What is Substantial Improvement (SI) / Substantial Damage (SD)?
Any improvement(s) to a structure made within the past five years, for which the cost of the improvements exceeds 50 percent of the market value of the structure. This is calculated either before the improvement or repair is started, or if the structure has been damaged and is being restored to its pre-damage condition. Lane Code (LC) requires all substantially improved or damaged structures must be improved to meet the current standards for flood hazard reduction, such as elevation, anchoring and flood venting. Development that would trigger a SI or SD determination include remodels, additions, reconstruction, rehabilitations, damage repair and foundation extensions, replacements, or repairs.

Why do I need to do a SI- SD Floodplain Verification?
A Floodplain Verification for SI/SD determines if an improvement is substantial or not and identifies what floodplain standards and additional permitting are necessary for the improvement. Staff makes this determination within the Type I Floodplain Verification application.

What is Market Value of the structure?
While ‘market value’ is not defined by the floodplain code or National Flood Insurance Program (NFIP), it is the amount in cash that could be reasonably expected to be paid by an informed buyer to an informed seller for a property, excluding land value. The market value is the building’s value before the start of construction or before the damage occurred. There are three sources for market value estimations that can be used to review SI/SD.

1) Professional property appraisals;
2) Actual cash value; or
3) Assessed value from Lane County Assessment and Taxation.

Use of the Lane County Assessment and Taxation assessed value is the most common source, but when the SI/SD ratio is close or over the 50% threshold, the applicant can provide more information, such as an appraisal, to make a reasonable conclusion.

What are the steps to do a SI/SD determination?
1) Submit a Type I Floodplain Verification Application (Minor):
   Include with application:
   a) An itemized list of costs associated with the improvement or repair, preferably from the contractor/professional conducting the work. Alternatively, staff or the owner can calculate cost of the improvement based on current Oregon International Code Council (ICC) building valuation estimates by multiplying the total square footage of the work area by the valuation for the type of construction.

<table>
<thead>
<tr>
<th>Type of Construction</th>
<th>Valuation* (per sq. ft.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Building</td>
<td>Varies</td>
</tr>
<tr>
<td>Covered Porch</td>
<td>$23.90</td>
</tr>
<tr>
<td>Deck</td>
<td>$23.90</td>
</tr>
<tr>
<td>Garage</td>
<td>$47.80</td>
</tr>
<tr>
<td>Residential Addition</td>
<td>$118.45</td>
</tr>
</tbody>
</table>

*Valuation rates based on ICC building valuation data for Oregon and will fluctuate over time. Always inquire to determine the most current rates.

b) Market Value of Structure. Staff can determine the real market value of the structure from Lane County Assessment & Taxation records, or the owner may submit (or we may request) an independent appraisal from a professional appraiser, or actual cash value for the structure from your insurance company with the application.

c) A site plan for the proposal drawn to Lane County standards.

2) Staff Issues Determination:
If the structure is substantially improved or damaged staff will issue a formal determination letter. This determination will list the options for complying with the floodplain development standards. If the structure is not substantially improved or damaged, staff will issue their determination and Step 3, to obtain a Floodplain Development Permit may not apply. However, this is dependent on the specifics of the proposal. The proposed work must comply with any applicable building or sanitation codes and requirements.
3) Submit a Type I Floodplain Development Permit with County: The Floodplain Development Permit application form and Lane Code discuss the local requirements and conditions for complying with the floodplain development standards. If you have questions about what will be required, please contact the Planner on Duty.

4) Obtain Any Necessary Building and Sanitation Permits: Prior to any construction or demolition, you must obtain any necessary building or sanitation permits. For more information, call the Builder on Duty at 541-682-4651 or the Sanitarian on Duty at 541-682-3754.

**Example SI/SD Determination Calculation**

**One Improvement in the 5-year period:**
The assessed value of a home is $165,000; the owners would like to add a 16' x 12' residential addition to their dwelling. The total valuation of the addition is 192 square feet at $95.91 per sq. ft. $192 \times 95.91 = $18,415. The value of the improvement is less than 50% of $165,000, which is a non-substantial improvement.

**Cumulative Determination:**
If multiple improvements occur within a 5-year period, the determination will be conducted following the example in the table below.

<table>
<thead>
<tr>
<th>Elapsed time from initial permit application</th>
<th>Year 1</th>
<th>Year 3</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current market value</td>
<td>$100,000</td>
<td>$110,000</td>
<td>$120,000</td>
</tr>
<tr>
<td>Cost of improvement</td>
<td>$10,000</td>
<td>$42,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Cost as percentage of current market value</td>
<td>10%</td>
<td>38%</td>
<td>8%</td>
</tr>
<tr>
<td>Cumulative percentage</td>
<td>10%</td>
<td>48%</td>
<td>56%</td>
</tr>
</tbody>
</table>

In Year 5, the cumulative percentage of the improvements made to the structure exceed the 50% SI/SD threshold and the entire structure or proposed improvement may need to meet current floodplain regulations.

**Additional Notes:**
- For structures located in the **Floodway**, expansion of the structure outside of its existing footprint is not permitted.
- Staff’s SI/SD determination can be appealed.

**ADVISORY:**
On September 7, 2023, additional freeboard standards will become effective pursuant to Lane Code 16.244(5)(a)(xii). New structures in the floodplain will be required to be elevated 2 feet above BFE or 3 feet above highest adjacent grade where BFEs are not available.