

County of Monroe
The Florida Keys



Floodplain Coordinator
Upper Keys: 305-453-8729
Middle & Lower Keys: 305-289-2866

SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE Information and Required Forms for Structures in Flood Zones AE & VE

Adding on, renovating, remodeling repairing, or improving a home or commercial building?
Rebuilding your home or office after a storm?

Here's information **YOU** need to know about the **“50% Rule”**

If your home or commercial building is located in the floodplain but does not conform to current floodplain management standards, Monroe County’s substantial damage and improvement regulations may affect how you add on, renovate, remodeling repair, or improve your structure whether or not your structure has experienced any flood damage. These laws are required by the National Flood Insurance Program (NFIP) to reduce the risk to lives and property from flood damage. Monroe County adopted and enforces these laws in order for federally backed flood insurance to be made available to residents and property owners.

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

- A current Elevation Certificate to verify that the entire structure meets the current floodplain regulations
- **OR**
- This checklist
- Substantial Improvement or Damage Application (included in this package).
- Property Owner's Substantial Damage or Substantial Improvement Affidavit signed, notarized and dated (included in this package).
- Contractor's Substantial Damage or Substantial Improvement Affidavit signed, notarized and dated (included in this package).
- Cost Breakdown Substantial Improvement/Damage Project Value Worksheet. Include contractor’s project bids and itemized cost lists).
- Copy of construction contract. If the owner is the contractor, submit all subcontractor bids to document the cost estimate.

SAVE YOURSELF TIME AND MONEY!
PLEASE READ THE FOLLOWING INFORMATION

Per Monroe County Land Development Code, Chapter 122 – Floodplain Management

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. This term includes structures which have incurred "substantial damage," regardless of the actual repair work performed. The term does not, however, include either:

1. Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local building official and which are the minimum necessary to assure safe living conditions; or
2. The cost of repairs required to remedy health, safety and sanitary code deficiencies can be deducted from the overall cost of an improvement, but only if:
 - a. An appropriate regulatory official such as a building official, fire marshal, or health officer was informed about and knows the extent of the code related deficiencies, and
 - b. The deficiency was in existence prior to the damage event or improvement and will not be triggered solely by the fact that the structure is being improved or repaired.

In addition, for any repair required to meet health, sanitary, and safety codes, only the minimum necessary to assure safe living conditions should be deducted, including those improvements required by Chapter 11, 2012 Florida Accessibility Code. Costs of repairs that are in excess of the minimum necessary for continued occupancy or use will be counted toward the cost of the overall improvement;

Substantial damage means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred. All structures that are determined to be substantially damaged are automatically considered to be substantial improvements, regardless of the actual repair work performed. If the cost necessary to fully repair the structure to its before damage condition is equal to or greater than 50 percent of the structure's market value before damages, then the structure must be elevated (or flood proofed if it is non-residential) to or above the base flood elevation (BFE), and meet other applicable NFIP requirements. Items that may be excluded from the cost to repair include plans, specifications, survey costs, permit fees, and other items which are separate from the repair. Items that may also be excluded include demolition or emergency repairs (costs to temporarily stabilize a building so that it's safe to enter to evaluate and identify required repairs) and improvements to items outside the building, such as the driveway, septic systems, wells, fencing, landscaping and detached structures.

IS YOUR BUILDING'S IMPROVEMENT OR DAMAGE "SUBSTANTIAL?"

If a building is "substantially damaged" or "substantially improved", it must be brought into compliance with Monroe County's floodplain management regulations.

Monroe County, following NFIP requirements, has the responsibility to determine "substantial damage" and "substantial improvement", and has implemented the procedures on the following pages to do so. Monroe County uses the assessed total building value of your structure (excluding the value of land or 'miscellaneous' improvements) recorded by the Monroe County Property Appraiser's Office plus 20% **prior to damage or property improvement**. 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 an independent property appraisal for the total market value of the structure. The Building Official will review the independent property appraisal and if approved, the depreciated building value may be used as the structure's market value in lieu of the Monroe County Property Appraiser's adjusted market value.

