

# **SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE**

## **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, the \_\_\_\_\_ has 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. The National Flood Insurance Program (NFIP) to protect your lives and investment from future flood damages requires these laws. 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 its pre-damage condition would equal or exceed 50% 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% 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.

The \_\_\_\_\_, following National Flood Insurance Program requirements, has the responsibility to determine "substantial damage" and "substantial improvement" and has implemented the following procedures to do so:

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 State of Montana licensed property appraiser to submit a comparable property appraisal for the total market value of the structure.

You must obtain and submit to the \_\_\_\_\_ 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 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. If the owner is the 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.*).

# **SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE**

## **NOTICE TO PROPERTY OWNERS**

(continued)

If your home is determined to have “substantial damage” or is proposed to be “substantially improved”, then an Elevation Certificate must be submitted to the \_\_\_\_\_ to determine the lowest floor elevation (LFE). Attached garages (with proper openings) 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 base flood elevation.

Non-residential buildings may be “flood-proofed” instead of being elevated. If the lowest floor, electrical, plumbing, and mechanical equipment are already above the 100-year flood elevation, the building can be repaired and reconstructed without having to comply with the 50% Rule.

Building plans must be prepared to show how the building is to be elevated. 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 at the FEMA website: [www.fema.gov](http://www.fema.gov)

Following a presidential disaster declaration, the Small Business Administration may make loans available for both house and businesses for purposes of elevating the structure to or above the 100-year flood elevation. Proof of “substantial damage” from the \_\_\_\_\_ is required.

### **Donated or Discounted Materials:**

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 materials should be equal to the actual or estimated labor charge for repairs of all damages sustained by 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. The building official, based on his professional judgment and knowledge of local and regional wage scales can provide additional guidance to determine reasonable labor rates for professional trades (i.e. electricians, plumbers, block masons, framing, HVAC, etc.)

# **SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE**

## **ITEMS TO BE INCLUDED**

### **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 molding)  
Windows and doors  
Re-shingling or re-tiling 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 electrical and plumbing 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

### 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/spas  
Screened pool enclosures  
Sheds  
Gazebos  
Detached structures (incl. garages)  
Landscape irrigation systems  
Docks and davits  
Seawalls  
Driveways  
Decks

### ITEMS REQUIRED TO EVALUATE

Applicant must submit the following:

- Completed and signed **application for substantial damage/improvement review**
- Elevation certificate** or **elevation survey** with lowest floor elevation (LFE) indicated
- Owner's reconstruction/improvement affidavit** signed, notarized and dated
- Contractor's reconstruction/improvement affidavit** signed, notarized and dated
- Completed **cost estimate of reconstruction/improvement** form
- Copy of **construction contract**. If the owner is the contractor, submit all subcontractor bids to document the cost estimate
- Current photos, or photos before and after the storm (if available)
- Construction drawings, specifications, and plot plan or survey (two complete sets)

# SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE

## APPLICATION FOR SUBSTANTIAL DAMAGE OR SUBSTANTIAL IMPROVEMENT REVIEW

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

Parcel Number: \_\_\_\_\_

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

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

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

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

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

Contractor's License Number: \_\_\_\_\_

Contractor's Registration Number: \_\_\_\_\_

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

### Flood Information:

FIRM Panel: \_\_\_\_\_

Flood Zone: \_\_\_\_\_

BFE: \_\_\_\_\_

Lowest Floor Elevation: \_\_\_\_\_

*(Excluding garage or carport)*

Please check one of the following:

I **am** attaching a State Certified Appraiser's report of my property.

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

### Signatures:

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

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

**SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE**

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

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

Parcel Number: \_\_\_\_\_

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

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

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

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

I hereby attest to the fact that the repairs/reconstruction and/or remodeling list submitted for the Substantial Damage/Improvement Review by me or by my contractor are **ALL THE DAMAGES/IMPROVEMENTS SUSTAINED** by this structure and will be done to the existing building and that all additions, improvements, or repairs on the subject building are included in this estimated construction herewith. Neither I, nor any other contractor will make any repairs or reconstruction or additions or remodeling not included in the attached list.

