

LANE COUNTY PUBLIC WORKS



SUBSTANTIAL IMPROVEMENT – SUBSTANTIAL DAMAGE GUIDE

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This guide is intended to assist customers on substantial improvement – substantial damage (SI – SD) of structure(s) located in the flood hazard area in Lane County. Prior to work being done or a permit being obtained on an improved or damaged structure a SI – SD determination must first be completed by Lane County Land Management Division Staff. This handout is an extension of the Floodplain Development handout.

What is Substantial Improvement / Substantial Damage?

Any repair, reconstruction or improvement of a structure, the cost which exceeds 50 percent of the market value of the structure either (a) before the improvement or repair is started, or (b) if the structure has been damaged and is being restored, before the damage occurred. Lane Code (LC) requires all SI or SD structures to be constructed with flood damage resistant materials using methods and practices that minimize flood damage found in LC 16.244(8)(d) *Table 1: Provisions for Flood Hazard Reduction*. Development that would trigger a SI – SD determination generally include: remodeling, additions, or new or repaired foundations.

What is Market Value of the structure?

Market Value can be explained as the amount an owner would be willing but not obligated to accept, and that the buyer would be willing but not compelled to pay. The market value is the building's market value "before the start of construction" or "before the damage occurred". There are three methods this community uses to review market value and include:

1) professional property appraisals, 2) actual cash value, or 3) assessed value from Lane County Assessment and Taxation. The community usually uses method No. 3, but when the SI – SD ratio is close or over the 50% threshold, practice is generally to request for a second method from the owner to come to a reasonable conclusion. Note, market value is based on the value of the structure itself, excluding the value of the land the structure is located.

Why do I need to do a SI- SD Floodplain Verification?

Because new construction and substantially improved or damaged structures need to meet current Lane Code Floodplain regulations. If the development is not SI or SD then floodplain requirements do not apply. Staff makes this determination within the Floodplain Verification application and also determines the Base Flood Elevation (in the AE flood zone) and whether or not the structure is located in or out of the mapped floodplain.

What are the steps to do a SI-SD determination?

1) Submit a Floodplain Verification Application with the County (fee \$276):

Include with application:

a) Cost of Improvement or Cost of Repair to its pre-disaster or pre-improvement condition (see attached costs guide for including and excluding repair costs). An itemized repair cost list is preferable from a contractor/professional or homeowner. The applicant can also supplement the repair cost list with the flood insurance claim information if applicable. Alternatively, staff or the owner can calculate cost of improvement from calculations based off of current Oregon ICC building valuation rates. Multiply the total square footage of the work being done with the corresponding valuation figure to determine the total value of the project.

Type of Construction	Valuation* (per sq. ft.)
Commercial Building	Varies
Covered Porch	\$21.66
Deck	\$21.66
Garage	\$43.33
Residential Addition	\$112.65

*Valuation rates based on ICC building valuation data for Oregon and will fluctuate over time. Always inquire to determine the most current rates.

b) Market Value of Structure. Staff can determine the real market value of the structure from Lane County Assessment & Taxation records, or the owner may submit (or we may request) an independent appraisal from a professional appraiser, or actual cash value for the structure from your insurance company with the application.

c) A site plan for the proposal to Lane County standards.

2) Staff issues determination:

If the structure is substantially improved or damaged staff will issue a substantial improvement or damage determination. This determination will list the options to mitigate (or elevate the structure above Base Flood Elevation). If the structure is not substantially improved or damaged, staff will issue their determination and step 3 would not apply (however step 4 may still apply for some situations).

3) Submit a Floodplain Development Permit with County (fee \$414) (if substantially damaged or improved):

This permit discusses the local requirements and conditions for elevating the structure in the Floodplain.

4) Obtain building/sanitation permits with the County:

Prior to any development or demolition obtain any building or sanitation permits.

Example Determination: The assessed value of a home is \$165,000; the owners would like to add a 16' x 12' residential addition to their dwelling. The total valuation of the addition is 192 square feet at \$95.91 per sq. ft. **192 x 95.91 = \$18,415.** The value of all the improvement is less than 50% of \$165,000, which is a **non-substantial improvement**. Therefore, no floodplain regulations apply to the addition.

What about attached Garages?

In limited circumstances, garages can be constructed in the flood hazard area with their lowest floor at grade regardless if the addition of the garage is a substantial improvement to the dwelling. These structures can **only** be used for storage of vehicles and low damage potential items such as spare tires or gardening tools. All electrical and mechanical systems and appliances must be elevated above the Base Flood Elevation. Venting must be present to allow hydrostatic (water flow-through) pressure to equalize. In addition, all areas below the BFE must be constructed with flood resistant materials. If the owner wants to construct a garage at grade, submit a floodplain verification application. This will allow staff to document the development in the floodplain.

Detached garages at grade will require a special application known as a wet-flood proofing variance.

For detailed flood-resistant design information checkout: https://www.fema.gov/media-library-data/20130726-1502-20490-4764/fema_tb_2_rev1.pdf.

Additional Notes:

- For structures located in the **Floodway**, structure replacement **not** in same footprint or additions to structures will require a Floodway Development Permit along with a hydrologic and hydraulic analysis from a licensed engineer. This will increase the costs of development to the homeowner.
- Staff's substantial improvement / damage determination is appealable.
- If the damaged or improved structure is an existing **agricultural structure**, staff will still need to perform a SI - SD determination. If determined to be SI - SD then the structure will need to meet current floodplain regulations (e.g., building permit or agricultural building exemption permit, floodplain/floodway or fill permit to elevate the structure out of floodplain) This is because agricultural structures are not allowed in the floodplain area per state law.
- If the owner chooses not to fix the structure after a substantial damage declaration, the Director can require that a notice of designation of substantial damage be recorded with Lane County Deeds & Records on the subject property (Lane Code 16.244(7)(k)).

Acronyms

- SI - SD: Substantial Improvement Substantial Damage
- BFE: Base Flood Elevation
- SFHA: Special Flood Hazard Area

Related Brochures

- Floodplain Development