

To: CDBG Grantees, Grant administrators and Non-entitlement Communities.

From: CDBG Division

Effective Federal date: June 24, 2024

Effective date: November 9th, 2024

RE: Federal Floodplain Risk Management Standards

Background

The [Executive Order 13690](#) signed in 2015 amends and builds upon [Executive Order 11988 Floodplain Management](#) which was signed in 1977 and has been instrumental in shaping HUD's floodplain requirements. Executive Order 13690 and Executive Order 14030 require federal agencies to thoroughly review and, if necessary, revise their policies, regulations, and procedures to accommodate the Federal Flood Risk Management Standard (FFRMS).

The U.S Housing and Urban Development (HUD) final rule [Floodplain Management and Protection of Wetlands; Minimum Property Standards for Flood Hazard Exposure; Building to the Federal Flood Risk Management Standard](#), published on April 23, 2024, seeks to improve the resilience of HUD assisted projects to the effects of climate change and natural disasters by revising the regulations governing floodplain management and protection of wetlands, 24 CFR Part 55. The final rule implements the Federal Floodplain Risk Management Standards (FFRMS) and the corresponding review processes in accordance with Executive Order 13690. HUD's new rule expands the floodplain of concern from the 100-year floodplain to a newly defined "FFRMS floodplain," which is an extended area both horizontally and vertically based on future flood risk.

The rule establishes a preference for using a Climate Informed Science Approach (CISA) and other federal website data to determine the floodplain for HUD-funded projects. Projects within the FFRMS floodplain are required to complete the 8-Step Process to consider how their actions affect floodplains and/or wetlands. Some activities may qualify for a modify 5- Step process requiring floodproofing. The rule also allows for public notices, required for early notification on an action within the FFRMS floodplain, to be published online on appropriate government websites.

Proposed Policy

This Policy Notice establishes the procedures and requirements of the Office of Community and Rural Affairs to ensure adherence to all Federal Floodplain Risk Management Standards (FFRMS) by HUD-funded projects including the Community Development Block Grant program and the Recovery Housing program.

Considerations

OCRA strongly advises eligible local governments seeking funding from multiple federal agencies or other pass-through entities for the same project, to engage in early coordination of efforts to prevent imposing conflicting requirements or standards, especially when conducting floodplain, or wetland assessments.

A. Applicability

The Federal Floodplain Management Risk Standards (FFRMS) applies to proposed projects funded with Community Development Block Grant and Recovery Housing Program funding with a confirmed environmental review level of Categorical Exclusion Subject To (CEST) 24 CFR 58.35

(a), Environmental Assessment 24 CFR 58.5 & 58.6 and Environmental Impact Statement (EIS) 24 CFR Part 58.37.

Local governments assuming responsibility under 24 CFR 58, as the Responsible Entities (REs), must determine whether a proposed project requires compliance with Part 55, Floodplain Management and Protection of Wetlands. The Environmental Specialist, responsible for ensuring compliance with the National Environmental Policy Act on behalf of the Office of Community and Rural Affairs, will provide the final approval for applicability, modifications to the 5 or 8 step process and identification of final modifications of the 8-step decision making process.

B. Critical Action and Non-Critical Action Definitions

Critical Action

Critical Action is defined in 24 CFR 55.2(b)(3)(i) as any activity for which even the slight chance of flooding would be too great because such flooding might result in loss of life, injury to persons, or damage to property. Critical actions include activities that create, maintain, or extend the useful life of those structures or facilities that:

- a. Produce, use, or store highly volatile, flammable, explosive, toxic, or water-reactive materials
- b. Provide essential and irreplaceable records or utility or emergency services that may become lost or inoperative during flood and storm events including community stormwater management infrastructure, water treatment plants, data storage centers, generating plants, principal utility lines, emergency operations centers including fire and police stations, and roadways providing sole egress from flood-prone areas.
- c. Are likely to contain occupants who may not be sufficiently mobile to avoid loss of life or injury during flood or storm events, including persons who reside in hospitals, nursing homes, convalescent homes, intermediate care facilities, board and care facilities, and retirement service centers. Please note that housing for independent living for the elderly is not considered a critical action but rather a noncritical action.

Non-Critical Action

Non-critical action is any activity that does not qualify as a critical action.

C. Limitations on HUD Assistance in Floodplains and Inapplicability of 24 CFR Part 55 Floodplain Management Requirements.

OCRA is unable to approve HUD grant financial assistance, including Community Development Block Grant and Recovery Housing funding, for critical or non-critical actions located in a floodway, unless an exemption applies under [24 CFR 55.8](#) or specific conditions are met under [24 CFR 55.8](#). Some action may also be expected under [24 CFR 55.12](#), from Part 55 Floodplain Management Requirements.

