REQUIREMENTS FOR APPLICATIONS FOR PERMITS FOR SUBSTANTIAL IMPROVEMENTS

In order to reduce future flooding losses, the City of Charleston requires that new construction, substantial improvements, and repair to substantial damage for properties in Special Flood Hazard Areas must achieve compliance with Floodplain Management regulations, including that the lowest floor must be elevated to at least one foot above the base flood elevation.

A determination of substantial improvement or repair of substantial damage is made when the five-year cumulative cost of improvements or repairs equals or exceeds 50% of the market value of the building.

Applications for permits to work on existing buildings that may constitute substantial improvement must include the following:

□ Current photographs of the exterior facades (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

□ You may submit a market value appraisal prepared by a licensed professional appraiser or we will use the tax assessment value of the building

□ One of the following:
  ▪ Itemized contract showing all proposed improvements or all repairs to damage
  ▪ Owner’s affidavit (signed and dated)

A sample substantial improvement calculation, list of included excluded costs, owner’s affidavit, and further explanation of substantial improvements are provided following these application requirements. If you have any questions regarding this information, please contact City of Charleston Floodplain Management at julkas@charleston-sc.gov or 843-742-3760.
Substantial Improvement Worksheet for Floodplain Construction
(for reconstruction, rehabilitation, addition, or other improvements, and repair of damage from any cause)

Property Owner: Citizen
Address: 123 Main Street
Permit No.: SF2019-02468
Location: James Island, Charleston County
Description of improvements: Kitchen renovation, rear addition of master suite

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: $150,000

Cost of improvement - Actual cost of the construction** (see items to include/exclude) $82,000
**Include volunteer labor and donated supplies.**

Ratio = \( \frac{\text{Cost of Improvement (or Cost to Repair)}}{\text{Market Value}} \times 100 \) 54.67 %

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: Floodplain Manager
Date: 7/11/2019
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 recirculation systems

Source: FEMA P-758, Substantial Improvement/Substantial Damage Desk Reference
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 recarpeting 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

Source: FEMA P-758, Substantial Improvement/Substantial Damage Desk Reference
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: ____________________________________________________

I hereby 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 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 City of Charleston
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:
EXPLANATION OF SUBSTANTIAL IMPROVEMENTS

The City of Charleston’s floodplain management regulations and codes specify that all new buildings to be constructed in Special Flood Hazard Areas (regulated floodplains) are required to have their lowest floors elevated to at least one foot above the base flood elevation. The regulations also specify that substantial improvement of existing buildings (remodeling, rehabilitation, improvement, or addition) or buildings that have sustained substantial damage must be brought into compliance with the requirements for new construction. 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 the property. The most significant compliance requirement is that the lowest floor, as defined in Chapter 27, Article 2, Division 3 of the City’s Code of Ordinances, must be elevated to at least one foot above the base flood elevation, as shown on the current FEMA Flood Insurance Rate Map. 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.

Our regulations define these terms:

**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 repair work performed.

To make the substantial improvement determination or the substantial damage determination, we compare the cumulative cost of improvements or repairs over the last five years, including 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.
Please note:

- You must provide an 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. For work that may constitute substantial improvement, we will require that it be broken down to show all materials and labor estimates.

- 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. Alternatively, you may 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.

If you have any questions regarding this information, please contact City of Charleston Floodplain Management at julkas@charleston-sc.gov or 843-724-3760. You may also learn more about substantial improvement in the following resources:

FEMA P-758 / May 2010: *Substantial Improvement / Substantial Damage Desk Reference*

FEMA 213 / August 2018: *Answers to Questions About Substantially Improved / Substantially Damaged Buildings*