



## Federal Flood Risk Management Standards (FFRMS) Background

December 11, 2024

# Federal Flood Risk Management Standards (FFRMS) – Some History

## **1977 - Executive Order 11988 – Signed by President Carter**

- Federally funded projects must meet NFIP standards
- Critical facilities – outside of 500-year

## **2015 – Executive Order 13690 – Signed by President Obama**

- Encourages nature-based solutions
- Adding three approaches

## **2017 – Executive Order 13807 – Signed by President Trump**

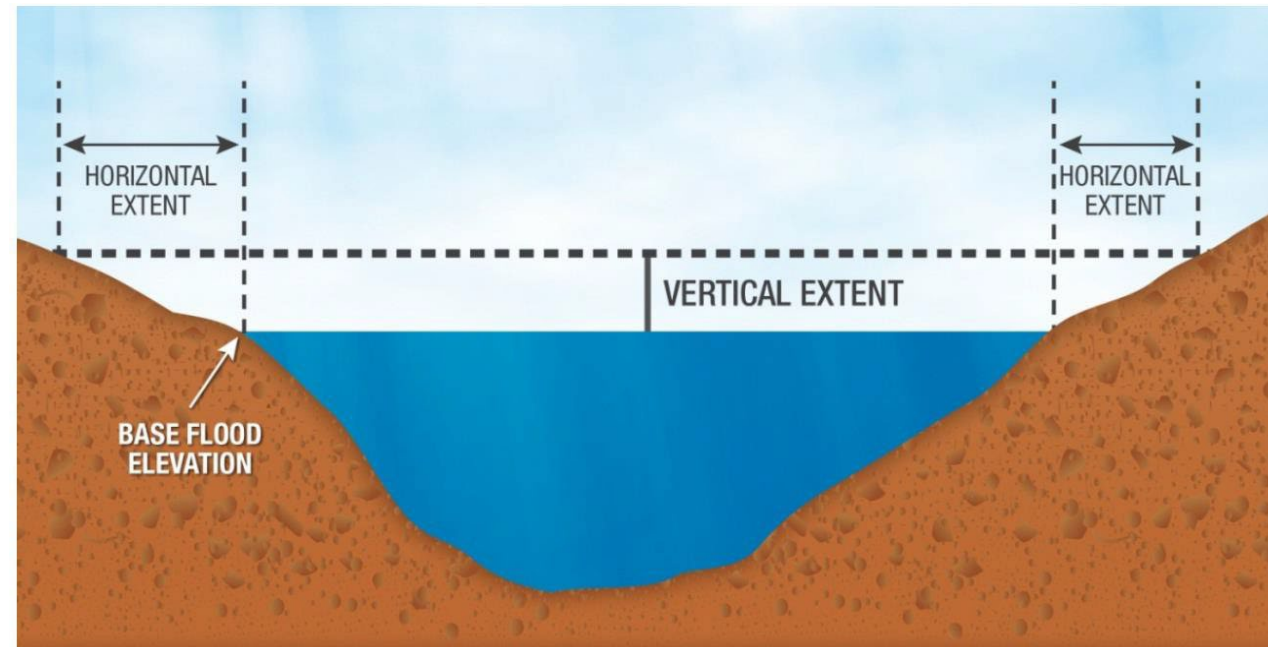
- Revoked E.O. 13690; so back to E.O. 11988

## **2021 – Executive Order 13807 – Revoked by President Biden**

- Back to E.O. 13690

# FFRMS Approaches from E.O. 13690

- Climate-Informed Science Approach (CISA)
  - ✓ mainly Sea Level Rise; not currently used in FEMA Region 5
- Freeboard Value Approach (FVA)
  - ✓ Critical facilities – 3-foot freeboard
  - ✓ Non-critical facilities – 2-foot freeboard
  - ✓ If using FVA, using the horizontal extension
- 0.2 percent annual chance Flood Approach (0.2FPA)



# What is a “Critical Action”

## What is a critical action

- A critical action is an activity or action for which even a slight chance of flooding is too great.
- Examples of critical actions include:
  - Structures that store highly volatile, flammable, explosive, toxic or water reactive materials;
  - Hospitals and nursing homes, and housing for the elderly;
  - Emergency operation centers or data storage centers;
  - Power generating plants and other principal points of utility lines.



