



# Town of Marshfield

## SUBSTANTIAL IMPROVEMENT DETERMINATION

**Address:** \_\_\_\_\_ **Parcel #:** \_\_\_\_\_

**Zoning District:** \_\_\_\_\_ **Flood Zone:** \_\_\_\_\_

Marshfield is a member of the National Flood Insurance Program (NFIP) and the Community Rating System (CRS). As such, Marshfield has adopted higher regulatory standards than neighboring communities to ensure that its residents build safe, compliant and flood-resistant structures, receive flood insurance information and discounts, obtain disaster recovery assistance, and have knowledge of and access to the resources and information available to understand the hazards and risks associated with flooding.

There are many design factors that must be addressed in order to achieve compliance with Marshfield's floodplain management regulations. These requirements depend on several factors including, but not limited to, the property's flood zone, the structure's elevation above sea level<sup>1</sup>, the property's elevation above sea level, and proximity to a wetlands resource area. The most significant compliance requirements concern elevating the structure to or above the Design Flood Elevation (DFE) and the type of foundation that will be used to achieve this elevation. The Building Department can help you determine what the DFE and elevations are for your property.

Part of administering these regulations is treating all flood-zone projects in a clear and consistent manner. In an effort to do that, the Marshfield Building Department has adopted a Substantial Improvement Determination policy and procedure to help determine if a proposed project is a "Substantial Improvement." A substantial improvement is defined as 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. To make the substantial improvement determination, the Building Department will compare the cost of the proposed improvements or repairs to the market value of the building (excluding land, accessory structures, and landscaping). If the resulting ratio equals or exceeds 50 percent, the existing building must be brought into compliance with the floodplain management requirements for new construction.

The Town of Marshfield's floodplain management regulations and the Massachusetts Building Code specify that all substantially improved structures are required to be elevated to or above the DFE and be brought into compliance with the flood-resistant design and construction requirements for new construction.

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<sup>1</sup> "Sea Level" is used to describe the benchmark for elevation measurements in a term that can be easily and commonly understood. Elevations are based on NAVD 1988 (North American Vertical Datum of 1988).

In order for the Building Department to render a substantial improvement determination, you must provide a **detailed estimate** of the cost to perform the proposed improvements or repairs. **This detailed cost estimate must include valuations and substantiation in the form of estimates and quotes for all subcontractor labor and materials that will be used to perform the proposed work.** If materials will be donated or the work will be done by the owner or volunteers, market rates approved by the Building Department must be used to estimate the cost of the donated materials and the value of the donated labor. If the work will be done by a contractor, the contractor's overhead and profit must be included. A fully HIC-compliant contract with a detailed list and substantiation of labor and materials may be accepted, at the Building Commissioner's discretion, in lieu of individual subcontractor and supplier estimates and quotes. A full list of required documented costs is included in this workbook.

In order to determine the value of the structure, the Building Department primarily relies on the Town's current tax assessment of the structure. Alternatively, you may provide a **market value appraisal of the depreciated cost of improvements** to the structure prepared by a professional appraiser according to standard practices of the profession. **The cost approach using the depreciated cost of improvements is the only type of private appraisal that will be accepted.** We will review the appraisal to determine that it accurately describes your building and does not include the value of the land, accessory buildings, and landscaping.

Please plan to meet with this Department to review your proposed project so that we may answer any questions you may have and help guide you through the various regulations to get your project started.

**PLEASE BE AWARE THAT IF YOU DO NOT SUBMIT A COMPLETE SUBSTANTIATION OF ALL APPLICABLE COSTS LISTED IN THIS DOCUMENT, YOUR PERMIT MAY BE DENIED**

**780 CMR, §R105.3.1.1 – Determination of Substantially Improved or Substantially Damaged Existing Buildings in Flood Hazard Areas.** For applications for reconstruction, rehabilitation, addition, alteration, repair or other improvement of existing buildings or structures located in a flood hazard area as established by section 322.1.1, the building official shall examine or cause to be examined the construction documents and shall make a determination with regard to the value of the proposed work.

**780 CMR, §R105.3 – Application for Permit.** To obtain a permit, the owner or authorized agent shall file a permit application on a form furnished by the building official for that purpose. Said applications shall:

#5) State the valuation of the proposed work. The building official has the authority to request from the applicant a detailed substantiation of the valuation.

**780 CMR, §R109.3 – Building Permit Valuations.** The applicant for a permit shall provide an estimated value of project cost at time of application. In, in the opinion of the building official, the valuation is underestimated on the application, the permit shall be denied, unless the applicant can show detailed estimates to meet the approval of the building official. Final building permit valuation shall be set by the building official.

