

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

All development proposals located in 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. 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 and Building Plan Review 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 requirements are met.
- A completed City of Scottsdale Substantial Improvement/Substantial Damage Worksheet<sup>1</sup> or a signed construction proposal from a licensed contractor along with an appraisal of the market value of the existing structure before improvements or repairs is reviewed.<sup>2</sup>
- If the cost of improvement or cost of repair meets or exceeds 50% of the market value of the building it is determined to be a substantial improvement or repair.
- 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 4.2-1 to verify compliance with the city's floodplain management regulations.

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<sup>1</sup> It should be noted that the Substantial Improvement/Substantial Damage worksheet is only a screening tool to establish which projects exceed 60% or are less than 40% 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 an appraisal and a signed construction proposal from a licensed contractor.

<sup>2</sup> In lieu of a Substantial Improvement/Substantial Damage worksheet, or if the applicant disagrees with the SI/SD determination, an appraisal of the market value of the existing structure, before the improvements or repairs are made, and a signed construction proposal from a licensed contractor are submitted and reviewed.

DSPM Figure 4.2-1

Substantial Improvement/Substantial Damage Flowchart