**FEMA**

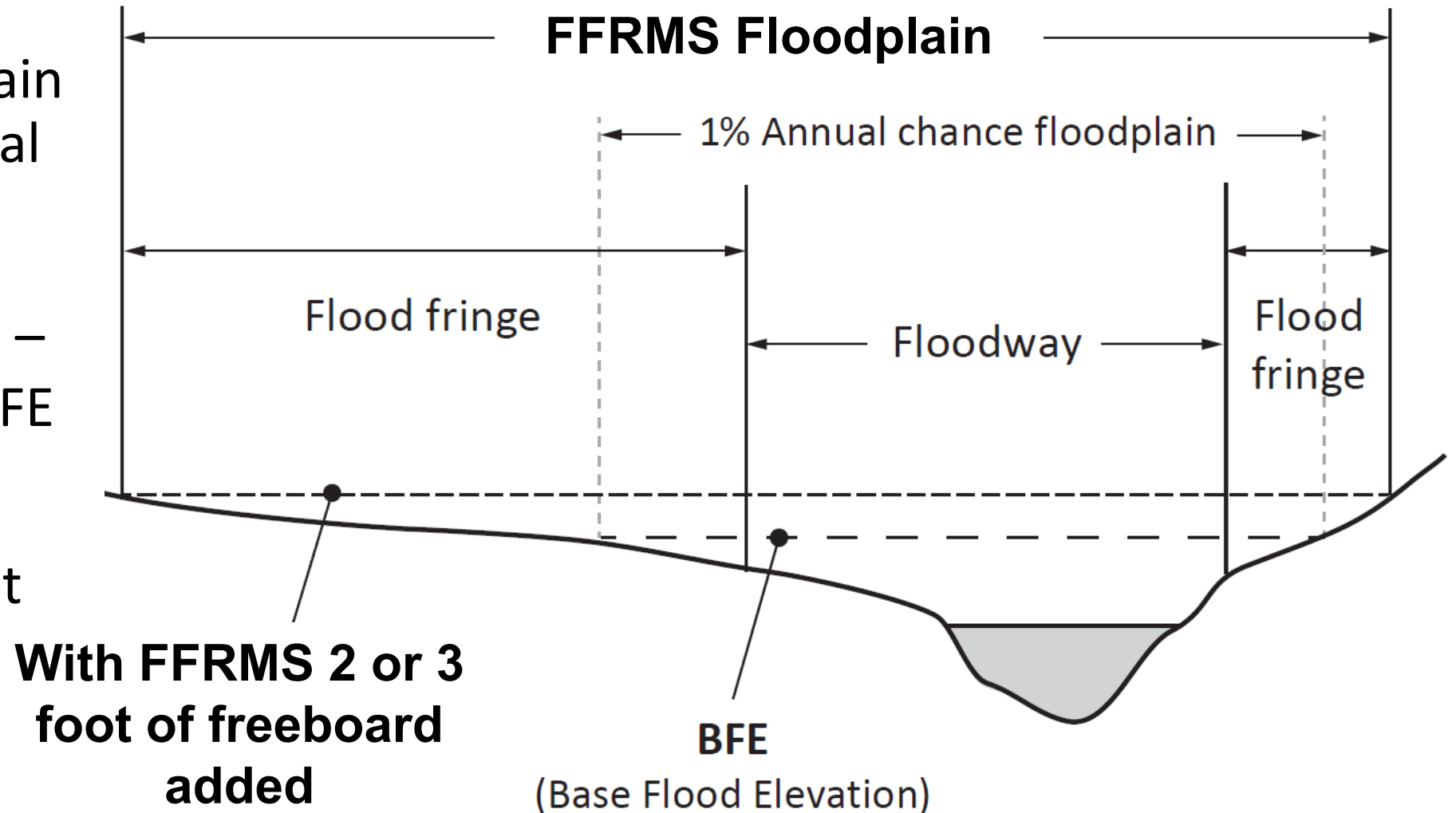
Federal Emergency Management Agency

# FFRMS Floodplain Using the Freeboard Value Approach (FVA)

The FFRMS floodplain, i.e., within the floodplain with the horizontal expansion

✓ Critical actions – 3 foot above BFE

✓ Non-critical actions – 2 foot above BFE



# More on New HUD Rules (effective April 23, 2024) – FHA Loan Impacts Later, but Quick Preview

**What:** Single-Family homes within the Special Flood Hazard Area (SFHA) **must meet two-foot freeboard (have lowest floor at Base Flood Elevation +2')** to be eligible for FHA loans

Note: will not apply to expanded area

**When:** New construction after 1/1/2025 (building permit date).

Note: will not apply to substantial improvement of existing Single-Family Homes

## **How does that compare to MN minimum standards?**

- ✓ MN minimum Regulatory Flood Protection Elevation is BFE + 1' + up to .5' stage increase
- ✓ If community has the state minimum standards, the single-family homes will NOT be eligible for FHA loans

December 11, 2024



# Federal Flood Risk Management Standard

Minnesota DNR – Monthly LGU Virtual Forum

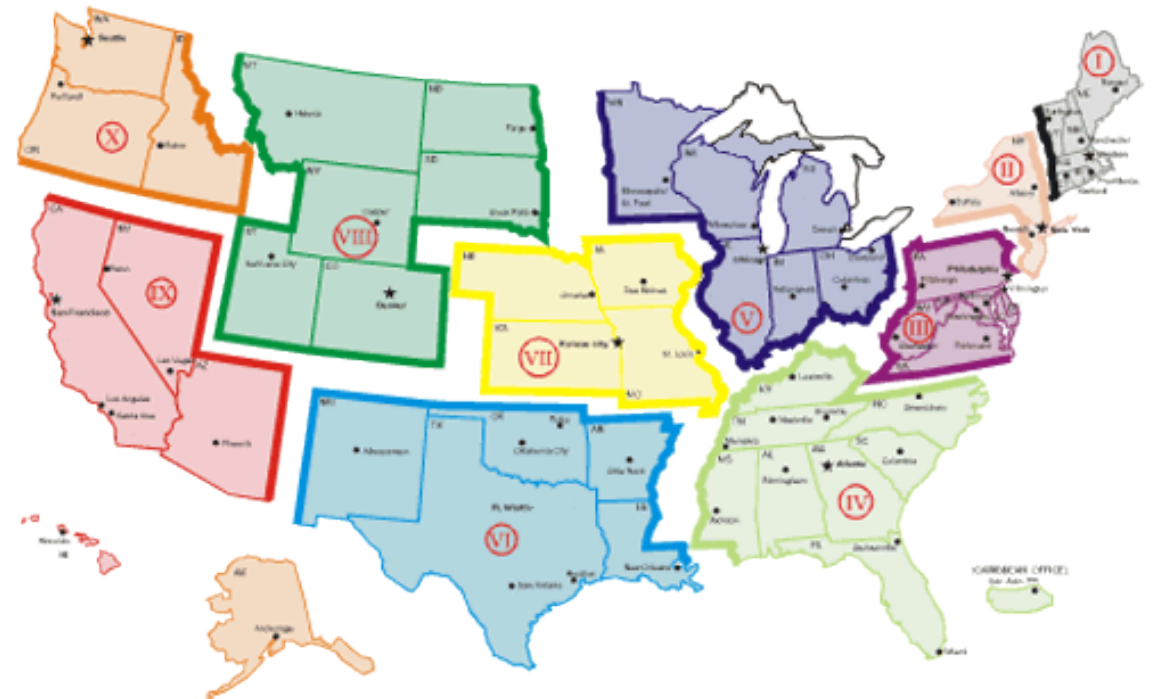
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# Background – Flooding Risk in the United States

From 1996-2019, **99 percent** of U.S. counties were impacted by a flooding event. Both flood risk and flood disasters are expected to increase as a result of climate change.

Since 2017, the U.S. has seen eight separate flooding events costing \$1 billion or more, which NOAA estimates to have cost in total over \$30 billion dollars.

While flooding and severe storms affect all communities, it is more difficult for socially vulnerable populations such as low-income and minority communities to recover from flooding impacts.

The estimated loss potential from just a 1-inch flood ranges from \$10,000 to \$27,000 in a home.

Estimated that the expected annual flood damages in 2020 to homes with federally backed mortgages was \$9.4B. It is estimated that those annual damages will increase a third to \$12.8B in 2050.

# Intent of HUD's FFRMS Final Rule – Better Address Flood Risk

Increased flood resilience means families will be able to recover more quickly after a flood, reducing the need and cost for temporary housing, loss of personal possessions and significant personal impact.

