

SUBSTANTIAL IMPROVEMENT/DAMAGE NOTICE TO PROPERTY OWNERS

**Rebuilding or repairing your home/business after the storm?
Adding on, renovating, or remodeling your home/business?
Here's information YOU need to know about *the 50% Rule*.**

Hernando 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, these regulations may affect how you rebuild. These laws are required by the National Flood Insurance Program to protect your lives and investments 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.

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

SUBSTANTIAL DAMAGE shall mean damage of any origin sustained by a structure whereby the cost of restoring the structure to its before-damage condition would equal or exceed fifty (50) percent of the market value of the structure before the damage occurred.

(Note: the cost of the repairs must include all costs necessary to fully repair the structure to before damage condition)

SUBSTANTIAL IMPROVEMENT shall mean any repair, reconstruction, rehabilitation, addition or improvement of a building or structure the cost of which equals or exceeds fifty (50) percent of the market value of the structure before the improvement or repair is started. If the structure has sustained substantial damage, any repairs are considered substantial improvement regardless of the actual repair work performed. The term does not, however, include either:

- (1) Any project for improvement of a building required to correct existing health, sanitary or safety code violations identified by the building official and that are the minimum necessary to assure safe living conditions.
- (2) Any alteration of a historic structure provided that the alteration will not preclude the structure's continued designation as a historic structure

All repairs and improvements must be permitted through the Development Department for properties subject to the Substantial Improvement/Damage review. Even some improvements that typically do not require a permit (i.e. cabinets, floor covering replacement, fixture replacement) must be evaluated as a remodel since the value must be included in the calculation for this review.

If a building is “substantially damaged” or “substantially improved”, it must be brought into compliance with Hernando County Code of Ordinances flood damage prevention regulations, including elevating the building 1' above the Base Flood Elevation. Properties directly abutting the Gulf of Mexico are required to elevate 2' above the Base Flood Elevation. Likewise, all electrical and mechanical equipment (heating and cooling,

etc.), bathrooms and laundry rooms must be elevated as well or removed from the flood hazard area. Only parking, building access and limited incidental storage is allowed below the flood level. Non-residential buildings may be “flood proofed” instead of being elevated. Building permits are required for elevating the structure if necessary.

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

1. Hernando County will estimate Market Value by using the tax assessment value of your structure (excluding the land and features). If you disagree with this estimate of Market Value, you may hire a state licensed appraiser and submit a certified property appraisal for the depreciated value of the structure.
2. You may be required to obtain and submit to Hernando County, a detailed and complete cost estimate for the addition, remodeling, reconstruction or for repair of all the damages sustained by your home/business, prepared and signed by a licensed general contractor. The contractor must sign an affidavit indicating that the cost estimate submitted includes all damages or all improvements, not just structural. Hernando County will evaluate the cost of improvement or repairs and determine if they are acceptable. For damage repairs, **pre-storm prices** and rates will be utilized.
3. In some cases, Elevation Certificates may be requested in order to determine if Substantial Improvement/Damage regulations apply.

Following a Presidential disaster declaration, the Small Business Administration may make loans available for both homes and businesses for purposes of elevating the structure to or above the 100-year flood elevation. Proof of “substantial damage” from Hernando County Development Department is required.

Attached is a guidance list of items to be included and excluded from the Substantial Improvement / Substantial Damage review.

This is intended to be an informational sheet to the Substantial Improvement / Substantial Damage review process. There may be additional information and documentation required based on individual circumstances.

If you have any additional questions please contact our department for assistance.

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