**Costs that must be included in your detailed estimate:**

- Materials and labor, including the estimated value of donated or discounted materials and owner or volunteered labor
- Site preparation related to the improvement or repair (foundation excavation, filling in basements)
- Demolition and construction debris disposal (including estimated dumpster costs)
- Labor and other costs associated with demolishing, moving, or altering building components to accommodate improvements, additions, and making repairs
- Costs associated with complying with any other regulation or code requirement that is triggered by the work, including costs to comply with the requirements of the Americans with Disabilities Act (ADA)
- Costs associated with elevating a structure to an elevation that is lower than the DFE
- Construction management and supervision
- Contractor's overhead and profit
- Sales taxes on materials
- Structural elements and exterior finishes, including:
  - Foundations (e.g., spread or continuous foundation footings, perimeter walls, stem walls, pilings, columns, posts, etc.)
  - Monolithic or 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, decking and trim)
  - Windows and exterior doors
  - Roofing, gutters, and downspouts
  - Hardware
  - Attached decks and porches
- Interior finish Elements, including:
  - Floor finishes (e.g., hardwood, ceramic, vinyl, linoleum, 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 trim and carpentry
  - Built-in bookcases and furniture
  - Hardware
  - Insulation
- Utility and service equipment, including:
  - HVAC equipment
  - Plumbing fixtures and piping
  - Electrical wiring, outlets, and switches
  - Light fixtures and ceiling fans
  - Security systems
  - Built-in appliances
  - Central vacuum systems
  - Water filtration, conditioning, and recirculation systems

### **Costs that may be excluded from your detailed estimate:**

- Clean-up and trash removal from storm damage
  - Costs to temporarily stabilize a building so that it is safe to enter to evaluate required repairs
  - Costs to obtain or prepare plans and specifications
  - Land surveying costs
  - Permit fees and inspection fees
  - Carpeting and re-carpeting installed over finished flooring
  - Outside improvements, including landscaping, irrigation, sidewalks, driveways, fences, yard lights, swimming pools, pool enclosures, and detached accessory structures (e.g., garages, sheds, and gazebos)
  - Costs required for the minimum necessary work to correct existing violations of health, safety, and sanitary codes\*
  - Plug-in appliances such as washing machines, dryers, and stoves
  - Final clean-up and trash removal at job completion
- \* Existing Violation Exclusion
- This exclusion does not include old, existing work that is to be upgraded as a part of the overall proposed scope of work.
  - Violations to be excluded must be specifically cited, in writing by the authority having jurisdiction and must pre-date application status.
  - Work requested to be excluded must cite, in writing, any exemption as per FEMA P-758, Section 4.4.8.

### **Important Information:**

- A Substantial Improvement Determination is required for all projects that exceed, or are likely to exceed, **35%** of the value of the structure as determined by the Building Commissioner.
- The FEMA document “FEMA P-758: Substantial Improvement/Substantial Damage Desk Reference” will be used as a guideline for determining substantial improvement. Copies of this document are available at the Marshfield Building Department, the Marshfield Public Library, and [www.fema.gov](http://www.fema.gov).
- Per 780 CMR, Appendix J, Section AJ101.3: All work permitted within a 12 month period will be considered as a single project and work values will be summed for all permits for the purposes of determining compliance.
- **All work** taking place on an existing structure in a Flood Zone in conjunction with a building permit is subject to review under these guidelines. This includes **any work** that falls within the work definition of Substantial Improvement including cabinets and countertops, trim, paint, etc., regardless of the exclusions identified in 780 CMR, Section R105.2.
- An accurate substantiation of costs is required for all projects that are being Substantially Improved as defined by 780 CMR. Only contracts that are fully HIC compliant will be accepted for material and labor costs. All other contracts and quotes must be supported with detailed cost estimates.
- If a project is determined to have exceeded the 50% value target, it will require full compliance with all current NFIP and Building Code floodplain regulations for new construction.
- **Please be aware:** During construction, should the value of the work in place exceed the 50% value, or show that it is likely to exceed the 50% value, due to material changes, design changes, or unforeseen conditions, etc., the project may be subject to a Stop Work Order.
- Marshfield is a **CRS** community (Community Rating System) within the NFIP (National Flood Insurance Program) and your information, project estimates, and worksheets are publicly viewable construction documents and are subject to FEMA/NFIP review and enforcement.
- This project is also subject to regulations and enforcement as allowed under the State of Massachusetts Building Code, MGL 143.