Nationally, over a 40-year period, HUD estimates the total cost savings from the rule will total between \$56.4 million and \$324.3 million annually in losses and displacement avoided.

By adopting a future flood risk model, HUD will increase the Nation's resilience to flooding, particularly in low- and moderate-income communities, reduce the risk of flood losses, minimize the impact of floods on households across the country, and protect federal investments against future risk and increased harm.

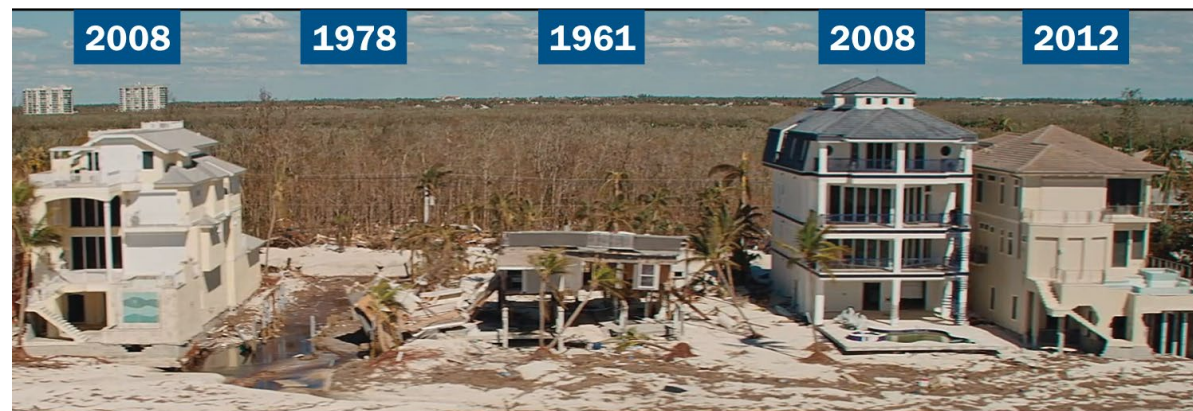
Studies have shown that higher standards, including elevations of homes in areas of flood risk, reduce the damages to those houses when a flood event occurs.

The losses avoided by federally funded riverine flood mitigation projects far exceed the money spent (with a 7x return on investment according to FEMA's Hazard Mitigation Reports). In some coastal locations subject to hurricane surge, it can be cost effective to build the first floor up to 10 feet above base flood elevation, in some places saving more than \$12 per \$1 of added cost.

# Building and Elevation Codes Reduce Damage

This rule will implement requirements found in **EO 13690** - Establishing a Federal Flood Risk Management Standard (2015) and **EO 14030** – Climate Related Financial Risk (2021) by updating:

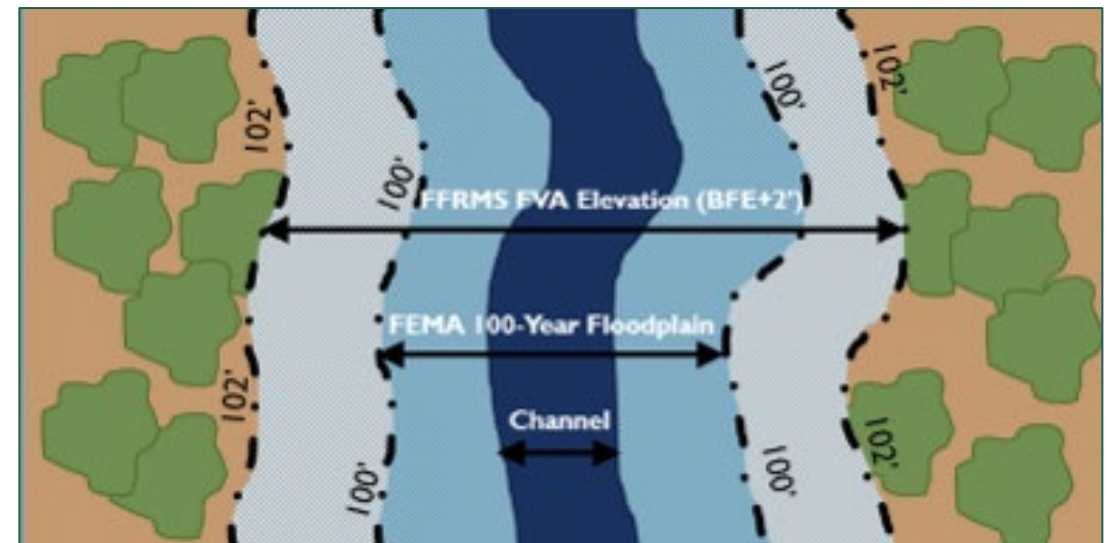
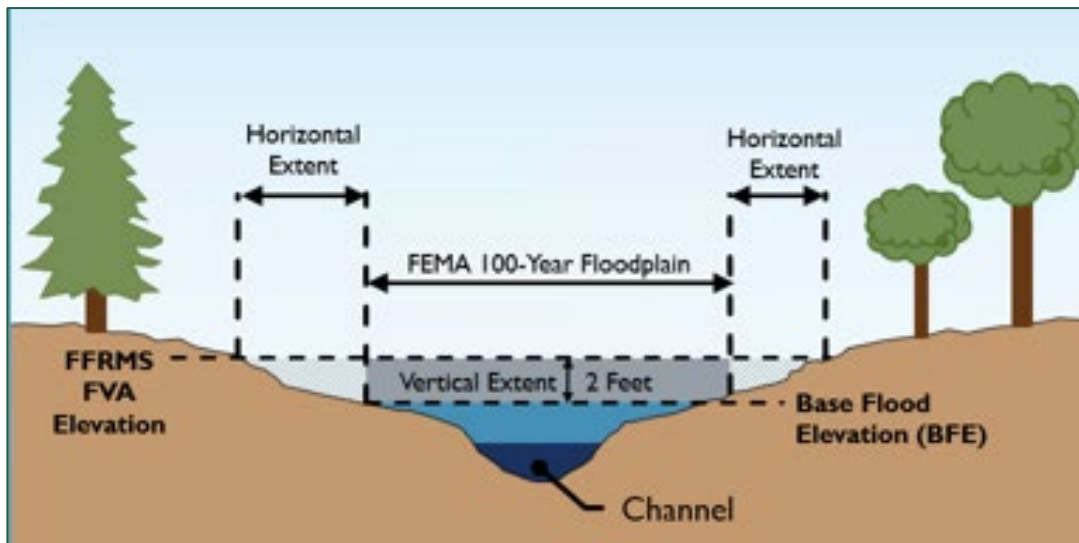
- **Part 55**, Floodplain Management and Protection of Wetlands: Applies to all HUD Programs that trigger NEPA/environmental review requirements
- **Part 200**, Minimum Property Standards: Applies to single-family housing under HUD mortgage insurance



*Bonita Springs, FL – Different standards impacted by storm surge/flood event*

# The FFRMS Floodplain

Under this rule, HUD will regulate based on the “FFRMS floodplain,” which defines an expanded floodplain that takes future flood risk into account for Part 55 programs.



