



NOTICE TO INDUSTRY

Substantial Improvement/Substantial Damage (SI/SD) Application revised to comply with changes mandated in HB683 (2025) and SB180 (2025)

EFFECTIVE IMMEDIATELY

Effective immediately, and in accordance with the provisions of House Bill 683 (2025), Section 553.79(1)(f), Florida Statutes, and Senate Bill 180 (2025), Section 163.31795(2), Florida Statutes, all Substantial Improvement/Substantial Damage Applications submitted for floodplain reviews must be on the revised SI/SD Application, dated 7/1/25, that complies with the redefined “cumulative substantial improvement period” definition as well as the clarified documentation required for permit issuance or application submission.

In Response to These Changes, Our Updated Procedures Are as Follows:

- We will no longer consider aggregate improvements for existing nonconforming structures. Determinations will be made on a **per-permit** basis.
- The declared permit valuation must still reflect the total cost of improvement, including all labor and materials involved in any repair, reconstruction, rehabilitation, alteration, addition, or modification of the structure. The Building Official has the authority to set the final permit valuation if it is underestimated on the application. 109.3 FBC-Building, FEMA P-758 (4.4).



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**FLOODPLAIN MANAGEMENT
SUBSTANTIAL IMPROVEMENT / DAMAGE APPLICATION CHECKLIST
TO BE COMPLETED AS PART OF THE BUILDING PERMIT APPLICATION SUBMITTAL PROCESS**

Minimum Application Submittal Documents for Floodplain Review

- Substantial Improvement or Repair of Substantial Damage Affidavit.....Page 4
- Substantial Improvement / Damage Worksheet for Floodplain Review (City Use Only).....Page 7

- PHOTOGRAPHS ARE ENCOURAGED
- ELEVATION CERTIFICATE IS ENCOURAGED
- APPRAISAL REPORT IS ENCOURAGED (REQUIRED FOR CONDOMINIUMS)



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SUBSTANTIAL IMPROVEMENT/DAMAGE NOTICE (FEMA 50% RULE)

TO: Property Owners, Contractors, and Design Professionals
FROM: City of Cape Coral Floodplain Administrator
SUBJECT: Notice for Work on Existing Buildings in Flood Hazard Areas

The City of Cape Coral participates in the National Flood Insurance Program (NFIP) making flood insurance available for structures within its jurisdiction through the Federal Emergency Management Agency (FEMA). The FEMA 50% rule is a minimum requirement for participation in the NFIP. It limits the cost of improvements (additions, alterations, and/or repairs) to non-conforming structures to less than 50% of the "market value" of structure prior to the start of work.

FEMA has identified Special Flood Hazard Areas (SFHA) which are at a higher risk for periodic flooding. Structures in these areas have determined minimum design and construction standards per the Code of Federal Regulation, Florida Building Code, Florida Statutes, and the City of Cape Coral's Ordinance. On the City of Cape Coral's Flood Insurance Rate Maps (FIRM), high risk flood zones are denoted as zone "AE" and "VE". Structures in these flood hazard areas that do not meet the current construction requirement are non-conforming. Non-conforming structures are subject to the FEMA 50% Rule.

The Florida Building Code and the City of Cape Coral's floodplain management regulations specify that all new buildings to be constructed in flood hazard areas are required to have their Lowest Floors elevated to or above the minimum required elevation. The regulations also specify that **substantial improvements** of existing buildings (repairs, alterations, and additions) or buildings that have sustained **substantial damage** must be brought into full compliance with the flood design and construction requirements for new construction to reduce future flood risks and protect public safety and property. Please note that a building may be substantially damaged by any cause, including fire, flood, high wind, land movement, or neglect. It is important to note that all costs to repair a substantially damaged building to its pre-damaged 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 hazard area at the property. The most significant compliance requirement is that the lowest floor, as defined in the regulations/code, must be elevated to or above the minimum required elevation. If applicable to the structure, the attached garage top of slab and the lowest elevation of machinery must also be elevated to or above the minimum required elevation.

City of Cape Coral Code of Ordinances, Volume II – Land Development Code, Article 11 defines these terms:

Lowest Floor is the lowest floor of the lowest enclosed area of a building or structure, including basement, but excluding any unfinished or flood-resistant enclosure, other than a basement, usable solely for vehicle parking, building access or limited storage provided that such enclosure is not built so as to render the structure in violation of the non-elevation requirements of the Florida Building Code or ASCE 24.

