

# SUBSTANTIAL DAMAGE / IMPROVEMENT WORKSHEET



The City of Orange Beach codes make reference to the requirement that all new construction and substantial improvements within the Special Flood Hazard Area to be elevated to meet freeboard and/or the design flood elevation requirement. As defined by the City of Orange Beach, substantial improvement is a cumulative amount. Any subsequent improvement project valuation shall be added to the costs for the initial improvement project. At the end of a five year period from the initial improvement project, an updated valuation for the structure can be used for the next time period. This term includes structures which have incurred “repetitive loss” or “substantial damage” regardless of the actual repair work performed. Substantial improvement does not include the following:

- a. Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions, or
- b. Any alteration of a “historic structure” provided that the alteration would not preclude the structure's continued designation as a “historic structure”.

City regulations have established that if the cost of the improvement exceeds 50% of the value of the structure before the improvement, then the improvement will be considered substantial and the entire structure must be elevated to meet freeboard and/or the minimum-elevation requirement. This requirement is consistent with minimum standards associated with the National Flood Insurance Program (Chapter 44, U.S. Federal Code of Regulations).

Attached to this memorandum are worksheets that are required to be completed by the permit applicant or applicant’s representative.

If you have any questions regarding this information, contact the Floodplain Administrator / Building Official for the City of Orange Beach:

Adam Roberson, MCP, CFM  
[aroberson@orangebeachal.gov](mailto:aroberson@orangebeachal.gov)  
251-981-2610



City of Orange Beach • Community Development Department  
P.O. Box 2432 • 4101 Orange Beach Blvd. • Orange Beach, AL 36561  
Office 251.981.2610 • [www.orangebeachal.gov](http://www.orangebeachal.gov)



NATIONAL  
FLOOD  
INSURANCE  
PROGRAM

## NOTICE TO PROPERTY OWNERS

**Rebuilding your Home after the storm? Adding on, renovating, or remodeling your home?**

**Here's information YOU need to know about the 50% Rule.**

If your home or business is below the Design Flood Elevation, the City of Orange Beach has flood damage control 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, these regulations may affect how you rebuild. These laws are required in order for the City to participate with the National Flood Insurance Program, which assists in recovery from a future flood event. These laws must be enforced in order for federally-backed flood insurance to be made available to City of Orange Beach residents and property owners.

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

**SUBSTANTIAL DAMAGE:** Means damage of any origin sustained by a structure whereby the cost of restoring the structure to its' before damage condition would equal or exceed 50 percent of the market value of the structure before the damage occurred. Substantial Damage also means flood related damages sustained by structure on two separate occasions during a 10-year period for which the cost of repairs at the time of each such flood event, on the average, equals or exceeds 25 percent of the market value of the structure before the damages occurred. (NOTE: The cost of the repairs must include all costs necessary to fully repair the structure to its before damage condition).

**SUBSTANTIAL IMPROVEMENT:** Means any reconstruction, rehabilitation, addition, or other improvement of a structure, taking place during a five year period, in which the cost of which equals or exceeds 50 percent of the market value of the structure before the "start of construction" of the improvement.

If a building is "substantially damaged" or "substantially improved", it must be brought into compliance with City of Orange Beach flood damage control regulations, including elevating the building above the 100- year flood elevation.

City of Orange Beach • Community Development Department  
P.O. Box 2432 • 4101 Orange Beach Blvd. • Orange Beach, AL 36561  
Office 251.981.2610 • [www.orangebeachal.gov](http://www.orangebeachal.gov)

The City of Orange Beach, following National Flood Insurance Program (FEMA) requirements, has the responsibility to determine “substantial damage” and “substantial improvement” and has implemented the following procedures to do so:

- The City of Orange Beach will estimate Market Value by using the tax assessment value of your structure (excluding the land).
- If you disagree with this estimate of Market Value, you may hire a state licensed appraiser and submit a comparable property appraisal.
- You must submit to the City of Orange Beach a detailed and complete cost estimate for the addition, remodeling, reconstruction or repair of all the damages sustained by your home, which has been prepared and signed by a licensed general contractor or design professional. The contractor must sign an affidavit indicating that the cost estimate submitted includes all damages or all improvements to your home. (See attached form.)
- The City of Orange Beach will evaluate the cost of improvements or repairs and determine if they are fair and reasonable and in accordance with the cost of construction with the Building Valuation Data published by the International Code Council. For damage repairs, pre-storm prices and rates will be utilized. The cost of improvements or repairs does not include items not considered a permanent part of the structure (i.e., plans, surveys, permits, sidewalks, pools, screens, sheds, gazebos, fences, etc.). (See attached form.)
- If your home is determined to have “substantial damage” or is proposed to be “substantially improved”, then an Elevation Certificate must be submitted to the City of Orange Beach to determine the lowest floor elevation.
- If the lowest floor is below the design flood elevation, the building must be elevated to or above that design flood elevation. Likewise, all electrical and mechanical equipment (heating and cooling, etc.), bathrooms and laundry rooms must be elevated above the design flood elevation. Only parking, building access, and limited, incidental storage is allowed below the design flood level (velocity zones and regulatory floodways have further restrictions).
- If the lowest floor, electrical and mechanical equipment, laundry and bathrooms are already above the design flood elevation, the building can be repaired and reconstructed without further modifications.
- Building plans must be prepared to show how the building is to be elevated. If located in a velocity zone or regulatory floodway, or if the building is to be floodproofed, additional requirements and certifications exist. These plans must be prepared and certified by a registered professional engineer or architect. (Certificates for this purpose are available from the Community Development Department).

# **SUBSTANTIAL IMPROVEMENT/DAMAGE ITEMS TO BE INCLUDED IN ESTIMATING COST:**

All structural elements including but not limited to:

- Spread or continuous foundation footings and pilings
- Monolithic or other types of concrete slabs
- Bearing wall, 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 retiling of roof, and
- Hardware

All interior finish elements, including but not limited to:

- Tiling, linoleum, stone, wood or carpet over sub-flooring
- 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, and
- Hardware

All utility and service equipment, including but not limited to:

- HVAC equipment and duct work
- Repair or reconstruction of plumbing and electrical services
- Light fixtures and ceiling fans
- Security systems
- Built-in kitchen appliances
- Central vacuum systems, and
- Water filtration, conditioning or recirculation systems

Also:

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

## **SUBSTANTIAL IMPROVEMENT/DAMAGE ITEMS TO BE EXCLUDED IN ESTIMATING COST:**

- 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 tipping fees)
- Clean-up (e.g. dirt or mud removal and building dry out)
- Items not considered real property such as throw rugs (carpeting over finished floors), furniture, refrigerators, and 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

# ITEMS REQUIRED TO DETERMINE SUBSTANTIAL DAMAGE/IMPROVEMENT

Applicant must submit the following (make sure to have extra copies for your files):

1. Complete the attached application.
2. Detailed Cost of Improvement/Reconstruction. (Estimate and Affidavit, signed by a general contractor or licensed design professional and a copy of the license).
3. Elevation Certificate or Elevation Survey.
4. Current photos, or photos before and after the storm (if available).
5. Floor plan drawing (if available).
6. Owner's affidavit- signed and dated.
7. Contractor's affidavit- signed and dated.

## GUIDELINES TO COMPLETE THE ATTACHED RECONSTRUCTION/IMPROVEMENT COST ESTIMATE

Reconstruction/Repair Ratio – Percentage of item that must be repaired or reconstructed.  
(Example: The home has 2 windows; only 10 were damaged and are being replaced; the ratio should equal 50%.)

ITEMS	COST (LABOR & MATERIAL)	RECON/REPAIR RATIO OF WORK	OFFICIAL USE
Concrete, Form, etc.	\$4,500.00	40%	
Carpentry Material	\$9,004.00	100%	
Doors/Windows, Shutters	\$2,046.00	50%	

# ESTIMATED COST OF RECONSTRUCTION/IMPROVEMENT

PLAN REVIEW#: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

This Cost Estimate of Reconstruction/Improvement must be prepared and signed by a General Contractor or Home Builder licensed in the State of Alabama.

