



Substantial Improvement/Substantial Damage (SI/SD) Standard Operating Procedure (SOP)

As a participant in the National Flood Insurance Program (NFIP), the City of Scottsdale (COS) is responsible for ensuring compliance with the Federal Emergency Management Agency (FEMA) requirements. The purpose of this document is to provide guidance on how to determine Substantial Improvement and Substantial Damage (SI/SD). All development proposals located within or affected by or additions located within or affected by FEMA Flood Zones are to evaluate and document the status of the Substantial Improvement and Substantial Damage. This includes all development proposals in or affected by Special Flood Hazard Areas (SFHAs) to expand the footprint of a structure or to remodel or repair a structure (requiring a building permit) are made to the city's One-Stop Shop. If any portion of the existing structure or proposed addition is within a SFHA these requirements apply. The review procedure is as follows:

- Construction documents as required by the International Building Code or International Residential Code as applicable are submitted for review as part of the application process.
- The construction documents are routed to Stormwater Management staff to determine whether improvements or repairs in SFHAs constitute substantial improvement or repair of substantial damage.
- Proposed work submitted by applicants is reviewed to determine that all NFIP/CRS requirements are met.
- A completed City of Scottsdale Substantial Improvement/Substantial Damage Worksheet¹ must be provided. A signed construction proposal from a licensed contractor and an appraisal of the market value of the existing structure before improvements or repairs can also be reviewed.²
- If the cost of improvement³ or cost of repair³ of all damages incurred equals or exceeds 50% of the market value of the existing building it is determined to be a substantial improvement or substantial damage.
- Stormwater Management staff will verify compliance with the city's floodplain management regulations.
- Appropriate building permits are issued upon plan approval.
- Periodic inspections during construction are conducted to determine that work complies with issued permits. Inspection Services staff will work with builders and property owners to correct deficiencies and violations and check for unpermitted work.

All development proposals will be reviewed using the Substantial Improvement/Substantial Damage flowchart, which is included in the Design Standards and Policies Manual as Figure 4-1.1 to verify compliance with the city's floodplain management regulations.

¹ It should be noted that the Substantial Improvement/Substantial Damage worksheet is a screening tool to establish which project equals or exceeds 50% of the structure's existing market value before the improvements or repairs. Projects costing between 40% and 60% of the structure's existing market value must provide a signed construction proposal from a licensed contractor and an appraisal of the market value of the existing structure before improvements or repairs.

² If the applicant disagrees with the SI/SD determination, a signed construction proposal from a licensed contractor and an appraisal of the market value of the existing structure before improvements or repairs must be provided.

³ Costs include materials and labor, including the estimated value of donated or discounted materials and owner or volunteer labor

DSPM Figure 4-1.1
Substantial Improvement/Substantial Damage Flowchart