# Major Improvements Under the Rule

## Specifically, the rule:

- **Redefines the floodplain of concern for Part 55:**
  - Regulates to a newly defined, expanded FFRMS Floodplain instead of the 100-year Floodplain to account for increased flood risk over time
  - Will protect more residences and critical facilities by requiring additional elevation
- **Increases the required elevation for new construction** across all applicable programs and **substantially improved structures** (for grant programs and multifamily FHA-insured projects)
- **Strengthens public notice and clarifies flood insurance requirements** to increase awareness of flood risk to renters and homeowners
- **Incorporates flexibilities in allowing HUD assistance** for specific properties in floodways when specific criteria are met

# FFRMS: Key Definitions

24 CFR 55.2(b)(3): **Critical Actions** are activities that create, maintain, or extend the useful life of these type structures or facilities for which any risk of flooding is too great.



24 CFR 55.2(b)(12): **Substantially improved** includes any repair, reconstruction, modernization, or improvement of a structure, including manufactured housing that (A) costs equals or exceeds 50 of the market value of the structure (before improvements started or damage occurred) (B) results in an increase of more than twenty percent in the number of dwelling units in a residential project or average peak number of customers and employees likely to be on-site at any one time for a commercial or industrial project.

# FFRMS: Modernizing the Regulatory Floodplain

## Floodplain of Concern (Former Part 55 Standard)

Based on FEMA's Flood Insurance Rate Maps (FIRMs)

- Floodplain of concern was the 1% annual chance flood or 100-year floodplain
- 8-step for projects in the 500-year floodplain was limited to critical actions only

## FFRMS Floodplain (New Part 55 Requirements)

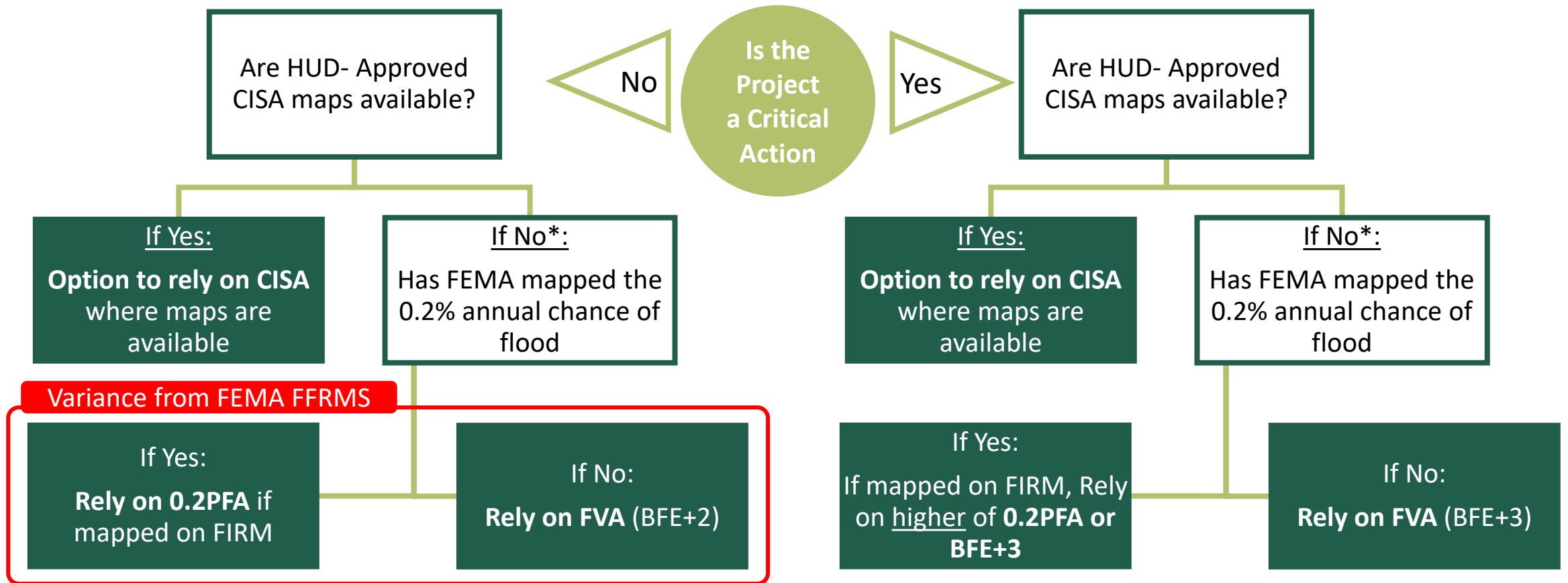
8-step and elevation requirements triggered for the FFRMS floodplain as determined using 1 of 3 methods:

1. Climate-Informed Science Approach (CISA)
2. 0.2-Percent-annual-chance Flood Approach (0.2PFA) – All new construction and substantial improvements within the 0.2 percent-annual-chance floodplain trigger 8-step and elevation requirements
3. Freeboard Value Approach (FVA)