Market Value for the purposes of Article 9 of this Code, is the value of buildings and structures, excluding the land and other improvements on the parcel. Said market value is the actual cash value (ACV) (in-kind replacement cost depreciated for age, wear and tear, neglect, and quality of construction) determined by a qualified independent appraiser prepared within 12 months prior to the date of submittal, or tax assessment value adjusted to approximate market value by a factor provided by the property appraiser.

Substantial Damage is the damage of any origin sustained by a building or structure whereby the cost of restoring the building or structure to its before-damaged condition would equal or exceed 50% of the market value of the building or structure before the damage occurred.



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Substantial Improvement is any repair, reconstruction, rehabilitation, alteration, addition, or other improvement of a building or structure, the cost of which equals or exceeds 50% of the market value of the building or structure before the improvement or repair is started. If the structure has incurred "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; and
2. Any alteration of a historic structure provided the alteration will not preclude the structure's continued designation as a historic structure.

To make the substantial improvement or the substantial damage determination, City of Cape Coral staff will compare the cost of the proposed improvements or repairs to the depreciated market value of the building (see definition of "Market Value"). If the resulting ratio equals or exceeds 50 percent, the existing building must be brought into compliance with the floodplain management regulations for new buildings.

$$\frac{\text{Cost of Improvement or Cost to Repair to Pre-Damage Condition}}{\text{Market Value of Building}} \geq 50\%$$

Please note:

- The total cost of improvement **must** account for all labor and materials involved in any repair, reconstruction, rehabilitation, alteration, addition, or other modifications to a building or structure. For damaged buildings, this includes all work necessary to restore the structure to its pre-damage condition. If a contractor is performing the work, the cost must include the contractor's overhead and profit. If the work is completed by the owner or volunteers, market rates must be used to estimate both material costs and the value of labor.
- The applicant **must** provide photographs as they play a critical role in the review process for determining substantial improvement and substantial damage. They offer clear, visual documentation that helps the City of Cape Coral verify the existing conditions of a structure, assess compliance with floodplain regulations, and accurately evaluate proposed or completed work. For building owners, providing comprehensive photographs as part of the permit application not only supports a faster and more accurate review, but also serves as a best practice for insurance purposes. Pre-storm photos create a valuable record of the building's condition that can be used to support future insurance claims and protect property investment in the event of storm-related damage.
- The applicant **is encouraged** provide an appraisal report that provides the actual cash value (ACV) or replacement cost value with depreciation that is prepared by a licensed professional appraiser according to the standard practices of the profession. Condominiums **must** provide an appraisal with the total building value including depreciation. City of Cape Coral staff will review the appraisal to determine that it accurately describes your building and does not include the value of land, accessory buildings, landscaping, and other site improvements. **Alternatively**, staff will use the Lee County Property Appraiser's building value. Lee County Property Appraiser's building value are currently not available for condominiums.



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SUBSTANTIAL IMPROVEMENT OR REPAIR OF SUBSTANTIAL DAMAGE AFFIDAVIT

Property Address: _____

Parcel ID Number: _____

Owner's Name: _____

Owner's Address/Phone: _____

Contractor: _____

Contractor's License Number: _____

Date of Contractor's Estimate: _____

This disclosure is to comply with substantial improvement as defined in 44 Code of Federal Regulations 59.1: any reconstruction, rehabilitation, addition, or other improvements of a structure, the cost of which equals or exceeds 50 percent of the depreciated value of the structure before the "start of construction" of the improvement.

I affirm that the description included in the permit application for work on the existing building, located at the property identified above, encompasses the entire scope of work.

I acknowledge that if, during construction, the scope of work is amended due to unforeseen conditions or modifications described in the application (such as additional defects, reconstruction costs, damage, or necessary repairs), a revised cost estimate must be provided to the City of Cape Coral. The city will re-evaluate the cost of work in comparison to the market value of the building to determine if it qualifies as a substantial improvement/damage. This re-evaluation may necessitate permit revisions and could subject the property to additional requirements, including compliance with current City of Cape Coral flood regulations and applicable building codes.

I acknowledge that I am subject to enforcement action and/or fines if an inspection of the property reveals that I have made or authorized repairs or improvements not included in the original description of work and the cost estimate that formed the basis for permit issuance.

