



**Procedure for
Substantial Improvement
&
Construction/Repair Value
Determinations**

Purpose: To standardize guidelines for estimating the value of construction improvements/repairs for the purpose of determining appropriate permitting fees, and, compiling Substantial Improvement determinations for properties located within the city's FEMA mapped Special Flood Hazard Areas.

A specific procedure is established for making Substantial Damage determinations in a disaster recovery environment.

1) **Application:** Permitting applications require Applicants to declare a value for the intended improvements, and to file permit revision applications should those values change. Permit fees are based in part upon the values declared.

i) **Initial Review:** When the entire project cost needs to be estimated, the following square-foot estimates will apply:

(1) Residential

(a) \$185^{sf} w/o foundation changes

(b) \$200^{sf} w/foundation changes

(2) Commercial

(a) Evaluated individually, based on type of project.

ii) **Decks:** If decks are attached to a building then these costs are included. If the deck is separated from the building - by a little as a fraction of an inch - then these costs are excluded from these calculations.

2) **Substantial Damage Determinations in a Disaster Recovery Environment:** Following a declared disaster, with damage to a significant number of structures, substantial damage determinations for properties located within the City's SFHA may be made under the following guidelines:

a) **Rapid Evaluations and Detailed Safety Evaluations by Building Officials:**

i) Identify buildings that appear to be so damaged that they are unsafe and should not be reentered without a detailed inspection of structural integrity, and,

ii) Identify buildings that appear to have damage sufficient to require a permit before they can be repaired or reoccupied.

(1) Post the following notices as appropriate:

(a) Inspected (typically a green placard). This signifies that no apparent hazard was identified, that the original lateral- and vertical-load capacity is not visibly decreased, and there are no restrictions on use or occupancy. It does not mean that work can proceed without a permit.

(b) Restricted Use (typically a yellow placard). This signifies that the safety of the building is questionable or hazardous conditions exist or appear to exist and warrant restrictions on occupancy and reuse. Further evaluation is necessary (which may or may not be performed by the local official).

(c) Unsafe (typically a red placard). This signifies that an extreme hazard or unsafe situation is present and there may be a significant risk of further damage or collapse. These buildings are unsafe for occupancy or entry, except as authorized by the local official. A “red tag” is not a demolition order, although such an order may be issued depending on subsequent evaluations.

b) Using Estimates of Repair Costs and Market Values to Screen for Substantial Damage

i) Market Value Determinations:

(1) Adjusted Assessed Values as Estimates of Market Values: Assessment values assigned by the Monroe County Property Appraiser may be adjusted upward by 15% to determine a structure’s pre-disaster market value, or

(2) A certified market value property pre-disaster appraisal may be utilized.

ii) Damage Assessment:

(1) Damage Less than 40%: Floodplain or Building staff may, after a brief inspection, determine damage to a structure is clearly less than 40% of its market value and no further action is required.

(a) Floodplain staff may reassess this determination during the permitting phase.

(2) Damager Greater than 40%:

(a) Replacement Cost Values as Estimates of Market Values (RCV):

(i) RCV can be estimated easily, even when a large number of damaged buildings must be assessed. Therefore, City staff has the option to use RCV to estimate market values in the post-disaster period to screen all damaged buildings.

(ii) The older and more deteriorated a structure is, the greater the potential for a difference between RCV and market value. Thus, when City officials RCV use estimates for screening a low threshold for the ratio of cost to repair to RCV, such as 30 percent. In that case, any building that the screening indicates has a ratio value of greater than 30 percent will be examined carefully to ensure that valid cost estimates and market values are used in the substantial damage determinations.

(b) FEMA's Substantial Damage Estimator Software (SDE): The SDE enables local officials to calculate a reasonable and defensible estimate of whether a building has been substantially damaged. Local officials can use these results from the software to make substantial damage determinations.

(c) RS Means construction/repair estimating tools may be utilized.

(d) Insurance Estimates of Repair Costs: Are only useful as an initial screening tool. They shall not be depended upon for a SD determination.

END