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Summary: Final Rule

Federal Flood Risk Management Standard (FFRMS)

WHITEPAPER

By: Government Services Technical Advisory Group

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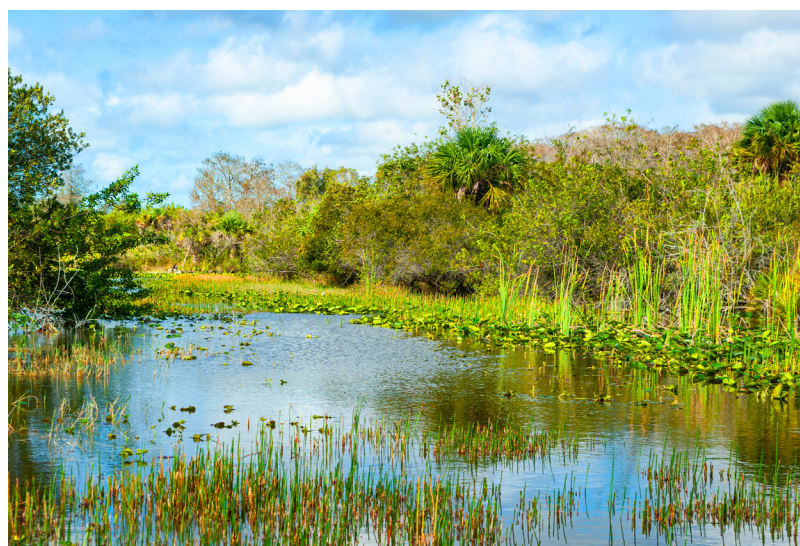
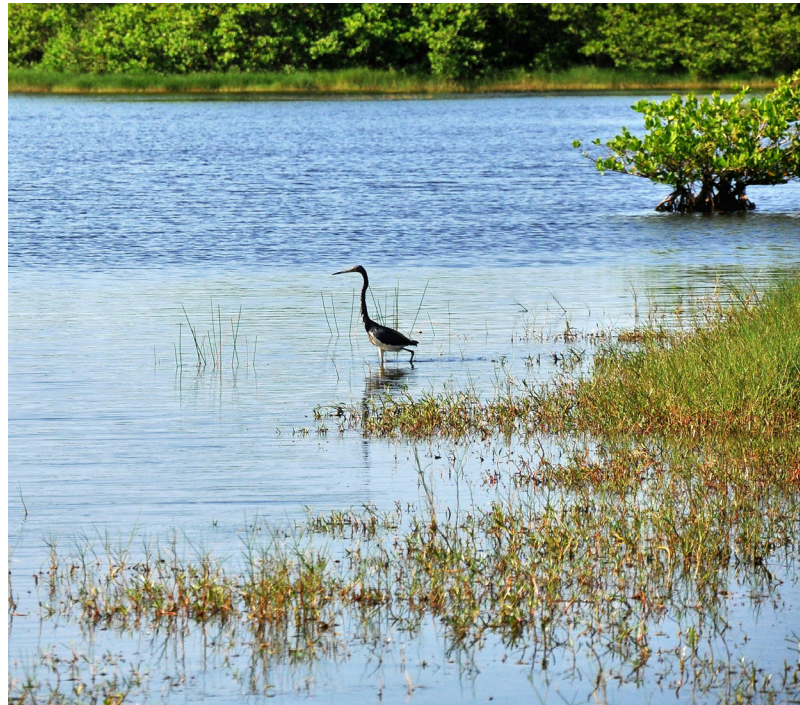
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Executive Summary

PURPOSE

The following memo summarizes 89 FR 30850- Floodplain Management and Protection of Wetlands; Minimum Property Standards for Flood Hazard Exposure; Building to the Federal Flood Risk Management Standard (the Final Rule). This Final Rule from HUD revises 24 CFR part 55 to incorporate the Federal Flood Risk Management Standard (FFRMS) and enhance climate resilience.

