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Environmental Alert

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HUD proposes new Federal Flood Risk Management Standard (FFRMS) Rule

By Karla Chaffee, Alison Torbitt, and Richard Price

Evaluating climate risk is at the center of HUD's proposal to define the FFRMS floodplain for HUD-assisted or -financed projects.



What's the Impact

- / The proposed shift to the FFRMS floodplain is "based on likely or potential climate change scenarios, regional climate factors, and an advanced scientific understanding of these effects."
- / The proposed rule re-defines several key definitions, including how to identify wetlands, and updates the floodplain-hazard notification provisions for financial partners and current and prospective tenants.

On Friday, March 24, 2023, the U.S. Department of Housing and Urban Development (HUD) proposed a new approach to defining the FFRMS floodplain for HUD-assisted or financed projects. The proposed rule moves away from HUD's current reliance on FEMA FIRM mapping, using the 1-percent-annual-chance (100-year) floodplain based on historic flood data. As posted in the [Federal Register, Vol. 88, No. 57](#), HUD recognizes a shortfall in the FIRM maps, which "are not intended to reflect changes in future flood risk influenced by a changing climate." The

proposed shift to the FFRMS floodplain is, instead, “based on likely or potential climate change scenarios, regional climate factors, and an advanced scientific understanding of these effects.”

The FFRMS floodplain delineation is a three-tiered approach:

- / **CISA:** Where available, the FFRMS floodplain is based on maps developed using a Climate-Informed Science Approach (CISA) applied throughout the anticipated life cycle of a project, an Environmental Impact Statement (EIS) analyzing sea level rise and other climate impacts, and approval by HUD.
- / **Two-percent annual chance:** Where CISA mapping or other CISA analysis is not available, HUD allows using the FEMA-designated 0.2-percent-annual-chance (500-year) floodplain for noncritical actions.
- / **FVA:** Where CISA mapping and FEMA 2% risk data are not available, HUD allows using the Freeboard value approach (FVA) for noncritical actions, established by adding 2 feet to the base flood elevation established on the effective FIRM rate map or Flood Insurance Study (FIS). For critical actions where CISA data is not available, the FFRMS floodplain is established by the higher of the FEMA 2% annual floodplain or adding 3 feet to the base flood elevation.

The proposed rule also re-defines several key definitions, including how to identify wetlands, and updates the floodplain-hazard notification provisions for financial partners and current and prospective tenants. The proposed rule also clarifies that HUD or other responsible entities may require flood insurance coverage beyond the minimums established by the Flood Disaster Protection Act and encourages acquisition of flood insurance in areas outside of the Special Flood Hazard Area but within the FFRMS floodplain.

A proposed “roadmap” for compliance is included, with an eight-step decision-making process for whether notification or flood insurance is required. The proposal also modifies standards for elevating and floodproofing certain mixed-use and nonresidential buildings.

Public comment on the proposed rule is open until May 23, 2023. The proposal, including instructions for comment submittal, is available [here](#).

For more information about the content of this alert, please contact your Nixon Peabody attorney or:

[Karla L. Chaffee](#)

617.345.6146

kchaffee@nixonpeabody.com

[Alison B. Torbitt](#)

415.984.5008

atorbitt@nixonpeabody.com

[Richard Michael Price](#)

202.585.8716

rprice@nixonpeabody.com