It is the responsibility of the eligible local government to determine if the proposed project qualifies for an exemption under 24 CFR 55.8 or 22 CFR 55.12 from Part 55. All determinations will be based on available floodplain information using the most recent flood hazard data provided by

FEMA or DNR. The verification process must be completed by submitting the required information on [Form Floodplain-001: Determination of 24 CFR 55 Applicability](#) , along with relevant documentation as part of the application proposal stage.

D. Identify the FFRMS Floodplain

The Office of Rural Affairs has adopted the use of the Climate Informed Science Approach (CISA) and the [Federal Flood Standard Support tool](#) (FFSST), in accordance with 24 CFR 55.7(f)(1)(i), to determine the FFRMS floodplain for proposed projects applying for Community Development Block Grant and Recovery Housing funding. Local governments must prioritize the use of this tool if the data is available.

If the FFSST does not have data for the project site, local governments must use the 0.2-Percent-Annual-Chance Flood Approach (0.2 PFA), in accordance with 24 CFR 55.7(b)(3) or best available information, in accordance with 24 CFR 55.7(d). To meet this requirement, local governments must use the [Indiana Floodplain Information Portal 2.0 \(INFIP\)](#) to acquire a Floodplain Analysis and Regulatory Assessment (FARA) for the project site.

The INFIP, provided by the Indiana Department of Natural Resources, contains FEMA data on the 100-year floodplain (0.1PFA), the 500-year floodplain (0.2PFA), base flood elevation (BFE), regulatory floodway, and floodway for areas in the state that have not been mapped by FEMA.

For critical actions, the determination of the FFRMS floodplain requires a more rigorous verification process and higher elevation standards. If CISA data is not accessible for a critical action project site, the 0.2 PFA and the Freeboard Value Approach (FVA) must be applied, in accordance with 24 CFR 55.7(c)(2).

The Freeboard Value Approach (FVA) requires identifying the base flood elevation of the 100-year floodplain and using the [USGS National Map- Elevation Point Query Service](#) to determine the elevation of the project site. The FFRMS floodplain is then calculated by adding 3 feet to the 100-year floodplain base flood elevation.

If a critical action is located within the 500-year floodplain, the larger floodplain and higher elevation must be utilized. If the 0.2PFA does not position the project site within the 500-year floodplain, then the FVA results establish the FFRMS FVA floodplain for the project site.

Below are the required steps to ensure accurate identification of the FFRMS Floodplain for Non-Critical Actions.

- a) Climate-Informed Science Approach (CISA):** This approach provides the elevation and corresponding horizontal floodplain, incorporating both current and projected changes in flooding based on climate science.

Steps to Complete the Climate-Informed Science Approach: Non-Critical Action

1. Access the [Federal Flood Standard Support Tool](#).
2. Begin the assessment.
3. Specify the project location by adding the project site address or drawing it on the map.
4. Then, input critical and service life details:
 - a. Select "non-critical action" for the project.

- b. Ensure that the service life is at least 30 years.
5. Download the Freeboard Value Approach Report.

If the tool lacks available data for the project site, utilize the 0.2-Percent-Annual-Chance Flood Approach.

- b) 0.2-Percent-Annual-Chance Flood Approach (0.2PFA):** This approach identifies the area subject to flooding by the 0.2% annual chance, also known as the 500-year floodplain.

Steps to Complete the 0.2 Percent-Annual-Chance Flood Approach: Non-Critical Action

1. Access the [Indiana Floodplain Information Portal 2.0 \(INFIP\)](#)
2. Locate the proposed project site.
3. Select the FARA widget.
4. Set a point of interest and run the report.
5. In the FARA report, determine whether the project site is within or outside the 500-year floodplain depicted in the map.

If the project site is located outside of the FFMRS Floodplain or the 500-year floodplain, then floodplain management compliance is considered fulfilled.

If the project site is located within the FFMRS Floodplain or the 500-year floodplain, and involves new construction or substantial improvements, it may be subject to elevation requirements. The elevation requirements for noncritical action requires a structure to be 2 feet above the base flood elevation.

Complete [Form Floodplain-001: Determination of 24 CFR 55 Applicability](#) , and the additional verification components. For additional information proceed to Section E of this Policy Notice. Provide the completed Form 1 and required attached documentation as part of a CDBG application proposal stage.

Below are the required steps to ensure accurate identification of the FFRMS Floodplain for Critical Actions.

- a) Climate-Informed Science Approach (CISA):** This approach provides the elevation and corresponding horizontal floodplain, incorporating both current and projected changes in flooding based on climate science.

