

Notice to Property Owners, Contractors, and Design Professionals

FROM: Scott Vandewalle, Salisbury Building Department

SUBJECT: Work on Existing Buildings in Special Flood Hazard Areas, i.e. Substantial Improvement, Damage & Foundation Repair Worksheets

The Town of Salisbury's floodplain management regulations and the State of Massachusetts Building Code specify that **all new buildings** to be constructed in Special Flood Hazard Areas (SFHAs) **are required** to have their lowest floors elevated to or above the base flood elevation (BFE).

The regulations also specify that if the following work is performed on existing buildings;

- **Substantial Improvement** of existing buildings (remodeling, rehabilitation, improvement, or additions as per the 2009 IRC, R105.3.1.1), or
- **Substantial Repair of a Foundation** (exceeding 50 % replacement , as per the 2009 IRC R105.3.1.1.1) or
- **Substantially Damaged Existing Building** (exceeding 50% repair as per the 2009 IRC, R105.3.1.1)

Then the building must be brought into compliance with the requirements for new construction; i.e. flood regulation compliance.

*Please note that a building may be substantially damaged by any cause, including fire, flood, high wind, seismic activity, land movement, or neglect. It is important to note that **all** costs to repair a substantially damaged building to its pre-damage condition must be identified.*

There are several aspects that must be addressed to achieve compliance with the floodplain management requirements; the requirements depend on several factors, including the flood zone at your property. The most significant compliance requirement is that the lowest floor, as defined in the regulations/code, must be elevated to or above the BFE in accordance with the State Building Code.

Please plan to meet with this department to review your proposed project, to go over the requirements, and to discuss how to bring your building into compliance.

DEFINING SUBSTANTIAL CHANGE

The Massachusetts State Building Code (2009 IRC, Section 105.3) defines these terms as follows:

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.

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 that have incurred "substantial damage," regardless of the actual re- pair 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 that have been identified by the local code enforcement official and that are the minimum necessary to assure safe living conditions or

(2) Any alteration of a "*historic structure*," provided that the alteration will not preclude the structure's continued designation as a "historic structure."

Substantial Repair of a Foundation means repair or replacement of a foundation that equals or exceeds 50% of the perimeter along the base of the foundation or replacement of more than 50% of the existing piers of the foundation.

DETERMINING SUBSTANTIAL CHANGES

To make the substantial improvement determination or the substantial damage determination, we compare the cost of the proposed improvement or repairs to the market value of the building (excluding land, accessory structures, and landscaping). If the resulting ratio equals or exceeds **50 percent**, the existing building must be brought into compliance with the floodplain management requirements for new buildings.

$$\frac{\text{Cost of Improvement or Cost to Repair to Pre-Damage Condition}}{\text{Market Value of Building}} \geq 50\%$$

Please note:

- You must provide a **detailed estimate** of the cost to perform the proposed improvements or repairs. If your building has been damaged, the cost estimate must include all work required to repair the building to its pre-damage condition. The cost estimate must include all labor and materials. If the work will be done by a contractor, the contractor's overhead and profit must be included. If the work will be done by the owner or volunteers, market rates must be used to estimate the cost of materials and the value of labor. Attached to this notice is a list of costs that must be included and costs that are excluded. After we review the cost estimate, we may require that it be broken down to show all materials and labor estimates.
- You must provide a **market value appraisal** of the building that is prepared by a professional appraiser according to standard practices of the profession. We will review the appraisal to determine that it accurately describes your building and

does not include the value of the land, accessory buildings, and landscaping. Alternatively, we will use the tax assessment value of your building as the estimate of the market value of the building before the work is performed.

If you have any questions regarding this information, please contact the Building Department.

ATTACHMENTS

- Requirements for Applications for Permits for Substantial Improvements and Repair of Substantial Damage
- Costs for Substantial Improvements and Repair of Substantial Damage
- Owner's Affidavit
- Contractor's Affidavit

Requirements for Permit Applications for Substantial Improvements and Repair of Substantial Damage

Please contact the Salisbury Building Department if you have questions about the substantial improvement and substantial damage requirements. Your building may have to be brought into compliance with the floodplain management requirements for new construction.