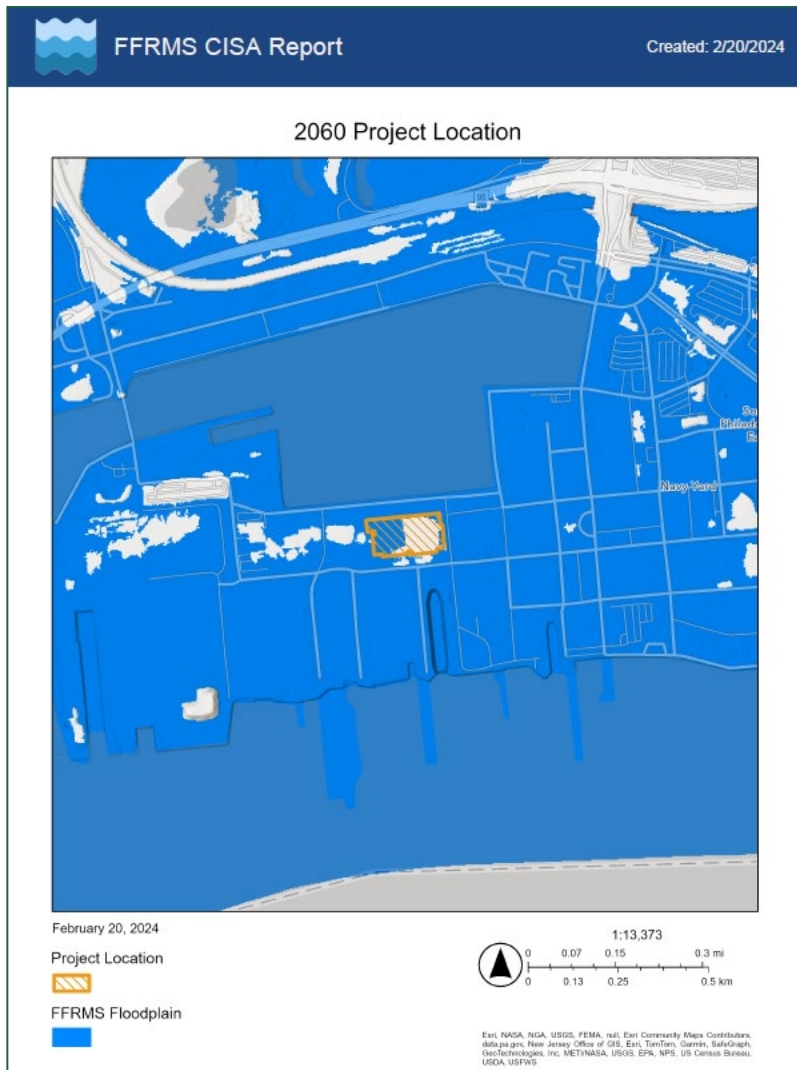


# Identifying the FFRMS Floodplain



\*HUD and applicants may elect to use Federal CISA data prior to HUD adoption or state and local CISA data if it meets the requirements at 55.7(f) and is not lower than 0.2PFA or FVA.

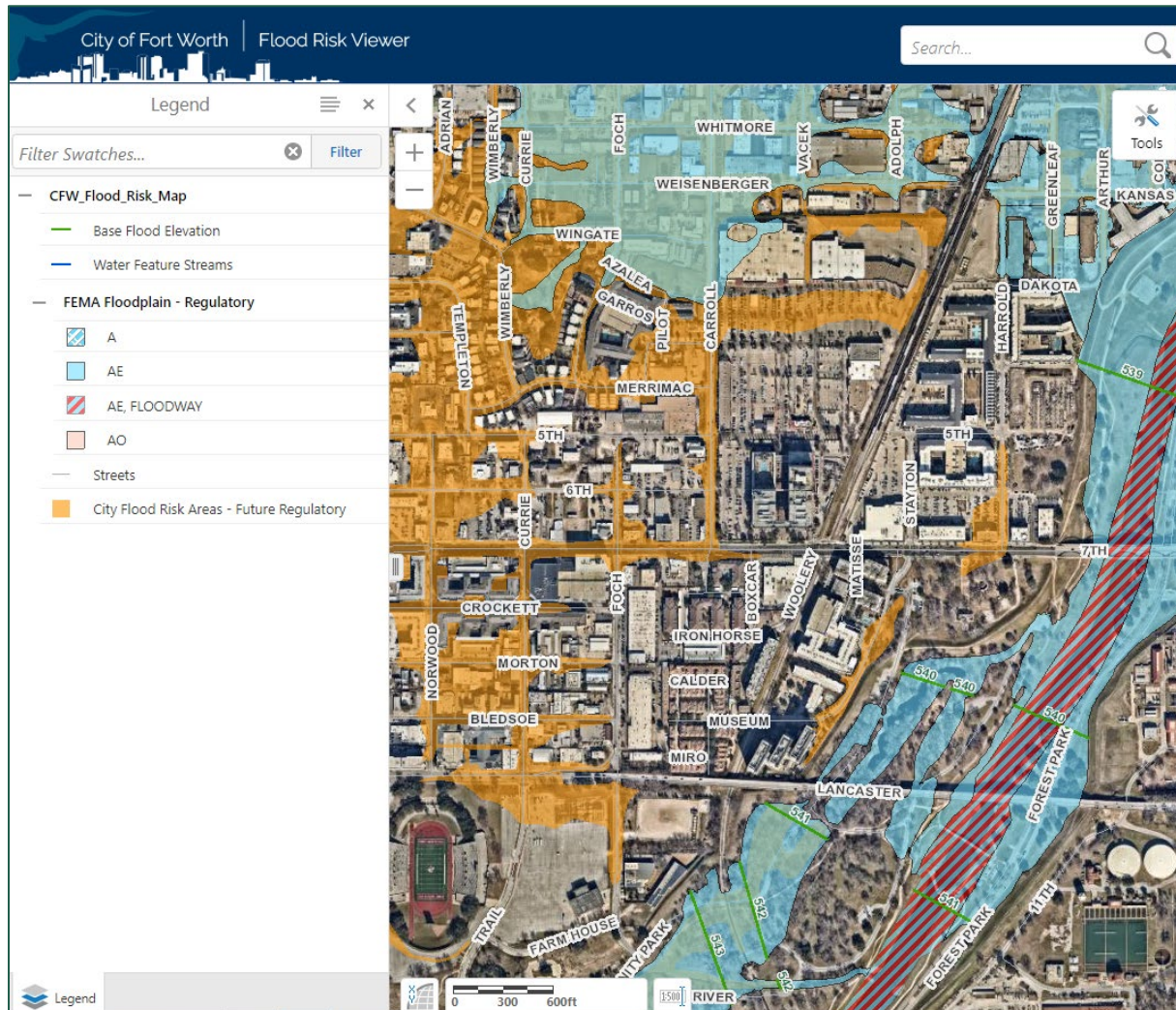
# Identifying the FFRMS Floodplain – CISA Maps