ITEMS	COST		CONSTRUCTION/REPAIR RATIO OF WORK	OFFICIAL USE
	LABOR	MATERIALS		
Concrete, Form, etc.				
Carpentry Material (rough)				
Carpentry Labor (rough)				
Roofing				
Insulation & Weather Strip				
Exterior Finish (stucco)				
Doors, Windows & Shutters				
Lumber Finish				
Carpenter labor (finish)				
Hardware (finish)				
Hardware (rough)				
Cabinets (built-in)				
Floor covering (tile/rug)				
Plumbing				
Shower/Tub/Toilet				
Electrical				
Light Fixtures				
Built-in Appliances				
HVAC				
Paint				
Demolition and Removal				
Overhead and Profit				
TOTALS:				

(Please attach any additional information.)

Contractor's Name: \_\_\_\_\_

GC or HBLB Lic #: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

# OWNER RECONSTRUCTION/IMPROVEMENT AFFIDAVIT

Contractor's Name: \_\_\_\_\_ License #: \_\_\_\_\_

Owner Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

I hereby attest to the fact that the repairs/reconstruction and/or remodeling list submitted for the Substantial Damage/Improvement Review by my contractor are ALL OF THE DAMAGES/IMPROVEMENTS sustained by this structure and will be done to the existing building and that all additions, improvements, or repairs on the subject building are included in this estimated construction herewith. No other contractor has made any repairs or reconstruction or additions or remodeling not included in the attached list.

I understand that I am subject to enforcement action and/or fines if inspection of the property reveals that I have made repairs or improvements NOT INCLUDED ON THE ATTACHED LIST OF REPAIRS to MY HOME or that I have included non-conforming or illegal structures/additions, to the existing structure without having presented plans for such additions. I understand that any permit issued by The City of Orange Beach pursuant to this affidavit does not authorize the reconstruction, repair or maintenance of any illegal additions or non-conforming uses or structures on the subject property.

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

Before me this day personally appeared \_\_\_\_\_, who, being duly sworn deposes and says that he/she has read, understands, and agrees to comply with all the aforementioned conditions.

\_\_\_\_\_  
Owner's Signature

\_\_\_\_\_  
Co-Owner

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_ A.D., Year \_\_\_\_\_.

\_\_\_\_\_  
Notary Public Signature

My commission expires: \_\_\_\_\_



# CONTRACTOR RECONSTRUCTION/IMPROVEMENT AFFIDAVIT

Contractor's Name: \_\_\_\_\_

Address: \_\_\_\_\_ License #: \_\_\_\_\_

Property Address: \_\_\_\_\_ Phone #: \_\_\_\_\_

I hereby attest to the fact that I, or a member of my staff, personally inspected the above mentioned property and produced the attached itemized list of repairs, reconstruction, and/or remodeling list that are hereby submitted for a Substantial Damage/Improvement Review. These damages/improvements are **ALL OF THE DAMAGES/IMPROVEMENTS** sustained by this structure, and that all additions, improvements, or repairs proposed on the subject building are included in this estimate.

I understand that I am subject to enforcement and penalties for violation action and/or fines if the inspection of the property reveals that I have made repairs or improvements **NOT INCLUDED ON THE ATTACHED LIST OF REPAIRS/IMPROVEMENT** to **THIS STRUCTURE** or any non-conforming or illegal structures/addition, or repairs included to the existing structure without having presented plans for such additions. I understand that any permit issued by The City of Orange Beach pursuant to this affidavit does not authorize the reconstruction, repair or maintenance of any illegal additions, or non-conforming uses or structures on the subject property.

See Attached Itemized List

Total Labor & Materials	\$
Overhead & Profit	\$
<b>Total Cost</b>	<b>\$</b>

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

Before me this day personally appeared \_\_\_\_\_, who, being duly sworn deposes and says that he/she has read, understands, and agrees to comply with all the aforementioned conditions.

\_\_\_\_\_  
Contractor's Signature

\_\_\_\_\_  
Date

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_ A.D., Year \_\_\_\_\_.

\_\_\_\_\_  
Notary Public Signature

My commission expires: \_\_\_\_\_