



RUTGERS

Edward J. Bloustein School
of Planning and Public Policy

RUTGERS

New Jersey Climate Change
Resource Center



Regional Plan Association

Opportunities and Challenges to Enhance Strategic Climate Resilience Efforts in New Jersey Through Purchase of Flood Prone Properties

*Prepared for the New Jersey Coastal Management Program
September 2023*

The Environmental Analysis & Communications Group at
Rutgers University, Edward J. Bloustein School of Planning and Public Policy;
New Jersey Climate Change Resource Center;
Regional Plan Association

PROJECT TEAM MEMBERS

Rutgers University: Karen Lowrie, Garin Bulger, Vanessa Tropiano, Jeanne Herb

Regional Plan Association: Robert Freudenberg, Ellis Calvin, Ravena Pernanand

This report was made possible with financial assistance from the Coastal Zone Management Act of 1972, as amended, as administered by the Office of Coastal Management, National Oceanic and Atmospheric Administration (NOAA) Program through the New Jersey Department of Environmental Protection, Coastal Management Program (Federal Award Identification Number NA20NOS4190169). The information contained in this report have not been formally disseminated by NOAA and do not represent and should not be construed to represent any agency determination, view or policy.

This project was undertaken through a grant with the New Jersey Department of Environmental Protection (NJDEP), Coastal Management Program (Contract No. DR11173). The views expressed in this report are the authors' own and do not reflect the official policies or positions of the interview participants, the New Jersey Department of Environmental Protection (NJDEP) Coastal Management Program, or Rutgers University. The authors are grateful for the collaborative effort with the New Jersey Coastal Management Program contributing to this report as well as for the involvement of NJDEP employees: Alvin Chin, Courtney Wald-Wittkopp and New Jersey Chief Resilience Officer Nick Angarone. Additionally, the authors are grateful for the important contributions made to this project by our graduate research assistants, Daniel Gilkeson, Benjamin Goldberg, and Brooke Schwartzman..

Suggested citation: Lowrie, Karen, et.al. September 2023. *Opportunities and challenges to enhance strategic climate resilience efforts in New Jersey through purchase of flood prone properties – Volume 1. Prepared for the New Jersey Department of Environmental Protection. Edward J. Bloustein School of Planning and Public Policy; Rutgers, The State University of New Jersey. New Brunswick, NJ New Brunswick, NJ.*

Front cover photos courtesy Rob Auermuller.

TABLE OF CONTENTS

- I. Introduction 3
- II. Methods 4
- III. Background on Buyouts in New Jersey. 7
 - 1. Buyout Funders, Actors and Process Model 7
 - Federal Funding Sources. 8
 - 2. Buyout Specifics: NJ Case Examples 10
 - 3. County Buyout Programs. 12
- IV: Insights on Buyout Program Elements. 14
 - 1. Administrative Process and Structure 14
 - 2. Program Coordination. 17
 - 3. Planning & Prioritization 20
 - 4. Communication & Outreach with Homeowners. 23
 - 5. Community Impacts. 26
- V. Conclusion. 30
- VI Appendices 32
 - Appendix A: Interview Protocol 34
 - Appendix B: Municipality Summaries 36
 - Dunellen Township. 36
 - Lambertville City 37
 - Little Falls Township 38
 - Manville Borough. 38
 - Montgomery Township 40
 - Oakland Borough. 41
 - Pequannock Township 42
 - Pompton Lakes Township 42
 - Rahway City 44
 - Sayreville Borough 45
 - Wayne Township 46
 - Westwood Borough 47
 - Woodbridge Township 48
 - Appendix C: County Summaries. 50
 - Appendix D. Homeowner Decision-Making 53

I. INTRODUCTION

This report documents research conducted in 2023 that examined current buyout practices and impacts in New Jersey, in an effort to recommend changes and innovations that support more efficient, equitable, and proactive buyouts.

