

City of Cape Coral

Department of Development Services

Renovations and Additions in the Flood Hazard Zones / FEMA Requirements

In order to continue to secure the benefits of participation in the National Flood Insurance Program (NFIP) for citizens of Cape Coral, Florida; it is necessary for this City to comply with the Federal Emergency Management Agency (FEMA) requirements for renovations and additions in "AE" and "VE" flood hazard zones. FEMA requirements affect existing buildings that were not constructed at minimum flood elevation when such buildings are "substantially improved". FEMA has defined substantial improvement; as any repair, reconstruction or improvement of a structure, the costs of which equals or exceeds fifty percent (50%) of the market value of the structure either before the improvement or repair is started, or before the damage occurred if the building has been damaged and is being restored.

In the case of substantial improvement of a structure, in which the addition is to the front, rear or either side; only the addition is required to comply with the elevation and construction criteria, of the NFIP regulations. Should the substantial improvement consist of interior renovations, there is no option of elevating just the improvement. Therefore, the entire structure must be elevated, unless it is a non-residential structure in an "AE" zone and can be made flood-proof. Substantial improvement consisting of an addition directly above an existing structure would be treated the same as if the improvement were interior renovations.

Recently, cumulative impacts were removed from the City's floodplain ordinance. However, staff will review each project (e.g. an addition, home repair from a storm event) in its entirety which may include adding the values of all permits associated with the project together.

To assist in the determination of substantial improvement, the applicant needs to provide the market value of the existing structure, excluding land. This can be obtained from the Lee County Property Appraiser's office or a certified appraisal. The cost of the work also needs to be provided. This cost must include the value of all labor and materials. When labor or materials are donated, provided by the owner or discounted in any way, prevailing market values shall be used. A detailed cost estimate will be accepted as documentation for the cost of the work.

Your permit application cannot be processed until the above mentioned information has been provided.

National Flood Insurance Program/ NFIP Substantial Improvement (50% Rule)

Substantial Damage:

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 actually 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 if the building has flood insurance.

The costs to repair must be calculated for full repair to “before-damaged” condition, even if the owner elects to do less. The total costs to repair include both structural and finish materials and labor.

Substantial Improvement:

When a Pre-FIRM building is proposed to be remodeled, renovated, rehabilitated, added to, or an, any way improved; the proposed modifications must be evaluated for “substantial improvement”. If the total costs of improvement are 50% or more 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:

Building value = market value of structure only. Land and exterior improvements are excluded, for example swimming pool, pool enclosure, landscaping, paving, etc. Market value = assessed value or properly-depreciated appraised building value. The assessed value may be adjusted upward to reflect the market 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 equal to or greater than that established by the County Property Appraiser. 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 costs 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.

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When Maps are revised:

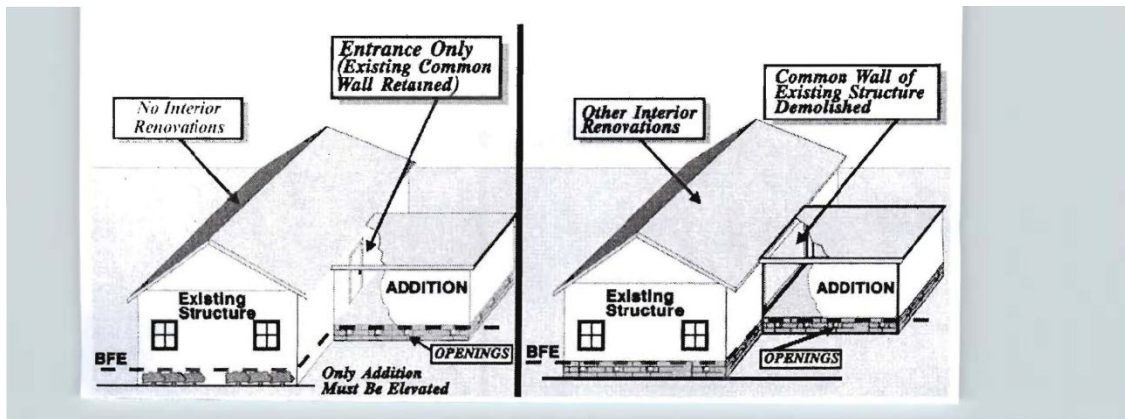
Substantial damage and Substantial Improvement can affect Post-FIRM buildings, too. With the adoption of the latest FIRM in November 2022, and the subsequent increase in flood elevations, many Post-FIRM buildings were affected. The 50% rule applies to them now as well! So, check the FIRM's, find out 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 the current BFE, plus one foot, whether they are "substantial" or not.

