

## **Proposed definition for Demolition Summary**

### **Goal:**

To clearly distinguish between renovation and new construction in a way that is fair and replicable across all construction projects.

### **Guidelines:**

Fair Market Value can be determined by the DeKalb County tax assessment value, a recent (1 year) sales amount or a current (1 year) appraisal. This will include the structure only, not the land value.

Construction Cost can be determined by a contract for services with a qualified state licensed contractor or published standardized construction value data by the ICC. The city will be looking at the actual cost of construction, not the estimated or appraised value of the home once the project is complete.

A project will be considered a demolition if the construction costs of the improvements exceed the Fair Market Value of the house by more than 50%.

### **Proposed Definition:**

**Demolition:** Complete removal of structure or a scope of construction (alteration, addition, renovation or reconstruction) of a structure where the cost of the construction exceeds 50% of the fair market value of the structure at the date of permit request/submittal as determined by the Building Official. Fair Market value determinations may be made using tax assessor records, current appraisals, or recent sales information. The cost of the proposed construction may be determined by reviewing detailed, complete (turnkey) contracts from a qualified state licensed contractor or published standardized construction value data similar to that published by the International Code Council (ICC). Values for the purpose of this definition are exclusive of land values.

# DEMOLITION

DEFINED

# **DECATUR DEMOLITION POLICY**

- **Structures are grandfathered to the top of the first floor wall plates**
- **Minimum maintenance of 3 exterior walls**
- **Minimum maintenance of existing first floor system**

# **CURRENT POLICY CONCERNS**

- Existing houses can be swallowed by renovation
- Value of renovation greatly exceeds existing structure
- Square footage of renovated space more than doubles existing structures
- Renovation becomes demolition due to unseen damage often creating a variance need
- Neighborhood concerns that renovation is new construction
- Renovation is new construction

# OTHER APPROACHES

- Most cities in Georgia define improvement rather than demolition similar to stormwater and building codes
- The term *substantial improvement* is defined and requires compliance with new construction standards
- Linked to value of structure not structural conditions
- Utilizes a time frame of 5 years or 10 years to eliminate incremental demolition

# SAVANNAH, GA

***Substantial improvement*** means any reconstruction, rehabilitation, addition, or other improvement of a structure, taking place during a five-year period, the cumulative cost of which equals or exceeds 50 percent of the market value of the structure before the "start of construction" of the improvement. This term includes structures which have occurred "repetitive loss" or "substantial damage", regardless of the actual repair work performed.

**NOTE:** The market value of the structure should be:

(1)The appraised value of the structure prior to the start of the initial repair or improvement, or

(2)In the case of damage, the value of the structure prior to the damage occurring. This term includes structures which have incurred "substantial damage", regardless of the actual amount of repair work performed. The term does not, however, include either:

(1)Any project for 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 and which are the minimum necessary to assure safe living conditions, or

(2)Any alteration of a "historic structure" provided that the alteration will not preclude the structure's continued designation as a "historic structure".

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 structure commences, whether or not that alteration affects the external dimensions of the structure.

# ATLANTA, GA

***Substantial improvement*** means any combination of repairs, reconstruction, alteration, or improvements to a structure taking place during a ten-year period in which the cumulative cost equals or exceeds 50 percent of the value of the structure prior to the improvement, as provided in 44 C.F.R. § 59.1 and Section 2 of the Metropolitan North Georgia Water Planning District's Model Floodplain Management/Flood Damage Prevention Ordinance (2006).

***Modification to existing structures or existing usages of the floodplain in violation of, but predating the provisions of this article.*** Minor modifications and routine maintenance of uses and structures which were lawful prior to the original date of enactment of the provisions of this article, including existing structures, fills, pavements, utilities, manufactured homes, mobile homes, mobile home sites and other facilities, shall be subject to the following restrictions:

**(A) *Permitted modifications of existing structures or existing usage.*** Any modification to an existing usage, when such existing usage is in violation of this article, that enhances the protection of life or property or which is reasonably necessary to the maintenance and upkeep of the property concerned and which does not extend the scope and magnitude of the existing violation of these regulations, is permitted provided the value of such modification or maintenance does not exceed 50 percent of the value of the structure or total existing usage prior to such modification or maintenance, excluding the value of the land but including the value of existing structures, utility service connections, fills, pavements, slabs, mobile home sites and other facilities which can be reasonably demonstrated as an integral part of that existing usage.

