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## Helping Floodville

**W**hile most surveyors are familiar with the concept of flood insurance as one means of at least modest protection against the losses from flooding, not all realize that unlike other forms of insurance, there is a relatively low cap on the amount of coverage available. Furthermore, there are two forms of insurance: building and contents. These are two separate policies, for which the purchaser can select the desired deductible. For National Flood Insurance Program (NFIP) flood insurance policies, which can be acquired through many insurance companies throughout the nation, coverage limits are \$250,000 for a dwelling and \$100,000 for its contents (personal property). FEMA publishes lists of what is covered and what is not, and further parses these lists by what is above or below the Base Flood Elevation.

What about flood disaster assistance? First there must be a declared disaster—a governmental action. Then individual landowners and renters must apply for assistance to FEMA. The monies available are not meant to restore damaged properties to pre-disaster conditions, and do not cover business-related losses resulting from the disaster or losses (either business or residential) that are covered by insurance. Some funds are available through the Individuals and Housing Program (IHP) for temporary housing, damage for repairs not covered by insurance, replacement not covered by insurance, and a short list of necessary and serious needs expenses related to having survived the immediate disaster. But most assistance is in the



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**Tropical Storm Lee hit New Jersey less than a week after Hurricane Irene left town late August 2011, and the cumulative 20-plus inches of rain made life even more miserable for homeowners already applying for buyouts. Stains on the house siding show the most recent height of floodwaters.**

form of loans from the Small Business Administration that must be repaid.

Knowing that such assistance is not readily available, we return to insurance. But if classified as a “severe repetitive loss property”, NFIP coverage can be denied. Two conditions may throw the premises into this undesirable category: (1) there have been four or more claims for flood damages, and each claim payment has exceeded \$5000; or (2) at least two claim payments have been made and the cumulative payments exceed the value of the property.

In such instances, owners may choose to enroll in buyout programs, a voluntary

process of selling their properties to recoup whatever amount they can from a now (at least through the NFIP) uninsurable property. Pre-disaster fair market value must be assessed and Elevation Certificates completed so that the purchasing entity can conduct benefit cost analyses to prioritize where the limited buyout funding resources will go. FEMA does not buy the properties directly, but may allocate mitigation money for states and communities to do so. Deeds finalizing buyouts contain clauses requiring the properties to be restricted to open space in perpetuity. After the purchase, all buildings are cleared from the site.

Surveyors completing Elevation Certificates for the purpose of buyouts must be especially careful to correctly identify the applicable Building Diagram, as this will be part of the basis of determining the structure's value. Of particular importance, and often paid scant attention, is the significant distinction between crawlspaces and basements. The difference affects insurance premiums under normal circumstances, and appraised structural value in buyout situations.

Let's start with Diagram 9 in the Elevation Certificate. This applies to "all buildings (other than split-level) elevated on a sub-grade crawlspace, with or without attached garage. Distinguishing features: The bottom (crawlspace) floor is at or below ground level (grade) on all sides. (If the distance from the crawlspace floor to the top of the next higher floor is more than 5 feet, *or* the crawlspace floor is more than 2 feet below the grade (LAG) on all sides, use Diagram 2.)" *[Emphasis added.]*

The word "OR" in the final parenthetical sentence is highly significant. This means that either of two conditions will disqualify the subgrade space from being considered a crawlspace and will instead

be considered a basement. The allowable height for this area to be defined as a crawlspace is alternatively identified in Technical Bulletin 10-01 ("Crawlspace Construction for Buildings Located in Special Flood Hazard Areas") as 4 feet from the floor to the bottom of the floor joist of the next higher floor. Crawlspaces not meeting these two conditions relegate

While being over- or underinsured is always a problem, misidentification of a basement as a crawlspace when the Elevation Certificate is meant to facilitate a buyout is particularly harmful to the property owner. Anyone who has been involved in post-disaster recovery cannot help but understand the emotional anguish of a recently flooded out property

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the structure to Diagram 2, distinguished as having "the bottom floor (basement or underground garage)... below ground level (grade) on all sides." Note that for insurance purposes, even such a crawlspace complying with height and depth limitations is considered a basement, and premiums will be assessed accordingly.

owner. Soggy remains of furniture, clothing, family photo albums, and toys are scattered in the yard, sometimes still surrounded by ponded remnants of the recent flood. The homeowner has to be called back to the scene of the disaster to let the surveyor into the building to obtain the necessary elevations, and then must stay long enough to lock up again afterwards. It is our professional responsibility to minimize that pain and maximize any possible financial recovery. While we should always be observant and careful, the last Elevation Certificate that will ever be completed for a property warrants special care in identifying the lowest floor's features.

Elevation Certificates completed for the purpose of buyouts also must be accompanied by four building photographs, rather than the allowable minimum of two when the purpose is obtaining flood insurance. Annotate every photograph taken with the date and identification of the side of the structure being viewed. As with other Elevation Certificates, additional photographs can always be included for further explanation of conditions. In some landscaped or topographical conditions, it can be difficult to photograph each side of the structure, and strange angles or creative views from the top of the survey vehicle may be necessary. But without every item on the checklist, buyout applications can be considered incomplete. If unable to obtain the necessary photographs, provide a clearly stated reason in the Comments section. "Water on site" is not adequate. *A*

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