Application Forms:

Please refer to the "Substantial Damage/Improvement" application forms. It includes instructions on calculating all costs, as well as affidavits for the contractor and property owner for submittal purposes.

Sample of Substantial/Improvement Illustration:

The attached drawing illustrates a common question with regards to proposed substantial improvements. In certain circumstances, only a lateral (sideways) addition is required to be elevated, not the original house. However, more commonly, the common wall between the two is removed and/or alterations and renovations are made to the existing house as well. Thus, both the existing house and the addition must be elevated.



Source: Federal emergency Management Agency Graphics

Notice to Property Owners for Substantial Improvement/Damage

Adding on, renovating, or remodeling your home?
Rebuilding your home after the storm?

Here's information you need to know about the 50% Rule

If your home or business is below the 100-year flood elevation, the City of Cape Coral 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 laws are required by the National Flood Insurance Program to protect your 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 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 before damage condition would equal or exceed 50% of the market value or replacement cost of the structure before 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% 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 City of Cape Coral flood damage prevention regulations, including elevating the building to or above the 100-year flood elevation.

The City of Cape Coral, 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) The City of Cape Coral will estimate Market Value by using the tax assessment value of the structure (excluding land), plus a factor provided by the Lee County Property Appraisers Office.
- 2) You must obtain and submit to the City of Cape Coral a detailed and complete cost estimate for the addition, remodeling, reconstruction or for repair of all damages sustained by your home, prepared and signed by a licensed general contractor. The contractor must sign an affidavit

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indicating that the cost estimate submitted includes all damages or all improvements to your home, not just structural. (Refer to pages 8 to 12).

The City of Cape Coral 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. (Refer to page 7).

- 3) 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 City of Cape Coral, to determine the lowest floor elevation. Garages and carports are not considered to be the “lowest floor”.
- 4) If the lowest floor is below the base flood elevation, the building must at a minimum be elevated to that level, plus one foot. Likewise, all electrical and mechanical equipment (heating and cooling, etc.), bathrooms, 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, electrical and mechanical, equipment, laundry and bathroom are already above the 100-year flood elevation, the building can be repaired and reconstructed without further modifications.

- 5) Building plans must be prepared to show how the building is to be elevated. If located in a VE-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, licensed in the State of Florida. Certificates for this purpose are available from the Building Official.
- 6) 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 City of Cape Coral is required.

The City of Cape Coral, Building Division cannot process your permit application, for improvements, without the information and materials referred to above. If you need further information, please contact the City of Cape Coral, Building Division.

Items to be included in the Estimated Cost

All structural elements including:

1. Spread or continuous foundation footings and pilings
2. Monolithic or other types of concrete slabs
3. Bearing walls, tie beams and trusses
4. Wood or reinforced concrete decking or roofing
5. Floors and ceilings
6. Attached decks and porches
7. Interior wall partitions
8. Exterior wall finishes (brick, stucco, siding, insulation, etc.) including painting and decorative moldings
9. Windows, doors and hardware
10. Re-shingling or re-tiling

All interior finish elements, including:

1. Floor finishes (tiling, linoleum, hardwood, vinyl, stone, or carpeting over sub-flooring)
2. Bathroom tiling and fixtures
3. Wall finishes (drywall, painting, stucco, plaster, paneling, marble or other decorative finishes)
4. Interior doors
5. Kitchen, utility and bathroom cabinets
6. Built-in bookcases, cabinets and furniture
7. hardware

All utility and service, including:

1. Heating, ventilating and air conditioning (HVAC) equipment
2. Repair or construction of plumbing and electrical services
3. Light fixtures and ceiling fans
4. Electrical wiring, outlets, and switches
5. Security systems
6. Built-in kitchen appliances
7. Central vacuum systems
8. Water filtration, conditioning or recirculation systems

Also:

1. Labor and other costs associated with demolishing, removing or altering building components
2. Overhead and profit

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Items to be excluded in the Estimated Cost

General:

1. Plans and specifications
2. Survey costs
3. Permit fees

Miscellaneous:

1. Debris removal (removal of debris from building or lot, dumpster rental, transportation fees to landfill and landfill tipping fees)
2. Clean up (dirt and mud removal, building dry-out, etc.)

Items not considered real property such as:

1. Throw rugs (carpeting over finished floors)
2. Furniture (plug-in)
3. Refrigerators
4. Stoves (plug-in)

Outside improvements, including:

1. Landscaping
2. Sidewalks
3. Fences
4. Yard lights
5. Swimming pools
6. Screened pool enclosures
7. Sheds
8. Gazebos
9. Detached structures (including garages)
10. Landscape irrigation systems

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Items Required to Determine Substantial Damage/ Improvement

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

Improvement (additions/remodels) review:

(Floor elevation is at or above base flood elevation (BFE))

- 1) Furnish an Elevation Certificate or elevation survey

Improvement (additions/remodels) review:

(Floor elevation is below base flood elevation (BFE))

- 2) Complete the attached application, signed and dated
- 3) Owner's affidavit, signed, dated and notarized
- 4) Contractor's affidavit, signed, dated and notarized
- 5) Complete the Estimated Cost of Improvement/Reconstruction
- 6) Tax Appraisal or Appraisal Report
- 7) Furnish an Elevation Certificate or elevation survey

Damage (fire/storm/flood) review:

(Floor elevation is at or above base flood elevation (BFE))

- 1) Furnish an Elevation Certificate or elevation survey

Damage (fire/storm/flood) review:

(Floor elevation is below base flood elevation (BFE))

- 1) Complete the attached application, signed and dated
- 2) Owner's affidavit, signed, dated and notarized
- 3) Contractor's affidavit, signed, dated and notarized
- 4) Complete the Estimated Cost of Improvement/Reconstruction
- 5) Tax Appraisal or Appraisal Report
- 6) Furnish an Elevation Certificate or elevation survey
- 7) Current photographs or photographs before and after the storm
- 8) Floor plan drawing

Guidelines to complete the attached Reconstruction/Improvement Cost Estimate

<u>Items</u>	<u>Cost</u> Labor & Materials	<u>Ratio</u> of Work *	<u>Official Use</u>
Concrete, formwork, etc.	\$ 4,500.00	40%	
Carpentry materials (rough)	\$ 9,004.00	100%	
Carpentry labor (rough)	\$ 2,046.00	50%	

Reconstruction/Repair Ratio = Percentage of item that must be repaired or reconstructed. (Example: if the home has 20 windows, and only 10 were damaged and are being replaced; ratio should equal 50%)

This guideline is to be used as a minimum requirement and is subject to change without notice

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Application for Substantial Damage/ Improvement Review

Tax Appraiser's Folio: _____

Property Address: _____

City and Zip Code: _____

Owner's Name: _____

Co-owner's Name: _____

Owner's Mailing Address: _____

Owner's Phone Number: _____

Firm: _____ Flood Zone: _____ BFE: _____

Lowest Floor Elevation (excluding garage): _____

I am attaching an appraisal report of my property, or _____ (initials)
Appraisal report (State certified appraiser)