It highlights the following elements of buyout programs:

- a. Administrative Processes & Structure
- b. Program Coordination
- c. Planning & Prioritization
- d. Communication & Outreach
- e. Community Impacts

The report begins with a discussion of the methods employed, followed by a background on buyouts in NJ and case example areas, insights on program elements derived from interviews, and a conclusion summarizing observations.

II. METHODS

1. Review of background information on the buyout process

To provide a context for the task, research began with a review of background information about the general process of buyouts in New Jersey, including funding streams and actors from federal, state and local levels to homeowners. This information was obtained through review of government websites, materials obtained directly from the New Jersey Department of Environmental Protection (DEP) Blue Acres program, and partially through information obtained in the primary research interviews described below. The information was summarized into a brief narrative and includes a process model diagram (**Figure 1**).

2. Case example interviews

The primary research task involved conducting a set of interviews with New Jersey municipalities engaged in Blue Acres buyouts.

a. Selection of target list of municipalities and counties

The research team, advised by Blue Acres staff, assembled a list of 65 municipalities with completed Blue Acres buyouts and selected a target list of about 20 case examples, based largely on the towns with more than 15 buyouts so that there would likely be more experience with the program. A few more municipalities were added based on DEP advice as examples of places that have a sizable number of elevations or where there was an interesting interaction with other programs. These were situations that might make these places opportunities to learn unique aspects of municipal experience, if not based on quantity of buyouts but on the quality of them.

Given the time constraints of the project, a goal was to complete roughly 10-15 interviews with case example municipalities.

In addition, DEP staff recommended four counties where buyout activities (purchases or matching funds for purchases) were implemented at the county level. The suggested contacts at these four counties were added to the interview list.

b. Interview Protocol

The interview protocol was drafted early in the project period, with significant review and advice from DEP staff. Its objectives were to validate the background information and history of buyouts in the town (summarized in the “background” section below), and to ask about how the buyout program worked, its successes, challenges, and the barriers or facilitators to better coordination, planning and outreach to accomplish buyout goals.

The protocol was approved by Rutgers Institutional Review Board (IRB) and included informed consent language for project participation and consent for recording. The Interview Protocol is included in **Appendix A**.

c. Completed Interviews

From March through June of 2023, project team members e-mailed DEP-recommended contacts (most often Floodplain Administrator, but also Engineer, Business Administrator or Mayor) at each target municipality and county. The email included an endorsement letter from DEP and invitation to participate in a one-hour interview via Zoom. All of the four target counties agreed to participate. Up to three emails were sent to each municipality before it was determined that the municipality would or could not participate. A total of 13 municipalities agreed to participate.

d. Analysis of Interviews

The team analyzed the interview findings along two major lines:

- **Validating background context:** Some of the information helped to validate specific data about buyout numbers and status in the town or county. That information is summarized in the background section below.
- **Thematic analysis:** The team performed a thematic analysis of interview responses that corresponded to the categories of program elements. The analysis resulted in a summary of the common themes emerging from the interviews in the areas of program administration, coordination, planning and prioritization, communication and outreach, and community impacts. In addition to summary observations, the report also includes some specific examples or unique responses that may highlight a concern or challenge.

III. BACKGROUND ON BUYOUTS IN NEW JERSEY

1. Buyout Funders, Actors and Process Model

The primary funding stream for buyouts in New Jersey begins with federal funding from the Federal Emergency Management Agency (FEMA) or the Department of Housing and Urban Development (HUD). The state then administers the funds, with county, and/or local governments conducting the outreach to homeowners, property appraisals, contracting, and contributing cost-share requirements. In some cases, local governments also hire consultants to assist with the buyout process.

Three New Jersey state agencies are involved in buyouts:

- **The Department of Environmental Protection (DEP)** administers buyouts primarily through the Blue Acres (BA) program. Property owners may apply to the program directly or through their municipal government. A portion of the state's corporate business tax is used to supplement federal funding of the program. Buyouts also occur through the NJDEP Green Acres program, as well as the Bureau of Dam Safety, which mediates buyouts funded by the US Army Corps of Engineers (USACE).
- **The Office of Emergency Management (OEM)** provides technical and financial support to local governments and serves as the intermediary with FEMA. All FEMA funds go through OEM before passing to other state, county, or local government entities.
- **The Department of Community Affairs (DCA)** serves as the intermediary with HUD. All HUD funds, largely through the Community Development Block Grant (CDBG) program, go through DCA before passing to other state, county, or local government entities.

