

# FEMA 50% RULE - SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE

SUBSTANTIAL IMPROVEMENT/DAMAGE Z101-0410

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## NOTICE TO PROPERTY OWNERS

*Rebuilding your Home after the storm?  
Adding on, renovating, or remodeling your home?  
Here's information **YOU** need to know about the "50% Rule".*

If your home or business is below the 100-year flood elevation, then we have flood damage prevention regulations that may affect how you remodel, renovate, or add on to your building. If your home or business sustained structural and/or interior damage, these regulations may affect how you rebuild. These laws are required by the National Flood Insurance Program to protect lives and investment from future flood damages. Your community must adopt and enforce these laws in order for federally -backed flood insurance to be made available to we residents and property owners.

### **SAVE YOURSELF TIME 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 its 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 its "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 flood damage prevention regulations, including elevating the building to or above the 100-year flood elevation.

Our community, following the National Flood Insurance Program requirements, has the responsibility to determine "substantial damage" and "substantial improvement", and has implemented the procedures on the following pages to do so.

# **SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE**

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## **NOTICE TO PROPERTY OWNERS (CONTINUED)**

We will use the assessed value of your structure (excluding the land) recorded by the Property Appraiser's Office. If you disagree with the Property Appraiser's valuation of the structure, you may engage a property appraiser licensed by the State of Florida to submit a comparable property appraisal for the total market value of the structure.

You must obtain and submit to us a detailed and complete cost estimate for the addition, remodeling, reconstruction or for repair of all the damages sustained by your home, prepared and signed by a licensed general contractor. The contractor must sign an affidavit indicating that the cost estimate submitted includes all damages or all improvements to your home, not just structural. The signed contract document must be submitted with your application. If the owner is acting as his or her own contractor, the owner is responsible for submitting the cost estimate, and providing documentation, including subcontractor bids, to document the cost estimate.

We 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, permits, sidewalks, pools, screens, sheds, gazebos, fences, etc.-- see attached copy).

If your home is determined to have "substantial damage" or is proposed to be "substantially improved", then an elevation certificate must be submitted to us to determine the lowest floor elevation. Garages and carports are not considered to be the "lowest floor".

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 of the structure, including electrical and mechanical equipment and bathroom are already above the 100-year flood elevation, the building can be repaired and reconstructed without having to comply with the fifty percent (50%) rule.

Building plans must be prepared to show how the building is to be elevated. If located in a 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 and Zoning Department.

### **IMPORTANT NOTE ON DONATED MATERIALS AND VOLUNTEER LABOR:**

The value placed on materials should be equal to the actual or estimated cost of all materials to be used. Where materials or servicing equipment are donated or discounted below normal market values, the value should be adjusted to an amount equivalent to that estimated through normal market transaction.

Self or Volunteer Labor: The value placed on labor should be equal to the actual or estimated labor charge for repairs of all damages sustained the structure. Where non-reimbursed (volunteer) labor is involved, the value of the labor should be estimated based on applicable minimum hourly wage scales for the type of construction work to be completed. Our permitting official based on his/her professional judgment and knowledge of local/regional wage scales can provide additional guidance to determine reasonable labor rates for professional trades (i.e. electricians, plumbers, block masons, framing, HVAC).

# SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE

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## ITEMS TO BE INCLUDED

(Please check off each line)

**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
- Re-shingling or re-tiling a roof
- Hardware

**ALL INTERIOR FINISH ELEMENTS, INCLUDING:**

- Tiling, linoleum, stone or carpet over sub-flooring
- 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

# SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE

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## ITEMS TO BE EXCLUDED

Plans and specifications

Survey costs

Permit fees

Debris removal (e.g., removal of debris from building or lot, dumpster rental, transport fees to landfill and landfill tipping fees), and clean-up (e.g., dirt and mud removal, building dry out, etc.)

Items not considered real property such as: throw rugs (carpeting over finished floors), furniture, refrigerators, appliances which are not built-in, etc.

