
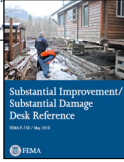


CRS & Substantial Damage

Overview

- Purpose of 2021 Addendum
- New Credit Opportunities – Activity 510 (Floodplain Management Planning)
- A Bit About CSI and LSI
- Substantial Damage Properties Management Plan (SDP) Credit
- Looking Forward



Visual 114-7

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Why an Addendum?

FEMA and NFIP Priorities


- FEMA Strategic Plan
- FIMA Leadership Intent
- Risk Rating 2.0
- Endangered Species Act
- Substantial Damage
- Closing the Insurance Gap

Visual 114-8

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2021 Addendum – A “Bridge”




- Addendum effective on January 1, 2021
- 2017 CRS Coordinator’s Manual will continue to be used
- In conjunction with the 2021 Addendum to the Coordinator’s Manual
- Effective at community’s next cycle visit after January 2021
- A draft will not be made available
- Guidance materials in 2020 and 2021

Visual 114-9

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Class 8 Freeboard FAQs





Visual 114-10

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Why an Addendum?

FEMA and NFIP Priorities

- FEMA Strategic Plan
- FIMA Leadership Intent
- Risk Rating 2.0
- Endangered Species Act
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Visual 114-11

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Substantial Damage Mitigation & NFIP Compliance



Visual 114-12

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Section 500 - Repetitive Losses

Repetitive Loss (RL)


- 2 claims greater than \$1,000 in any 10-year period since 1978

Severe Repetitive Loss (SRL) is an RL property with

- Four claims greater than \$5,000, or
- Two or more claims that are greater than the building's value

After correcting and updating the AW-501s

- Category A: No repetitive loss properties
- Category B: 1–49 repetitive loss properties
- Category C: 50+ repetitive loss properties (FMP or RLAA)



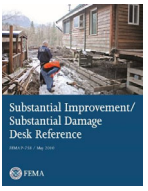

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2021 Addendum to the 2017 Manual

Activity 510 - Substantial Damage

- New Credit in Activity 510 for Substantial Damage Properties Management Plans (SDP)
- Similar to and Repetitive Loss Area Analysis (RLAA)
- Up to 140 points
- Basic Plan Credit – Pre-flood efforts
- Additional Credit for pre-populating as Substantial Damage Estimator
- Additional credit when mitigation alternatives are considered
- New opportunities in Activity 610 (Flood Warning and Response)

Visual 114-14

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2021 Addendum to the 2017 Manual


Activity 510 (Floodplain Management Planning)

New Elements:

c. **Natural floodplain functions plan (NFP):** 100 points for adopting plans that protect one or more natural functions within the community's Special Flood Hazard Area. Within NFP is credit for a floodplain species assessment and for a floodplain species plan.

d. **Substantial damage properties management plan (SDP):** Up to 140 points for a community plan to prepare for substantial damage estimates and determinations after a flood.

 **New CRS credit**



Visual 114-15

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Activity 510 - Substantial Damage


512.d. Substantial Damage Management Plan (SDP)

The maximum credit for this element is 140 points.

A management plan for substantial damage within the community is a detailed community plan, developed before a flood or other hazardous event, that describes the community's process for evaluating damage to buildings and addressing those that have been substantially damaged, as required by the NFIP.

"Other hazardous event" may be wind, tornado, fire, earthquake, etc.

Substantial damage determinations are "required by the NFIP"



Visual 114-16

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Activity 510 - Substantial Damage

512.d. Substantial Damage Management Plan (SDP)

The maximum credit for this element is 140 points.

A management plan for substantial damage to properties outlines

- Community responsibilities,
- Identifies available data about buildings in the SFHA,
- Describes the community's approach to damage estimation, and
- Lists the steps the community will take if buildings are determined to be substantially damaged.



Visual 114-17

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Substantial Damage Management Plan (SDP)


Credit Points for SDP

SDP = SDP1 + SDP2 + SDP3, up to the maximum of 140

- SDP1 = 40 points, for a substantial damage properties management plan
- SDP2 = 50 points, if FEMA's Substantial Damage Estimator is pre-populated
- SDP3 = 50 points, if pre-event mitigation alternatives are considered

Impact Adjustment for SDP

There is no impact adjustment for SDP credit.



Visual 114-18

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Activity 510 - Substantial Damage

Steps to Develop a Substantial Damage Management Plan

1. Assess vulnerability
2. Assemble a team
3. Identify post-event actions
4. Build a database
5. Identify pre-event actions
6. Plan implementation & updates

Steps 2 through 5 may be done in any order.

An annual evaluation report is required.

Visual 114-19

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Substantial Damage Management Plan (SDP)

Credit Criteria for SDP

(1) The substantial damage properties management plan must be developed using a definition of substantial damage that meets or exceeds the NFIP definition of substantial.

Substantial damage—As defined in 44 CFR 59.1 of the NFIP regulations, substantial damage is

Damage of any origin sustained by a building whereby the cost of restoring the building to its before-damage condition would equal or exceed 50% of the market value of the building before the damage occurred.

