

SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE

NOTICE TO PROPERTY OWNER

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

If your home or business is below the 100-year flood elevation, the Town of Wells 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 lives and investment from future flood damages. Our community has adopted and enforces these laws in order for federally-backed flood insurance to be made available to the Town of Wells residents and property owners.

SAVE YOURSELF TIME AND MONEY! PLEASE READ THE FOLLOWING INFORMATION:

SUBSTANTIAL DAMAGE means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damage condition would equal or exceed 50 percent of the market value or replacement cost of the structure before the damage occurred. (Note: The cost of the repairs must include all costs necessary to fully repair the structure to its "before damage" condition.)

SUBSTANTIAL IMPROVEMENT 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 before the "start of construction" of the improvement.

FLOODPROOFING means any combination of structural and nonstructural additions, changes, or adjustments to structures which reduce or eliminate flood damage to real estate or improved real property, water and sanitary facilities, structures and contents.

FLOOD-DAMAGE-RESISTANT MATERIAL means any construction material capable of withstanding direct and prolonged contact (at least 72 hours) with flood waters without suffering significant damage (i.e., damage that requires more than cleanup or low-cost cosmetic repair, such as painting).

If a building is "substantially damaged" or "substantially improved", it must be brought into compliance with the Town of Wells flood damage prevention regulations, including elevating the building one-foot (freeboard) above the 100-year flood elevation.

The Town of Wells, following Chapter 116 Floodplain Management (updated effective date 7/17/2024) and the National Flood Insurance Program requirements, has the responsibility to determine "substantial damage" and "substantial improvement", and has implemented the procedures on the following pages to do so.



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The Town of Wells will use the assessed value of your structure (less depreciation) recorded by the Assessor's Office (excluding the land). Beginning at the First permit for the life of the structure; if you disagree with the Assessor's Appraised valuation of the structure, you may engage a property appraiser licensed by the State of Maine to submit a comparable property appraisal for the total market value of the structure (only accepted on the first permit).

You must obtain and submit to us a detailed and complete cost estimate for the addition, remodeling, reconstruction or repair for all Improvements or all the damages sustained by your home. The contractor must sign an affidavit indicating that the cost estimate submitted includes all improvements or all damages to your home, not just structural. The signed contract document must be submitted with your application. If the owner is acting as his or her own contractor, the owner is responsible for submitting the cost estimate, and providing documentation, including subcontractor bids, to document the cost estimate. Chapter 116-6 Development Standards outlines the requirements for each flood zone. Building plans must be prepared to show how the building is to be elevated. These plans may be required to be prepared and certified by a registered professional engineer or architect.

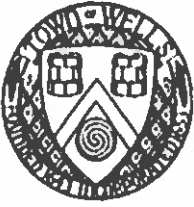
The Town of Wells will evaluate the cost of improvements or repairs and determine if they are fair and reasonable. For damage repairs, pre-storm prices and rates will be utilized. If your home is determined to have "substantial damage" or is proposed to be "substantially improved", then an **elevation certificate** must be submitted to us to determine the lowest floor elevation.

Permitting and Tracking: The total cost (value) of all repairs, reconstruction, additions or other improvements shall be accrued from the first permit application for the life of the structure. (change effective 7/17/24). The costs are added up and calculated cumulatively, when they total 50 percent, the building must be brought into compliance as if it were new construction. The costs stay with the property and transfer with each owner/sale.

If the lowest floor is below the 100-year flood elevation, the building must be elevated in accordance with Chapter 116 Floodplain Management. Likewise, all electrical and mechanical equipment (heating and cooling, etc.), bathrooms, and laundry rooms must be elevated. Only parking, building access and limited incidental storage is allowed below the base flood level. If the lowest floor of the structure, including electrical and mechanical equipment and bathroom are already one foot above the 100-year flood elevation, the building can be repaired and reconstructed without having to comply with the fifty percent (50%) rule.

IMPORTANT NOTE ON DONATED MATERIALS AND VOLUNTEER LABOR

In accordance with federal and state regulations, you must **include the value** of any donated materials and volunteer labor in your cost estimate. The current market value of all donations and the current average hourly rate for volunteering **does apply** towards the "50% Rule" discussed in this document. To determine the value of donated materials, please use the "pre-storm" normal retail cost for each item donated. For volunteer labor, this includes doing the work yourself; determine the normal "pre-storm" hourly rate charged for each trade. For instance, ask your contractor what he would normally have charged per hour for framing if volunteers will be assisting you with framing, and then estimate the number of hours of volunteer work you will use during the project, and include the amount on your Cost Estimate form. Discounts in bulk buying or thru contractor are not to be used when completing total costs.



SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE

ITEMS TO BE INCLUDED

ALL STRUCTURAL ELEMENTS INCLUDING:

- Spread or continuous foundation footings and pilings
- Monolithic or other types of concrete slabs
- Bearing walls, tie beams and trusses
- Wood or reinforced concrete decking or roofing
- Floors and ceilings
- Attached decks and porches
- Interior partition walls
- Exterior wall finishes (e.g., brick, stucco or siding) including painting and decorative moldings
- Windows and doors
- Re-shingling or re-tiling a roof
- Hardware

ALL INTERIOR FINISH ELEMENTS, INCLUDING:

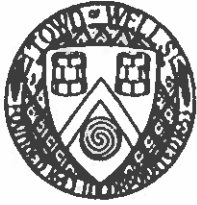
- Tiling, linoleum, stone or carpet over sub-flooring
- Bathroom tiling and fixtures
- Wall finishes (e.g., drywall, painting, stucco, plaster, paneling, marble or other decorative finishes)
- Kitchen, Counter-tops, utility and bathroom cabinets
- Built-in bookcases, cabinets and furniture
- Hardware

ALL UTILITY AND SERVICE EQUIPMENT, INCLUDING:

- HVAC equipment
- Repair or reconstruction of plumbing and electrical services
- Light fixtures and ceiling fans
- Security systems
- Built-in kitchen appliances
- Central vacuum systems and Generators
- Water filtration, conditioning or recirculation systems

ALSO:

- Labor and other costs associated with demolishing, removing or altering building components
- Overhead and profit.



SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE

ITEMS TO BE EXCLUDED

- Plans and specifications
- Survey costs
- Permit fees
- Debris removal (e.g., removal of debris from building or lot, dumpster rental, transport fees to landfill and landfill tipping fees), and clean-up (e.g., dirt and mud removal, building dry out, etc.)
- Items not considered real property such as: throw rugs (carpeting over finished floors), furniture, refrigerators, appliances which are not built-in, etc.

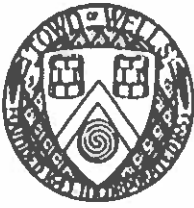
OUTSIDE IMPROVEMENTS, The following items typically require separate permitting.

- | | | |
|---|--|---|
| <input type="checkbox"/> Landscaping | <input type="checkbox"/> Gazebos | <input type="checkbox"/> Fences over 7 feet |
| <input type="checkbox"/> Driveways and Sidewalks | <input type="checkbox"/> Detached structures (incl. garages) | <input type="checkbox"/> Sheds |
| <input type="checkbox"/> Landscape irrigation systems | <input type="checkbox"/> Screened pool enclosures | <input type="checkbox"/> Generators |
| <input type="checkbox"/> Docks and Davits | <input type="checkbox"/> Swimming pools\spa | <input type="checkbox"/> Seawalls/Walls |

ITEMS REQUIRED TO EVALUATE YOUR APPLICATION

APPLICANT MUST SUBMIT ALL OF THE FOLLOWING (please check off each item):

1. **Completed and signed application** for substantial damage/improvement review (included in this package).
2. **Elevation certificate** if property is located above base flood elevation.
3. **Property Owner's Substantial Damage or Substantial Improvement Affidavit** signed, notarized and dated (included in this package).
4. **Contractor's Substantial Damage or Substantial Improvement Affidavit** signed, notarized and dated (included in this package).
5. **Estimated Cost** of reconstruction/improvement form (included in this package) and all supporting documents. Include subcontractor's bids and itemized cost lists (see footnote on Cost Estimate Form).
6. Copy of **construction contract**. If the owner is the contractor, submit all subcontractor bids to document the cost estimate.
7. This **checklist**.



SUBSTANTIAL IMPROVEMENT OR
SUBSTANTIAL DAMAGE

APPLICATION FOR SUBSTANTIAL DAMAGE OR
SUBSTANTIAL IMPROVEMENT REVIEW

Property Address: _____

Property Owner's Name: _____

Property Owner's Address: _____

Property Owner's Phone Number: _____

Contractor's Name: _____

Contractor's Address: _____

Contractor's Phone Number: _____

Flood Zone _____ BFE _____ Lowest Floor Elevation _____

Check **one** of the following:

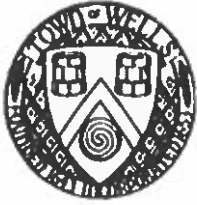
I **am** attaching a State Certified Appraiser's report, valuing the structure at: _____

I am **not** attaching a State Certified Appraiser's report and I accept the use of the valuation of my property that has been recorded by the Assessor's Office.

SIGNATURES:

Property Owner: _____ Date: _____

Contractor: _____ Date: _____



SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE

Property Owner's Substantial Damage or Substantial Improvement Affidavit

Property Address: _____

Contractor's Name: _____

Property Owner's Name: _____

Property Owner's Address: _____

Property Owner's Phone Number: _____

I hereby attest that the list of work and cost estimate submitted with my Substantial Damage or Substantial Improvement Application reflects **ALL OF THE WORK TO BE CONDUCTED** on the subject structure including all additions, improvements and repairs and, if the work is the result of Substantial Damage, this work will return the structure at least to the "before damage" condition and bring the structure into compliance with all applicable codes. Neither I nor any contractor or agent will make any repairs or perform any work on the subject structure other than what has been included on the attached list.

