

## SUBSTANTIAL DAMAGE OR IMPROVEMENT OF A NON-FEMA COMPLIANT STRUCTURE LOCATED BELOW DFE -THE FEMA 50% RULE

Are you rebuilding your home or business after a storm?

Are you adding on, renovating, or remodeling your home or business?

If your home or business is below the 100-year flood elevation, the City of Bradenton Beach 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. These local Ordinances are required to be enacted by local jurisdictions by the National Flood Insurance Program to protect your lives and investment from future flood damages. The City uses the current Flood Insurance Rate Map or FIRM to determine elevation requirements. The City of Bradenton Beach adopts and enforces these laws for federally-backed flood insurance to be made available to community residents and property owners.

You may save yourself time, aggravation and money by reading the following information:

### SUBSTANTIAL DAMAGE AND SUBSTANTIAL IMPROVEMENT

**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% of the actual cash value of structure before the damage occurred. PLEASE NOTE: The cost of the repairs must include all costs necessary to fully repair the structure to its before-damage condition. Pre-FIRM buildings must be elevated if damaged by any cause for which repair costs are 50% or more of the value of the building. This is a “hidden cost” that actual reduces the value of the structure. Most homeowners never know about this until it happens to them. Damage can occur from flooding, fire, earthquake, wind, or man. This applies to all buildings in a flood hazard area, regardless of whether the building has flood insurance or not. The costs to repair must be calculated for full repair to “before-damage” condition, even if the owner elects to do less. The total costs to repair include both structural and finish materials and labor.

WHEN MAPS ARE REVISED, the Substantial Damage and Substantial Improvement requirements can affect Post-FIRM buildings, too! If the FIRMs are revised, and the flood elevations increased, many Post-FIRM buildings may be affected. The 50% rule applies to them now as well! So, check the FIRMs, find out what flood elevation was in effect when the building was constructed, and what it is today. All additions to a Post-FIRM structure must be elevated to or above the current BFE, whether they are “substantial” or not.

**SUBSTANTIAL IMPROVEMENT** means any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50% of the actual cash value of the structure before the “start of construction” of the improvement. When a Pre-FIRM building is proposed to be remodeled, renovated, rehabilitated, added to, or in any way improved, the proposed modifications must be evaluated for “substantial improvement”. If the total costs of improvement are 50% or more of the building value, the building must be elevated, etc., just like “substantial damage”. “Total costs” means all structural costs, as well as all finish materials, built-in appliances, hardware, in addition to profit and overhead. The substantial improvement rule is a hidden potential cost that the buyer needs to be aware of.

**BUILDING VALUE** is equal to the actual cash value of structure only. Land and exterior improvements are excluded, such as the swimming pool, pool enclosure, landscaping, paving, etc. Actual cash value is equal to the assessed value or properly depreciated appraised building value. The assessed value may be adjusted upward to reflect the actual cash value more accurately. Replacement cost can only be used if properly depreciated. Certified appraisals must be based on the comparable sales method. The land value must be deducted, and it must be equal to or greater than that

established by the County Assessor. The building value must be fairly depreciated to reflect the age of the building and the deterioration of building components.

**COSTS TO BE INCLUDED:** The construction costs to be calculated for both substantial damage and improvement include both structural and finish labor and materials. This includes lighting fixtures, built-in appliances, interior moldings, paneling, tiling, wall-to-wall carpet over sub-flooring, built-in cabinets, etc. The cost to demolish undamaged building components must be established and included. Overhead and profit are also included, but not the cost of permits. Many of these costs are not normally calculated for purposes of a building permit, nor are they regulated as part of the Building Code. But, they must be calculated for compliance with the 50% Rule. (see attached lists)

**If a building is “substantially damaged” or “substantially improved”, it must be brought into compliance with the City of Bradenton Beach’s flood damage prevention regulations, including elevating the building to or above the 100-year flood elevation.**

The City of Bradenton Beach, 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:

- 1) City Staff may estimate the Value of the existing structure using the Manatee County appraised value of the structure only. If you disagree with this estimate, you may provide an independent estimate by a state licensed appraiser, which must indicate clearly that the appraisal is based on the depreciated cash value of the structure. (see “Items Required for determination” below)
- 2) You must obtain and submit to City of Bradenton Beach a detailed and complete cost estimate for the addition, remodeling, reconstruction or for repair of all the damages sustained by your home/business, 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*, not just structural. (see copy attached)
- 3) The Building Official 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)
- 4) If your home/business is determined to have “substantial damage” or is proposed to be “substantially improved”, then an Elevation Certificate must be submitted to City of Bradenton Beach to determine the lowest floor elevation. Garages and carports are not considered to be the “lowest floor”.
- 5) 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 “floodproofed” instead of being elevated.
- 6) 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 a non-residential structure is to be floodproofed, these plans must be prepared and certified by a registered professional engineer or architect. Certificates for this purpose are available from the Building Official.

