Resolution on Substantial Damage and Improvement

WHEREAS, the Association of State Floodplain Managers is committed to reducing flood losses in the nation through all means available.

WHEREAS, enforcement of the substantial damage and substantial improvement requirement of the NFIP is a key component of flood loss reduction.

WHEREAS, past experience and actions have shown that such enforcement is technically complicated and requires additional staff and support in a post-disaster situation.

WHEREAS, enforcement is seen by the property owner and elected officials as an unfair, arbitrary and an expensive burden to disaster victims.

WHEREAS, recent FEMA guidance on market value and replacement costs is inconsistent with the NFIP regulations, resulting in a less restrictive regulatory standard and causing great confusion and resentment; and

WHEREAS, conditions leading to the recent guidance have changed, particularly the amount of financial assistance available to help bring buildings into compliance.

NOW, THEREFORE, BE IT RESOLVED BY THIS ASSOCIATION THAT:

1. The guidance on use of replacement costs after a catastrophic disaster should be replaced with new guidance that
   a. Stipulates one single equitable criterion that applies to reconstruction after large or small disasters as well as to building improvements.
   b. Is easy for most local officials and property owners to understand and administer, and
   c. Is not open to political or legal challenges and manipulation of the cost of construction.

2. FEMA should develop information and technical support programs to help local officials understand and administer the rules. Such information and programs are needed both before and after a disaster.

3. Post-flood technical support should include timely provisions of available damage data, including flood insurance claims information.

4. FEMA should coordinate existing programs and develop new programs that can provide financial assistance to property owners affected by the substantial damage requirement.

5. The Association’s Regulations committee is ready and willing to assist FEMA in accomplishing these recommendations.

   Adopted by the Board of Directors in November, 1994.