

# Substantial Damage Determinations

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Local community officials are required to inspect disaster-damaged structures to complete substantial damage assessments in the Special Flood Hazard Area to meet the requirements of North Carolina Building Code and community floodplain regulations.

## Inspections and Determinations

- If the cost of repairing the structure to its condition before the disaster is 50% or more of its pre-disaster market value, the house or building is considered “substantially damaged.”
- Land value is not included in the pre-disaster market value analysis.
- FEMA does not make substantial damage determinations; determinations are made by a community’s building official or floodplain manager.

## Compliance

- When a local official makes the substantial damage determination, every aspect of the structure must be made compliant with the North Carolina Building Code and community floodplain regulations. Permits are required for all repairs in the area regardless of damage determinations.
- There are several options to bring the structure into compliance:
  - Floodproofing a non-residential structure to the elevation required by the North Carolina Building Code and community floodplain regulations.
  - Relocating the structure outside the floodplain.
  - Elevating the structure on a compliant foundation to the elevation required by the North Carolina Building Code and community floodplain regulations.
  - Demolishing the structure.

## Financial Assistance and Funding for Residents and Communities

### Increased Cost of Compliance coverage:

This is paid coverage under the insured’s National Flood Insurance Program flood policy for structures that receive a substantial damage determination from the community. Policyholders of structures substantially damaged by flood, located in the Special Flood Hazard Areas, can receive up to \$30,000 to help meet the cost of complying with building codes and ordinances. For more information on coverage, call your insurance company or agent, or call the NFIP toll-free at 1-800-427-4661. For telecommunications device for the deaf (TDD) access, call 1-800-427-5593.



# FEMA

## **Low-Interest Disaster Loans from The U.S. Small Business Administration (SBA)**

The SBA offers low-interest [disaster loans](#) to homeowners and small businesses impacted by declared natural and other disasters. Eligible SBA disaster loan borrowers may choose to receive expanded funding to help mitigate their home or business against future disasters. SBA disaster loans can be increased up to 20% to make building upgrades. For more information on SBA loans, visit [sba.gov/disaster](https://sba.gov/disaster).

## **Public Assistance Grants for Communities**

All state, local, tribal and territorial governments eligible for FEMA Public Assistance can use available funding to support floodplain compliance. This support provides communities with resources for conducting essential activities that speed up the process to rebuild and be compliant with building and floodplain regulations.

FEMA can reimburse communities for expenses related to hiring, training and supervising staff, as well as the purchase of supplies and equipment necessary to effectively administer and enforce adopted building codes and floodplain ordinances. This funding is available for 180 days from the date of the disaster declaration. Examples include:

- **Building Code Administration** – Review and process building applications; collect fees.
- **Code Enforcement** – Inspect structures; conduct and process condemnation determinations, etc.
- **Floodplain Management Regulation, Administration and Enforcement** – Process permits, etc.
- **Substantial Damage Operations** – Conduct field surveys; perform inspections, etc.

Additional details are available in the [FEMA DRRR Section 1206 Policy Companion Guide](#) and at [North Carolina's Floodplain Manager Website](#).