Steps to Climate-Informed Science Approach: Critical Action

1. Access the [Federal Flood Standard Support Tool](#).
2. Begin the assessment.
3. Specify the project location by adding it or drawing it on the map.
4. Then, input critical and service life details:
 - a. Select "critical action" for the project.
 - b. Ensure that the service life is at least 30 years.
5. Download the Freeboard Value Approach Report.

If the tool lacks available data for the project site, utilize the 0.2-Percent-Annual-Chance Flood Approach.

- b) 0.2-Percent-Annual-Chance Flood Approach (0.2PFA):** This approach identifies the area subject to flooding by the 0.2% annual chance, also known as the 500-year floodplain.

Steps to Complete the 0.2 Percent-Annual-Change Flood Approach: Critical Action

1. Access the [Indiana Floodplain Information Portal 2.0 \(INFIP\)](#)
2. Locate the proposed project site.
3. Select the FARA widget.
4. Set a point of interest and run the report.
5. In the FARA report, determine whether the project site is within or outside the 500-year floodplain depicted in the map.

If the project site is outside of the 500-year floodplain, then floodplain management compliance is considered fulfilled. However, if the project site is within the 500-year floodplain, the Freeboard Value Approach must be completed to identify the larger floodplain and higher elevation. Please proceed to subsection c below.

- c) **Freeboard Value Approach (FVA):** This approach identifies the elevation and corresponding horizontal floodplain that result from using the freeboard value which is reached by adding 3 feet to the 100-year floodplain base flood elevation (BFE) for critical actions.

Steps to Complete the Freeboard Value Approach: Critical Action: *The [FEMA FFRMS Floodplain Determination Job Aid](#) (page 15) can be used to support with the determine of this section.*

1. **Project Site Coordinates:**
 - a. Use [Google Maps](#) to find the coordinates of the project site, and then input the coordinates into the USGS National Map website in Step 2.
2. **Project Site Elevation:** Use the [USGS National Map- Elevation Point Query Service](#)
 - a. Input the coordinate of the project site
 - b. Run the tool
 - c. Locate <value> in the pop-up window, and
 - d. Round down the elevation number of the project site.
3. **In the Same FARA report** from the [Indiana Floodplain Information Portal 2.0 \(INFIP\)](#) obtained as part of the *steps to complete the 0.2 percent-annual-change flood approach: critical action*. Locate the 100-year base elevation floodplain (BFE) and round up the value to determine the largest potential floodplain.
 - a. If the BFE is available, proceed to step 4.
 - b. If the BFE is not available, proceed to finalizing Form 1.
4. **Calculation the FFRMS**
 - a. Add + 3 feet to the 100-year base flood elevation.
 - b. The result is the FFRMS FVA floodplain.
5. **Compare** the project site elevation with the FFRMS FVA Floodplain.
 - a. If the elevation in **Step 4 is equal to or greater than** the elevation of the project site obtained in Step 2, then the proposed project is within the FFRMS FVA Floodplain.
 - b. If the elevation in **Step 4 is less than** the elevation of the project site obtained in Step 2, then the proposed project is not within the FFRMS FVA Floodplain.

If the project site is located outside of the FFMRS FVA Floodplain, then floodplain management compliance is considered fulfilled.

If the project site is located within the FFMRS FVA Floodplain, and involves new construction or substantial improvements, it may be subject to elevation requirement. The elevation requirements for critical action requires for a structure to be 3 feet above the base flood elevation.

Complete [Form Floodplain-001: Determination of 24 CFR 55 Applicability](#) , and the additional verification components for additional information proceed to Section E of this Policy Notice. Provide the completed Form 1 and required attached documentation as part of a CDBG application proposal stage.

E. Determine If the 8 Step Decision Making Process or 5 Step Decision Making Process Must Be Completed.

Two determination components must be completed to identify if the proposed project is eligible for an exemption under either [24 CFR 55.13](#) and [24 CFR 55.14](#):

- Section E, 1 assist in identifying whether a full 8-step process applies to a proposed action as per 24 CFR 55.13.
- Section E, 2 assists in determining whether a modified 5-step process applies to a proposed action as per 24 CFR 55.14.

Completion of Form 1: Determination of Part 55 Exemptions is required to finalize the verification process. Form 1 must be submitted to OCRA as part of a CDBG application proposal stage.

Guidance from the Environmental Specialist will be provided to direct grantees on whether the proposed project must complete [Form Floodplain-002: The 8-Step Decision Making Process](#) under 24 CFR 55.20 or a modified process by completing [Form Floodplain-003: The 5-Step Decision Making Process](#).

The documentation of any relevant exemptions and the completion of the 5 or 8 step decision-making process must be recorded in the environmental review record.