You must obtain and submit a detailed and complete cost estimate for the proposed alteration to your structure 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 building, not just structural. The signed affidavit and detailed cost breakdown for the proposed project must be submitted with your building permit 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. An owner affidavit will be required for all projects and must include all open permits and other proposed improvements to the structure, even if the work is being performed by a licensed contractor. A single improvement that is broken down into parts may still be subject to the 50% Rule. The following will be the guidance for determining if a permit or multiple permits constitute a substantial improvement or substantial damage:

- a. **Incomplete work.** Permits will not be issued for work that clearly will not result in a building that can be occupied without additional work.
- b. **Multiple permits.** The value of all work is combined for the 50% Rule determination, regardless of the number of permits issued.
- c. **Consecutive permits.** If an application for a second permit is submitted within a short period of time after the first permit is issued, the *Building Official* will examine whether the work covered by the second request is related to improvements to the building. If so, then the work must be evaluated in conjunction with the first permit to determine whether the combination constitutes substantial improvement. Therefore, the determination of the cost of the improvement should consider all costs the work before issuance of the first permit.
- d. **Modification of issued permits.** A request to modify an existing permit to add work could retroactively trigger substantial improvement or substantial damage. The Building Official will verify that any proposed repair work includes all of the anticipated work, including improvements to the building.

- e. **Unpermitted work.** If unauthorized work on a building in the SFHA is discovered, the enforcement action will be taken by Monroe County which will include making a substantial improvement and substantial damage determination. The costs must include all of the work that has been performed, plus all of the remaining work necessary to complete the project.

Monroe County 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 itemized list of costs to exclude and include)

If your home is determined to be "substantially damaged" or is proposed to be "substantially improved", then an elevation certificate must be submitted to the Building Department to determine the structure's elevation and compliance with current floodplain regulations. Only structures not currently compliant with Monroe County's floodplain regulations will be affected by the 50% rule; if the lowest floor is below BFE, the finished floor of the building must be elevated to, or above BFE.* Likewise, all electrical and mechanical equipment (electric meter, duct work, A/C, etc.), bathrooms, and laundry rooms must be elevated to, or above, base flood elevation. Only parking, building access and limited, incidental storage is allowed below BFE. **Non-residential** buildings located in an AE flood zone designation may be "floodproofed" instead of being elevated.**

Building plans must be prepared and certified by a registered professional engineer or architect to show how the building is to be elevated or floodproofed.

IMPORTANT NOTE ON DONATED MATERIALS AND VOLUNTEER LABOR

In accordance with federal and state regulations, you must include the value of any donated materials and volunteer labor in your cost estimate. The current market value of all donations and the current average hourly rate for volunteering does apply towards the "50% Rule" discussed in this document. To determine the value of donated materials, please use the "pre-storm" normal retail cost for each item donated. For volunteer labor, determine the normal "pre -storm" hourly rate charged for the trade. For instance, ask your contractor what he would normally have charged per hour for framing if volunteers will be assisting you with framing, and then estimate the number of hours of volunteer work you will use during the project, and include the amount on your Cost Estimate form.

* A lateral addition in an A Zone may not require the elevation of the existing structure.

**Floodproofing in A zones is also to DFE.

SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE

ITEMS TO BE INCLUDED IN PROJECT COST ESTIMATE

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 ITEMS TO BE EXCLUDED FROM PROJECT COST ESTIMATE

Plans and specifications

Survey costs

Permit fees

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

Swimming pools\spa

Gazebos

Seawalls

Sidewalks

Screened pool enclosures

Detached structures (incl. garages)

Driveways

Fences

Sheds

Yard lights

Decks not structurally attached to dwelling

Docks and Davits

Landscape irrigation systems

ITEMS REQUIRED TO EVALUATE YOUR APPLICATION

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

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- **OR**
- This checklist
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Property Owner
Substantial Improvement or Damage Project Value Affidavit

Property Address: _____

Monroe County Building Permit # (Include all open permits for this structure):

Contractor's Names:

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 on 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 SIGNATURE

Notary Public State of _____

My commission expires _____



Contractor

Substantial Improvement or Damage Project Value Affidavit

Property Address: _____

Monroe County Building Permit #: _____

Contractor's Name: _____

Contractor's Company Name: _____

Contractor's Address: _____

Contractor's Phone Number: _____

Contractor's State Registration or Certification Number: _____

I hereby attest that I 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 on 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, AS THE 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 SIGNATURE

Notary Public State of _____

My commission expires _____

