



Santa Cruz County Flood Control District Notice to Property Owners

Substantial Improvement and Substantial Damage

*Rebuilding your Home after a flood, fire, or earthquake?
Adding on, renovating, or remodeling your home?*

Save yourself time, aggravation and money. Please read the following information carefully:

If your home or business is below the 100-year regulatory flood elevation, then Santa Cruz County 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, then 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.

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.

Substantial Damage means damage of any origin (flood, fire, earthquake, etc.) 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 or replacement cost of the structure before the damage occurred. The cost of the repairs must include all costs necessary to fully repair the structure to its before damage condition.

If a building is “substantially damaged” or “substantially improved”, it must be brought into compliance with Santa Cruz County’s Floodplain and Erosion Hazard Management Ordinance, No. 2001-03, including elevating the building one-foot above the 100-year flood elevation.

Santa Cruz County, following National Flood Insurance Program requirements, has the responsibility to determine “substantial improvement” and “substantial damage” and has implemented the following procedures to do so.

PROCEDURES

- 1-) You must obtain and submit complete plans and other documentation in duplicate detailing the addition, remodeling, and reconstruction or repair of all the damages sustained by your structure, prepared and signed by a licensed general contractor, a registered architect, or a registered civil engineer.
- 2-) Santa Cruz County will complete a cost estimate of the improvements/repairs to your structure. For damage repairs after widespread disasters, pre-event (flood, fire, earthquake, etc.) prices and rates will be utilized.

Initial Screening

- 3-) Santa Cruz County will estimate the Market Value using the tax-assessed value of your structure excluding the land value.
- 4-) If the ratio of the improvement/repair cost (number 2) divided by the initial market value estimate (number 3) is less than or equal to 40-percent, then the improvement/repair is not substantial, go to number 13 below.
- 5-) If the ratio of the improvement/repair cost (number 2) divided by the initial market value estimate (number 3) is greater than or equal to 60-percent, then the structure is a substantial improvement. If you agree with the initial screening evaluation of your structure’s market value, go to number 14 below. If you disagree with the initial screening evaluation of your structure’s market value, go to number 10 below.
- 6-) If the ratio of the improvement/repair cost (number 2) divided by the initial market value estimate (number 3) is between 40 and 60-percent, then Santa Cruz County will complete a detailed market value estimate, go to number 7 below.

Detailed Evaluation

- 7-) Community will complete a detailed analysis of the structure’s Actual-Cash-Value to estimate the market value.
- 8-) If the ratio of the improvement/repair cost (number 2) divided by the detailed market value estimate (number 7) is less than 50-percent, then the improvement/repair is not substantial, go to number 13 below.
- 9-) If the ratio of the improvement/repair cost (number 2) divided by the detailed market value estimate (number 7) is greater than or equal to 50-percent, then the structure is a substantial improvement. If you agree with the detailed evaluation of your structure’s market value, go to number 14 below. If you disagree with the

detailed evaluation of your structure's market value, go to number 10 below.

Certified Appraisal on Appeal

- 10-) You may hire an Arizona licensed appraiser and submit a certified comparable property appraisal for the depreciated value of the structure. Appraisals based on external or economic obsolescence are not acceptable. The Santa Cruz County Flood Control District will review this appraisal for reasonableness. If the appraisal is deemed reasonable, then it will be used to make the final determination for substantial improvement.
- 11-) If the ratio of the improvement/repair cost (number 2) divided by the property appraisal for the depreciated value of the structure (number 10) is less than 50-percent, then the improvement/repair is not substantial, go to number 13 below.
- 12-) If the ratio of the improvement/repair cost (number 2) divided by the property appraisal for the depreciated value of the structure (number 10) is greater than or equal to 50-percent, then the structure is a substantial improvement, go to number 14 below.

Owner and Contractor/Architect/Civil-Engineer Affidavits

- 13-) You must obtain and submit to Santa Cruz County Flood Control District signed owner and contractor/architect/civil-engineer affidavits indicating that the plans submitted include all damages or all improvements to your structure (see attached lists of costs that must be included and costs that may be excluded).

Substantial Improvement Floodplain Management Requirements

- 14-) Because your structure is being substantially improved/repared it is considered new construction and must meet all of the requirements of Santa Cruz County's Floodplain and Erosion Hazard Management Ordinance, No. 2001-03. You can get a copy of this ordinance from the Santa Cruz County Flood Control District.
- 15-) If the lowest floor is below the base flood elevation, then the building must be elevated to or above that level. Likewise, all electrical and mechanical equipment (heating and cooling, etc.), bathrooms, laundry rooms, etc., must be elevated one foot above the base flood elevation. Non-residential buildings may be "dry-floodproofed" in lieu of being elevated.
- 16-) You must obtain and submit building plans in duplicate that show how the building is to be elevated. If your building is non-residential and you wish to dry-floodproof it, then these plans must be prepared and certified by an Arizona registered professional engineer or architect.
- 18-) For substantially damaged structures, if the lowest floor, electrical and mechanical equipment, bathrooms, laundry rooms, etc., are already a minimum of one foot above the 100-year base flood elevation, then the building can be repaired and reconstructed without further modifications.

Improvement Costs That Must Be Included

All structural elements, including but not limited to:

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 but not limited to:

Tiling, linoleum, stone, or carpet over subflooring
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 but not limited to:

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 re-circulation systems

Miscellaneous:

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

Improvement Costs That May Be Excluded

Plans and specifications
Survey costs
Permit fees
Debris removal (e.g., removal of debris from building or lot, dumpster rental, transport fees to landfill and landfill dumping fees), and 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, stoves not built-in, etc.
Outside improvements, including:
Landscaping
Sidewalks
Fences
Yard lights
Swimming pools
Screened pool enclosures
Sheds
Gazebos
Detached structures (including garages)
Landscape irrigation systems