TOTAL IMPROVEMENT COST: \$ _____

Under penalties of perjury, I declare that I have read the foregoing Substantial Improvement/Damage Application and that the facts stated in it are true. F.S. 92.525(c)(2)

(Signature of Owner/Agent)

(Signature of Contractor)

(Printed Name)

(Printed Name)



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COST ITEMIZATION WORKSHEET FOR SUBSTANTIAL IMPROVEMENT/DAMAGE

The itemization worksheet below lists the items considered in the cost of improvement or repair. The term “costs of improvement” includes all costs directly associated with the alterations and/or additions to the building. The term “costs of repair” includes all costs of all work necessary to restore a damaged building to its pre-damaged condition. Both terms include the costs of all materials, labor, and other items necessary to perform the proposed work. Costs of items not directly associated with the building such as outside improvements, detached accessory structures, pools, permit fees, and plug-in appliances can be excluded from the improvement or repair.

Date _____ Parcel ID Number _____ Permit Application Number _____

Property Address _____

Property Owner _____ Phone Number _____ Email _____

Contractor Name _____ Phone Number _____ Email _____

Detailed Description of Improvements/Repairs _____

Item	Structural Elements and Exterior Finishes	Cost
Foundations (e.g., footings, pilings, columns, posts, etc.)		\$
Monolithic and 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)		\$
Windows and exterior doors		\$
Garage overhead doors and openers		\$
Gutters and downspouts		\$
Attached decks and porches		\$
Shutters		\$
Skylights		\$
Interior Finish Elements		
Flooring (e.g., hardwood, ceramic, vinyl, lenolium, 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		\$



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Built-in Bookcases and furniture		\$
Hardware		\$
Interior Construction Demolition		\$
Insulation		\$
Utility and Service Equipment		
Heating, Ventilation, and air conditioning (HVAC) equipment		\$
Plumbing fixtures and piping		\$
Electrical wiring, outlets, and switches		\$
Light Fixtures and ceiling and ceiling fans		\$
Security systems		\$
Built-in appliances		\$
Central vacuum systems		\$
Water filtration, conditioning, and recirculation systems		\$
PV Solar System		\$
Fire suppression systems		\$
Roofing		
Roofing underlayment (felt, self-adhered, synthetic)		\$
Roof cladding (e.g. shingle, metal, tile, membrane, etc.)		\$
Interior and Exterior Stairs		
Treads and risers		\$
Guardrails, handrails		\$
Miscellaneous		
Elevator		\$
Fireplace (flue, hearth, mantel, and surround)		\$
Other describe		\$
Other describe		\$
Line 1	Enter subtotal	\$
Line 2	Enter Overhead & Profit	\$
Total estimate of cost	Add lines 1 and 2, enter sum in this line	\$

The Building Official can set the final permit valuation if it is underestimated on the application. 109.3 FBC-Building, FEMA P-758 (4.4).

FOR OFFICIAL USE ONLY

SUBSTANTIAL IMPROVEMENT/DAMAGE WORKSHEET FOR FLOODPLAIN REVIEW

Property Information

Property Address _____ Parcel ID Number _____
Permit Application Number _____ Year Built _____ Building Use _____

Floodplain Permit Information

Pre-FIRM (PRIOR TO 8/17/1981) or Post-FIRM _____ Flood Zone/s (AE, Coastal AE, VE) _____
BFE _____ BFE+1' _____ Proposed Finished Floor Elevation _____ Existing Lowest Floor Elevation _____
Remodel/Alteration _____ Addition _____ Repair _____ Combination _____ Improvement _____

Total Cost Verification:

Specify when determining building value if using: ACV Appraisal or Lee County Property Appraiser (LeePA) _____

Substantial Improvement/Determination

1. Market Value of building ONLY (depreciated value of building from ACV appraisal or LeePA assessed value before start of improvement, or if damaged, before the damage occurred), not including land value: \$ _____

2. Total Costs of Improvements and/or Repairs: \$ _____

3. Ratio:
Cost of Improvement/Repair (line 2) ÷ Market Value (line 1) = _____%

Substantial (Y/N) _____ Floodplain Review Completed by: _____ Date: _____

Summarize in floodplain review: work type, pre-FIRM vs post-FIRM, SI/SD % ratio, elevations from EC, and any relevant information explaining why structure complies/does not comply.

Photographs are a valuable component of the permit application process, providing objective documentation to support the City's assessment of substantial improvement and substantial damage. Including clear, dated photos also benefits property owners by serving as best practice for insurance documentation in the event of future storm-related damage. Photographs are encouraged and shall be date stamped if provided.



Photo One



Photo Two

Photo Three

Photo Four