SUMMARY

The 2021 Climate Action Plan by HUD updates floodplain management regulations to include the FFRMS, emphasizing climate resilience, especially for underserved communities. The rule expands the floodplain definition to consider future flood risks based on current climate science, requiring elevation or floodproofing of structures in these areas.

It introduces a three-tiered approach for defining the FFRMS floodplain, depending on the availability of data, with preferences for using the Climate Informed Science Approach (CISA).

Significant revisions include:

1. Expanding floodplain areas to reflect FFRMS criteria, mandating additional elevation to mitigate flood risks and potentially lower insurance rates.
2. Incorporating environmental justice and equity considerations into floodplain management, with an emphasis on using nature-based solutions.
3. Streamlining decision-making and compliance processes, including a clearer 8-step decision-making process for floodplain management.
4. Enhancing notifications about flood hazards to stakeholders involved in HUD-financed properties and requiring flood insurance for properties within designated flood risk areas.
5. Revising definitions and responsibilities within HUD's floodplain and wetland regulations to improve clarity and compliance.

The rule aligns with HUD's climate adaptation goals, aiming to protect and mitigate against flood risks while ensuring fair treatment and meaningful involvement of all communities.

Effective Date and Implementation

- The compliance deadline for most provisions is June 24, 2024, with specific exceptions for new construction and certain HUD programs, which have later deadlines in 2025. These changes aim to enhance project resilience and environmental protection across HUD-assisted initiatives.
- Compliance: Local governments, developers, and other stakeholders must comply with these new regulations to receive federal funding or support for construction projects in flood-prone areas.

The regulation aims to enhance the resilience of new and existing structures against flooding, reduce the impact of floods on human safety and the environment, and promote sustainable development practices.

Summary of Final Rule by Section

The following sections align with the sections of the Final Rule, but summarizes the most pertinent points:

A. Federal Flood Risk Management Standard (FFRMS) Floodplain

The final rule for defining the Federal Flood Risk Management Standard (FFRMS) floodplain introduces a three-tiered approach based on the availability of data in the project area:

1. Climate Informed Science Approach

(CISA): This method is used when data is available and involves analyzing elevated flood risks during the anticipated life of the project using climate change projections. This approach is mandatory for defining the FFRMS floodplain when preparing an Environmental Impact Statement (EIS), emphasizing the need for climate-informed science to assess potential environmental concerns.

2. 0.2-Percent-Annual-Chance Flood

Approach (0.2 PFA): When CISA data is not available, this approach uses the FEMA-defined 0.2-percent-annual-chance floodplain to delineate the FFRMS floodplain. For critical actions, if CISA data is unavailable, the floodplain is either the FEMA 0.2-percent area or an area resulting from adding three feet to the base flood elevation, whichever is larger.

3. Freeboard Value Approach (FVA):

If neither CISA data nor the FEMA 0.2-percent-annual-chance floodplain can be used, this

approach involves adding two feet to the base flood elevation determined by FEMA's effective Flood Insurance Rate Map (FIRM) or Flood Insurance Study (FIS) for non-critical actions, and three feet for critical actions.

Additionally, if neither CISA data nor FEMA data is suitable or available, other federal, state, local, or tribal data may be used as the "best available information" to define the 1-percent-annual-chance floodplain.

B. Climate Informed Science Approach—Availability and Actionability of Data

The final rule outlines the procedures for defining the Federal Flood Risk Management Standard (FFRMS) floodplain using the Climate-Informed Science Approach (CISA). According to § 55.7 of the rule, the Department of Housing and Urban Development (HUD) mandates that the FFRMS floodplain be determined using CISA wherever such data is available and actionable. This can be achieved through the adoption of tools, resources, or processes developed by federal agencies, which HUD adopts after a public comment period.