The municipality summaries (**Appendix B**) detail the ways in which local governments interact with these state agencies. Additionally, some New Jersey counties fund and administer their own buyout programs as detailed in the County Buyout Programs section below and **Appendix C**.

Federal Funding Sources

FEMA's Hazard Mitigation Assistance (HMA) programs provide competitive grants that have been used to fund buyouts in New Jersey. Local governments wishing to administer their own buyouts may apply directly to FEMA (via OEM) for HMA funding; more commonly, the buyouts are administered with funds passed to the Blue Acres program. FEMA typically funds 75% of the buyout cost and requires the state, county, and/or local government to cover the remaining 25%. FEMA buyouts must be cost-effective as demonstrated by a benefit-cost ratio of 1.0 or greater, meaning that the benefits (avoided flood losses, etc.) are greater than the cost of the project.

- **Hazard Mitigation Grant Program (HMGP)** funding is released following a Presidential disaster declaration. To be eligible for a HMGP buyout, properties usually are in Special Flood Hazard Areas¹ and are primary residences.²
- **Flood Mitigation Assistance Grant Program (FMA)** funding is nationally competitive and typically released annually. Only properties with flood insurance backed by the National Flood Insurance Program (NFIP) are eligible. The program prioritizes Repetitive Loss (RL) and Severe Repetitive Loss (SRL) properties.³ Each FMA funding opportunity issued may also denote specific criteria that impacts project ranking (e.g. socially vulnerable

1 The SFHA is an area with special flood-related hazards in which the National Flood Insurance Program's (NFIP's) floodplain management regulations must be enforced and the area where the mandatory purchase of flood insurance applies.

2 FEMA. 2018. FACT SHEET: Acquisition of Property After a Flood Event. <https://www.fema.gov/press-release/20230502/fact-sheet-acquisition-property-after-flood-event>.

3 A RL property contains an NFIP-insured structure that has had at least 2 paid flood losses of more than \$1,000 each in any 10-year period since 1978. A SRL property has had at least 4 paid flood losses of more than \$5000 each with the cumulative amount over \$20,000, or at least 2 paid flood losses that cumulatively exceed the value of the building.

population thresholds). The FMA program includes the 2022 Swift Current Initiative.⁴

- **Building Resilient Infrastructure and Communities Grant Program (BRIC)** is FEMA's newest HMA grant, with funding released annually since 2020. The program aims to shift away from reactive disaster spending and toward proactive community resilience.

HUD's Community Development Block Grant (CDBG) Program provides disaster recovery funding that has been used for buyouts in New Jersey. Following a Presidential disaster declaration, HUD allocates CDBG Disaster Recovery (CDBG-DR) and/or CDBG Mitigation (CDBG-MIT) based on recovery needs. The state must submit an Action Plan to HUD outlining how the funding will be used, with HUD typically requiring 70% of funds to be spent in low- and moderate-income communities. Funds are passed to DCA, who then may allocate them to NJDEP and/or directly to local governments or residents. CDBG funds may be used to initiate buyouts and/or supply the required cost-share for FEMA-funded projects. HUD funds have also been used to fund home elevations through DCA's Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program.

An additional Federal actor planning for and implementing buyouts in New Jersey is the **U.S. Army Corps of Engineers (USACE)**. USACE buyouts may occur as a non-structural component (e.g. floodproofing, elevation, etc.) of flood risk reduction projects such as Passaic River NJ Basin Flood Management, Green Brook Sub Basin, and the New Jersey Back Bays Study. USACE projects have a lengthy timeline beginning with an initial study and moving through selection of alternatives, contracting, property acquisition, etc. For example, the Passaic River project was initiated in 1995 and includes 18 buyouts in the Hoffman Grove area of Wayne Township, planned to begin in 2024.