## Federal Flood Standard Support Tool (FFSST)

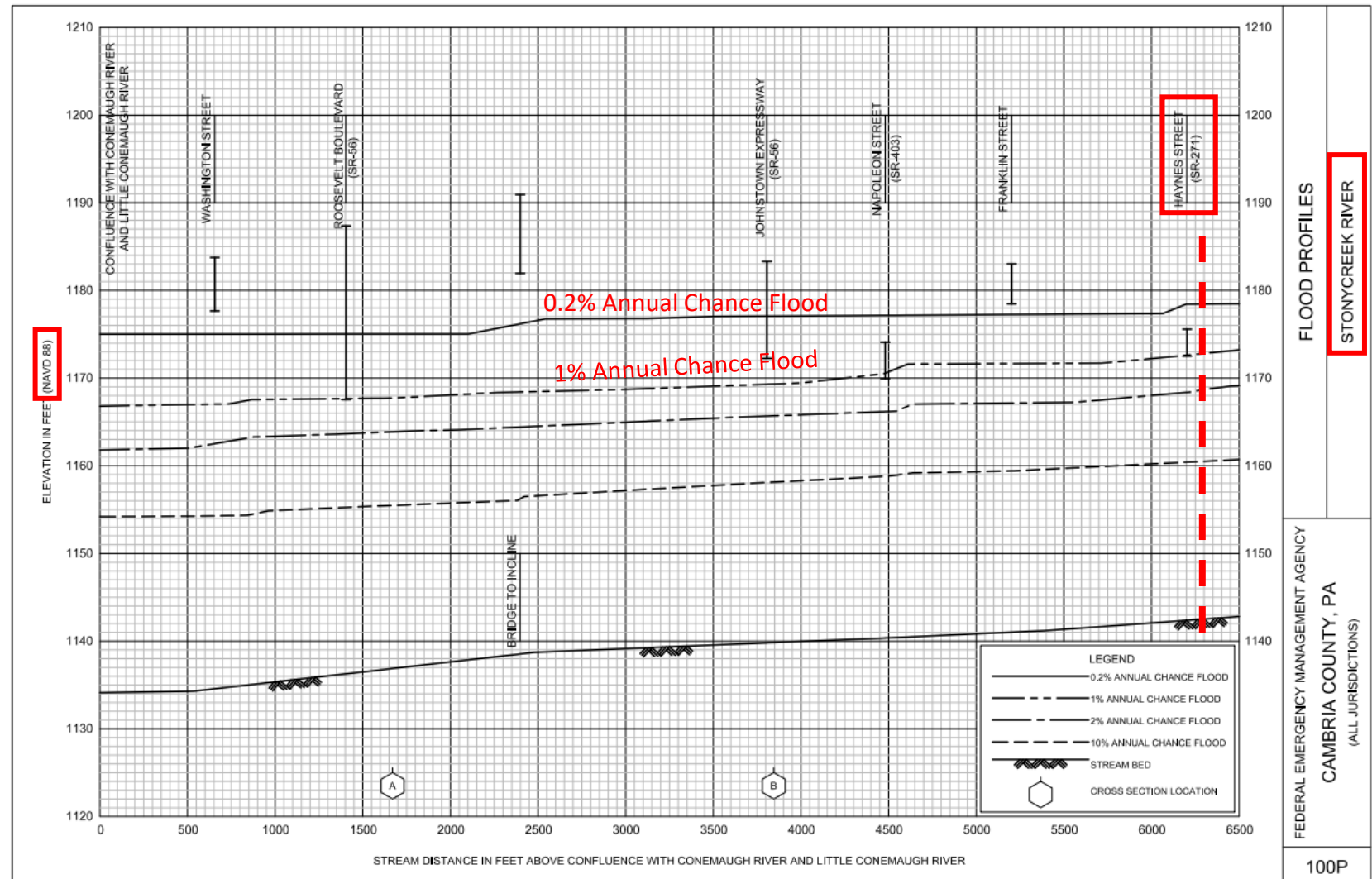
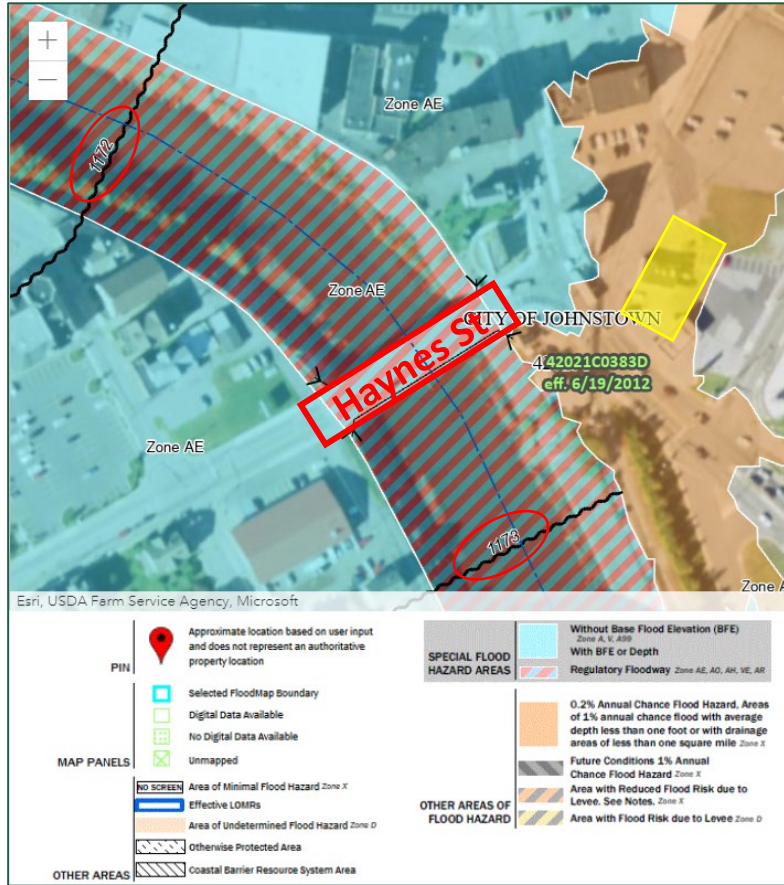
- Developed by the National Climate Task Force’s Flood Resilience Interagency Working Group (IWG) and co-led by:
  - White House Council on Environmental Quality (CEQ),
  - Office of Management and Budget (OMB),
  - Federal Emergency Management Agency (FEMA),
  - Flood Resilience IWG’s Science Subgroup,
  - White House Office of Science and Technology Policy (OSTP),
  - National Oceanic and Atmospheric Administration (NOAA), and
  - U.S. Department of Housing and Urban Development (HUD)
- **NOTE:** HUD has not yet formally adopted the tool/resource in a Federal Register notice with comment, but the tool may be used by HUD applicants and recipients on an optional basis (where elevation is at least as high as the lower of the 0.2PFA or FVA).