Additionally, the rule allows for the voluntary definition of the FFRMS floodplain using CISA by HUD or a responsible entity if a state, tribal, or local government has formally adopted such methods through codes or other measures. This option is valid if it results in an elevation

at least as high as one of the following: the 0.2-percent-annual-chance floodplain elevation, the elevation adding two feet to the base flood elevation, or the required elevation under specific sections of § 55.7. The rule also emphasizes considering the criticality of the action in determining the appropriate elevation for the floodplain when using voluntary measures.

C. Revised Definitions

The final rule revises several definitions in 24 CFR 55.2 concerning flood risk management and construction standards.

Key revisions include:

1. **Best Available Information:** Relocated from the definition of “coastal high hazard area” to new sections 24 CFR 55.7 and 55.8, adjusting related definitions to align with this change. It specifies sources for identifying floodplains and areas prone to flood risks, including methodologies and FEMA’s maps.
2. **Critical Action:** Expanded to include community stormwater management infrastructure and water treatment plants, emphasizing their importance in maintaining functionality during flood and storm events.
3. **Federal Flood Risk Management Standard (FFRMS) Floodplain:** Introduces a definition for FFRMS floodplain, updating the “0.2-percent-annual-chance floodplain” definition to align with FFRMS when CISA data is available.
4. **Impervious Surface Area:** Adds a definition to aid in objective assessment in specific regulatory sections.

5. **Limit of Moderate Wave Action (LiMWA):** Defines LiMWA as the inland limit in Coastal A Zone where wave heights can reach 1.5 to 3 feet during a base flood, necessitating that structures within this zone comply with the more stringent Zone V construction standards due to the significant damage potential from wave actions.
6. **New Construction:** Removes the definition from § 55.2 and incorporates it into § 55.10, relating to limitations on HUD assistance in wetlands, providing more context on construction actions.
7. **Wetlands:** Revises the definition by focusing on the determination methods and removing unnecessary examples to reduce confusion, particularly around areas adjacent to deep water habitats that might be considered wetlands.

These revisions aim to enhance clarity and improve compliance with flood risk management and environmental protection standards.

D. Assignment of Responsibilities

This final rule amends 24 CFR 55.3 to specify that HUD Assistant Secretaries, the HUD General Counsel, and the President of the Government National Mortgage Association are responsible for decisions under their authority according to the process outlined in 24 CFR 55.20. Additionally, it revises the responsibilities of grantees and applicants to improve clarity and introduces a new section, § 55.3(f), which establishes the role of third-party providers.

E. Notification of Floodplain Hazard

This final rule amends HUD regulations related to floodplain hazard notifications.

Key modifications include:

1. **Reorganization of Regulations:** The notification requirements from 24 CFR 55.21 and the conveyance restrictions from 24 CFR 55.22 are consolidated into a new section, 24 CFR 55.4. This change highlights the importance of early notification about floodplain hazards.
2. **Notification Requirements:** The new section 55.4 maintains the obligation for HUD or its designees, as well as responsible entities, to ensure that all participants in financial transactions for floodplain properties—along with current or prospective tenants—are informed about the floodplain hazards.
3. **Specifics of Notifications:** For property owners, buyers, developers, and renters, notifications must include information about the necessity or option of obtaining flood insurance, the property's elevation relative to the Federal Flood Risk Management Standard (FFRMS) floodplain, proximity to flood-related infrastructure (e.g., dams, levees), available evacuation routes, historical flood insurance claims, and other relevant emergency resources.
4. **Lease Requirements:** For properties that are HUD-assisted, HUD-acquired, or HUD-insured rentals, leases must now include acknowledgments signed by residents confirming their awareness of the floodplain location and the availability of flood

insurance for personal property. Renters must also be informed about emergency evacuation routes and procedures.

