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HUD Issues Rule with New Flood Risk Standards – Impacts New Construction and Substantial Improvements to Properties Financed and Insured by HUD, Including Single Family and Multifamily

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On April 2, 2024, HUD published a new rule in the Federal Register regarding the Federal Flood Risk Management Standard (FFRMS). The new rule updates the HUD regulations on **Floodplain Management and Protection of Wetlands** and **Minimum Property Standards**. **The rule applies to new construction insured by FHA, and to substantial improvements to structures financed through HUD grants, subsidy programs, and applicable multifamily programs.** The rule can be found [HERE](#).

For HUD-funded projects, the rule will require the use of a new, potentially more expansive determination of the scope and area of the applicable floodplain, including a more detailed multistep process to determine how developers'/owners' new projects and actions may affect the floodplain. The results may require elevation of projects or other flood proofing.

For newly constructed one-to-four residential units insured by FHA, the rule will require an increase in the elevation of the lowest floor for new construction in the floodplain.

Specifics of the New Rule

Raised First Floor Elevation Requirements Apply to One-to-Four Unit Residential Housing Insured by FHA, and Low Rent Housing Programs:

- The FHA Minimum Property Standards require that the lowest floor in newly constructed structures be built at least two (2) feet above the 100-year floodplain.
 - o Also applies to low rent housing programs.
- This Minimum Property Standards change does not require consideration of the horizontally expanded FFRMS floodplain under the Property Maintenance Requirements discussed below.

Floodplain Revisions and Property Maintenance Requirements

- Expands the floodplain from the 100-year floodplain to a newly defined "FFRMS floodplain."
 - o This will expand the floodplain both horizontally and vertically from the 100-year floodplain, based on future flood risk.
 - o Newly constructed or substantially improved structures within this newly defined floodplain will be required to be elevated or floodproofed to this higher FFRMS floodplain elevation for protection.
- Establishes a preference for (but does not yet require) use of a Climate Informed Science Approach (CISA) to determine the floodplain of concern for HUD-funded projects, when possible.
 - o When CISA maps are not available for a particular HUD-funded project, the rule provides multiple alternate approaches to identify the FFRMS floodplain.



- Unless specifically excepted, projects within the FFRMS floodplain must use the defined current 8 step process used to ensure HUD and responsible entities consider how their actions affect floodplains and/or wetlands. See [HERE](#).

Implementation Dates for the New Rule

- The regulation is effective on May 23, 2024.
- Compliance will also be required for single family new construction where building permit applications are submitted on or after January 1, 2025.
- , compliance with the above described FFRMS floodplain management and protection of wetlands is required no later than January 1, 2025 for FHA insured properties and HUD assisted apartment properties.

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