**(B) *Modifications requiring additional measures.*** Any improvement, modification or maintenance and any repairs or reconstruction required by any reason, including damages arising from normal deterioration, flood, other natural act or accident, of any existing usage where such existing usage is in violation of this article, shall bring that existing usage under the scope of the regulations set forth in this subsection; and that existing usage shall be brought into compliance with this article, providing that the total value of such improvement, modification, maintenance, repair or reconstruction exceeds 50 percent of the value of the structure or existing usage before such improvement, modification or maintenance or before such flood, other natural act or accident, excluding the value of the land but including the prior value of structures, utility service connections, fills, pavements, slabs, mobile home sites and other facilities which can be reasonably demonstrated as an integral part of the existing usage prior to the event.

# **ATHENS, GA**

***Substantial damage:*** means damage of any origin sustained by a structure whereby the cost of restoring the structure to the structure's before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

***Substantial improvement:*** Any repair, reconstruction or improvement of an existing structure the cost of which equals or exceeds 50 percent of the market value of the existing structure either before the improvement of repair is started or 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 any project for improvement of a structure to comply with existing state or local health, sanitary or safety code specification which are solely necessary to assure safe living condition or any alteration of a historic structure, provided that the alteration will not preclude the structure's continued designation as a historic structure.

# VALUATION OF SUBSTANTIAL IMPROVEMENTS ON RECENT PROJECTS

Address	Appraised Building Value	Construction Value (COST)	50% appraised building value	75% appraised building value	Substantial Improvement at 50% value	Substantial Improvement at 75% value
620 Sycamore Drive	\$ 123,070.00	\$ 279,557.00	\$ 61,535.00	\$ 92,302.50	yes	yes
316 East Lake Drive	\$ 130,690.00	\$ 86,625.00	\$ 65,345.00	\$ 98,017.50	yes	no
231 Fairview Avenue	\$ 153,720.00	\$ 310,000.00	\$ 76,860.00	\$ 115,290.00	yes	yes
518 Chevelle Lane	\$ 27,900.00	\$ 224,070.00	\$ 13,950.00	\$ 20,925.00	yes	yes
126 Emerson Avenue	\$ 105,700.00	\$ 306,390.00	\$ 52,850.00	\$ 79,275.00	yes	yes
123 First Avenue	\$ 156,340.00	\$ 202,125.00	\$ 78,170.00	\$ 117,255.00	yes	yes
712 West Ponce de Leon Avenue	\$ 366,480.00	\$ 810,000.00	\$ 183,240.00	\$ 274,860.00	yes	yes
242 Mead Road	\$ 300,000	\$ 420,000.00	\$ 150,000.00	\$ 225,000.00	yes	yes

# **PROPOSED ORDINANCE**

**Demolition:** Complete removal of structure or a scope of construction (alteration, addition, renovation or reconstruction) of a structure that, once completed, results in *an increase of fair market value of 50% or more* of the structure at the date of permit request/submittal as determined by the Building Official. Fair Market value determinations may be made using tax assessor records, current appraisals and recent sales information. Value of proposed construction may be determined by reviewing detailed, complete (turnkey) contracts from a qualified state licensed contractor and published standardized construction value data similar to that published by the International Code Council (ICC). Values for the purpose of this definition are exclusive of land values.

# **AMENDED DEFINITION**

## **04-09-14**

**Demolition: Complete removal of structure or a scope of construction (alteration, addition, renovation or reconstruction) of a structure where the cost of the construction exceeds 50% or more of the fair market value of the structure at the date of permit request/submittal as determined by the Building Official. Fair Market value determinations may be made using tax assessor records, current appraisals and recent sales information. The cost of the proposed construction may be determined by reviewing detailed, complete (turnkey) contracts from a qualified state licensed contractor and published standardized construction value data similar to that published by the International Code Council (ICC). Values for the purpose of this definition are exclusive of land values.**