5. **Proactive Notification Approach:** HUD emphasizes a proactive and systematic notification strategy to ensure that prospective property buyers and renters are adequately warned about potential flood risks, enabling them to make informed decisions.
6. **Conveyance Restrictions Update:** The rule moves conveyance restrictions related to multifamily real property sales from 24 CFR 55.22 to the updated 24 CFR 55.4, with minor adjustments to reflect current floodplain terminology.

These changes are designed to enhance awareness and preparedness for flood risks among stakeholders involved in property transactions and tenancy in flood-prone areas.

F. Flood Insurance

The final rule addresses the consolidation of flood insurance requirements under 24 CFR part 55, specifically into a new section, § 55.5. This new section encompasses all pertinent flood insurance requirements including limitations for properties in communities that do not participate in FEMA's National Flood Insurance Program (NFIP), and mandates for HUD-assisted projects to purchase flood insurance within designated Special Flood Hazard Areas (SFHAs).

Moreover, § 55.5 introduces language that allows HUD or responsible entities to mandate insurance coverage exceeding the minimums specified by the Flood Disaster Protection Act

(FDPA) or local regulations, to mitigate financial risks. It also allows mortgagees involved in HUD programs to impose additional insurance requirements.

Although flood insurance is not mandated outside SFHAs as per part 55, HUD strongly advises maintaining flood insurance for all structures within the Federal Flood Risk Management Standard (FFRMS) floodplain to reduce financial losses. Additionally, for high-value structures or those located in expensive areas, the regulation suggests that the maximum NFIP coverage may be insufficient, and obtaining private flood insurance might be necessary to cover the full replacement cost, thus avoiding significant financial damages.

G. Compliance

The final rule includes several key changes and additions to HUD regulations regarding floodplain management and protection of wetlands:

- 1. Creation of New Section § 55.6:** This section outlines the process HUD or the responsible entity must follow to determine compliance with part 55, including the necessity of the 8-step decision-making process, and the requirements for notification and flood insurance. Importantly, it does not introduce new requirements but provides a clearer process for compliance.
- 2. Documentation Requirements:** The new § 55.6(d) also relocates summary of documentation requirements from § 55.27 to make the information more accessible within the same section.

- 3. New Restrictions Under § 55.8 and Revisions in § 55.10:** These sections address limitations on HUD assistance in floodplains and wetlands, maintaining many previous restrictions but with updates and additions. For instance, § 55.8(b) emphasizes using the best available flood data from FEMA, and § 55.8(c) mandates actions to address repeated flood losses at properties identified by FEMA as Severe Repetitive Loss (SRL) properties.

- 4. Incorporation of FEMA Mitigation in HUD Processes:** Under § 55.8(c), any HUD assistance for substantial improvements or new construction must incorporate FEMA-approved mitigation measures for SRL properties within the minimization steps of the decision-making process. This integration aims to reduce flood insurance premiums, minimize repeated flood losses, and ensure that HUD-funded mitigation meets FEMA's requirements to be classified as "Mitigated."

The final rule aims to streamline compliance processes, ensure thorough consideration of flood risks, and enhance mitigation efforts to protect lives and property from flood-related damages.

H. Incidental Floodplain Exception

The final rule modifies regulations concerning projects with onsite floodways. Specifically, it removes floodways, coastal high hazard areas, and the LiMWA from the incidental floodplain exception in § 55.12(c)(7) and introduces a new section, § 55.8(a)(1).

This section stipulates that HUD assistance may be used in floodways under two scenarios:

1. If an exception in § 55.12 is applicable, aligning with existing HUD regulations.
2. If all structures and most improvements are removed from the floodway, a permanent covenant or similar restriction is established to prevent future development or expansion in the floodplain and/or wetland. Approved activities under this condition include rehabilitation and reconstruction post-presidential disasters, as long as these do not expand existing uses outside of the floodway in the FFRMS floodplain. This new exception allows for a wider range of activities within floodways and adjacent FFRMS floodplains compared to the previous incidental floodplain exception, but requires completion of an 8-step decision-making process to ensure no practicable alternatives exist before commencement.

