

# (COMMUNITY LETTERHEAD)

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## **SUBSTANTIAL IMPROVEMENT/DAMAGE NOTICE TO PROPERTY OWNERS**

### **Restoring your home after a storm? Additions, renovations, or remodeling your home?**

#### **Here's what YOU need to know about the 50% Rule.**

If the lowest floor of your home or business is below the 100-year flood elevation or the required freeboard elevation established by your community, there are floodplain management requirements adopted by the community that may affect how you restore, renovate, or remodel the structure. These requirements also allow business structures to be floodproofed in lieu of elevating the lowest floor. These laws are required by the National Flood Insurance Program to protect your lives and investments from future flood damages. Your community must adopt and enforce these laws in order for federally-backed flood insurance to be made available to community residents and property owners.

**Save yourself time, aggravation and money.** Please read the following information:

**SUBSTANTIAL DAMAGE** means damage of any origin sustained by a structure whereby the cost of restoring the structure to it's before damage condition would equal or exceed 50 percent of the market value or replacement cost of the structure before the damage occurred. (Note: The cost of the repairs must include all costs necessary to fully repair the structure to it's before damage condition)

**SUBSTANTIAL IMPROVEMENT** means any reconstruction, rehabilitation, addition or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the "start of construction" of the improvement.

If a building is "substantially damaged" or "substantially improved", it must be brought into compliance with the community's flood damage prevention regulations, including elevating the building to or above the 100-year flood elevation.

Following National Flood Insurance Program requirements, we have the responsibility to determine "substantial damage" and "substantial improvement" and have implemented the following procedures to do so:

1. Your community will estimate Market Value by using the tax assessment value of your structure (excluding the land), plus about 15% to 20%.  
If you disagree with this estimate of Market Value, you may hire a state licensed appraiser and submit a comparable property appraisal for the depreciated value of the structure.
2. You must obtain and submit to your Building Official a detailed and complete cost estimate for the addition, remodeling, reconstruction or for the repair of all damages sustained by your home, prepared and signed by a licensed general contractor. Your contractor must sign an affidavit indicating that the cost estimate submitted includes **all damages or all improvements** to your home, not just structural.

Your community will evaluate the cost of improvements or repairs and determine if they are fair and reasonable. For damage repairs, **pre-storm prices and rates will be utilized**. The cost of improvements or repairs does not include items not considered a permanent part of the structure. (i.e. plans, surveys, sidewalks, pools, screens, sheds, gazebos, fences, etc.)

3. If your home is determined to have “substantial damage” or is proposed to be “substantially improved”, then an Elevation Certificate must be submitted to your community to determine the lowest floor elevation. Garages and carports are not considered to be the “lowest floor”.
4. If the lowest floor is below the 100-year flood elevation, the building must be elevated to or above that level. Likewise, all electrical and mechanical equipment (heating and cooling, etc.), bathrooms and laundry rooms must be elevated to or above the 100-year flood level. Only parking, building access and limited, incidental storage is allowed below the flood level. Non-residential buildings may be “flood-proofed” instead of being elevated.

If the lowest floor, electrical and mechanical, equipment, laundry and bathroom are already above the 100-year flood elevation, the building can be repaired and reconstructed if it meets code requirements.

5. Building plans must be prepared to show how the building is to be elevated. If located in the V-zone, Coastal High Hazard Area, or if the building is to be flood proofed, these plans must be prepared and certified by a registered professional engineer or architect. Certificates for this purpose are available from the Building Official. Any below BFE enclosures in V-zones must have breakaway walls certified by a structural engineer.
6. Following a Presidential disaster declaration, the Small Business Administration may make loans available for both homes and businesses for purposes of elevating the structure to or above the 100-year flood elevation. Proof of “substantial damage” from your community is required.

#### **ITEMS TO BE INCLUDED FOR DETERMINATION OF SUBSTANTIAL DAMAGE/IMPREVEMENT**

##### ***All structural elements including:***

Spread or continuous foundation footings and pilings  
Monolithic or other types of concrete slabs  
Bearing walls, tie beams and trusses  
Wood or reinforced concrete decking or roofing  
Floors and ceilings  
Attached decks and porches  
Interior partition walls  
Exterior wall finishes (e.g. Brick, stucco or siding) including painting and decorative moldings  
Windows and doors  
Reshingling or retiling a roof  
Hardware

##### ***All interior finish elements, including:***

Tiling, linoleum, stone or carpet over subflooring

Bathroom tiling and fixtures

Wall finishes (e.g. Drywall, painting, stucco, plaster, paneling, marble or other decorative finishes)

Kitchen, utility and bathroom cabinets

Built in bookcases, cabinets and furniture

Hardware

***All utility and service equipment, including:***

HVAC equipment

Repair or reconstruction of plumbing and electrical services

Light fixtures and ceiling fans

Security systems

Built in kitchen appliances

Central vacuum systems

Water filtration, conditioning or recirculation systems

***Also:***

Labor and other costs associated with demolishing, removing or altering building components

Overhead and profit