

P&Z SUBSTANTIAL IMPROVEMENT FLOOD GUIDE

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WHAT IS A " SUBSTANTIAL IMPROVEMENT? "

If a property is located in a **Special Flood Hazard Area (A, AE or VE Zones)** and any improvements are being proposed, the Planning and Zoning staff is required to determine if a structure will be substantially improved.

"Substantial Improvement" is defined in the *Westport Zoning Regulations* as follows:

Any combination of repairs, reconstruction, alteration or improvements to a structure, during any five (5) year period, in which the cumulative cost equals or exceeds fifty (**50%**) percent of **the market value** as **defined herein** of the existing structure before "the start of construction" of the improvement. This term also includes structures which have incurred "*Substantial Damage*," regardless of the actual repair work performed.

For the purpose of this definition "**substantial improvement**" is considered to occur when the first alteration of any wall, ceiling, floor or other structural part of the building commences, whether or not that alteration affects the external dimensions of the structure. The term does not, however, include any project for improvement of a structure to correct existing violations of state or local health, sanitary, building, fire or safety code specifications which have been previously identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions.

The starting date to determine cumulative costs will be 5 years prior to the issuance of any permit under consideration. All future work considered will require appropriate approvals prior to construction. All cumulative costs will be re-evaluated at the time the permits are issued.

"Market Value" is defined in the *Westport Zoning Regulations* as follows:

The Value of Real Property (i.e. building.) as determined by dividing the assessed value of the building as shown on the official Tax Assessor's records by the current assessment sales ratio established by the State Office of Policy and Management (OPM) prior to the start of the initial repair or improvement, or in the case of damage, the value of the Structure prior to the damage occurring.

Note: The Market Value does **not** include the value of the land, or other structures on the property.

A substantially improved residential structure in a Flood Zone must be brought into compliance with the *Westport Zoning Regulations* for new construction. This means the structure, including the cellar/basement must be elevated to or above the level of the 100-year or base flood, and meet other applicable requirements. These regulations are based upon the Federal Emergency Management Agency (FEMA) requirements and affect your flood insurance costs.

Existing residential structures can be "substantially improved" by interior renovations or new additions, including second floor additions.

Substantial Improvement Thresholds:

It is the responsibility of the **Planning and Zoning staff** to ensure that the market value estimates are accurate and the cost estimate reflects the actual costs to fully repair the damage and make any other improvements to the structure.

The staff requires that the permit applicant or owner of the building supply the proposed construction cost estimate, or contractor's contract, to make the determination.

The staff then uses the latest "*Means Square Foot Costs*" and "*Means Construction Cost Data*" books to determine the accuracy of the estimate. These are nationally accepted manuals, which itemize all components involved with construction. The manual provides adjustment rates to handle the varying construction costs throughout the country.

Q: What should be included in a contractor's estimate?

A: Basically, the only items that are **not** included in the cost include plans, specification surveys and permit fees. All materials that are permanently a part of the structure should be included in the cost estimate. These items include, but are not limited to: windows, doors, hardwood floors, wall to wall carpeting, sheetrock, lumber, roofing material, footings, pilings, kitchen cabinets and counter tops, bathroom vanities, tiling, plumbing fixtures, new furnaces, hot water heaters, heating and air conditioning systems, electrical work and labor.

The cost of all materials involved in new construction or replacing and restoring a structure to its pre-damaged condition must be included. Even if volunteer labor is used, it must be estimated based on minimum-hour wage scales for the type of construction work that is done.

The OPM current sales ratios as of February 2016 are as follows:

Residential Ratio 70.00%
Commercial Ratio 70.00%