Additionally, the rule maintains a narrower version of the incidental floodplain exception for the FFRMS floodplain (excluding floodways, coastal high hazard areas, or LiMWA areas) in the updated § 55.12(g), which allows projects to proceed without the 8-step decision-making process if only an incidental portion of the project site is within the FFRMS floodplain.

I. Identifying Wetlands and Limitations on HUD Assistance in Wetlands

The document outlines changes to regulations related to wetlands in housing and urban development. Specifically:

1. Addition of § 55.9, “Identifying Wetlands”:

- This new section enhances the definition of “wetlands” from § 55.2(b)(13) by clearing up areas that were previously confusing and removing unneeded procedural steps. It modifies how wetlands are identified, moving beyond the exclusive use of the National Wetlands Inventory (NWI). Instead, it requires a visual inspection of the property to check for wetlands indicators and, if necessary, using other methods such as consulting with the U.S. Fish and Wildlife Service, using other federal, state, or local resources, or obtaining an evaluation from a qualified wetlands scientist.

2. Revision of § 55.10, “Limitations of HUD Assistance in Wetlands”:

- The revised section defines the procedural requirements for HUD-assisted projects that could impact wetlands either directly or indirectly. It clarifies and codifies existing policies regarding compliance with wetlands regulations without introducing new mandates.

These updates aim to provide more flexibility in identifying wetlands and streamline compliance processes while ensuring the accurate identification and protection of wetlands.

J. Clarification and Revisions of Exceptions

The final rule revises certain sections of the regulations, making specific changes to the exceptions regarding compliance with part 55, which deals with activities in floodplains and wetlands. Here's a summary:

1. Structural Reorganization: The rule reorganizes exceptions into three distinct categories:

- **§ 55.12:** Exceptions for activities completely exempt from part 55 compliance.
- **§ 55.13:** Activities that must adhere to certain part 55 standards but are exempt from the comprehensive 8-step decision-making process.
- **§ 55.14:** Activities allowed to use a simplified 5-step decision-making process instead of the full 8-step process.

2. Specific Changes in Exceptions:

- **Removals in § 55.12:** Removes exceptions for locations reclassified by FEMA through the LOMA or LOMR process, as these do not guarantee compliance with the broader criteria of part 55, particularly in regard to floodplain function. It also removes exceptions for actions related to ships and waterborne vessels, as these generally do not involve HUD funding and have caused confusion.
- **Additions and Clarifications in §§ 55.13 and 55.14:** Includes new exceptions and clarifications:

- **§ 55.13(f):** Adds a new exception for projects aimed at improving energy or water efficiency, or installing renewable energy, that don't significantly modify the site, thus reducing procedural requirements.
- **§ 55.14(e):** Introduces an exception for minor infrastructure repairs or replacements that have minimal impact on impervious surfaces, specifically excluding major or critical infrastructures like levee systems or chemical storage facilities.

3. General Clarifications: The rule specifies and slightly adjusts the limits on changes to the footprint of structures and paved areas, ensuring that they do not increase by more than 20 percent, and clarifies insurance requirements for leased structures in floodplains.

These revisions aim to clarify and streamline the regulatory framework, making it more adaptable and precise in addressing floodplain and wetland preservation while ensuring compliance with essential safety and environmental standards.

K. 8-Step Decision Making Process

The final rule amends § 55.20 to enhance the 8-step decision-making process in alignment with the Federal Flood Risk Management Standard (FFRMS) and to modernize requirements.

Key revisions include:

1. Clearly defining roles and responsibilities within the 8-step process to address common misunderstandings.
2. Ensuring consistency with the FFRMS, specifically regarding the identification of and limitations related to FFRMS-designated floodplains and wetlands.
3. Introducing an alternative to publish public notices on a government website instead of in printed news media during Steps 2 and 7.
4. Providing additional clarifications and examples to guide required and suggested analyses.
5. Mandating coordination of the 8-step process with public engagement efforts related to environmental justice, in line with Executive Order 14096, which focuses on revitalizing commitments to environmental justice.

