



## Federal Insurance and Mitigation Administration

### Temporary Occupancy of Substantially Damaged Structures after a Disaster

*This fact sheet is designed to help Floodplain Administrators and Building Code Officials understand whether communities may allow displaced property owners to occupy potential or declared Substantially Damaged (SD) residential structures until the structure can be brought into compliance with local floodplain management ordinances or building codes.*

#### Occupancy Before a Substantial Damage (SD) Inspection

There is no National Flood Insurance Program (NFIP) requirement that SD determination inspections must be performed prior to a property owner moving back into their damaged home. If a community has determined that a structure is safe to occupy, the NFIP has no restrictions on the issuance of temporary occupancy certificates for homeowners after a catastrophic event. Property owners are encouraged to contact their community. Communities participating in the NFIP are responsible for making determinations as to whether the costs to improve or repair a damaged building have exceeded the 50 percent threshold of the building's market value.

#### **Substantial Damage means:**

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

*Note: Some communities enforce a more restrictive definition of substantial damage, such as 40 percent instead of 50 percent.*

#### Temporary Occupancy After a Substantial Damage Determination

Following a disaster, there may not be sufficient alternative housing available and residents may want the option to live in their SD home in the Special Flood Hazard Area until the residence can be elevated. The NFIP does not prohibit communities from issuing temporary occupancy certificates for SD homes while homeowners are waiting to obtain the resources or the funding to complete repairs and reconstruct the structure according to the communities ordinances and codes. Communities should establish their own policies and procedures for issuing temporary occupancy certificates. However, any permits for minimal repairs (i.e., electrical, mechanical, plumbing and structural) granted for temporary occupancy must be included in the calculation for substantial damage determination. Therefore, a community may allow displaced residents to occupy their damaged homes on a temporary basis as long as the community has determined the structure is safe for habitation; only minimal repairs are made so the residence is safe to live in; and no other improvements are made until the structure meet the SD requirements of the local ordinance.

Below outlines a process when a community allows temporary occupancy of SD structures until the structure can be brought into compliance.

- 1. Determine whether the home is safe to live in.** Before temporary occupancy, the community should assess the structure to make sure it can meet health and safety requirements until it can be repaired and meet floodplain ordinance or building code requirements for elevation.

- 2. SD Determinations.** When a detailed SD determination cannot be made, there are screening tools to help communities make a preliminary SD determination by using the following methods. **Note the screening tools described below should not exclusively be used to make final the SD determinations.**
- If structures have been tagged using green, yellow, or red placards, you can use these designations to help identify homes that may be potentially SD.
  - After floods, adjusters who handle NFIP insurance claims are instructed to submit an Adjuster Preliminary Damage Assessment form to FEMA if a building appears to have been substantially damaged (FEMA Form 81-109). The form provides information about a damaged building, including Probable Repair Cost, Building Replacement Cost Value, and Building Actual Cash Value. Local officials can use this information for screening purposes to help identify those buildings that should be examined more closely. Because Federal flood insurance does not cover all damage that local officials must consider when determining substantial damage, the reported Probable Repair Cost may underestimate the total cost to repair. In addition, the Building Replacement Cost Value and the Building Actual Cash Value may not be equivalent to market value. Communities should contact the FEMA Joint Field Office, Hazard Mitigation Branch, to determine if this information is available.
  - Communities can use other screening tools to make preliminary SD determinations to help make temporary occupancy decisions.
- 3. Temporary Occupancy.** When a community allows temporary occupancy, the permit application should document the purpose and need for temporary occupancy of the damaged structure. Communities may only permit the minimum repairs necessary to make the home safe and sanitary for occupancy. Conditions of the permit should stipulate the types of repairs that can be made and must include a statement that no additional repairs or improvements are authorized, until a detailed SD is completed. If a detailed SD determination has been made, such a determination should be noted on the temporary permit. For homes where a preliminary SD was determined, the community should perform a detailed SD determination as soon as possible.

A temporary certificate of occupancy must include appropriate time restrictions to ensure damaged homes are brought into compliance with local codes and ordinances within a reasonable time. Temporary occupancy will need to be reconsidered once the established time limit is over. A determination to extend the temporary occupancy should be based on need and documented in the permit file.

Communities should monitor homes that receive a temporary occupancy to make sure no additional repairs or improvements are made beyond what has been stipulated.

Communities are responsible for making SD determinations and ensuring that SD structures are brought into compliance with local floodplain ordinances or building codes. The SD determination must be based on the cost of all work needed to repair the structure to its before-damage condition.

Permits to fully repair the SD structure to bring the structure into compliance must be issued. Permit applications to repair and rebuild must include plans to show how the structure will be brought into compliance with the floodplain ordinance or building codes.

**For additional guidance on SD, see *FEMA P-758 Substantial Improvement/Substantial Damage Reference (2010)*.**

**For more information and assistance, contact the Joint Field Office or the NFIP State Coordinator for your community. For FEMA Regional Office Contacts see the following website: <https://www.fema.gov/fema-regional-contacts>.**

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