

NFIP 50% Rule - Substantial-Damage/Improvement Notice to Property Owners

Rebuilding your property after the flood? Adding on, renovating, or remodeling your home? Here's information YOU need to know about the 50% Rule.

If your home or business is within the special flood hazard area, the City of Davenport has flood damage prevention regulations that may affect how you remodel, renovate, or add on to your building. If your home or business sustained structural and/or interior damage these regulations may affect how you rebuild. These laws are required by the National Flood Insurance Program (NFIP) to protect lives and property from future flood damages. Communities who participate in the NFIP program must adopt and enforce these laws in order for federally-backed flood insurance to be made available to property owners.

SUBSTANTIAL-DAMAGE means damage of any origin sustained to a structure when the cost of restoring the structure to its before pre-damaged condition would equal or exceed 50% of the market value of the structure before the damage occurred. (Note: The cost of repairs must include all costs necessary to fully repair the structure to its pre-damaged condition.)

SUBSTANTIAL IMPROVEMENT means any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50% of the market value of the structure before the "start of construction" of the improvement or which increases the original floor area of the structure by twenty-five percent or more.

If a structure is "substantially damaged" or "substantially improved", it must be brought into compliance with Davenport's flood damage prevention regulations, including elevating the building to 1 foot above the 100-year flood elevation.

Refer to City Code Chapter 15.44.070 for additional details.

Following National Flood Insurance Program (NFIP) requirements, Davenport has the responsibility to determine "substantial-damage" or "substantial improvement" and has implemented the following procedures to do so:

- 1) Building Officials will estimate Fair Market Value by using the tax assessment value of your structure (excluding the land), plus 10%. (Example: Structure assessment value (x) 110% = Estimated market value.) If you disagree with this estimate of Market Value, you may hire a state licensed appraiser and submit a comparable property appraisal for the depreciated value of the structure.
- 2) See next steps on reverse side.

- 2) You must submit a Floodplain Development Permit with detailed and complete cost estimates for the addition, remodeling, reconstruction, or repair of all damages sustained at your property. This cost analysis is typically the insurance adjusters proof of loss statement when the property is covered by flood insurance. Uninsured property may submit estimates prepared and signed by a licensed general contractor. The contractor must sign an affidavit indicating that the cost estimate submitted includes all damages or all improvements to your home, not just structural repairs.

The City of Davenport will evaluate the cost of improvements or repairs and determine if they are fair and reasonable. For damage repairs, pre-storm prices and rates will be utilized. The construction costs to be calculated for both substantial damage and improvement include structural and finish work as well as labor and materials. This includes lighting fixtures, built in appliances, interior moldings, paneling, tiling, wall-to-wall carpet, built in cabinets and similar fixtures and finish materials. Many of these costs are not normally calculated for building permit purposes, nor are they regulated as part of the Building Code but, they must be calculated for compliance with the NFIP 50% rule. The cost of improvements or repairs does not include items not considered a permanent part of the structure (i.e. plans, surveys, permits, sidewalks, pools, screens, sheds, gazebos, fences, etc.).

- 3) If your home is determined to have “substantial-damage” or is proposed to be “substantially improved”, then an Elevation Certificate must be submitted to Building Officials to determine the lowest floor elevation. The lowest floor in a building is normally the basement floor. Garages and carports are not considered to be the “lowest floor”.
- 4) If the lowest floor is below the 100-year flood elevation, the building must be elevated to 1 foot above that level. Likewise, all electrical and mechanical equipment (heating and cooling, etc), bathrooms, and laundry rooms must be elevated to 1 foot above the 100-year flood level. Only parking, building access, and limited incidental storage is allowed below flood level. Non-residential buildings may be “floodproofed” instead of being elevated.

If the lowest floor, electrical and mechanical, equipment, laundry and bathroom are already above the 100-year flood elevation, the building can be repaired and reconstructed without further modifications.

- 5) Building plans must be prepared to show how the building is to be elevated. If the structure is located in an A-zone, Special Flood Hazard Area (100-year floodplain), or if the building is to be floodproofed, the plans must be prepared and certified by a registered professional engineer or architect. Elevation Certificates and Floodplain Development Permits are available at Public Works and City Hall.
- 6) Following a presidential disaster declaration, the Small Business Administration may make loans available for both houses and businesses for the purposes of elevating the structure above the 100-year flood elevation. “Proof of substantial-damage” from your insurance adjuster is required.

Mitigating the Impact of Future Floods

While you might not be required to bring your property into compliance there are general mitigation options that could help protect your property from future damage. Mitigation efforts help to prevent hazards from developing into disasters altogether, or to reduce the effects of disasters when they occur. Visit the City’s website for more details on flood activities at beprepareddavenport.com.