



## **ALTERATIONS AND ADDITIONS LOCATED IN SPECIAL FLOOD HAZARD AREAS**

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### **BACKGROUND**

The City of Cupertino establishes requirements for the prevention of flood damage in Chapter 16.52 of the Cupertino Municipal Code. The purpose of this policy is to further clarify the requirements for additions to buildings and structures located within the boundaries of a flood hazard area.

### **DEFINITIONS:**

**ADDITION:** An extension or increase in floor area or height of a building or structure.

**ALTERATION:** Any construction or renovation to an existing structure other than repair or addition that requires a permit. Also, a change in a mechanical system that involves an extension, addition or change to the arrangement, type or purpose of the original installation that requires a permit.

**POST-FIRM BUILDING:** A building for which construction or substantial improvement occurred after May 1, 1980, or on or after the effective date of the initial Flood Insurance Rate Map (FIRM) for the community.

**PRE-FIRM BUILDING:** A building for which construction or substantial improvement occurred on or before May 1, 1980, or before the effective date of the initial Flood Insurance Rate Map (FIRM) for the community.

**SUBSTANTIAL IMPROVEMENT:** “Substantial improvement” means any repair, reconstruction or improvement of a structure, the cost of which equals or exceeds fifty percent of the market value of the structure either:

1. Before the improvement or repair is started; or
2. If the structure has been damaged and is being restored, before the damage occurred.

For the purposes of this definition “substantial improvement” is considered to occur when the first alteration of any wall, ceiling, floor or other structural part of the building commences, whether or not that alteration affects the external dimensions of the structure. The term does not, however, include either:

1. Any project for improvement of a structure to comply with existing state or local health, sanitary, or safety code specifications which are solely necessary to assure safe living conditions; or
2. Any alteration of a Historic Structure, as defined in Cupertino Municipal Code Section 16.52.010.

### **EXAMPLES OF SUBSTANTIAL IMPROVEMENT**

Substantial Improvement to an existing building may be the result of an alteration to an existing building, an addition to an existing building, or a combination of both. A cost estimate provided by a licensed general contractor, experienced cost estimating professional, or licensed engineer or architect will be required to document the cost of the alteration. The following examples will clarify how the City of Cupertino determines if an improvement to an existing building is considered a substantial improvement.

EXAMPLE 1: 100% alteration of an existing 1000 s.f. building; No addition.

Assume: Market Value for existing structure = \$112.65/s.f. (per June 2016 ICC Building Valuation Data) x 1.5 (Bay Area Multiplier) = \$168.98/s.f.  
Cost of Alteration Per approved cost estimate

Calculate:

Market Value of Existing Structure = 1000 s.f. x \$168.98/s.f. = \$168,980  
Improvement Value = \$40,000 (Per approved cost estimate)

Value Increase (%) = 23.7% Market Value [Scope is NOT considered a Substantial Improvement]

EXAMPLE 2: 500 s.f. addition to an existing 1000 s.f. building; No alteration.

Assume: Market Value for existing structure = \$168.98/s.f.  
Construction Valuation of Addition Per approved cost estimate

Calculate:

Market Value of Existing Structure = 1000 s.f. x \$168.98/s.f. = \$168,980  
Improvement Value = \$100,000 (Provided by Contractor)

Value Increase (%) = 59.2% Market Value [Scope is considered a Substantial Improvement]

EXAMPLE 3: 300 s.f. addition to an existing 1000 s.f. building; Alteration to 40% of existing structure.

Assume: Market Value for existing structure = \$168.98/s.f.  
Construction Valuation of Alteration and Addition Per approved cost estimate

Calculate:

Market Value of Existing Structure = 1000 s.f. x \$168.98/s.f. = \$168,980  
Improvement Value = \$80,000 (Provided by Contractor)

Value Increase (%) = 47.3% Market Value [Scope is NOT considered a Substantial Improvement]

**PERMIT REQUIREMENTS:**

If an addition constitutes a substantial improvement to a building, both the addition and the existing building must comply with the effective base flood elevation, foundation, and other flood requirements for new construction.

If an addition to a pre-FIRM building does not constitute a substantial improvement, neither the addition nor the existing building must be elevated.

If an addition to a post-FIRM building does not constitute a substantial improvement, the addition must be elevated in accordance with current flood requirements.