# Identifying the FFRMS Floodplain – Local CISA Maps



- REs may voluntarily define FFRMS floodplain utilizing CISA when State, Tribal, or local government has formally adopted, through code or other formal adoption measures, a tool resource, or other written standards.
- HUD will permit use of local CISA data, if it is at least as high as the lower of the 0.2PFA or FVA.

# Flood Insurance Study (FIS): Flood Profiles Identify 0.2PFA and FVA Elevation



# Flood Insurance

The new 55.5 clarifies flood insurance requirements in the context of part 55.

Flood insurance is required within the SFHA

REs must provide a FEMA FIRM where available to confirm the project site location in reference to SFHA

The Rule also includes new language clarifying that HUD or a responsible entity may require flood insurance beyond the minimums established in the FDPA when necessary to minimize financial risk.

Under part 55, HUD **encourages** but does **not require** flood insurance outside the SFHA, within the FFRMS.

# Notification of Flood Hazards

- The notification requirements in 55.21 and conveyance restrictions in 55.22 are moved to a new 55.4
  - Retains the requirement to ensure that any party participating in a financial transaction for a property located in a floodplain and any current or prospective tenant is notified of the hazards of the floodplain location
  - Defines the notification requirements for property owners, buyers, developers, and renters and identifies specific hazards and information that must be included in these notices based on the interests of these parties:
    - The requirement or option to obtain flood insurance
    - Approx. Elevation of the FFRMS floodplain
    - Proximity to flood related infrastructure including dams/levees
    - Evacuation routes
    - Disclosure of information on flood insurance claims filed on the property
  - HUD-acquired/insured rentals
    - Leases required to include acknowledgements signed by the resident

# Part 200 – Minimum Property Standards

- Under the rule HUD is updating the Minimum Property Standards (MPS) under 24 CFR 200.926 through 200.926e.
  - These are the standards are required to make a single-family property eligible for HUD insurance on its mortgage and ensure the property meets basic livability and safety standards and is code compliant.
  - The MPS are eligibility standards **NOT** permit or environmental review standards
- New elevation standard of BFE +2 is required for all newly constructed single-family homes (with a mortgage insured by HUD) within the 100-year floodplain.
  - This **does not apply** to the expanded horizontal area of the FFRMS floodplain.
  - This elevation standard **does not apply** to substantial improvement activities.

# Question and Answer

**Question: Will single-family homes outside the SFHA but in the FFRMS need an elevation certificate?**

Answer: Under the Part 200 Minimum Property Standards, single-family homes outside the Special Flood Hazard Areas (SFHA) would not be required to be elevated or obtain an elevation certificate. Meanwhile, single-family homes constructed under HUD programs subject to Part 55 (e.g. Community Development Block Grant Disaster Recovery (CDBG-DR)) would be required to demonstrate compliance with the elevation mitigation requirements of [24 CFR 55.20\(e\)](#) when the structure is located within the Federal Flood Risk Management Standard (FFRMS) floodplain and thus require an elevation certificate.



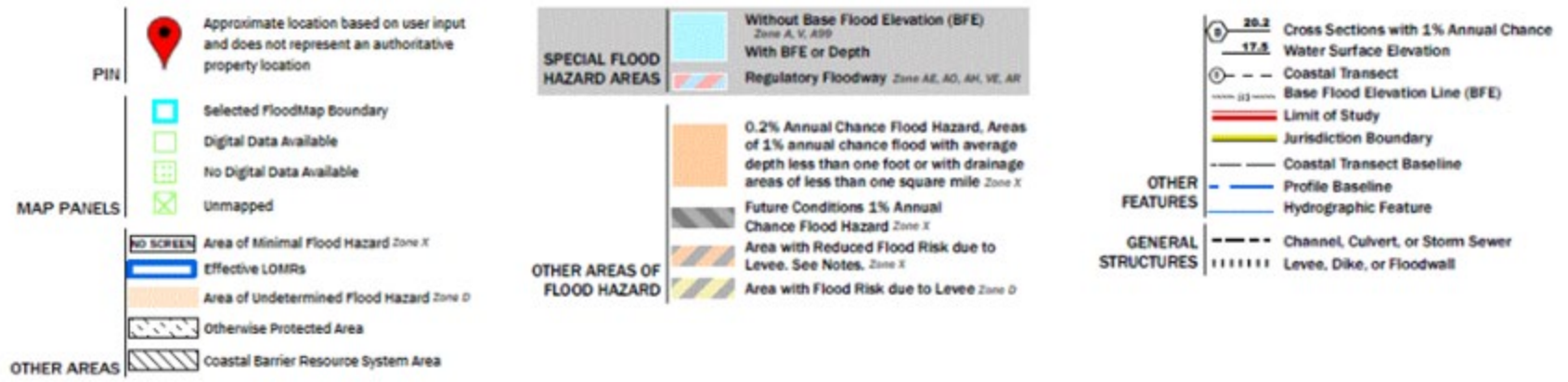
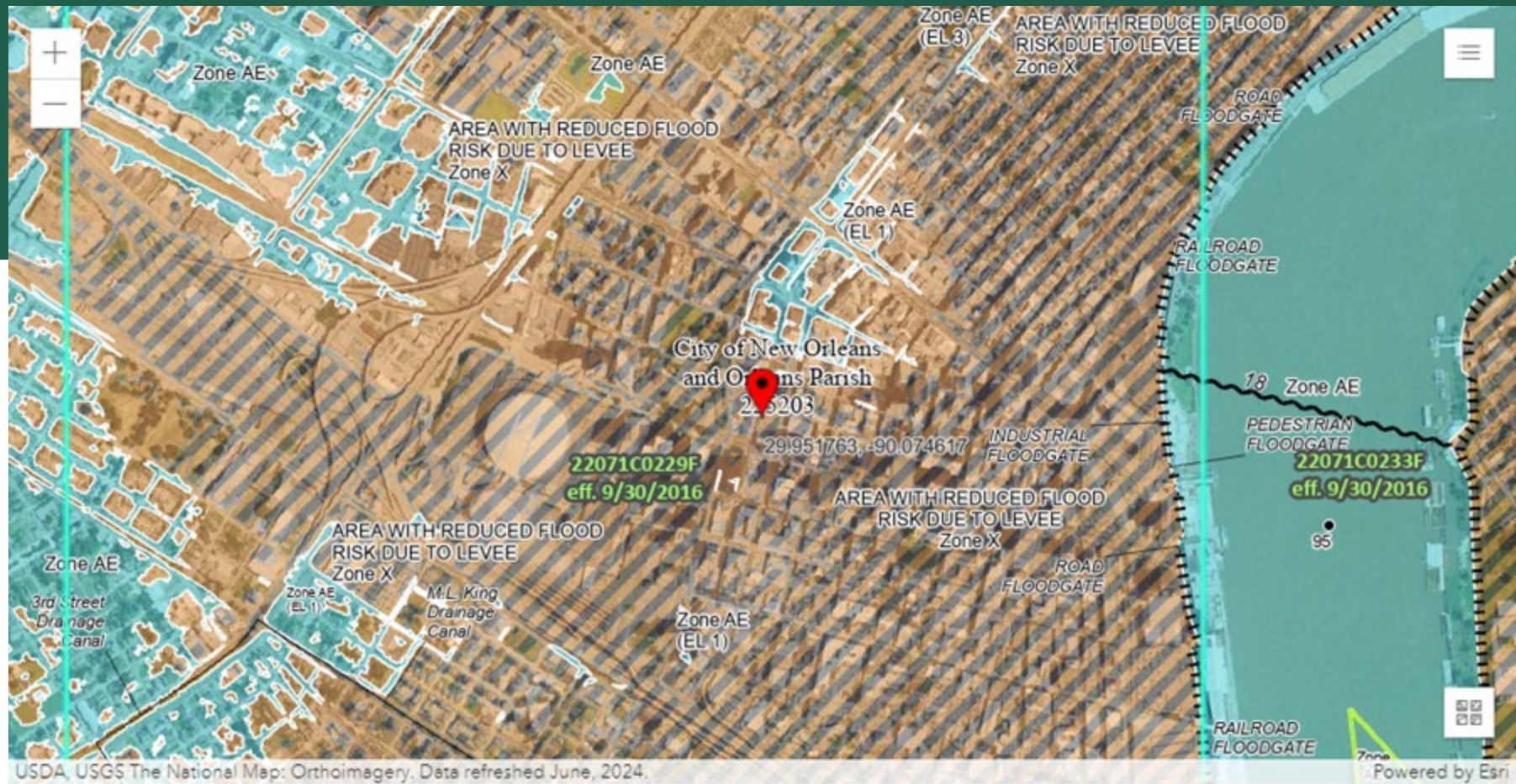
# Question and Answer2

