

HUD divides its environmental review by whether the proposed activity is a critical or a non-critical action. A critical action means any activity for which even a slight chance of flooding might be too great because such flooding might result in a 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 are likely to contain occupants who may not be sufficiently mobile to avoid loss of life or injury during flood or storm events, such as hospitals or residential care facilities. All Section 242 new construction and substantial rehabilitation projects for hospitals are considered critical actions, as are Section 241 construction projects, and Sections 223(f) and 223(a)(7) refinancings.

HUD cannot insure any critical actions on property located in a floodway or coastal high hazard area. Coastal high hazard area is defined in 24 CFR 55.2 as an area subject to high velocity waters, including but not limited to hurricane wave wash or tsunamis, and will be designed on a Flood Insurance Rate Map as Zone V1-390, VE, or V. Floodways are that portion of the floodplain which is effective in carrying flow, where the flood hazard is generally the greatest, and where water depths and velocities are the highest. This is consistent with the FEMA definition of "regulatory floodways." If your project has any portion of the collateral for the mortgage located in a floodway or coastal high hazard area, the project is not eligible for HUD insurance.

If the project has any real estate located in a 100-year floodplain outside of the high hazard area (designated as Zone A or AE) or in an area between 100-500 year floodplain (Zone B, C, or shaded zone X on older maps), the project MAY be eligible. If the project is an already existing facility seeking a Section 242/223(f) loan, the property is insurable by HUD if it is located in a community in good standing under the National Flood Insurance Program. All other hospital projects located in a 100 or 500 year floodplain will be subject to the 8-step process in 24 CFR 55.20.

Note: The 8-step process will not be required for:

- a project where an incidental portion is located in an adjacent floodplain if a) the construction and certain landscaping activities do not occupy or modify the 100 or 500 year floodplain, b) appropriate drainage is provided for the site and c) a covenant or restriction is put on the property to prevent future modifications in order to preserve the floodplain.
- A Project for which FEMA has issued a letter of Map Amendment (LOMA) or final Letter of Map Revision (LOMR) that removes the property from a FEMA designated floodplain OR a conditional LOMA or LOMR where HUD approval is subject to the requirements of the conditional LOMA or LOMR.

A survey of the property will likely show the applicable floodzone, as will most environmental Phase Ones that might exist for the property. You can also find out the floodmap for your property by viewing <http://www.fema.gov/media-library-data/e2ddedff608bc2517fc8d529abde9e46/How+to+Find+Your+FIRM+and+Make+a+FIRMette.pdf>

More information on Floodzones can be found at <http://www.fema.gov/floodplain-management/flood-zones>.