**I UNDERSTAND THAT I AM SUBJECT TO ENFORCEMENT ACTION AND/OR FINES IF INSPECTION OF THE PROPERTY REVEALS THAT I HAVE MADE REPAIRS OR IMPROVEMENTS NOT INCLUDED ON THE ATTACHED LIST OF REPAIRS TO MY HOME OR THAT I HAVE INCLUDED NON-CONFORMING OR ILLEGAL STRUCTURES/ADDITIONS, TO THE EXISTING STRUCTURE WITHOUT HAVING PRESENTED PLANS FOR SUCH ADDITIONS. I UNDERSTAND THAT ANY PERMIT ISSUED BY THE \_\_\_\_\_ PURSUANT TO THIS AFFIDAVIT DOES NOT AUTHORIZE THE RECONSTRUCTION, REPAIR OR MAINTENANCE OF ANY ILLEGAL ADDITIONS, FENCES, SHEDS OR NON-CONFORMING USES OR STRUCTURES ON THE SUBJECT PROPERTY.**

See attached itemized list.

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

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

Before me this day personally appeared \_\_\_\_\_ who, being duly sworn deposes and says that he 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  
My commission expires:

**SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE**

**CONTRACTOR'S  
SUBSTANTIAL DAMAGE OR  
SUBSTANTIAL IMPROVEMENT AFFIDAVIT**

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

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

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

Contractor's License Number: \_\_\_\_\_

Contractor's Registration Number: \_\_\_\_\_

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

I hereby attest to the fact that I, or a member of my staff, personally inspected the above mentioned property and produced the attached itemized list of repairs, reconstruction and/or remodeling list which are hereby submitted for a Substantial Damage/Improvement Review. These damages/improvements are **ALL OF THE DAMAGES/IMPROVEMENTS** sustained by this structure, and that all additions, improvements, or repairs proposed on the subject building are included in this estimate.

**I UNDERSTAND THAT I AM SUBJECT TO ENFORCEMENT AND PENALTIES FOR VIOLATION ACTION AND/OR FINES IF THE INSPECTION OF THE PROPERTY REVEALS THAT I HAVE MADE REPAIRS OR IMPROVEMENTS NOT INCLUDED ON THE ATTACHED LIST OF REPAIRS/IMPROVEMENT TO THIS STRUCTURE OR ANY NON-CONFORMING OR ILLEGAL STRUCTURES/ADDITIONS, OR REPAIRS IS INCLUDED TO THE EXISTING STRUCTURE WITHOUT HAVING PRESENTED PLANS FOR SUCH ADDITIONS. I UNDERSTAND THAT ANY PERMIT ISSUED BY \_\_\_\_\_ PURSUANT TO THIS AFFIDAVIT DOES NOT AUTHORIZE THE RECONSTRUCTION, REPAIR OR MAINTENANCE OF ANY ILLEGAL ADDITIONS, FENCES, SHEDS OR NONCONFORMING USES OR STRUCTURES ON THE SUBJECT PROPERTY.**

See attached itemized list.

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

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

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

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

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

\_\_\_\_\_  
Notary Public  
My commission expires:

# SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE

## COST ESTIMATE OF RECONSTRUCTION/IMPROVEMENT

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

Parcel Number: \_\_\_\_\_

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

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

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

Contractor's License Number: \_\_\_\_\_

Contractor's Registration Number: \_\_\_\_\_

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

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 at 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 "c")	Material Costs	Labor Costs
1. Masonry			
2. Carpentry Material (rough)			
3. Carpentry Labor (rough)			
4. Roofing			
5. Insulation & 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>			

**Total Estimated Cost** (all three subtotals added together) \_\_\_\_\_

- a. A copy of the signed construction contract must accompany this estimate.
- b. Subcontractor bids may be used for any item of material and/or labor cost breakdown.
- c. 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>	<u>Separate Sheet</u>
Materials:	2,000.00	1,000 sq ft ½" Drywall @ \$2.00/sq ft = \$2,000.00
Labor:	320.00	16MH to hang Drywall @ \$20.00/MH = \$320.00