Applications for permits to work on existing buildings that are located in Special Flood Hazard Areas must include the following:

- Current photographs of the exterior (front, rear, sides)
- If your building has been damaged, include photographs of the interior and exterior; provide pre-damage photos of the exterior, if available
- Detailed description of the proposed improvement (rehabilitation, remodeling, addition, etc.) or repairs
- Cost estimate of the proposed improvement or the cost estimate to repair the damaged building to its before-damage condition
- Elevation certificate or elevation survey
- You may submit a market value appraisal prepared by a licensed professional appraiser or we will use the tax assessment value of the building
- Owner's affidavit (signed and dated)
- Contractor's affidavit (signed and dated)

Costs for Substantial Improvements and Repair of Substantial Damage

Included Costs

Items that must be included in the costs of improvement or costs to repair are those that are directly associated with the building. The following list of costs that must be included is not intended to be exhaustive, but characterizes the types of costs that must be included:

- Materials and labor, including the estimated value of donated or discounted materials and owner or volunteered labor
- Site preparation related to the improvement or repair (foundation excavation, filling in basements)
- Demolition and construction debris disposal
- Labor and other costs associated with demolishing, moving, or altering building components to accommodate improvements, additions, and making repairs
- Costs associated with complying with any other regulation or code requirement that is triggered by the work, including costs to comply with the requirements of the Americans with Disabilities Act (ADA)
- Costs associated with elevating a structure to an elevation that is lower than the BFE
- Construction management and supervision
- Contractor's overhead and profit
- Sales taxes on materials
- Structural elements and exterior finishes, including:
 - * Foundations (e.g., spread or continuous foundation footings, perimeter walls, chainwalls, pilings, columns, posts, etc.)
 - * Monolithic or other types of concrete slabs
 - * Bearing walls, tie beams, trusses
 - * Joists, beams, subflooring, framing, ceilings
 - * Interior non-bearing walls
 - * Exterior finishes (e.g., brick, stucco, siding, painting, and trim)
- Structural elements and exterior finishes (cont.):
 - * Windows and exterior doors
 - * Roofing, gutters, and downspouts
 - * Hardware
 - * Attached decks and porches
- Interior finish elements, including:
 - * Floor finishes (e.g., hardwood, ceramic, vinyl, linoleum, stone, and wall-to-wall carpet over subflooring)
 - * Bathroom tiling and fixtures
 - * Wall finishes (e.g., drywall, paint, stucco, plaster, paneling, and marble)
 - * Built-in cabinets (e.g., kitchen, utility, entertainment, storage, and bathroom)
 - * Interior doors
 - * Interior finish carpentry
 - * Built-in bookcases and furniture
 - * Hardware
 - * Insulation
- Utility and service equipment, including:
 - * HVAC equipment
 - * Plumbing fixtures and piping
 - * Electrical wiring, outlets, and switches
 - * Light fixtures and ceiling fans
 - * Security systems
 - * Built-in appliances
 - * Central vacuum systems
 - * Water filtration, conditioning, and re-circulation systems

Excluded Costs

Items that can be excluded are those that are not directly associated with the building. The following list characterizes the types of costs that may be excluded:

- Clean-up and trash removal
- Costs to temporarily stabilize a building so that it is safe to enter to evaluate required repairs
- costs to obtain or prepare plans and specifications
- Land survey costs
- Permit fees and inspection fees
- Carpeting and re-carpeting installed over finished flooring such as wood or tiling
- Outside improvements, including landscaping, irrigation, sidewalks, driveways, fences, yard lights, swimming pools, pool enclosures, and detached accessory structures (e.g., garages, sheds, and gazebos)
- Costs required for the minimum necessary work to correct existing violations of health, safety, and sanitary codes
- Plug-in appliances such as washing machines, dryers, and stoves

Owner's Affidavit: Substantial Improvement or Repair of Substantial Damage

Property Address:

Parcel ID Number:

Owner's Name:

Owner's Address/Phone:

Contractor:

Contractor's License Number:

Date of Contractor's Estimate:

Thereby attest that the description included in the permit application for the work on the existing building that is located at the property identified above, is all of the work that will be done, including all improvements, rehabilitation, remodeling, repairs, additions, and any other form of improvement.

I further attest that I have requested the above-identified contractor to prepare a cost estimate for all of the work, including the contractor's overhead and profit.

I acknowledge that if, during the course of construction, I decide to add more work or to modify the work described, that the Town of Salisbury will re-evaluate its comparison of the cost of work to the market value of the building to determine if the work is substantial improvement. Such re-evaluation may require revision of the permit and may subject the property to additional requirements.

I also understand that I am subject to enforcement action and/or fines if inspection of the property reveals that I have made or authorized repairs or improvements that were not included in the description of work and the cost estimate for that work that were the basis for issuance of a permit.