- 7) 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 the City of Bradenton Beach is required.

## *Items Required to Determine Substantial Damage Or Substantial Improvement?*

Applicant must submit the following documents: (make sure you have extra copies for your files)

1. The completed building permit and substantial improvement review application(s) (including required plans and documents);
2. An estimated Cost of Reconstruction/Improvement form, completed by a Licensed General Contractor, Architect or Engineer or owner builder and signed by the Owner/contractor or Contractor with a copy of his license certificate attached;
3. For Post-FIRM (built after Dec. 31, 1974) and Pre-FIRM properties damaged by events such as storm or fire an Elevation Certificate or survey giving lowest and next highest floor elevations elevation is required. This is not required for Pre-FIRM properties undergoing alteration unless it is determined that the value of improvements exceeds 50% of the actual cash value;
4. Current photos, or photos before and after the storm (if available)
5. Highlighted floor plan drawing showing area of structure to be repaired or altered;
6. Owner & Contractor Reconstruction/Improvement Affidavit, completed, signed and dated
7. An independent actual cash value appraisal of structure performed within three years of the application date. The depreciated value of the structure will be used as the actual cash value. Manatee County’s assessment may be used in lieu of an independent appraisal. The County appraisal amount may be increased by fifteen percent for review purposes.

List of items to be included and excluded from substantial damage and substantial improvement costs.

\* ***NOT an all-inclusive list.***

ITEMS TO BE INCLUDED *	ITEMS TO BE EXCLUDED *
<i>All structural elements, including:</i>	Plans & specifications
Spread or continuous foundation footings & pilings	Survey costs
Monolithic or other types of concrete slabs	Permit fees
Bearing walls, tie beams, and trusses	Debris removal (e.g. removal or debris from building
Wood or reinforced concrete decking or roofing	or lot, dumpster rental, transport fees to landfill
Floors and ceilings	and landfill tipping fees), and clean-up (e.g. dirt
Attached decks and porches	and mud removal, building dry-out, etc.)

ITEMS TO BE INCLUDED *	ITEMS TO BE EXCLUDED *
Interior partition walls	Items not considered real property, such as throw
Exterior wall finishes (e.g. brick, stucco or siding)	rugs, furniture, refrigerators, stoves not built-in, etc.
including painting and decorative moldings	
Windows and doors	<i>Outside improvements, including:</i>
Re-shingling or re-tiling a roof	Landscaping
Hardware	Sidewalks
	Fences
<i>All interior finish elements, including:</i>	Yard lights
Tiling, linoleum, stone or carpet over sub-flooring	Swimming pools
Bathroom tiling and fixtures	Screened pool enclosures
Wall finishes, including dry wall, painting, stucco,	Sheds
plaster, paneling, marble or other decorative finishes	Gazebos
Kitchen, utility and bathroom cabinets	Detached structures (including garages)
Built-in book cases, cabinets and furniture	Landscape irrigation system
Hardware	
<i>All utility and service equipment, including:</i>	
HVAC equipment	
Repair or reconstruction of plumbing and electrical	
services	
Light fixtures and ceiling fans, security systems	
Built in kitchen appliances, central vacuum sys	
Water filtration, conditioning or recirculation systems	
<i>Also:</i>	
Labor & other costs associated with demolishing,	
removing or altering building components,	
Construction supervision and/or management	
Equivalent costs of work done by owner & volunteers	
Overhead and profit	

# APPLICATION FOR SUBSTANTIAL DAMAGE or SUBSTANTIAL IMPROVEMENT REVIEW

Tax Appraiser's Parcel ID#: \_\_\_\_\_

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

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

Co-Owner's Name: \_\_\_\_\_

Owner's Mailing Address: \_\_\_\_\_

Owner's Phone #: \_\_\_\_\_

FIRM Panel: \_\_\_\_\_ Flood Zone: \_\_\_\_\_ Base Flood Elevation: \_\_\_\_\_

Lowest Floor Elevation (excluding garage): \_\_\_\_\_

Initials \_\_\_\_\_ I am attaching an appraisal report of my property

Initials \_\_\_\_\_ I am not submitting an appraisal report of my property

Initials \_\_\_\_\_ I accept Manatee County's Estimated Improved Structure Value

Initials \_\_\_\_\_ I accept the attached estimated cost of construction as a fair cost of repair or improvement for my structure

