



A Resident's Guide to Rebuilding

Exploring the next steps for your property.

November 4, 2024

Community Members

We understand the devastation many of you are facing due to recent hurricanes, especially when your homes or structures have sustained significant damage. We are working to assist you during this challenging time. Here are some important steps you need to know before any improvements are made to your home.

First Step

According to FEMA, when structures inside the Special Flood Hazard are damaged, the **National Flood Insurance Program (NFIP)** participating communities are mandated to assess the impact before any repairs can be made, no matter the cause of damage. This is called a Substantial Damage Assessment (SDA). Please click the following link to access the FEMA Substantial Damage Quick Guide. <https://www.fema.gov/fact-sheet/substantial-damage-quick-guide>

Please note no permits can be issued until a Substantial Damage Assessment (SDA) is completed. This effort is currently being performed by Pinellas County and associated contractors. We do not have an estimated date of completion.

Substantial Damage

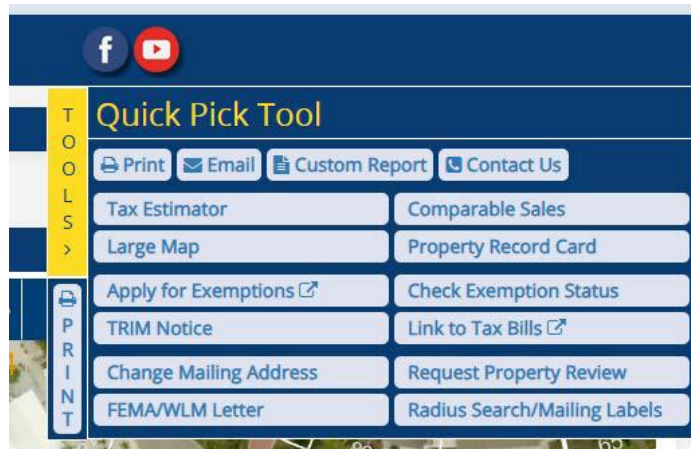
According to FEMA, if the repairs needed to bring a structure to its pre-damaged condition will equal or exceed 50% of the market value of the structure (not including the value of the land), the structure is considered to be Substantially Damaged.

Market Value

Market value means the value of the building and structures (pre damaged), excluding the land and other improvements on the parcel.

Where can I find the pre-damaged market value of the structure?

- Go to <https://www.pcpao.gov>
- In the Quick Search area, enter the address and click the search button.
- After the page loads, you should see "Quick Pick Tool" on the right, click "FEMA/WLM Letter"



Pinellas County Property Appraiser

Pursuant to the FEMA-administered National Flood Insurance Program, the calculation of substantial improvement (SI) or substantial damage (SD) is based ONLY on the market value of the structure and does NOT include land values. Alternatively, property owners can independently secure and provide an appraisal of the subject structure for the purpose of a SD or SI analysis.

https://pinellas.gov/wp-content/uploads/2024/10/Cost-Breakdown-Package_20240620_Fillable.pdf

Costs of Improvements

Here are some examples of the costs to include when estimating repairs and improvements.

- Materials and labor cost (including donated or discounted materials and owner- or volunteer-completed labor)
- Structural elements
- Demolition and debris disposal
- Contractor overhead or profit
- Utility and service equipment
- Elevation or flood proofing
- Site preparations
- Costs associated with complying with regulations or code requirements
- Interior and exterior finishes

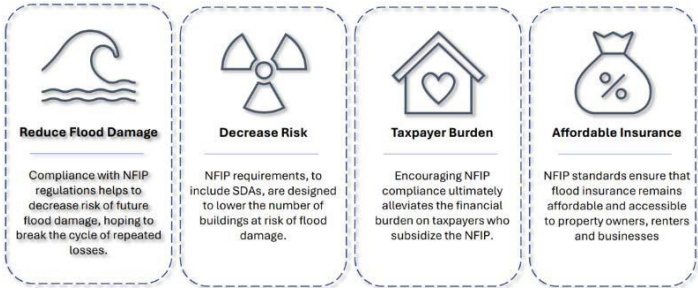
Substantial Damage Assessment

Residents affected by recent hurricanes should be aware that Pinellas County and associated contractors are conducting Substantial Damage Assessments (SDA) to determine the extent of damage to properties. This assessment is required by FEMA's National Flood Insurance Program (NFIP). Every property requires a substantial damage assessment and report, which is currently being performed by Pinellas County and we do not have an estimated date of completion. Once the city receives the report, the city will issue a letter of determination.