The Department of Housing and Urban Development (HUD) plans to release new guidance on promoting environmental justice to support these changes.

L. Elevation, Floodproofing, Minimization, and Restoration

The text provides a summary of the final rule revisions to § 55.20, particularly expanding Step 5 of § 55.20(e) to implement the Federal Flood Risk Management Standard (FFRMS).

Here are the key points:

1. **Expansion of Requirements for Floodplain Management:** The final rule stipulates that all new construction and significant improvements within the FFRMS floodplain must either be elevated or, in some cases, floodproofed above the FFRMS floodplain level. This applies to both residential and non-residential structures, with specific conditions for each.
2. **Adherence to Higher Local Standards:** Where state, tribal, or local codes impose stricter floodplain management standards, these higher requirements must be adhered to.
3. **Minimization and Floodplain Restoration:** The revised rule emphasizes the importance of minimization and restoration strategies as crucial elements of increasing flood resilience. These must be considered during the decision-making process.
4. **Alternative Floodproofing for Non-Critical Structures:** For non-critical, non-residential, or certain multifamily residential structures not housing dwelling units below the FFRMS floodplain, the rule allows for floodproofing as an alternative to elevation. This approach adopts FEMA's floodproofing requirements, aiming to balance cost with flood risk management.

- 5. Residential Building Specifications:** For residential buildings, the rule specifies that the definition of “lowest floor” aligns with FEMA regulations and guidance, ensuring consistency in elevation standards.
- 6. Flood Risk Reduction Strategies:** The rule identifies specific strategies to reduce flood risks and preserve the beneficial values of floodplains and wetlands, such as using green infrastructure, reconfiguring project footprints, and incorporating resilient building standards.
- 7. Clarification on Floodplain Preservation and Wetland Restoration:** A new section clarifies the historical approach to floodplain preservation and the restoration of wetlands or beneficial floodplain functions, drawing from past practices and successful implementations in HUD-assisted projects.
- 8. Safety Planning in Multifamily and Critical Facilities:** It also updates the requirements for planning ahead for safety in multifamily residential buildings, healthcare facilities, and other critical structures, focusing on proactive measures for resident safety.

These changes enhance the regulatory framework for managing flood risks, emphasizing resilience, compliance with higher standards, and a balanced approach to structural flood mitigation strategies.

M. Processing for Existing Nonconforming Sites

The final rule introduces a new section, § 55.21, titled “Alternate processing for existing nonconforming sites,” which is designed to address the issues at existing sites with onsite

floodways. This new rule establishes a special approval process for HUD-assisted or HUD-insured properties that are located in floodways, outlining several key conditions:

1. HUD must complete an 8-step decision-making and environmental review process to ensure that flood risks are minimized and no other environmental hazards remain at the site.
2. Actions must be taken to significantly reduce flood risks and enhance resilience, such as relocating all residential units and critical structures away from the floodway.
3. HUD must ascertain that it is not feasible to transfer the assistance to a safer location.

The rule is aimed at maintaining HUD support or financing under exceptional circumstances for projects that cannot meet the usual requirements due to the presence of an onsite floodway. It is intended for rare applications and maintains the general rule against HUD funding for floodway projects. However, it acknowledges scenarios where discontinuing HUD assistance would not enhance the safety or resilience of the residents, under HUD’s objectives. In these instances, HUD will conduct a thorough evaluation to decide whether to finance improvements at the current location or to withdraw support. The Assistant Secretary for Community Planning and Development is granted the authority to approve projects once all specified conditions are met.

N. Other Changes to Part 55

The final rule introduces multiple amendments to part 55 aimed at updating terminology, enhancing readability, and improving structural accuracy.