Figure 1 depicts a process model of federal, state, and local actors and programs.

⁴ In March 2022, Swift Current offered \$10M to NJ to address impacts from Hurricane Ida for repetitively flooded and substantially damaged buildings insured under the NFIP in advance of the annual grant process.

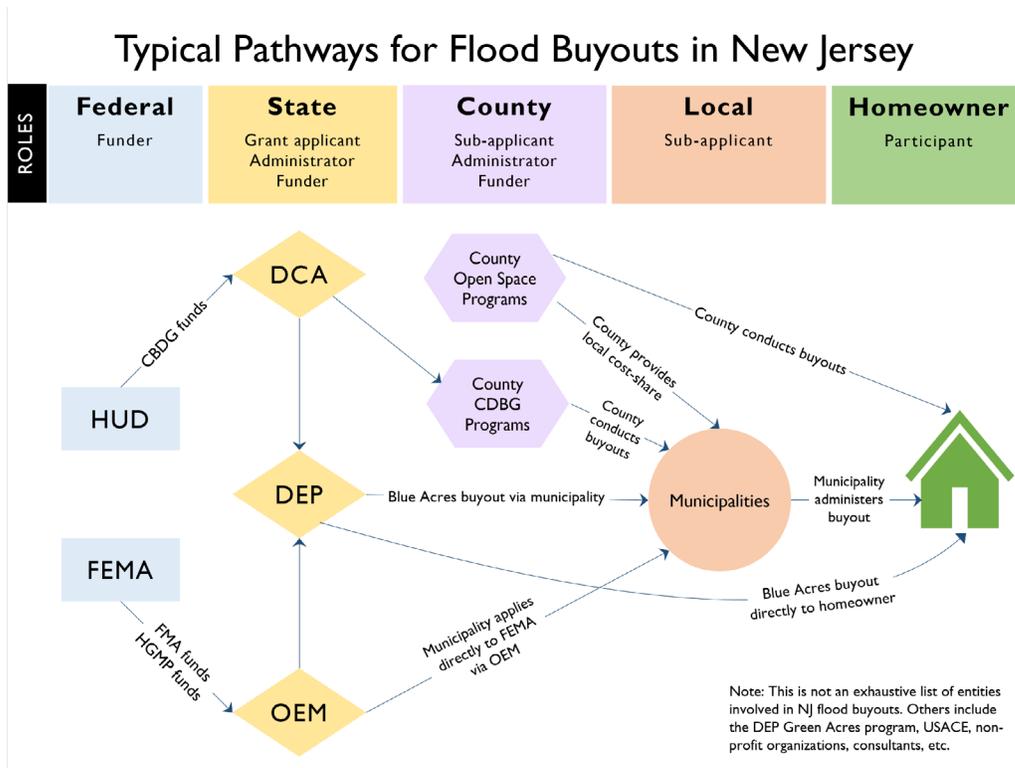


Figure 1. Typical pathways of government programs and funding for NJ flood buyouts.

2. Buyout Specifics: NJ Case Examples

Table 1 summarizes buyouts in each of the 13 interviewed municipalities. “Total Buyouts” refers to buyouts done via any federal, state, or county program. “Closed BA Applications” are completed Blue Acres buyouts. “Open BA Applications” are Blue Acres applications that have not been closed out. This suggests that the application is either still being processed or has been denied. The data does not distinguish why applications remain open.