Key Points about the Substantial Damage Assessment (SDA) Process:

- No permits will be issued until the SDA is completed.
- The SDA process may take time, so we appreciate your patience.
- Remaining compliant with FEMA's standards is crucial for our community's continued participation in the NFIP, which helps secure flood insurance for all residents.

National Flood Insurance Program Specification



SDA process - Pinellas County

Letter of Substantial Damage

This is the second step of the process. Once the city receives the final report of the Substantial Damage Assessment from Pinellas County, the city will issue a letter of determination. This letter is a formal notification detailing if the structure is substantially damaged.

If the structure is substantially damaged...

Then the structure must be brought into compliance with floodplain management (and building code) requirements for new construction based on a flood zone.

To become compliant, the building and all electrical and mechanical equipment must be elevated above the 100-year flood elevation. Only parking, building access and limited storage are allowed below the flood level.

Letter of Non-Substantial Damage

If the structure is non-substantially damaged you can apply for a building permit.

To apply for a permit for the restoration work you first need approval from the City. You will apply at: hurricanerestorationpreapproval@irbcity.com

You will need the following documents:

1. City Application for approval, which can be found at:
<https://www.indian-rocks-beach.com/hurricane-resources/pre-approval-letter/>
2. You will need to complete and include the following forms that can be found at:
<https://pinellas.gov/storm-recovery-permitting/>
 - a. Application for Construction in a Floodplain
 - b. Floodplain Cost Breakdown package
 - c. Floodplain Substantial Improvement Disclosure form

Once your application is submitted, staff will review and reply with the approved City application form. Submit the City approval and the forms to Pinellas County Building Department at 440 Court Street Clearwater, FL 33756 or online at <https://pinellas.gov/services/apply-for-a-building-permit/>

Consequences of Non-Compliance

- Cities or Counties may face probation or suspension from the NFIP.
- Homeowners could lose access to federally regulated mortgages and face foreclosure.
- Loss of eligibility for federal funding (e.g. Hazard Mitigation Grant Program, Flood Mitigation Assistance).

The City faces the following risks if suspended from FEMA National Flood Insurance Program:

- **Loss of Mortgage Access:** No mortgages will be available from banking institutions insured and regulated by the Federal Deposit Insurance Corporation (FDIC) within Special Flood Hazard Areas (SFHA).
- **Ineligibility for Federal Grants:** The City will not be eligible for any federal grant programs that benefit infrastructure within SFHA zones. Must return federal active grants currently in process that benefit SFHA zones, including the Department of Housing and Urban Development's (HUD) Community Development Block Grant Disaster Recovery (CDBG-DR) program. This restriction hinders the community's ability to fund recovery and rebuilding initiatives.
- **Increased Financial Burden on Residents:** The combined effects of these limitations will exacerbate the financial strain on residents, particularly due to the rising cost and limited availability of private flood insurance coverage.

Cost Breakdown Worksheet

For NFIP compliance measures, the City requires a completed repair/improvement cost form (Cost Breakdown Worksheet), which includes the total cost of labor, materials, and any items and repairs needed to bring the building back to its pre-damaged condition).

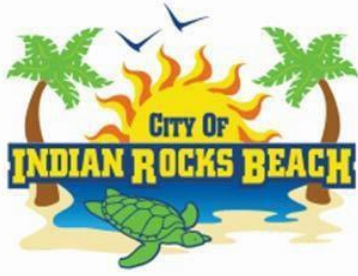
Click the button below to access the Pinellas County Cost Breakdown Packet.

https://pinellas.gov/wp-content/uploads/2024/10/Cost-Breakdown-Package_20240620_Fillable.pdf

The City uses the Cost Breakdown Worksheet, which must be completed, signed by the contractor or the owner-builder, and submitted with the permit application to determine if a project can be completed under the 50% threshold. This form must also include copies of the construction contract and any subcontractor bids.