Key changes include:

1. Removal of Redundant or Underutilized Provisions:

Several sections that were either outdated or not commonly used have been removed. This includes:

- **§ 55.24 “Aggregation”:** Removed due to redundancy, as its principles are more clearly described in 24 CFR parts 50 and 58.
- **§ 55.25 “Areawide compliance”:** Eliminated because it involved a complicated notification process and has not been used in any HUD-assisted activity since the introduction of 24 CFR part 55.

2. Restructuring for Clarity:

Instructions for documenting decision-making as per 24 CFR part 55 have been moved from § 55.27 to § 55.6 to align them with general compliance guidelines and the structural description of part 55. Additionally, the rule revises documentation requirements, particularly removing the obligation to compile a list of alternative properties, which may be irrelevant or unavailable for certain project types.

3. Simplification of Compliance with Wetlands Decision Making:

- **§ 55.28 Removal:** This section, which offered relief from some steps of the wetlands decision-making process upon

obtaining a permit from the US Army Corps of Engineers under Section 404 of the Clean Water Act, was removed due to its limited practical use.

- The rule maintains and revises § 55.26, allowing the adoption of another agency’s 8-step decision-making process under less restrictive conditions than those in the removed § 55.28.

These changes streamline part 55, remove unnecessary requirements, and clarify procedures for compliance and documentation within HUD programs.

O. Minimum Property Standards

The final rule revises elevation standards for one-to-four-family residential structures with FHA-insured mortgages. It mandates that newly constructed buildings within the 1-percent-annual-chance floodplain have their lowest floor elevated at least 2 feet above the base flood elevation, as per the latest available data. This rule only applies to new constructions, not to substantial improvements of existing structures.

By amending the Minimum Property Standards specifically in section 200.926d(c)(4), the rule aims to reduce flood damage, enhance the safety and stability of properties, and foster more resilient communities in flood-prone areas. It does not apply to FHA’s general single-family mortgage insurance processes, where homes are endorsed for insurance post-construction without prior HUD review under environmental laws like NEPA or E.O. 11988.

P. Categorical Exclusion

The final rule modifies § 50.20(a)(2)(i), updating the categorical exclusion from further environmental review under NEPA for minor rehabilitations of one- to four-unit residential properties. The amendment removes the requirement that the structure's footprint may not increase in a floodplain or wetland when reviewed by HUD. This change aligns the review standards of HUD with those of responsible entities, which had their footprint condition removed in 2013. Additionally, this rule specifies that the categorical exclusion applies to construction but not to rehabilitation involving increased footprint in floodplains or wetlands, which would require an environmental assessment or impact statement.

The revision addresses inconsistencies in review requirements between minor rehabilitations and new constructions, and between HUD and grantees. It ensures that any impact from footprint increases in sensitive areas continues to be managed through the established 8-step decision-making process as mandated by Executive Orders 11988 and 11990, and part 55.

Q. Permitting Online Posting

The final rule modifies sections 50.23, 58.43, 58.45, and 58.59 to permit the posting of public notices on a government website, as an alternative to local news media, provided the website is accessible to individuals with disabilities and offers meaningful access to those with Limited English Proficiency. This update aligns these sections with the revised section 55.20, which also allows for public notices to be posted online rather than in newspapers as part of the 8-step decision-making process.

R. Severability

The final rule introduces a new severability clause in subpart D, at § 55.30. This provision emphasizes that each part of the rule is intended to be effective to the maximum extent allowed by law. It specifies that if any part of the rule is deemed unenforceable by a court, the rest of the rule should continue to be effective as permitted by law. This allows for the implementation of unaffected sections without the need for new rulemaking processes. The rule also clarifies that changes in one part do not impact the functionality or administration of other parts. For example, revisions in 24 CFR parts 55 and 200 operate independently, so issues in one part will not affect the other. Likewise, adjustments to one program or a specific floodplain identification method under this rule do not compromise the overall effectiveness or administration of other programs or sections.

