



ANSWERS TO FREQUENTLY ASKED "50% RULE/FEMA" QUESTIONS

1. ***What is the 50% Rule?***
 - The 50% Rule is a National Flood Insurance Program (NFIP) regulation which states that structures whose lowest living floor does not meet or exceed the current required Base Flood Elevation (BFE) specified on the Flood Insurance Rate Map (FIRM) may not be substantially improved.
2. ***What is Substantial Improvement?***
 - Substantial improvement is any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which exceeds 50% of the market value of the structure before the start of construction of the improvement.
3. ***What is Market Value?***
 - Market value is the assessed value or properly depreciated appraised value of the structure. The City of Naples determines market value in one of the following ways:
 1. Add 20% to the Collier County assessment for ad valorem taxation for the structure only.
 2. Provide an independent appraisal in a FEMA format, of the structure only, prepared and certified by a Florida Licensed Appraiser.
4. ***Are there any projects that do not count towards the 50% Rule?***
 - There are only 2 cases in which the cost of improvements may not apply towards the 50% Rule:
 1. Any improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official prior to the application for permit and which are the minimum necessary to assure safe living conditions (this does not include repair to a substantially damaged building).
 2. Any repair, rehabilitation or addition constituting substantial improvement to a designated historic structure may be exempt, but the owner must receive in writing approval from the Florida Bureau of Historic Preservation office that the structure will maintain its historical integrity and historical classification.
5. ***Do maintenance projects count towards my 50%?***
 - Yes, if the maintenance project requires a Building Permit from the City of Naples.
6. ***Can I enclose the area underneath my home and make it into habitable space?***
 - No, if the area is located below the base flood elevation that was in effect at the time the home was built. This area below BFE can only be used for parking of vehicles, storage and limited access.
7. ***Is Substantial Improvement cumulative?***
 - Yes. Structures located within a Special Flood Hazard Area within the City of Naples can be improved up to 50% every 12 months. This is calculated from the time the prior permit was issued and that permit has been closed out.



8. ***How is the value of an improvement determined?***
- The City of Naples uses a form Additions & Alterations that must be completed and signed by the contractor or the owner-builder. This form must also include copies of the construction contract and any subcontractor bids. The city will then evaluate the cost of improvements and determine if they are fair and reasonable.
9. ***Is the cost of an improvement discounted if the owner does the work or the materials are donated?***
- No. The value placed on materials must equal the actual or estimated cost. The value placed on labor must be estimated based on applicable hourly wage scales for the type of construction work.
10. ***Are there any items that can be excluded from the cost of improvement?***
- Items that should not be counted toward the cost of repair include plans, specifications, survey, building permits and other items separate from or incidental to the repair or improvement of the structure. Improvements to the land, such as driveways, pools, seawalls, etc. are not included in the 50% Rule value.
11. ***How do I find out the required BFE for my property and what does it mean?***
- You can call the City of Naples Floodplain Coordinator at 213-5039 or you can look on the Flood Insurance Rate Map (FIRM) that are listed on our website at: <http://building.naplesgov.com/FloodZoneMaps.asp>
 - Base Flood Elevations (BFE), which have been determined by FEMA, is the 1% annual chance of flooding. The 1% annual chance flood is the flood that has a 1% (1 out of 100) chance of occurring in any given years. The base flood, which is also informally referred to as the 100-year flood, is the national standard used by the NFIP and all Federal agencies for the purposes of requiring the purchase of flood insurance.
12. ***What are the flood zones located within the City limits?***
- There are (3) flood zones within the city limits:
 1. X Zone – The X zones are excluded from height requirements and are not in a Special Flood Hazard Area (SFHA). X zones are not required to obtain flood insurance but it is highly recommended.
 2. AE Zone – The AE zones have a BFE established on the FIRM and are areas that are susceptible to slow rising waters. The majority of the city is located within an SFHA AE Zone.
 3. AH Zone – The AH zones have a BFE established on the FIRM and are areas that are susceptible to shallow flooding.
 4. VE Zone – The VE zones, also known as Velocity zones, are in the coastal area along the Gulf of Mexico. These areas have a BFE established on the FIRM and are areas that are susceptible to wave action and rising floodwaters during a storm.



13. ***How do I find out the elevation of the lowest floor of my house?***
- In order to determine what elevation a structure was built at, you will need an Elevation Certificate. You may contact the City of Naples Scanning Department at 213-5058/213-5040 or the Floodplain Coordinator at 213-5039 to see if there is an elevation certificate on file. If an elevation certificate is not on file, you will need to contact a state registered land surveyor to provide an updated elevation certificate for you.
14. ***Do I need flood insurance?***
- Yes, if your property is located in a Special Flood Hazard Area, flood insurance is required as a condition for receipt of federal or federally related financial assistance for acquisition and/or construction of buildings. There is a 30-day waiting period for new flood insurance policies.
15. ***Why should an owner suffer what seems to be a penalty for upgrading and/or improving a structure?***
- The underlying principal for counting the extra costs associated with the more expensive materials, labor, or design is the added real property that would be located in a special flood hazard area and that would be at risk to flood damage. It should be noted that in some form, the Federal Government (the NFIP, FEMA, or various disaster assistance programs) would likely be obligated to pay a portion of or all future damage to these more expensive improvements. In addition, structures located in a special flood hazard area that are not elevated to or above the BFE pose threats to the health and safety of the occupants of these structures. Over time it is not only important to protect the property of the existing structures through substantial improvement, but also to protect the health and lives of the public citizens that occupy them.
16. ***What if the City of Naples did not participate in the NFIP?***
- There are several consequences if the city did not participate in the NFIP. The biggest consequence is that affordable flood insurance would not be available for any buildings, including residential and commercial, located within the City of Naples. If someone wanted to obtain flood insurance, they would have to go through a private insurance company and pay exorbitant premiums. As a result of non-participation, there would be no Federal grants, loans, or mortgage insurance for structures located in a Special Flood Hazard Area. Federal disaster assistance would be unavailable following a declared disaster. Owners of buildings with conventional loans would also be required to notify buyers or lessees that the property is in a Special Flood Hazard Area and that Federal disaster relief is not available in a declared disaster.

If you have additional questions, please feel free to contact the Floodplain Coordinator at 213-5039.

Additional information can be found at: www.fema.gov
www.fema.gov/nfip
www.naplesgov.com