Application for Construction

A Request for Construction must also be submitted before any work is done on the home. Please submit the request to hurricanerestorationpreapproval@irbcity.com.



Frequently Asked Questions

1. What is the 50% rule?

The 50% Rule is a regulation of the National Flood Insurance Program (NFIP) that prohibits improvements to a structure exceeding 50% of its market value unless the entire structure is brought into full compliance with current flood regulations. This may include elevating the structure, using flood-resistant materials, and proper flood venting among others.

2. What is Substantial Improvement and Substantial Damage?

- **Substantial improvement (SI)** 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 (or smaller percentage if established by the community) before the “start of construction” of the improvement. This term includes structures that have incurred “substantial damage,” regardless of the actual repair work performed.
- **Substantial damage (SD)** 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. Work on structures that are determined to be substantially damaged is considered to be substantial improvement, regardless of the actual repair work performed

3. Why is it important to know if an improvement is “substantial?”

Exceeding the Substantial Improvement threshold requires the entire structure to be brought into compliance with current NFIP regulations, the Florida Building Code, and the City of Indian Rocks Beach Land Development Code. This may include elevating the structure at or above BFE, flood proofing it, installing proper flood venting, and using flood-resistant construction materials.

4. Will permits be issued for a “Substantial Improvement?”

Yes, provided the plans demonstrate the entire structure is being brought into compliance. A Repair Improvement Cost Form must be submitted, reviewed, and approved prior to the building permit being approved. Please see the following link.

<https://pinellas.gov/storm-recovery-permitting/>

5. What is Market Value?

The price at which a property will change hands between a willing buyer and a willing seller, neither party being under compulsion to buy or sell and both having reasonable knowledge of relevant facts. As guided by FEMA, Pinellas County determines market value in the following two ways:

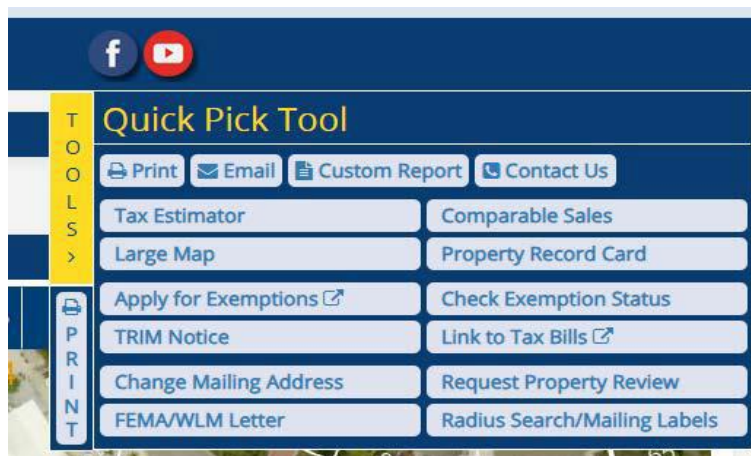
- a. Utilize the Pinellas County Property Appraiser's (<https://www.pcpao.gov/>) assessment for the market value for the structure only.
- b. The property owner may utilize an independent appraisal for the structure. This appraisal must be prepared and certified by a property appraiser licensed in the State of Florida.

6. Where can I find the pre-damaged market value of the structure?

There are two ways to determine the 50% rule threshold amount:

Option 1

- Go to <https://www.pcpao.gov>
- In the Quick Search area, enter the address and click the search button.
- After the page loads, you should see "Quick Pick Tool" on the right, click "FEMA/WLM Letter"



Option 2

A private actual cash value (ACV) appraisal of the pre-damaged building value can be obtained by the property owner through an independent appraisal. This appraisal must be prepared and certified by a property appraiser licensed in the State of Florida. The appraisal must show the actual cash value of the building in its pre-damaged state, not the land or other improvements/accessory structures. Submit this appraisal with any building permit application for review.