S. Tribal Consultation and Stakeholder Listening Sessions

The text describes HUD's consultation policy with Tribal Nations and the steps taken in the rulemaking process for a new rule under the Native American Housing Assistance and Self Determination Act of 1996 (NAHASDA). Initially, HUD notified eligible funding recipients and their tribally designated housing entities about the upcoming rule and requested comments through letters and webinars, establishing a 30-day and later a 60-day comment period. The process included reviewing an early draft of the proposed regulatory changes and holding additional consultation sessions. One notable written comment received during this period suggested that the rule explicitly recognizes Tribal self-governance rights.

Further, HUD conducted outreach during the comment period of the proposed rule through four listening sessions targeting different stakeholders such as local government officials, Tribal representatives, and housing industry representatives. These sessions aimed to provide an overview of the proposed rule and gather further public input. Notes from these sessions are available on the HUD website. Throughout, HUD affirmed its commitment to recognizing the sovereignty of federally recognized Tribes and maintaining a government-to-Government relationship, allowing Tribes significant control over their housing programs.

T. Delayed Compliance Date

The text sets new compliance dates for amendments to 24 CFR parts 200 and 55:

1. **Effective Date:** The rule becomes effective on May 23, 2024.
2. **General Compliance Delay:** Full compliance with the rule is postponed until June 24, 2024.
3. **Specific Compliance Dates:**
 - Amendments to 24 CFR part 200: Compliance is required for new construction where building permit applications are submitted on or after January 1, 2025. This delay aims to provide home builders sufficient time to adjust to new Minimum Property Standards, including increased elevation requirements.

- Amendments to 24 CFR part 55: Compliance is mandated by January 1, 2025, for certain HUD programs and mortgage insurance programs. These programs include Multifamily FHA, Section 202 and 811 capital advance grants, Section 8 renewals with capital repairs, RAD conversions, the Green and Resilient Retrofit Program, FHA Healthcare, and FHA Risk Share. The delayed compliance period is set to allow for necessary site design, planning, and environmental analysis.

The delayed compliance periods for both parts 200 and 55 were established in response to public comments and are intended to give regulated entities more time to prepare for and integrate the new standards into their planning processes, without significantly increasing flood risks in the interim, as existing guidelines already require elevation standards above the base flood elevation (BFE).

Key Takeaways

Projects Must Comply with Elevated

Standards: CDBG-DR and CDBG-MIT projects will need to comply with the elevated standards set by the FFRMS, ensuring structures are built or retrofitted to withstand higher flood risks.

Enhanced Climate-Informed Planning Will

Be Needed: Project planning and design will need to incorporate climate-informed science to assess and mitigate flood risks accurately, potentially leading to changes in site selection and project design.

Increased Focus on Environmental Justice:

The rule emphasizes the need to consider the environmental justice impact of HUD's actions. Projects should ensure they address the needs of underserved communities disproportionately affected by climate change.

Increased Costs and Funding Needs:

The higher construction standards and additional floodproofing measures may increase project costs, necessitating more detailed budgeting and possibly additional funding.

Long-Term Benefits: Despite potential increased upfront costs, these measures will likely reduce long-term maintenance and repair costs due to enhanced resilience against future floods. Additionally, lower flood insurance rates can improve affordability and sustainability for low- to moderate-income housing.



The FFRMS final rule introduces critical changes to how CDBG-DR and CDBG-MIT projects must approach floodplain management and climate resilience, aiming to protect federal investments, enhance community resilience, and ensure long-term sustainability amidst increasing climate risks.

Grantees must adapt their planning, design, and construction practices to comply with these new requirements, potentially leading to increased costs but offering benefits like reduced insurance premiums and greater project durability.

Overall, this rule aligns with HUD's goals of creating sustainable, resilient, and inclusive communities by incorporating forward-looking flood risk assessments and mitigation strategies into project planning and execution.




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