## OUTSIDE IMPROVEMENTS, INCLUDING:

Landscaping	Sidewalks
Fences	Yard lights
Swimming pools\spa	Screened pool enclosures
Sheds	Gazebos
Detached structures (incl. garages)	Landscape irrigation systems
Docks and Davits	Seawalls
Driveways	Decks

## ITEMS REQUIRED TO EVALUATE YOUR APPLICATION

**APPLICANT MUST SUBMIT ALL OF THE FOLLOWING** (please check off each item):

1. **Completed and signed application** for substantial damage/improvement review (included in this package).
2. **Elevation certificate** if property is located above base flood elevation.
3. **Property Owner's Substantial Damage or Substantial Improvement Affidavit** signed, notarized and dated (included in package).
4. **Contractor's Substantial Damage or Substantial Improvement Affidavit** signed, notarized and dated (included in package).
5. **Estimated Cost** of reconstruction/improvement form (included in package) and all required backup. Include subcontractor's bids and itemized cost lists (see footnote on Cost Estimate Form).
7. Copy of **construction contract**. If the owner is the contractor, submit all subcontractor bids to document the cost estimate.
6. This **checklist**.
7. Copy of construction contract. If the owner is the contractor, submit all subcontractor bids to document the cost estimate.

**SUBSTANTIAL IMPROVEMENT  
OR SUBSTANTIAL DAMAGE**

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**APPLICATION FOR SUBSTANTIAL DAMAGE  
OR SUBSTANTIAL IMPROVEMENT REVIEW**

Property Address: \_\_\_\_\_

Property Owner's Name: \_\_\_\_\_

Property Owner's Address: \_\_\_\_\_

Property Owner's Phone Number: \_\_\_\_\_

Contractor's Name: \_\_\_\_\_

Contractor's Address: \_\_\_\_\_

Contractor's Phone Number: \_\_\_\_\_

Flood Zone \_\_\_\_\_ BFE \_\_\_\_\_ Lowest Floor Elevation \_\_\_\_\_  
*(Excluding garage or carport)*

Check one of the following:

I **am** attaching a State Certified Appraiser's report, valuing the structure at:

\_\_\_\_\_

I am **not** attaching a State Certified Appraiser's report and I accept the use of the valuation of my property that has been recorded by the County Property Appraiser's Office.

**SIGNATURES:**

Property Owner: \_\_\_\_\_ Date: \_\_\_\_\_

Contractor: \_\_\_\_\_ Date: \_\_\_\_\_

**SUBSTANTIAL IMPROVEMENT  
OR SUBSTANTIAL DAMAGE**

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**PROPERTY OWNER'S  
SUBSTANTIAL DAMAGE OR  
SUBSTANTIAL IMPROVEMENT AFFIDAVIT**

Property Address: \_\_\_\_\_

Contractor's Name: \_\_\_\_\_

Property Owner's Name: \_\_\_\_\_

Property Owner's Address: \_\_\_\_\_

Property Owner's Phone Number: \_\_\_\_\_

I hereby attest that the list of work and cost estimate submitted with my Substantial Damage or Substantial Improvement Application reflects **ALL OF THE WORK TO BE CONDUCTED** on the subject structure including all additions, improvements and repairs and, if the work is the result of Substantial Damage, this work will return the structure at least to the "before damage" condition and bring the structure into compliance with all applicable codes. Neither I nor any contractor or agent will make any repairs or perform any work on the subject structure other than what has been included in the attached list.

**I UNDERSTAND THAT I AM SUBJECT TO ENFORCEMENT ACTION, WHICH MAY INCLUDE FINES, IF ANY INSPECTION OF THE PROPERTY REVEALS THAT I, OR MY CONTRACTOR, HAVE MADE REPAIRS OR IMPROVEMENTS NOT INCLUDED ON THE ATTACHED LIST OF REPAIRS OR THE APPROVED BUILDING PLANS.**

See attached itemized list.

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

Before me this day personally appeared \_\_\_\_\_, who, being duly sworn, deposes and says that he/she has read, understands, and agrees to comply with all the aforementioned conditions.