7. Can replacement cost be substituted for market value to determine substantial improvement or damage?

No, pursuant to FEMA regulations, replacement cost is the cost of replacing the structure with a structure of like kind, using present day costs for labor and materials. Replacement cost is often much greater than market value.

- A Repair Improvement Cost Form is required to be submitted with all permit applications so that a substantial Improvement determination can be made. <https://pinellas.gov/storm-recovery-permitting/>

8. Are there any projects that do not count towards the 50% Rule?

Yes, in the following examples the cost of improvements does not apply to the 50% Rule:

- Any project for improvement which a building requires 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. This does not apply to structures that are considered “Substantially Damaged.”
- Any repair, rehabilitation or addition constituting substantial improvement to a designated historic structure may be exempt, but the owner must receive in writing approval from the Florida Division of Historic Resources office that the structure will maintain its historical integrity and historical classification.
- Costs of alterations or improvements whose express purpose is the mitigation of future storm damage, provided the costs of such measures, plus the costs of any other improvements, do not exceed 50% of the market value of the structure over any one- year period; examples of such mitigation include the installation of storm shutters or impact resistant glass, strengthening of roof attachments, floors, or walls, and minor measures to reduce flood damage. Mitigation improvements may be made in the same year as other improvements, but the total cost of both types of improvements may not exceed 50% of the market value of the structure.
- Costs related to the development of plans and specifications, surveys, and permits.

9. Do maintenance projects count toward the 50% calculation?

Yes, maintenance projects of any type are logged toward the 50% rule.

- If the maintenance requires a permit from Pinellas County Building Services, the Repair Improvement Cost Form must be provided with the permit application.
- Even if a permit is not required by the Florida Building Code (e.g., renovation of cabinets, countertops, painting, etc.), a Repair Improvement Cost Form is still required to be submitted to the City to track the cumulative improvement to the structure as it relates to the 50% rule.

10. Can I enclose the area underneath my home and make it into a habitable space?

No, if the enclosed area is located below the base flood elevation, this area can only be used strictly for storage, parking, and building access. Utilities are prohibited in these spaces, and they cannot be air conditioned.

11. Is Substantial Improvement cumulative?

According to current City of Indian Rocks Beach Ordinance 94-1, the definition of “major repairs” involves: “Major repairs/alterations means repairs/alterations that equals or exceeds 50 percent of the then physical value of the structure determined before repairs and/or alterations are begun. Burden of proof shall be placed on the property owner to show such repairs/alterations at less than 50 percent.” https://library.municode.com/fl/indian_rocks_beach/codes/code_of_ordinances?nodeId=SPBLADERE_CH94MAST_ARTIINGE_S94-1DE

12. How is the value of an improvement determined?

Pinellas County Building Services uses a Floodplain Substantial Improvement Package which must be completed by the contractor or the owner-builder, and submitted with the permit application to determine if a project can be completed under the 50% threshold. This form must also include copies of the construction contract and any subcontractor bids. The cost of improvement includes the total costs for repair, reconstruction, rehabilitation, additions, or other improvements to the structure. These costs include all materials, labor, built-in appliances, overhead, profit, demolition, and repairs made to the structure. The application must be reviewed and approved prior to building permit approval and commencement of work.

13. Is the cost of an improvement discounted if the owner does the work or the materials are donated?

No, the value placed on materials must equal the actual or estimated cost. The value placed on labor must be estimated based on applicable hourly wage scales for the type of construction work. Improvement costs cannot be discounted to keep costs below 50%.

14. Are there any items that can be excluded from the cost of improvement?

Items that should not be counted toward the cost of repair include plans, specifications, surveys, building permits, and other items separate from or incidental to the repair or improvement of the structure such as outdoor landscaping. Improvements to the land, such as driveways, pools, seawalls, etc. are not included in the 50% Rule value.

