconstruction Percentage 33.3%</td>
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</tr>
</tbody>
</table>

* Per FEMA Publication 213, Actual Cash Value may be used as Market Value.
January 26, 2016

Carl Grosvenor
PO Box 1557
Marthasville, Mo 63357

RE: Substantial Damage
16199 Coon Creek Rd
Fieldon, IL 62031

Dear Mr. Grosvenor,

Subsequent to the recent flooding event, a damage assessment has been completed on the property referenced above. This is a part of Jersey County’s floodplain management responsibilities in order to maintain the availability of flood insurance and disaster assistance to residents. The following information relates to the address referenced above:

Community Number: 170312
Parcel Zone Information: Zone AE
Fair Market Value: $54,665.00 (based on 3.1 x assessed value)
Flood Damage: $11,127.67
Percent Damaged: 33.3% Previous 28%
Total Percent Damaged: 61.30%
Ordinance Requirement: Mitigation (elevation, removal or demolish)

The determination is that this structure is declared Substantially Damaged and must be brought into compliance with the Jersey County Floodplain Ordinance prior to repair and reoccupation. For this structure to be in compliance with the ordinance, the structure must be elevated, moved outside the floodplain or demolished.

Building inspections, Building Permits, and an Elevation Certificate will be required prior to the issuance of a Certificate of Occupancy. This structure may NOT be occupied until these corrections are made. Please contact this office at your earliest convenience to make an appointment with me to discuss your upcoming project. If you have additional questions, you may call me at 618-498-5571 ext. 146.

Sincerely,

Cindy Cregmiles, CFM
Cindy Cregmiles
Voila! An Elevated Building!
Our work here is done!

Jersey County’s assessment was:

28% damage in 2013

33.3% damage in 2016

Total = 61.30%
Post-Flood Requirements

State and FEMA Assistance –
Substantial Damage
Workshops and training on the SDE
See who can get Increase Cost of Compliance (ICC)??

- Part of the standard Flood Insurance Policy.
- Not a grant.
- Up to $30,000 to assist with code compliance:
  - Floodproof
  - Relocate
  - Elevate
  - Demolish
How to Qualify for ICC??

Three conditions must be met for an ICC claim to be paid:

➢ Building must be covered by a Standard Flood Insurance Policy.

➢ Structure must be substantially damaged or cumulatively substantially damaged by a flood.

➢ The building has a history of NFIP claim payments that satisfy the definition of “target group repetitive loss structure”.

How to File a Claim

- Copy of the substantial damage determination from the community (not the insurance claim).

- Bids from licensed contractors to elevate to FPE.

- Copy of the ordinance section requiring cumulative substantial damage.

- Contact the insurance company or agent who wrote the flood policy to file an ICC claim.

- Insurer assigns a claims representative who will process the ICC claim.
SAMPLE DAMAGE DETERMINATION LETTER

08/12/2000

John & Jane Q., Public
1234, Flooded By The River Rd.

Information relates to the address referenced above:

Community Number: 170XXX
Parcel Zone Information: Zone A
Fair Market Value: $31,226 (based on 3.1 x assessed value)
Flood Damage:
  June 2008 $18,864
  Total damages $18,864
Percent Damaged: 60.4%
Ordinance Requirement: Mitigation (elevation, removal)

The determination is that this structure is declared Substantially Damaged and must be brought into compliance with the (insert community name) Floodplain Ordinance prior to repair and reoccupation. For this structure to be in compliance with the ordinance, the structure must be elevated, moved outside the floodplain or demolished.

If you have any additional questions, you may feel free to give me a call at [insert phone number].

Sincerely,

[Your Name and Title]
What if....

➢ The adjusters say:
  ● I don’t’ think there is that much damage
  ● When you deduct the cost of elevation, it is back under 50%
  ● You don’t have the authority to require this structure to be elevated.
  ● The replacement cost of this house is MUCH higher

•What they REALLY meant to say is:
  •I have never taken the time to read the NFIP Manual, the ICC Guidebook, or your local ordinance so I don’t have the foggiest idea that you, the local official, has TOTAL authority determining substantial damage and I apologize for my ignorance and I hope you will not embarrass me in front of my other insurance adjuster pals. *

•*Ray Nees, Rock Island County
When ICC is Approved

➢ NFIP will release ½ of the estimated amount to begin construction.

➢ NFIP will release the other ½ when an elevation certificate and local building permit showing compliance is provided.
ONE MONTH AFTER THE FLOOD!!!!!!!
New Request From Adjusters:

- Elevation cert prior to the date of loss
- Flood zone
- Dollar figure of loss related to flood
- Cost to rebuild (without elevation)
• Get the Quick Claims data. Call people with policies who you suspect to have been sub dam. (most agents don’t inform their clients)

• Develop a list of Elevation Contractors (ones who have done prior ICC projects) and provide the list to residents.

• Quick response. Call ASAP to get a bid and schedule a contractor.

• Not all policies are NFIP. Forced placed may not have ICC provision (or a reduced coverage limit). Example: $57,419 coverage - $50,200 claim = $7,219 left to elevate.

This list includes contractors who have done ICC elevation projects in the past. It is not a complete list and does not imply an endorsement by the State of Illinois. Consult your phonebook for local contractors.