## Question: How should I apply FFRMS requirements in an area protected by an accredited levee?

This guidance is setting aside Climate-Informed Science Approach (CISA), which HUD has not yet adopted, but grantees and partners are encouraged to use voluntarily. Once HUD has adopted CISA, this guidance may change.

HUD will accept the protection of an accredited levee (marked as Zone X “Area with reduced flood risk due to levee”) and consider the Federal Flood Risk Management Standard (FFRMS) floodplain behind accredited levees to be limited to areas defined using the 0.2 Percent-Annual-Chance Flood Approach (PFA) or the Freeboard Value Approach (FVA) using the 1 percent annual chance floodplain landward of the levee.

**Note:** This approach does not align with the approach used by the Federal Flood Standard Support Tool (FFSST), which may show areas protected by levee to be within the FFRMS floodplain.



# Question and Answer3

## Question: Is new HUD assistance or mortgage insurance for substantial improvement allowed at a property with ongoing HUD assistance where elevation and/or floodproofing is impossible?

If the property has ongoing HUD assistance or mortgage insurance, and the following conditions are satisfied, then the property may be considered under the alternate process for existing nonconforming sites. Consideration is not a guarantee of acceptance as approval is at the discretion of the Assistant Secretary for Community Planning and Development (CPD). In exceptional circumstances HUD may consider this alternate processing when the following conditions are met:

1. HUD completes an environmental review pursuant to **24 CFR Part 50**, including the 8-step decision-making process pursuant to **24 CFR Part 55.20**, that:
  1. Documents that it is not practicable to transfer HUD assistance to a site with lower flood risk under existing program rules, financial limitations, and site availability
  2. Mandates measures to ensure that the elevated flood risk is the only environmental hazard or impact that does not comply or that requires mitigation to comply, with HUD's environmental requirements at **24 CFR Parts 50**, **24 CFR Part 51**, **24 CFR Part 55**, and **24 CFR Part 58**
2. The proposed project incorporates all practicable measures to minimize flood risk, preserve the function of the floodplain and any impacted wetlands as described in **24 CFR Part 55.20(e)**, and increase the overall resilience of the site, as approved and/or required by HUD. At minimum, these measures must include:
  1. Removal of all residential units and critical action structures from the floodway
  2. Identification of evacuation routes out of the Federal Flood Risk Management Standard (FFRMS) floodplain
  3. A No-Rise Certification for any new improvements in the floodway
  4. Elevation (or floodproofing pursuant to **24 CFR Part 55.20(e)(1)**) of existing structures within the FFRMS Floodplain, where practicable

# FFRMS Rule Implementation

**HUD final publication in the Federal Register on April 23, 2024.**

**Compliance with the rule was required by June 24, 2024 (most programs).**

- Compliance with the rule is required 60 days after publication for most HUD programs subject to Part 55.
  - Compliance with the rule's amendments to the Minimum Property Standards and with Part 55 for certain multifamily and mortgage insurance programs will be required no later than January 1, 2025.
- Engagement Strategy/Technical Assistance:
  - Creation of online FFRMS Guidebook and [FAQs](#)
  - Regular TA and updates to regional environmental review training
  - [Two-part webinar series](#): Part 55 and Part 200 for Grantees, sub-grantees, and interested partners
  - Updates to HUD systems to reflect regulatory revisions (e.g., HEROS, WISER)
  - Updates to the [HUD Exchange](#) and [HUD.gov](#) pages on floodplains and wetlands



# Questions?

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Website and FAQs:

[https://www.hud.gov/program\\_offices/comm\\_planning/environment\\_energy/ffrms](https://www.hud.gov/program_offices/comm_planning/environment_energy/ffrms)