15. Is flood insurance required?

Yes, the purchase of flood insurance is mandatory for all federal or federally related financial assistance for the acquisition and/or construction of buildings in a Special Flood Hazard Area (SFHA). The entire City of Indian Rocks Beach is within an SFHA. There is a 30-day waiting period for a new flood insurance policy to take effect, so don't wait until a storm threatens to contact an insurance agent! If you've paid off your mortgage, you might be tempted to cut corners and eliminate your flood insurance and rely, instead, on federal disaster relief should your home be damaged in a flood. While you're banking on suffering flood damage only in a declared disaster -- a choice that can backfire on you -- you also won't be off the hook financially if you receive disaster assistance. Assistance isn't a grant, but a loan that you pay back with interest.

16. What if the City of Indian Rocks Beach did not participate in the NFIP?

There are several consequences if the City does not participate. The largest is the unavailability of affordable flood insurance for residential or commercial buildings within the City. In addition, there would be no Federal grants, loans, mortgage insurance, or federal disaster assistance for structures in the SFHA. Owners of buildings with conventional loans would also be required to notify buyers or lessees that the property is in a SFHA, and Federal disaster relief is not available to them in the event of a declared disaster.

17. What happens when a structure is damaged, but not substantially, and during the repair he owner also makes an addition, rehabilitation, or other improvements to the structure?

If the owner of a building, which was 30% damaged by flood, decides to add a room during the repair process for the flood damage, the combined total of these improvement must be equal to or less than 50% of the structures pre-damaged market value to **not** be considered a substantial improvement.

18. I've purchased a damaged home since the storm. Do I need to include the previous owners labor and materials in the repair/improvement cost form?

Yes, you must include all labor and material costs that the building has required, or will require, to be repaired to its pre-damaged condition.

19. How is the 50% rule calculated?

If the total cost (labor and materials) to restore the building to its pre-damaged condition is less than 50% of the market value of the pre-damaged structure (the entire building), the existing structure can be repaired as is, provided all construction was permitted and code-compliant in your flood zone originally, without elevating the structure. If the total cost (labor and materials) to restore the building to its pre-damaged condition is greater than 50% you can still repair the damage but the structure must be up to current building code and floodplain management regulations. One of the more notable requirements is the requirement to raise the lowest floor of the structure to the required design flood elevation. The "lowest floor" means the lowest floor of the lowest enclosed area, including basements but excluding unfinished or flood damage-resistant enclosures usable solely for parking of vehicles, building access, or storage.

20. On the repair/improvement cost form, if I am utilizing some "owner and volunteer labor," how should I value this work?

A reasonable "market value" for labor must be included on the repair/improvement cost form. For owner and volunteer labor, the City will accept the 2021 Florida mean wage for physical labor at construction sites of \$17.25 hour, according to the 2021 survey conducted by the U.S. Bureau of Labor Statistics.

The value placed on labor should be estimated based on applicable minimum-hour wage scales for the skill and type of construction work that is done. Cost estimates will be verified by local officials based on professional judgment and knowledge of the local or regional construction industry wage scales.

21. Our home is at an elevation of 6 feet. Provided we can bring structure back to its original condition for less than the 50% threshold, will we be permitted to do so WITHOUT raising the base elevation of the structure?

A 50% substantial damage determination is made for each building. The cost to repair all units and common areas of each building (the entire building) to its pre-damaged condition is compared to 50% of the calculated market value of the structure prior to sustaining damage. If the total cost (labor and materials) to restore the building to its pre-damaged condition is less than 50% of the market value of the pre-damaged structure (the entire building), the existing structure can be repaired as is, provided all construction was permitted and code-compliant in your flood zone originally, without elevating the structure. If the total cost (labor and materials) to restore the building to its pre-damaged condition is greater than 50% you can still repair the damage but the structure must be compliant with current building code and floodplain management regulations.

22. Are improvements or repairs that “harden” or improve the buildings resistance against future wind damages, such as impact windows/doors/shutters, excluded from the 50% rule calculation?

All improvements or repairs completed, including new impact windows, doors, and shutters are included in substantial improvement or substantial damage determination. However, note that only the main structure is included in making a 50% substantial damage determination.

Accessory structures (fences, driveways, garages, etc) are excluded.

