Substantial Damage Evaluations: FAQs

What to know about flood damage evaluations, repair requirements, & flood insurance

What is a Substantial Damage Evaluation and why is it necessary?
A Substantial Damage Evaluation assesses whether a damaged building inside a flood zone on FEMA maps needs to meet current flood damage prevention standards when it is repaired. Communities like Indianapolis that are part of the National Flood Insurance Program (NFIP) are eligible for disaster assistance and have access to more affordable flood insurance. Because Indianapolis is an NFIP community, we are required to complete these assessments after a disaster. Next year, Indianapolis will be required to show FEMA that we have completed these evaluations correctly during a regularly scheduled audit. If we do not meet NFIP standards, then we can't get disaster assistance the next time there is a flood and flood insurance will be significantly more expensive for residents.

What is the National Flood Insurance Program?
The NFIP is a federal program enabling property owners to purchase federally backed flood insurance. FEMA administers the NFIP in communities across the United States. The NFIP is based on a voluntary agreement between local communities and the Federal Government, where a community must agree to implement floodplain management measures to reduce future flood risks in flood hazard areas. In return, the Federal Government makes federally backed flood insurance available within the community as a financial protection against future flood losses that do occur. Indianapolis also participates in FEMA's Community Rating System program. By performing local flood safety and management tasks that go past FEMA's minimum requirements, the City of Indianapolis earns anyone with an NFIP flood insurance policy a 10% discount on their premiums.

What is a Special Floodplain Hazard Area?
A Special Floodplain Hazard Area is an area of increased flood risk that is designated as being within the 100-year flood zone on a Flood Hazard Boundary Map, a Flood Insurance Rate Map, or the state's Best Available Flood Layer maps.

How will a Substantial Damage Evaluation be conducted?
The Floodplain Administrator for the City of Indianapolis makes an initial determination based on permit history, assessed property value, and the Rapid Damage Assessments (RDA) conducted immediately after the flood occurred. This damage estimate is created by comparing the assessed value of the structure to the cost of repair based on the FEMA damage category ratings. The tool used for RDAs utilized FEMA category estimates. Property owners have the ability to discuss determinations with the City if they believe details were missed. Property owners can provide contractor quotes and additional documentation, such as an appraisal or additional photos, and the flood team will reevaluate the determination.

What happens if a structure is deemed substantially damaged?
The structure must be repaired or reconstructed in a way that meets current flood damage prevention standards so that the next time there is a flood, property owners and their structures can withstand floods safely. If the structure is covered by flood insurance, a Substantial Damage determination may make it possible to get additional funds for recovery through Increased Cost of Compliance (ICC) Coverage.

How will property owners be notified?
Property owners were mailed notices of their determination on Friday, Sept. 4. Because we know many residents may not necessarily receive mail immediately, the flood team is going door-to-door Sept. 8-10 to make sure that residents have the information they need as they secure the resources for repair and recovery.

Please contact the Department of Business and Neighborhood Services (DBNS) at flood@indy.gov or 317-327-7800 if you have additional questions.

Why are the evaluations going out now?
As soon as DBNS completed Rapid Damage Assessments (RDAs) to submit initial damage estimates to FEMA, DBNS pivoted to fulfilling our responsibilities under the National Flood Insurance Program (NFIP). This ensures the City of Indianapolis can keep affordable flood insurance available and get access to federal disaster assistance when flooding occurs in the future. DBNS' responsibilities include substantial damage evaluations and making sure that residents have the information they need to rebuild safely.

Does the damage determination interfere with any assessment conducted by FEMA?
Assessments conducted for flood damage prevention purposes are separate from and do not impact the assessments that FEMA conducts related to disaster aid.

How will structures be classified?

Damage Notice
A notice is sent to notify property owners that their structure *may* have been damaged by the flood event and, if repairs are needed, that the structure needs to be brought into compliance or remain compliant with applicable flood regulations.

Non-Substantial Damage Determination
Structures that may have been damaged by the flood event and the estimated cost of repair would be less than 50% of the value of the structure. The structure can be repaired to its legally established non-conforming condition. Repair work cannot be 50% or more of the value of the structure if deemed non-substantial.

Substantial Damage Determinations
Structures that may have been damaged by the flood event and the estimated cost to repair the structure would be 50% or more than the value of the structure. The structure is substantially damaged and must be brought into compliance with current flood damage prevention standards.

Why 50%? Where does that come from?
The 50% rule comes from FEMA. It's intended to allow for some repairs to a structure while also balancing the reality that, when structures sustain significant damage, they are likely to be damaged in future floods if preventive measures aren't taken. Instead of rebuilding in a way that isn't safe, it requires DBNS to help people rebuild in a way that prevents future damage and saves lives.

If someone gets their house reassessed (including the 137R disaster relief program), would the 50% be based off the old assessed value or the new assessed value?
It would be based off the most current assessed or appraised value for the structure in pre-disaster condition. Appraisals cannot be older than 6 months.

What's the difference if a resident has flood insurance through the National Flood Insurance Program vs. private insurance?
NFIP insurance is typically less expensive, and Indianapolis residents get an additional 10% discount on private insurance because of our damage prevention standards. NFIP policyholders may have access to additional funds through the increased cost of compliance (ICC) program. What private insurance provides varies widely based on the provider, and policies are typically more costly.

Can the Floodplain Administrator help residents with flood insurance claims?
No – the administrator can help determine if residents need insurance or provide helpful resources but can't assist with claims.