I am not submitting an appraisal report of my property, and _____ (initials)
Appraisal report (State certified appraiser)

I am attaching a copy of the tax report of my property, _____ (initials)
Lee County Property Appraiser (Parcel inquiry)

I accept the City of Cape Coral's estimated market value. _____ (initials)
Market value (Property Appraiser just value plus Property Appraiser modifier)

I accept the attached estimated cost of construction as a fair cost of repair or
improvement for my home. _____ (initials)

Signatures:

Owner: _____

Date: _____

Co-owner: _____

Date: _____

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Owner Builder Reconstruction/ Improvement Affidavit

Tax Appraiser's Folio: _____

Contractor Name: _____ License #: _____

Owner Name: _____

Address: _____ Phone #: _____

I hereby attest to the fact that the repairs/reconstruction and/or remodeling list submitted for the **Substantial Damage/Improvement Review**, by my contractor, are **All of 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 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 City of Cape Coral, 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.

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 the aforementioned conditions.

Signatures:

Owner: _____ Co-owner: _____

Sworn to and subscribed before me this _____ day of _____ A.D., _____

Notary Public: _____ State of _____

My commission expires: _____

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Contractor Reconstruction/ Improvement Affidavit

Folio #: _____ Contractor name: _____

Address: _____ License #: _____

Property Address: _____ Phone #: _____

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 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 the City of Cape Coral, 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:

Total labor and materials: \$ _____

Overhead & profit: \$ _____

Total cost: \$ _____

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 the aforementioned conditions.

Signatures:

Contractor: _____ Date: _____

Sworn to and subscribed before me this _____ day of _____ A.D., _____

Notary Public: _____ State of _____

My commission expires: _____

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Estimated Cost of Reconstruction/ Improvement

Folio #: _____

Address: _____

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

<u>Items</u>	<u>Cost</u> Labor & Materials	<u>Ratio</u> of Work *	<u>Official Use</u>
Concrete, form work, etc.			
Carpentry materials (rough)			
Carpentry labor (rough)			
Roofing			
Insulation and weather strip			
Exterior finish			
Doors, windows and shutters			
Lumber finish			
Carpentry labor (finish)			
Hardware (rough)			
Hardware (finish)			
Cabinets (built-in)			
Floor covering (tile/carpet)			
Plumbing			
Shower/tub/toilet			
Electrical			
Light fixtures			
Built-in appliances			
HVAC			
Paint			
Demolition and removal			
Overhead and profit			

Total:

Note: attach any additional information as required

* Ratio of work is the percentage (%) of reconstruction verses repair as applicable

Contractor name: _____ License #: _____

Address: _____ Phone #: _____

Signature: _____ Date: _____

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Fact Sheet: Additions/ Remodel/ Repair in "AE" and "VE" Flood Zones

Block: _____ Lots: _____ Permit #: _____

Address: _____

Pre-Firm: _____ Post-Firm: _____ Year built: _____ Zone: _____

Improvement:

Addition: _____ Alteration: _____ Repair: _____ Combination: _____

Proposed Finished Floor Elevation: _____

Above BFE: _____ Below BFE: _____ Flood-proofed: _____ Upper-story: _____

Note: If an addition is above BFE, provide FEMA elevation certificate to applicant and set-up a second survey. If flood-proofed, provide FEMA flood-proofing certificate and not requirement as informational plan review comment.

Cost:

Materials: _____

Labor hours: _____

Contracts: _____

Existing Structure:

Finished Floor Elevation: _____ Use: _____

Certified Appraisal: _____

Market Value (primary structure only, less depreciation on appraisal)

Tax Assessment:

_____ Market Value (Tax
assessment + County Appraiser Factor)

Substantial Improvement Test:

Market value x .5 = _____

Improvement cost: _____

Substantial: _____ Yes _____ No

Comments: _____

Approvals:

Plans Examiner: _____ Date: _____