

Determining Whether an Improvement Project Meets the Definition of Substantial Improvement/Damage

When buildings undergo repair or improvement, it is an opportunity for local communities to reduce the risk of flood damage to existing structures. Santa Cruz County participates in the National Flood Insurance Program (NFIP) by adopting and enforcing regulations and codes that apply to development in Special Flood Hazard Areas (SFHAs). The Geologic Hazards ordinance (County Code Chapter 16.10) contains NFIP requirements that are not only for new structures, but also for existing structures with proposed “substantial improvements” or repair of “substantial damage.” Santa Cruz County officials must therefore determine whether proposed work qualifies as a substantial improvement or repair of substantial damage (SI/SD). If work on buildings constitutes SI/SD, then structures must be brought into compliance with NFIP requirements for new construction, including the requirement that lowest floors be elevated to or above the base flood elevation (BFE).

County Code defines SI/SD as follows:

Substantial improvement (SI) means *any repair, reconstruction, rehabilitation, addition, alteration or improvement to a structure, or the cumulative total of such activities over a five year period (see cumulative improvement, below), the cost of which equals or exceeds 50 percent of the market value of the structure immediately prior to the issuance of the building permit. This term includes structures that have incurred “substantial damage” regardless of the actual repair work proposed or performed. This term does not include any project or portion of a project to upgrade an existing habitable structure to comply with current state or local health, sanitary, or safety code specifications which are the minimum necessary to assure safe living conditions, any alteration of an historic structure, provided that the alteration will not preclude the structure’s continued designation as an historic structure.*

Substantial damage (SD) 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 as it existed before the damage occurred.*

Cumulative Improvement means *for the purposes of calculating substantial improvement, two or more instances of repair, reconstruction, alteration, addition, or improvement to a structure, over the course of five consecutive years. If the value of such activities, when added together, equals or exceeds fifty (50) percent of the market value of the structure, the activity as a whole shall be considered to be a “substantial improvement.”*

If your project will be located within a SFHA, provide the items listed below with your building permit application. If you wish to complete this process prior to submitting your building permit application, bring the listed items and apply at the Zoning counter for a Geologic Hazards Assessment for Flooding (Flood GHA).

Submittal requirements:

1. An appraisal of the existing structure prepared by a licensed appraiser based on the cost approach
2. Existing site and floor plans
3. Preliminary project plans

County Planning Staff will review the appraisal and project plans. We calculate the cost of improvements based upon the following table. In some cases we may request a cost estimate from a licensed contractor.

Square Foot Construction Costs
(for use in calculation of substantial improvement)

Group	Description	FEMA A Zone		FEMA V Zone	
		Type of Construction		Type of Construction	
		VA	VB	VA	VB
A-1	Assembly, theaters, with stage	318.27	306.56	477.40	459.84
	Assembly, theaters, without stage	279.77	268.06	419.65	402.09
A-2	Assembly, nightclubs	242.92	234.74	364.38	352.11
A-2	Assembly, restaurants, bars, banquet halls	238.79	232.68	358.18	349.01
A-3	Assembly, churches	286.21	274.50	429.32	411.75
A-3	Assembly, general, community halls, libraries, museums	225.90	216.23	338.85	324.35
A-4	Assembly, arenas	275.64	265.99	413.46	398.99
B	Business	224.46	215.22	336.68	322.83
E	Educational	257.23	247.53	385.85	371.29
F-1	Factory and industrial, moderate hazard	123.14	116.51	184.72	174.77
F-2	Factory and industrial, low hazard	123.14	114.45	184.72	171.67
H-1	High Hazard explosives	113.54	-	170.31	-
H234	High Hazard	113.54	104.84	170.31	157.27
H-5	HPM	224.46	215.22	336.68	322.83
I-1	Institutional, supervised environment	242.14	232.66	363.20	348.98
I-2	Institutional, hospitals	439.45	-	659.18	-
I-2	Institutional, nursing homes	281.32	-	421.98	-
I-3	Institutional, restrained	274.34	260.97	411.50	391.46
I-4	Institutional, day care facilities	242.14	232.66	363.20	348.98
M	Mercantile	161.81	155.70	242.71	233.54
R-1	Residential, hotels	245.73	236.23	368.59	354.34
R-2	Residential, multiple family	193.99	184.49	290.98	276.73
R-3	Residential, one- and two- family	212.17	200.00	318.25	300.00

R-4	Residential, care / assisted living facilities	242.14	232.66	363.20	348.98
S-1	Storage, moderate hazard	109.41	102.78	164.11	154.17
S-2	Storage, low hazard	109.41	100.71	164.11	151.07
U	Utility, miscellaneous	81.85	77.91	122.78	116.86

Notes: Private Garages use Utility, miscellaneous
 Unfinished basements (all use group) = \$30.98 per sf
 For shell only buildings deduct 20%

If the construction costs associated with your project (or the total costs of improvements over a 5-year period) exceed the substantial improvement/damage dollar value determined as described above, the structure will be required to comply with applicable County codes for development within the Special Flood Hazard Area (SFHA).