




FEMA

APR 13 2007

MEMORANDUM FOR: Gil Jamieson
Associate Deputy Administrator
For Gulf Coast Recovery

FROM: David Garratt 
Acting Assistant Administrator
Disaster Assistance Directorate

SUBJECT: Floodplain Management Ordinances

The purpose of this memorandum is to provide guidance on the eligibility of costs Public Assistance applicants incur to comply with locally adopted flood plain management ordinances when repairing disaster-damaged structures. Communities that participate in the National Flood Insurance Program (NFIP) must require that the repair of substantially-damaged structures located in an identified 100-year floodplain be in compliance with the locally adopted floodplain management ordinances. Such ordinances require substantially damaged structures to be flood-proofed or elevated to the established Base Flood Elevation (BFE). The Advisory Base Flood Elevations (ABFE) that FEMA recently published for some communities along the Gulf Coast are the established base flood elevations in communities that have officially adopted them.

Structural Repair

Locally adopted floodplain management ordinances that comply with the NFIP meet the criteria for standards found in 44 CFR 206.226(d). Floodplain management ordinances contain provisions that are referred to as "triggers." This means that a certain level of damage to a structure may require repair to undamaged portions of the structure. For example, a substantially damaged structure must be flood-proofed or elevated to the base flood elevation. Since the locally adopted floodplain management ordinance meets the requirements of 44 CFR 206.226(d), the cost to comply with the adopted ordinance is eligible under the Public Assistance Program.

Structural Replacement

While the cost to elevate or flood-proof a substantially damaged structure is eligible under the Public Assistance Program, this cost is not considered when determining if the damaged structure is eligible for replacement pursuant to Recovery Policy 9524.4, *Eligibility of Facilities for Replacement*, commonly referred to as the 50% Rule. To be eligible for replacement under this policy, the cost to repair disaster-related damages must be equal to or greater than 50% of the replacement costs. The numerator in the 50% calculation is the cost to repair the disaster-related damages and the denominator is the

cost of a new facility built to current codes. As noted in the Question and Answer document issued with the February 6, 2006, joint memorandum on this subject, the BFE will be used to calculate the replacement cost. However, if *replacement* is thereby indicated, the ABFE will be used to design the replacement facility and to determine eligible costs. If the calculation indicates *repair*, and the cost to repair disaster-related damages to the structure plus the cost to elevate or flood-proof the structure equal or exceed the cost of a new structure, we will cap total eligible project cost at the replacement cost.

If you have any questions, please call James A. Walke, Director of the Public Assistance Division at (202) 646-2751.