

What Could Happen After Another Sandy-Level Flooding Event at Mallard Lakes

Plain-English information for owners

The big idea

Even if everyone has flood insurance, a severe flooding event can trigger rules that lead to large repair bills for some owners. This is about permits and regulations — not just insurance.

Why “this is just coastal living” doesn’t tell the whole story

It’s true that coastal communities everywhere face storm risk. That part isn’t unique.

What’s different at Mallard Lakes is that we don’t have to guess what happens after a Sandy-level flooding event — because we already lived through it. Having lived through Sandy doesn’t make us ‘safe for a while’ — it simply showed us what happens when certain flooding conditions line up, and those conditions can occur again.

If buildings flood again during a severe flood event, and are **substantially damaged** (repair cost greater than 50% of the building’s pre-damage market value), the building must be repaired in a way that meets today’s flood and building code requirements. Sussex County determines if a building is substantially damaged during the permitting process.

Those code-related upgrades are often **not fully covered by flood insurance** and can result in significant out-of-pocket costs for homeowners. Some flood insurance policies include limited Increased Cost of Compliance (ICC) coverage for required upgrades after severe damage, but this coverage is capped (generally around \$30,000 per building) and often does not cover the full cost of elevation. In many cases, the building cannot be legally re-occupied until required code upgrades are completed. Once this determination is made, the compliance requirements are mandatory.

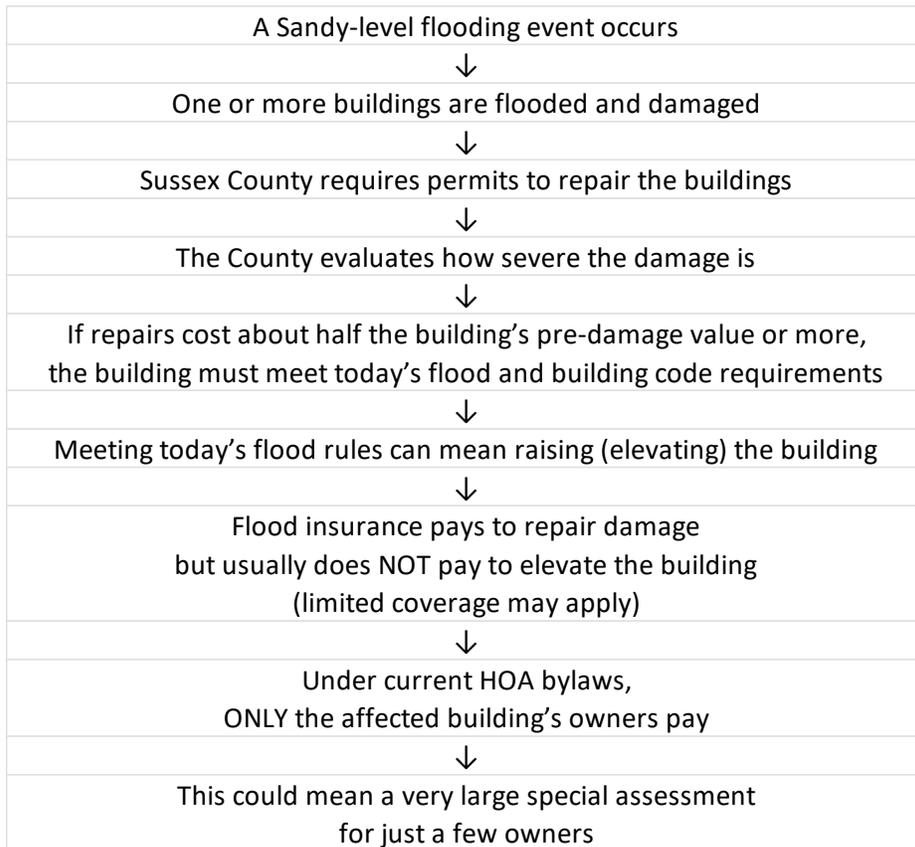
Additionally, according to the Mallard Lakes’ by-laws, only the homeowners that are affected would pay these costs – it would not be shared across the community.

Based on the Mallard Lakes Tidal Water Report (Page 6), there are at least 4 previously flooded buildings that do not comply with the current code. If flooding expands, this rule could apply to more owners. A FEMA grant application done by Sussex County on Mallard Lakes’ behalf in 2014 estimated that building elevation cost was \$333.5K per building...or ~\$55.6K per unit owner for a six-unit building.

Knowing how the process works gives us an opportunity to understand the risk and consider options before another severe storm — rather than being forced into decisions afterward.

A professional feasibility study can help a community understand whether there are options — such as phased improvements or alternative mitigation measures — that could reduce costs or avoid being forced into a full elevation scenario after a severe flooding event. Without understanding those options in advance, communities are often left reacting after a storm — when timelines are tight and the most expensive solutions are the only ones left.

A simple step-by-step scenario



Why this matters to owners

- This does NOT require frequent flooding — one severe storm could trigger it.
- Insurance alone may not protect against all costs.
- Costs could fall on a small group of owners, not the whole community.
- After a severe storm, choices and timelines narrow quickly.

What this page is

- ✓ Information about how post-storm rules can work.
- ✓ Meant to help owners understand risk based on past experience.

Prepared for general information only. Owners may wish to consult insurance or financial professionals about personal risk planning.