Table 1. Case Examples - Buyout Data

Municipality	County	# of Total Buyouts	# of Closed BA Apps	# of Open BA Apps	% Successful BA Apps	Funding Sources*
Dunellen	Middlesex	0	0	8	0%	-BA
Lambertville	Hunterdon	2	1	15	7%	-BA
Little Falls	Passaic	148	78	195	40%	-FEMA -BA
Manville	Somerset	412	342	871	39%	-FEMA -BA
Montgomery	Somerset	0**	0	16		-BA -County
Oakland	Bergen	12	1	12	8%	-County -FEMA -Green Acres -Open Space Tax
Pequannock	Morris	75	0	8	0%	-FEMA -County -Green Acres
Pompton Lakes	Passaic	~60	24	61	~39%	-BA -FEMA
Rahway	Union	29	27	77	35%	-BA
Sayreville	Middlesex	149	25	26	96%	-BA -CDBG -FEMA
Wayne	Passaic	342	80	177	45%	-FEMA -BA
Westwood	Bergen	6	3	17	18%	-BA -FEMA
Woodbridge	Middlesex	171	98	169	58%	-BA

*Buyout funding sources were reported by municipal interviewees.

**Montgomery administrators reported zero buyouts in the municipality during the interview, but Blue Acres data indicates one completed buyout.

3. County Buyout Programs

The research team, advised by Blue Acres staff, identified four counties that administer buyouts in NJ: Bergen, Morris, Passaic, and Somerset. Primary goals of all the programs include reducing risk to residents and emergency responders and decreasing property loss.

- The **Bergen County Floodplain Protection Grant Program** was established in 2013 and is managed by the Bergen County Department of Parks and funded by the Bergen County Open Space, Recreation, Floodplain Protection, Farmland & Historic Preservation Trust Fund.
- The **Morris County Flood Mitigation Program** was established in 2012 and is managed by the Morris County Office of Planning & Preservation. It is funded by the Morris County Preservation Trust Fund.
- The **Passaic County Community Development Block Grant Program** is managed by the Passaic County Planning and Economic Development Department. The buyout program was established in 2011 to administer CBDG-DR funds after Hurricane Irene. It now functions as a technical assistance program to homeowners pursuing buyouts.
- The **Somerset County Municipal Flood Mitigation Funding Program** was established in 2016 and is managed by the Somerset County Office of Planning, Policy and Economic Development. It is funded by the Somerset County Open Space Preservation Trust Fund.

The Bergen, Morris, and Somerset programs each offer two funding structures depending on whether the buyout is locally- or federally-funded. For federally-funded buyouts, those in which the majority of funds are supplied through FEMA, HUD, or Blue Acres, the county provides up to 25% cost-share. For locally-funded buyouts, which do not include any federal funding sources, the county provides the majority of the cost (typically up to 75%). The remaining non-county funds typically come from Green Acres, municipal open space and general funds, and/or donations. Morris County reported that their program initially most often provided the 25% cost-share for federal buyouts, but recently has often been the majority funder for the buyouts it has conducted. Bergen County also indicated that most of their buyouts are locally-funded.

In Bergen, Morris, and Somerset, the county buyout process begins with a municipal application which is presented to an advisory committee and ultimately the Board of County Commissioners. Morris and Bergen require municipalities to develop a *Floodplain Action Plan* describing the project areas and parcels targeted for mitigation, as well as flooding history, mitigation goals, and maps showing relevant data (e.g. water features, National Flood Insurance Program coverage, FEMA Flood Insurance Rate Maps, etc.). The amount of buyout planning assistance offered to municipalities varies by county.

The counties prioritize applications based on history of severe flooding and/or property damage, contiguous properties, properties that border existing open space, and/or flood control and risk reduction opportunities. If the county decides to pursue the buyout, the property is appraised for its pre-flood value. The municipality contracts with the landowner with an environmental site assessment, property survey, and clear title required before closing. The municipality enters a grant agreement with the county, purchases the property, and is reimbursed by the county. Structures on the property are demolished and the county places an easement to prevent future development. The timeline for this process varies for each county; for example, Bergen County reported that a buyout typically takes 2-3 years. **Appendix C** includes a detailed summary of each county's buyout program and process.

Although counties are not as directly involved with homeowners as municipalities and do not work directly with the Blue Acres program, insights from the County interviews regarding planning issues and program coordination are included in the sections below.