\_\_\_\_\_

Signature of Owner/Date

\_\_\_\_\_

Signature of Co-Owner/Date

**ESTIMATED COST OF RECONSTRUCTION OR IMPROVEMENT**

Parcel ID# \_\_\_\_\_

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

This Cost Estimate of Reconstruction/Improvement must be prepared and signed by a licensed General Contractor.

TASK	MATERIAL COST	LABOR COST	TOTAL COST
Demolition			
Foundation Complete			
Structural Steel			
Masonry Walls			
Carpentry Complete			
Gas Complete			
Stucco			
Mirrors & Fixed Glass			
Central Vacuum			
Elevator			
Appliances (Built-in)			
Water Softener			
Roofing Complete			
Plumbing Complete			
Electrical Wiring			
Lighting Fixtures			
Ceiling Fans			
Intercom or Alarm System			
HVAC Complete			
Exterior Doors & Windows			
Exterior Finish			
Insulation Complete			
Drywall Complete			
Ceramic Tile Complete			
Waterproofing			
Fireplace			
Painting Complete – Int. & Ext.			
Cabinets Complete			
Flooring Complete (Finish)			
Other: _____			
Supervision			
Overhead & Profit			
<b>TOTAL</b>			

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

CGC License #: \_\_\_\_\_

Address: \_\_\_\_\_ Phone: \_\_\_\_\_

Contractor's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**CONTRACTOR'S RECONSTRUCTION/IMPROVEMENT AFFIDAVIT**

Parcel ID#: \_\_\_\_\_

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

Owner's Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Contractor's Name: \_\_\_\_\_ License # \_\_\_\_\_

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 which is hereby submitted for the **Substantial Damage/Improvement Review**. These listed damages/improvements include **ALL** of the damages/improvements sustained by this structure, and all additions, improvements, or repairs proposed on the subject building are included in this estimate.

I understand that I am subject to enforcement action and/or fines if inspection of the property reveals that I have made repairs **NOT included on the attached list of repairs/improvement**, or that I have included non-conforming or improvements or illegal structures/additions to the existing structure without having presented plans for such additions. I understand that any permit issued by the City of Bradenton Beach 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.

Total Labor & Materials \$ \_\_\_\_\_

Overhead & Profit \$ \_\_\_\_\_

**Total Cost** \$ \_\_\_\_\_

**Contractor Signature** \_\_\_\_\_

State of \_\_\_\_\_

County of \_\_\_\_\_

The foregoing instrument was acknowledged before me, by means of \_\_\_ physical presence or \_\_\_ online notification, this \_\_\_ day of \_\_\_\_\_, 20\_\_\_ by (owner's name) \_\_\_\_\_, who is \_\_\_ personally known to me or \_\_\_ who has produced as identification \_\_\_\_\_ exp \_\_\_\_\_.

\_\_\_\_\_ Signature of Notary. My commission expires \_\_\_\_\_

**OWNER'S RECONSTRUCTION/IMPROVEMENT AFFIDAVIT**

Parcel ID#: \_\_\_\_\_

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

Owner's Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Contractor's Name: \_\_\_\_\_ License # \_\_\_\_\_

I hereby attest to the fact that the repairs/reconstruction and/or remodeling list submitted for the **Substantial Damage/Improvement Review** by my contractor includes **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. No other contractor has made 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 **NOT included on the attached list of repairs/improvement**, or that I have included non-conforming or improvements or illegal structures/additions to the existing structure without having presented plans for such additions. I understand that any permit issued by the City of Bradenton Beach 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.

**Total Cost**                    \$ \_\_\_\_\_

**OWNER'S Signature** \_\_\_\_\_

State of \_\_\_\_\_

County of \_\_\_\_\_

The foregoing instrument was acknowledged before me, by means of \_\_\_ physical presence or \_\_\_ online notification, this \_\_\_ day of \_\_\_\_\_, 20\_\_\_ by (owner's name) \_\_\_\_\_, who is \_\_\_ personally known to me or \_\_\_ who has produced as identification \_\_\_\_\_ exp \_\_\_\_\_.

\_\_\_\_\_ Signature of Notary. My commission expires \_\_\_\_\_