Owner's Signature:

Date:

Notarized:

Contractor's Affidavit: Substantial Improvement or Repair of Substantial Damage

Property Address:

Parcel ID Number:

Owner's Name:

Owner's Address/Phone:

Contractor:

Contractor's License Number:

Date of Contractor's Estimate:

I hereby attest that I have personally inspected the building located at the above-referenced address and discussed the nature and extent of the work requested by the owner, including all improvements, rehabilitation, remodeling, repairs, additions, and any other form of improvement.

At the request of the owner, I have prepared a cost estimate for all of the improvement work requested by the owner and the cost estimate includes, at a minimum, the cost elements identified by the Town of Salisbury that are appropriate for the nature of the work. If the work is repair of damage, I have prepared a cost estimate to repair the building to its pre-damage condition.

I acknowledge that if, during the course of construction, the owner requests more work or modification of the work described in the application, that a revised cost estimate must be provided to the Town of Salisbury, which will re-evaluate its comparison of the cost of work to the market value of the building to determine if the work is substantial improvement. Such re-evaluation may require revision of the permit and may subject the property to additional requirements.

I also understand that I am subject to enforcement action and/or fines if inspection of the property reveals that I have made or authorized repairs or improvements that were not included in the description of work and the cost estimate for that work that were the basis for issuance of a permit.

Owner's Signature:

Date:

Notarized:

Substantial Improvement Worksheet for Floodplain Construction

(for reconstruction, rehabilitation, addition, or other improvements, and repair of damage from any cause)

Property Owner: _____
Address: _____
Permit No.: _____
Location: _____
Description of improvements: _____

Present Market Value of structure ONLY (market appraisal or adjusted assessed value, BEFORE improvement, or if damaged, before the damage occurred), not including land value:

\$

Cost of Improvement -

Actual cost of the construction** (see items to include/exclude)

\$

Include volunteer labor and donated supplies.

Ratio = $\frac{\text{Cost of Improvement (or Cost to Repair)}}{\text{Market Value}} \times 100$

%

If ratio is 50 percent or greater (**Substantial Improvement**), entire structure including the existing building must be elevated to the base flood elevation (BFE) and all other aspects brought into compliance.

Important Notes:

1. Review cost estimates to ensure that all appropriate costs are included or excluded.
2. If a residential pre-FIRM building is determined to be substantially improved, it must be elevated to or above the BFE. If a non-residential pre-FIRM building is substantially improved, it must be elevated or dry floodproofed to the BFE.
3. Proposals to repair damage from any cause must be analyzed using the formula shown above.
4. Any proposed improvements or repairs to a post-FIRM building must be evaluated to ensure that the improvements or repairs comply with floodplain management regulations and to ensure that the improvements or repairs do not alter any aspect of the building that would make it non-compliant.
5. Alterations to and repairs of designated historic structures may be granted a variance or be exempt under the substantial improvement definition) provided the work will not preclude continued designation as a "historic structure."
6. Any costs associated with directly correcting health, sanitary, and safety code violations may be excluded from the cost of improvement. The violation must have been officially cited prior to submission of the permit application.

Determination completed by: _____

Date: _____

DEPARTMENT OF HOMELAND SECURITY
 FEDERAL EMERGENCY MANAGEMENT AGENCY
ADJUSTER PRELIMINARY DAMAGE ASSESSMENT

NATIONAL FLOOD
 INSURANCE PROGRAM

O.M.B. No. 1660-0005
 Expires September 30, 2010

Privacy Act Statement

The information requested is necessary to process the subject loss. The authority to collect the information is Title 42, U.S. Code, Section 4001 to 4028. It is voluntary on your part to furnish the information. However, omission of an item may preclude processing of the form. The information will not be disclosed outside of the Federal Emergency Management Agency, except to the servicing agent, acting as the government's fiscal agent; to claims adjusters to enable them to confirm coverage and the location of insured property; to certain Federal, State, and Local Government agencies for determining eligibility for benefits and for verification of nonduplication of benefits; to the Department of Justice for UIPOses of litigation or as required by law; and to State and Local agencies for acquisition and relocation related projects, cODBistent with the National Flood Insurance Program and consistent with the routine uses described in the program's system of record. Failure by you to provide some or all of the information may result in delay in processing or denial of this claim and/or application.