Substantial improvement is

Any reconstruction, rehabilitation, addition, or other improvement to a building, the cost of which equals or exceeds 50% of the market value of the building before the start of construction of the improvement.

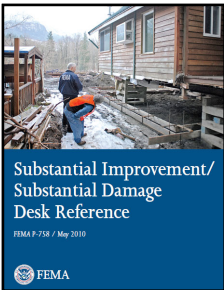
NOTE: Some ordinances may include the repair of flood damage as an "improvement" (reconstruction) to the building.

SD = Substantial Damage
SI = Substantial Improvement

Visual 114-20

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FEMA Publications



Substantial Improvement/Substantial Damage Desk Reference

FEMA P-758

May 2010

Visual 114-21

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Substantial Damage Management Plan (SDP)

Credit Criteria for SDP

(1) The substantial damage properties management plan must be developed using a definition of substantial damage that meets or exceeds the NFIP definition of substantial.

(2) If a community is receiving credit for cumulative substantial improvement (element CSI) under Activity 430 (Higher Regulatory Standards), then the substantial damage management plan must reference the community's cumulative substantial damage definition credited under CSI and describe the community's process for tracking cumulative substantial improvements. If a community is receiving credit for having a lower threshold for substantial improvement (element LSI), then the definition of lower substantial improvement must be referenced.

Visual 114-22

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Activity 430 (Higher Regulatory Standards)

432.d. Cumulative substantial improvements (CSI)

(2) At each verification visit,

(a) A list of all permits for building improvements or repairs in the regulatory floodplain that have been issued since the last visit. The list must include both substantial improvements and permitted projects that were not substantial improvements.

The ISO/CRS Specialist will review permit records that document how the regulation has been applied. The records need to track permits by parcel number or address, so that the history of improvements or repairs to a particular structure is checked before the next permit is issued.

Visual 114-23

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Activity 430 (Higher Regulatory Standards)

432.d. Cumulative substantial improvements (CSI)

CSI = the total of the following points, not to exceed 90 points

(1) **Improvements** are counted cumulatively for at least

- (a) 10 years (40 points)
- (b) 5 years (20 points)

(2) **Reconstruction and repairs** are counted cumulatively for at least

- (a) 10 years (40 points)
- (b) 5 years (20 points)

(3) Regulatory language that qualifies properties for ICC insurance coverage for **repetitive losses** (20 points).

(4) Regulations require that **any addition be protected** to the BFE (20 points).

Visual 114-24

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Activity 430 (Higher Regulatory Standards)

432.e. Lower substantial improvements threshold (LSI)

(2) At each verification visit,

(a) A list of all permits for building improvements or repairs in the regulatory floodplain that have been issued since the last visit. The list must include both substantial improvements and permitted projects that were not substantial improvements.

The ISO/CRS Specialist will review permit records that document how the regulation has been applied.



Visual 114-25

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Activity 430 (Higher Regulatory Standards)

432.e. Lower substantial improvements threshold (LSI)

LSI = EITHER:


(1) 20 points, if the regulatory threshold for determining if a building is **substantially improved or substantially damaged is less than 50%**

OR

(2) 10 points, if EITHER

(a) The regulatory threshold is no more than 25% of the square footage of the building's lowest floor, OR

(b) The regulatory threshold applies to either improvements, modifications, and additions or reconstruction and repairs, but not both





Visual 114-26

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Substantial Damage & CRS

Dropping CSI or LSI, and/or not implementing SDP can impact a community's CRS Class.

Visual 114-27

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Substantial Damage Management Plan (SDP)

Credit Criteria for SDP

(1) The substantial damage properties management plan must be developed using a definition of substantial damage that meets or exceeds the NFIP definition of substantial damage (see box at right).

(2) If a community is receiving credit for cumulative substantial improvement (element CSI) under Activity 430 (Higher Regulatory Standards), then the substantial damage management plan must reference the community's cumulative substantial damage definition credited under CSI and describe the community's process for tracking cumulative substantial improvements. If a community is receiving credit for having a lower threshold for substantial improvement (element LSI), then the definition of lower substantial improvement must be referenced.

(3) The plan must be the outcome of the following six-step planning process. All steps are required, but 2-5 do not have to be done in the order listed.



Visual 114-28

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Activity 510 - Substantial Damage


Steps to Develop a Substantial Damage Management Plan

1. Assess vulnerability
2. Assemble a team
3. Identify post-event actions
4. Build a database
5. Identify pre-event actions
6. Plan implementation & updates

Steps 2 through 5 may be done in any order

Pol

An annual evaluation report is required.



Visual 114-29

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Substantial Damage Management Plan (SDP)

Step 1. Assess the community's vulnerability to substantial damage. This step requires the review of all buildings in the SFHA to determine those that are likely to be substantially damaged. Must include:

(a) Your community's definition of substantial damage and substantial improvement, including CSI and LSI.

(b) Description of previous SD and SI determinations

- Means that this section may be updated in annual evaluation reports or in plan updates.
- Previous floods or other hazardous events



Visual 114-30

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