I UNDERSTAND THAT I AM SUBJECT TO ENFORCEMENT ACTION, WHICH MAY INCLUDE FINES, IF ANY INSPECTION OF THE PROPERTY REVEALS THAT I, OR MY CONTRACTOR, HAVE MADE REPAIRS OR IMPROVEMENTS NOT INCLUDED ON THE ATTACHED LIST OF REPAIRS OR THE APPROVED BUILDING PLANS.

See attached itemized list.

STATE OF _____

COUNTY OF _____

Before me this day personally appeared _____, who, being duly sworn, deposes and says that he/she has read, understands, and agrees to comply with all the aforementioned conditions.

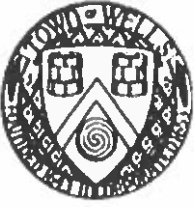
Property Owner's Signature: _____

Sworn to and subscribed before me this _____ day of _____, 20____.

NOTARY SIGNATURE

Notary Public State of _____ My commission

expires _____



SUBSTANTIAL IMPROVEMENT OR SUBSTANTIAL DAMAGE

Contractor's Substantial Damage Or Substantial Improvement Affidavit

Property Address: _____

Contractor's Name: _____

Contractor's Company Name: _____

Contractor's Address: _____

Contractor's Phone Number: _____

I hereby attest that I, or a member of my staff, personally inspected the subject property and produced the attached itemized list of repairs, reconstruction and/or remodeling which are hereby submitted for a Substantial Damage or Substantial Improvement Review. The list of work contains **ALL OF THE WORK TO BE CONDUCTED** on the subject property. If the property sustained Substantial Damage, this list of work will return the structure to at least its condition prior to damage and bring the structure into compliance with all applicable codes. I further attest that all additions, improvements or repairs proposed for the subject building are included in this estimate and that neither I nor any contractor or agent representing me will make any repairs or perform any work on the subject structure other than what has been included on the attached list.

I UNDERSTAND THAT I AM SUBJECT TO ENFORCEMENT ACTION, WHICH MAY INCLUDE FINES, IF ANY INSPECTION OF THE PROPERTY REVEALS THAT I, AS THE CONTRACTOR, HAVE MADE REPAIRS OR IMPROVEMENTS NOT INCLUDED ON THE ATTACHED LIST OF REPAIRS OR THE APPROVED BUILDING PLANS.

See attached itemized list.

STATE OF _____

COUNTY OF _____

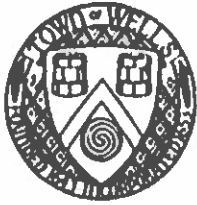
Before me this day personally appeared _____, who, being duly sworn, deposes and says that he/she has read, understands, and agrees to comply with all the aforementioned conditions.

Contractor's Signature: _____

Sworn to and subscribed before me this _____ day of _____, 20____.

NOTARY SIGNATURE

Notary Public State of _____ My commission expires _____



Cost Estimate of Reconstruction / Improvement

Application Number _____ Date _____

Address _____

This cost estimate of reconstruction/improvement must be prepared by and signed by the contractor or by the owner if the owner acts as the contractor. Owners who act as their own contractors must estimate their labor cost at the **current market value** for any work they intend to perform, **including construction supervision costs.**

	Sub-Contractor Bids	Contractor or Owner Estimates	
	Bid Amounts (see note "D")	Material Costs	Labor Costs
1 Masonry/Concrete			
2 Carpentry Material (rough)			
3 Carpentry Labor (rough)			
4 Roofing			
5 Insulation and Weather-strip			
6 Exterior Finish (Siding/Stucco etc)			
7 Doors, Windows & Shutters + (Trim)			
8 Lumber Finish			
9 Hardware			
10 Drywall			
11 Cabinets (Built-in)			
12 Floor Covering			
13 Plumbing (rough)			
14 Shower / Tub /Toilet / Sinks			
15 Electrical & Light Fixtures			
16 Kitchen/Countertops/Built-ins			
17 Decks/Stairs/Guards & Rails			
18 HVAC			
19 Paint			
20 Demolition & Removal			
21 Overhead & Profit			
22 Construction Supervision Costs			
Subtotals			
Total Estimate Cost (all three subtotals added together)			

- A) A copy of the signed construction contract must accompany this estimate.
- B) Subcontractor bids may be used for any material and/or labor cost breakdown. **INCLUDE** donations and volunteer labor.
- C) If any amounts appear in the "Sub-contractor" column, a copy of each signed and dated bid must accompany this form.
- D) Cost backup must be provided for every line item entry. If any amounts appear in the "Sub-contractor" column, a copy of each signed and dated bid must accompany this form. For all other costs, you must list the quantity of materials to be installed and their unit cost on a separate sheet that references the line number.

For example, the backup documentation may contain a section called "Drywall to be installed (Line 10)":

This Sheet (Line 10)
 Materials: \$2,000.00
 Labor: \$320.00

Separate Sheet
 1,000 s.f. ½" Drywall @ \$2.00/s.f. = \$2,000.00
 16 MH to Hang Drywall @ \$20.00 / MH = \$320.00