Paperwork Borden Disclosure Notice

Public reporting burden for this form is estimated to average 15 minutes per response. The burden estimate includes the time, effort or financial resources expended by persons to generate, maintain, retain, disclose, or provide information to the Mitigation Division or its agent. You are not required to respond to this collection of information unless a currently valid OMB control number and expiration date is displayed in the upper right corner of the these forms. Send comments regarding the accuracy of the burden estimate and suggestions for reducing the burden to: Information Collections Management, Department of Homeland Security, Federal Emergency Management Agency, 500 C Street, S.W., Washington, OC 20472, and Paperwork Reduction Project (1660-0005). NOTE: **Do not send your' completed form to this address. Send completed forms to: NFIP Bureau & Statistical A2ent, Certification Coordinator, P.O. box 310, Lanham, MD 10703-**

WYO COMPANY	DATE OFLOSS	ADJUSTER	FICO NUMBER
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This form is to be used for advisory imposes in helping FEMA and communities identify potential substantially damaged buildings. The adjuster will use "replacement cost" when completing this form; however, the community is required under the National Flood Insurance Program to use "market value" in determining substantial damage.

PLEASE PRINT LEGIBLY

POLICY HOLDER	POLICY NUMBER
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PROPERTY ADDRESS (include zip code)

...PROBABLE REPAIR COST	BUILDING REPLACEMENT COST VALUE	BUILDINGACTUAL CASHVALUE
	\$	\$

POLICY HOLDER	POLICY NUMBER
---------------	---------------

PROPERTY ADDRESS (include zip code)

**PROBABLE REPAIR COST	BUILDING REPLACEMENT COST VALUE	BUILDING ACTUAL CASH VALUE
	\$	\$

POLICY HOLDER	POLICY NUMBER
---------------	---------------

PROPERTY ADDRESS (include zip code)

...PROBABLE REPAIR COST	BUILDING REPLACEMENT COST VALUE	BUILDINGACTUAL CASHVALUE
	\$	\$

••This is an estimate of the cost to repair the building to its pre-flood condition.

Privacy Act Statement

The information requested is necessary to process the subject loss. The authority to collect the information is Title 42, U.S. Code, Section 4001 to 4028. It is voluntary on your part to furnish the information. However, omission of an item may preclude processing of the form. The information will not be disclosed outside of the Federal Emergency Management Agency, except to the servicing agent, acting as the government's fiscal agent; to claims adjusters to enable them to confirm coverage and the location of insured property; to certain Federal, State, and Local Government agencies for determining eligibility for benefits and for verification of agencies for acquisition and relocation-related projects, consistent with the National Flood Insurance Program and consistent with the routine uses described in the program's system of record. Failure by you to provide some or all of the information may result in delay in processing or denial of this claim and/or application.

PAPERWORK BURDEN DISCLOSURE NOTICE

Public reporting burden for the collection of information titled Claims for National Flood Insurance Program (NFIP) is estimated to average 6 hours per response. The burden estimate includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and submitting these forms. You are not required to respond to this collection of information unless a currently valid OMB control number and expiration date is displayed in the upper right corner of the these forms. Send comments regarding the accuracy of the burden estimate and suggestions for reducing the burden to: Information Collections Management, Department of Homeland Security, Federal Emergency Management Agency, 500 C Street, S.W., Washington, DC 20472, Paperwork Reduction Project (1660-0005). **NOTE: Do not send your completed form to this address.**

FEMA Form No.	Title	Burden Hours
81-40	Worksheet-Contents-Personal Property	2.5 Hours
81-41	Worksheet-Building	2.5 Hours
81-4-1A	Worksheet-Building (Cont'd)	1.0 Hours
81-42	Proof of Loss	.08 Hours
81-42A	Increased Cost of Compliance	2.0 Hours
81-43	Notice of Loss	.07 Hours
81-44	Statement as to Full Cost to Repair or Replacement Cost Coverage, Subject to the Terms and Conditions of this Policy	.10 Hours
81-57	National Flood Insurance Program Preliminary Report	.07 Hours
81-58	National Flood Insurance Program Final Report	.07 Hours
81-59	National Flood Insurance Program Narrative Report	.08 Hours
81-63	Cause of Loss and Subrogation Report	1 Hour
81-96	Manufactured (Mobile) Home/Travel Trailer Worksheet	.50 Hours
81-96A	Mobile Home/Travel Trailer Worksheet (Continued)	.25 Hours
81-98	Increased Cost of Compliance (ICC) Adjuster Report	.42 Hours
81-109	Adjuster Preliminary Damage Assessment	.25 Hours
81-110	Adjuster Certification Application	.25 Hours