\_\_\_\_\_  
Property Owner's Signature

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public State of \_\_\_\_\_  
My commission expires \_\_\_\_\_

# SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE

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## CONTRACTOR'S SUBSTANTIAL DAMAGE OR SUBSTANTIAL IMPROVEMENT AFFIDAVIT

Property Address: \_\_\_\_\_

Contractor's Name: \_\_\_\_\_

Contractor's Company Name: \_\_\_\_\_

Contractor's Address: \_\_\_\_\_

Contractor's Phone Number: \_\_\_\_\_

Contractor's State Registration or Certification Number: \_\_\_\_\_

Contractor's We Registration Number (if applicable): \_\_\_\_\_

I hereby attest that I, or a member of my staff, personally inspected the subject property and produced the attached itemized list of repairs, reconstruction and/or remodeling which are hereby submitted for a Substantial Damage or Substantial Improvement Review. The list of work contains **ALL OF THE WORK TO BE CONDUCTED** on the subject property. If the property sustained Substantial Damage, this list of work will return the structure to at least its condition prior to damage and bring the structure into compliance with all applicable codes. I further attest that all additions, improvements or repairs proposed for the subject building are included in this estimate and that neither I nor any contractor or agent representing me will make any repairs or perform any work on the subject structure other than what has been included in the attached list.

**I UNDERSTAND THAT I AM SUBJECT TO ENFORCEMENT ACTION, WHICH MAY INCLUDE FINES, IF ANY INSPECTION OF THE PROPERTY REVEALS THAT I, OR MY CONTRACTOR, HAVE MADE REPAIRS OR IMPROVEMENTS NOT INCLUDED ON THE ATTACHED LIST OF REPAIRS OR THE APPROVED BUILDING PLANS.**

See attached itemized list.

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

Before me this day personally appeared \_\_\_\_\_, who, being duly sworn, deposes and says that he/she has read, understands, and agrees to comply with all the aforementioned conditions.

\_\_\_\_\_  
Contractor's Signature

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Notary Public State of: \_\_\_\_\_

My commission expires: \_\_\_\_\_

6/6/2011

## Cost Estimate of Reconstruction / Improvement

Application Number \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_

This cost estimate of reconstruction/improvement must be prepared by and signed by the contractor or by the owner if the owner acts as the contractor. Owners who act as their own contractors must estimate their labor cost at the current market value for any work they intend to perform.

	Sub-Contractor Bids	Contractor or Owner Estimates	
	Bid Amounts (see note "D")	Material Costs	Labor Costs
1. Masonry			
2. Carpentry Material (rough)			
3. Carpentry Labor (rough)			
4. Roofing			
5. Insulation and Weather-strip			
6. Exterior Finish (stucco)			
7. Doors, Windows & Shutters			
8. Lumber Finish			
9. Hardware			
10. Drywall			
11. Cabinets (Built-in)			
12. Floor Covering			
13. Plumbing			
14. Shower/Tub/Toilet			
15. Electrical & Light Fixtures			
16. Concrete			
17. Built-in Appliances			
18. HVAC			
19. Paint			
20. Demolition & Removal			
21. Overhead & Profit			
<b>SUBTOTALS</b>			
<b>TOTAL ESTIMATE COST (all three subtotals added together)</b>			
<input style="width: 100px; height: 20px;" type="text"/>			

- A) A copy of the signed construction contract must accompany this estimate.
- B) Subcontractor bids may be used for any material and/or labor cost breakdown. INCLUDE donations and volunteer labor.
- C) If any amounts appear in the "Sub-contractor" column, a copy of each signed and dated bid must accompany this form.
- D) Cost backup must be provided for every line item entry. If any amounts appear in the "Sub-contractor" column, a copy of each signed and dated bid must accompany this form. For all other costs, you must list the quantity of materials to be installed and their unit cost on a separate sheet that references the line number. For example, the backup documentation may contain a section called "Drywall to be installed (line 10)":

	<u>This sheet (line 10)</u>	
Materials:	2,000.00	<u>Separate Sheet</u>
Labor:	320.00	1,000 sq ft 1/2" Drywall @ \$2.00/sq ft = \$2,000.00
		16MH to hang Drywall @ \$20.00/MH = \$320.00