23. We have obtained an AVM appraisal--Automated Value Model. Our mortgage banker indicated this was a very common method used to appraise property for their lending purposes. Will an AVM "appraisal" be an accepted alternative appraisal method?

The reproduction cost method cannot be used, however you can use an independent appraisal of the building's market value prepared and certified by a Florida-licensed property appraiser if you so choose, instead of the Pinellas County Property Appraiser valuation. You would include the appraisal as an additional attachment along with your building permit application. The floodplain coordinator will review the appraisal for the 50% substantial damage determination, and it will not add to processing time. The The City of Indian Rocks Beach floodplain ordinance allows for a determination of building market value using either of the following two methods:

- a. Utilize the Pinellas County Property Appraiser's assessment for ad valorem taxation for the market value for the structure only.
- b. An independent appraisal for the structure only prepared and certified by a Florida-licensed property appraiser

24. Are accessory structures to be included on the repair/improvement cost form?

Note that only the main structure is included in making a 50% substantial damage determination. Accessory structures (fences, driveways, garages, etc) are excluded.

For a complete list, please see the Substantial Improvement/ Substantial Damage Desk Reference (In-Depth Information from FEMA regarding the 50% Rule):

https://www.fema.gov/sites/default/files/documents/fema_nfip_substantial-improvement-substantial-damage-desk-reference.pdf

25. As a homeowner can I replace drywall, electrical receptacles, and reinstall salvaged countertops, sinks and faucets in my own home? Is my labor factored into the 50% rule somehow?

Yes, you can pull an interior remodel permit and you also have the option to act as your own general contractor for your own home by completing the work yourself as an “owner-builder.” If a property owner is acting as the general contractor (owner-builder), they must sign the “Owner Builder Disclosure Affidavit” and must be able to complete all the work themselves, or hire licensed contractors i.e. (electrical, plumbing, HVAC, roof). This completed form must be included with any permit application for which the owner wishes to be an owner-builder. Be sure to read the disclosure statement carefully before considering being an owner-builder. If you have a contractor help you, they must be a Florida-licensed contractor and must be added to the permit as a subcontractor. Any person working on the building who is not licensed must work under your direct supervision and must be employed by you, meaning that you must comply with laws requiring the withholding of federal income tax and social security contributions under the Federal Insurance Contributions Act (FICA) and must provide workers’ compensation for the employee(s). Additionally, a completed repair/improvement cost form must be included with the application. Note that an estimate of donated or discounted materials and owner/volunteered labor must be included on the cost form.

26. Can I still get FEMA assistance?

If you sustained damage or loss from Hurricanes Milton, Helene or Debby, FEMA may be able to help. You may be eligible for financial assistance for displacement, serious needs, temporary lodging, basic home repairs, personal property losses and other uninsured disaster-related expenses. The quickest way to apply is online at www.DisasterAssistance.gov. Or use the FEMA App for mobile devices. You can also call the FEMA helpline at 800-621-3362.

2024 Application deadlines: Hurricane Debby Nov. 12; Hurricane Helene Nov. 27; Hurricane Milton Dec. 11.

27. Will I have to pay back any FEMA disaster assistance I receive?

No, FEMA grants do not need to be repaid, aren’t taxable, and won’t affect eligibility for federal benefits like Social Security, Medicaid, or other programs.

28. I have not contacted FEMA for assistance, nor do I plan to. Do I still have to follow FEMA's rules about rebuilding?

Yes, personal FEMA assistance and building regulations are totally unrelated.

29. Why is FEMA involved in telling us what we can do with our homes?

More than 21,000 communities, including Indian Rocks Beach (IRB) and Pinellas County, participate in the National Flood Insurance Program (NFIP). They do so by adopting and enforcing regulations and codes that apply to development in Special Flood Hazard Areas (SFHAs). Local floodplain management regulations and codes contain minimum NFIP requirements that are not only for new structures, but also for existing structures with proposed "substantial improvements" or repair of "substantial damage." When buildings undergo repair or improvement, it is an opportunity for floodplain management programs to reduce flood damage to existing structures.