1. Inapplicability of 8 Step Decision Making Process To Certain Categories of Proposed Actions

Some proposed actions are required to comply with Part 55, but they may not need to go through the complete 8-step decision-making process outlined [24 CFR 55.20](#). The following list of proposed actions is not exhaustive. These may include:

- a. Financial assistance for minor repairs or improvements on properties that do not meet the criteria for "substantial improvement."
- b. Financial assistance for leasing existing structures in floodplain areas, but only if the structure is located outside the floodway, the project is not a critical action, and the entire structure is or will be fully insured to the maximum extent available for at least the term of the lease.
- c. Special projects to improve energy or water efficiency that do not involve substantial changes or installation below the floodplain elevation.

2. Modified 5-Step Decision Making Process For Certain Proposed Actions.

Certain proposed actions may be eligible for a modified 5-step process instead of the usual 8-step decision-making process as outlined in [24 CFR 55.14](#). Actions that qualify for this modified process are not required to complete notification requirements or identification of alternatives.

A list of actions that may qualify for the modified 5 step decision making process are listed below. The list is not exhaustive and there may be other types of actions that qualify for the modified 5-step decision-making process.

- a. Purchase or refinancing of certain types of facilities in communities
- b. Purchase of existing multifamily housing or healthcare facilities
- c. Minor repairs, rehabilitation, modernization, weatherization, or improvement of existing housing and healthcare facilities are allowed, as long as the number of units is not increased by more than 20%, and the footprint of the structure and paved areas is not increased by more than 20%.
- d. Minor repairs, rehabilitation, modernization, weatherproofing, or enhancement of current nonresidential buildings and structures, with no more than a 20% increase in the footprint of the building and paved areas.
- e. Minor improvements to multifamily housing and non-residential structures, like curb and gutter repairs without any increase to impervious surface

F. Approving HUD Financial Assistance in a Floodway and/or Floodplain

Proposed action within floodways and/or floodplains can only be approved if the community is actively participating in the FEMA Regular Program of the National Flood Insurance Program (NFIP) and has not been suspended from program eligibility or placed on probation. The community must be in good standing with the NFIP program to be eligible for OCRA's funding in accordance with 24 CFR 55.5.

OCRA is unable to provide funding for existing structures without verification of good standing with the NFIP program. Proof of insurance must be provided as part of the documentation for the Environmental Review Record.

OCRA may approve funding for new structures within the floodways and/or floodplains, if the structure is insured with the maximum limit of coverage available under the National Flood Insurance Program. Proof of insurance must be submitted as part of the project documentation closeout process.

G. Completing the 5 or 8 Step Process and Identify Mitigation Requirements

The local government, acting as the Responsible Entity under 24 CFR 58, is required to complete the 5 or 8 Step decision-making process with the assistance of a third party, which may include the project engineer and the grant administrator.

Proposed actions eligible for a modified 5 step decisions making process must complete [Form Floodplain-003: The 5-Step Decision Making Process](#). These type of proposed actions are not required to complete the following steps:

- Step 2: Notification of the public and floodplain/wetlands management agencies about a proposed action in an FFRMS floodplain or wetland
- Step 3: Identification and evaluation of practicable alternatives to locating the proposed action
- Step 7: publication of a final notice of the reevaluation of the proposed action.

However, proposed actions eligible for a modified 5 step decisions making process are still required to complete the remaining steps outlined in [24 CFR 55.20](#).

Proposed actions that are required to comply with the full 8 step decision making process as outlined in [24 CFR 55.20](#) must complete [Form Floodplain-002: The 8-Step Decision Making Process](#) in coordination with the project engineer and complete the [Publication of Notice of Early Proposed Action in a Floodplain and/or Wetland](#) in a qualifying newspaper, as prescribed by State Public Law 122, or on a government website, in accordance with State Public Law 146, followed by a 15-day public comment period.

Step 5 in the 8-step decision making process, requires the identification of minimizing harm, restore and preserve natural and beneficial values and elevate structures for projects involving new constructions or substation improvements. The elevation requirements depend on whether the proposed project is a critical action, 3 feet above the FFRMS, or a non-critical action, 2 feet above the FFRMS.

Local governments must provide the required information to consider the totality of the previous steps and the project composition for the Environmental Specialist and the Office of Community and Rural Affairs to approve of a project, with modification, or canceling a project as outlined in 24 CFR 55.20(f).

The Environmental Specialist will provide guidance on completing Step 7 with the publication of a final notice that must have a minimum of 7 calendar days for public comments before providing the approval of the proposed actions.

H. Monitoring and Evaluation

OCRA is responsible for ensuring that any relevant elevation or mitigation measures identified are implemented. OCRA will ensure compliance with this policy by closely coordinating with its community liaison staff, and Grant Services throughout the closeout and monitoring of a CDBG award.

Effective Date

This policy is effective as of November 9th, 2024, and will remain in effect until amended, superseded, or rescinded.