

## **Costs That Must be Included in SI/SD Determinations**

- Materials and Labor
- Site Preparation related to the improvement or repair
- Demolition and construction debris removal
- Related labor
- Costs associated with regulations or code requirements
- Costs associated with elevating a structure when the proposed elevation is lower than the BFE
- Construction Management and Supervision
- Contractor's overhead and profit
- Sales tax on materials
- Structural elements and exterior finishes
- Interior Finish elements
- Utility and service equipment

**Check FEMA P-758: Substantial Improvement/Substantial Damage Desk Reference Section 4.4 for a complete list of inclusion and exclusion requirements**

[www.norfolk.gov/FEMArequirements](http://www.norfolk.gov/FEMArequirements)

## **Costs That May be Excluded from SI/SD Determinations**

- Clean up and trash removal
- Costs to temporarily stabilize a building
- Costs to obtain or prepare plans and specifications
- Permit and inspection fees
- Carpeting and recarpeting installed over finished flooring
- Outside improvements including landscaping, irrigation, sidewalks, driveways, etc.
- Costs required for the minimum work necessary to correct existing violations of health, safety and sanitary codes
- Plug-in appliances

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# Substantial Improvement in the Floodplain

## What is Substantial Improvement?

### Definition:

Any reconstruction, rehabilitation, addition, or other improvement of a structure the cost of which either:

Equals or exceeds 50 percent of the market value of the structure before the "start of construction" of the improvement. This term includes structures which have incurred "repetitive loss damage" regardless of the actual repair work performed; or  
Over a ten-year period, equals or exceeds 50 percent of the market value of the structure at the time of the most recent proposed improvement.

### Why it's Important:

It is important to know the percentage of improvement costs to a building in order to determine further construction efforts and whether additional work will be needed to comply with local codes and ordinances.

If substantial improvement is determined, the property will need to come into full compliance with current regulations.

## Calculation:

$$\frac{\text{Cost of Improvement}}{\text{Pre-Improvement Market Value of the Building}} \geq 50\% \text{ of the Pre-Improvement Market Value of the Building}$$


**Market Value Defined:** The recent appraised value of the building, not including land value. This can be found through the City's Office of the Real Estate Assessor and on [air.norfolk.gov](http://air.norfolk.gov) as the "Improvement Value."


### Potential Triggers for Substantial Improvement:

- Rehabilitation or remodeling of a structure, with or without changing the external dimensions
- Lateral additions that may or may not involve structural modifications of the load-bearing structure of the existing structure
- Vertical additions
- Repair, reinforce, or replacement foundations, including extending existing foundations
- Repair of damage of any origin that is necessary to restore a structure to its pre-damage condition
- Work on structures that were compliant at the time of construction
- Work on existing structures where BFE's flood zones have been revised

## Always Remember to Check Permit Requirements Before Beginning Construction:

### Contact Us:

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 [planreviewpermits@norfolk.gov](mailto:planreviewpermits@norfolk.gov)

### Useful Links:

1

[www.norfolk.gov/zoning](http://www.norfolk.gov/zoning)

2

[www.norfolk.gov/floodopenings](http://www.norfolk.gov/floodopenings)

3

[www.norfolk.gov/flooddamage](http://www.norfolk.gov/flooddamage)

4

[www.norfolk.gov/damagedbuildings](http://www.norfolk.gov/damagedbuildings)

5

[www.norfolk.gov/substantialdamage](http://www.norfolk.gov/substantialdamage)