Substantial Damage Certification (waiver)

The information below is being provided as an explanation of what is required and generates a Substantial Damage determination. This can be utilized as a waiver for Hazard Mitigation Assistance (HMA) acquisition projects cost effectiveness determination.

Explanations:

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

- **Substantial Damage Waiver**: Federal Emergency Management Agency (FEMA) waives its standard cost-effectiveness methodology for property acquisition projects only when certain conditions are met. Structures that are declared Substantially Damaged as a result of flooding and located in a riverine Special Flood Hazard Area (SFHA) (Zone beginning or consisting of letters A or V) on a preliminary or effective FEMA Flood Insurance Rate Map (FIRM) are considered cost-effective for acquisition projects.
  - Sub-applicants that want to take advantage of this methodology for an acquisition project must include, in the application, a certification that the structure(s) meet these conditions.

Minimum Information for Certification: (sample certification provided on page two – can copy and paste onto letterhead)

- Completed by local Code Enforcement and/or Floodplain Administrator
- Needs to be on local municipality’s (Town, City or Village) letterhead
- Addressed to the Owner(s) of Tax Lot that contains substantially damaged structure
- Name and Title of inspector
- Date of inspection
- Address of structure
- Tax Lot identification number
- Flood Insurance Rate Map (FIRM) panel number/date and Special Flood Hazard Area (SFHA) that the Tax Lot is located in. (FIRM can be preliminary or effective)
- Flooding event and date that caused damaged.
Date of Letter

Property Owner(s)
1234 Somewhere Lane
Anywhere, New York 12345

RE: Structure Inspection

Dear Property Owner(s):

On Date of Inspection I, Name and Title, inspected the structure located at address and tax lot ID#. The structure was damaged from a flooding event from name of storm that occurred date(s) of storm. The tax lot is located in the Special Flood Hazard Area (SFHA) as Flood Zone ?? as identified on the Flood Insurance Rate Map (FIRM) #????????????, dated MM/DD/YYYY.

Based upon the inspection it has been determined that the cost of restoring the building to its before-damaged condition exceeds 50 percent of the market value of the building before the damage occurred.

Please contact me if you have any questions regarding this letter.

Sincerely,