IV. INSIGHTS ON BUYOUT PROGRAM ELEMENTS

Appendix B includes a summary of the findings from each municipal interview. Synthesis of the interview findings revealed common themes in the areas of program administration, coordination, planning and prioritization, communication and outreach, and community impacts, which are described in this section.

1. Administrative Process & Structure

a. Municipalities play a critical role in the buyout process, but their capacity to participate and facilitate is limited.

A municipality's role in the buyout process depends on the administration's support for buyouts, the buyout program's policies, and the amount of local capacity or outside administrative help (e.g. from other government agencies, non-profits, or consultants). Interviewees reported limited municipal staff capacity as one of the primary administrative challenges to buyout programs. This can result in the municipality making major buyout decisions with an incomplete understanding of the process. Municipalities often act as intermediaries between their residents and federal and state agencies, although some interviewees suggested it can be more effective for Blue Acres to liaise directly with the homeowners while keeping the municipal administration informed. Additional municipal roles require more capacity (e.g. community outreach, education and advocacy, buyout applications, municipal buyout planning). Other less common roles include assisting buyout residents with moving, facilitating flood advisory committees, and participating in regional flood planning.

Additional federal and state support, including resources and training, for municipalities' various roles in the buyout process could better prepare municipalities to administer buyouts and improve buyout administration.

Some interviewees were not familiar with the Blue Acres program until *after* their municipality had been severely damaged by flooding. To begin to address this, at a minimum, improving municipal awareness and understanding of Blue Acres through education and training opportunities could increase capacity to participate in the buyout process.

b. Funding is key to effective buyout administration.

Interviewees typically reported lack of funding as a primary administrative challenge to buyout implementation. Successful buyout programs require multiple phases (e.g. planning, outreach, management, maintenance, etc.), all requiring adequate funding. When a buyout program only funds the buyout itself, a resource gap remains that can inhibit municipalities from effectively implementing all phases of the buyout process. Exploring opportunities for additional funding streams and/or mechanisms to maintain steady, readily available buyout funding would help address this gap.

c. Speeding up the buyout process timeline could increase uptake among homeowners.

Many interviewees reported the slow and bureaucratic buyout process as a primary administrative challenge. Buyout funding often passes through multiple government agencies before reaching the homeowners (e.g. FEMA to Blue Acres), resulting in a lengthy timeline that can be difficult for municipalities and homeowners to navigate.

For homeowners, household income has a strong influence on the ability to withstand the buyout timeline. If the home is uninhabitable the resident must find alternate housing until the process is complete, while still paying the mortgage and property taxes. There is also a risk that a homeowner may wait months only to find out that their property has not been accepted into the buyout program.

To simplify the process, some municipalities have applied directly to FEMA for buyout funds, rather than through Blue Acres. This requires an additional

layer of municipal capacity; some have hired consultants to assist with the process and the FEMA grant funds can cover those consulting fees. **Figure 2** highlights roles consultants can take to support municipalities in the process. Streamlining administrative processes such as the environmental assessment, appraisal, survey and title work, and funding disbursement could reduce the buyout timeline and increase homeowner uptake of buyouts.

d. There are opportunities for municipalities to modify local procedures and rules to ease the buyout process for residents.

Some municipalities reported modifying local laws and regulations in order to simplify the buyout process for residents. Examples include allowing children to stay in their original school districts even if the family leaves town, decreasing property taxes on buyout properties during the application process, decreasing the cost of buyout-related permits, and providing dumpsters to homeowners to simplify the move-out process. Facilitating the sharing of these practices would increase awareness of these options.

The Role of Consultants

Some municipalities have applied directly to FEMA for buyout funding and used part of the grant to cover consulting fees. Consultants can help build municipal capacity to implement buyouts. The role of the consultant may include:

- Working with the municipal finance official to advise and manage the process from notification of available funds through completed purchase;
- Appraisals, title searches, hiring settlement attorneys, etc.;
- Managing demolition; and/or
- Pre- and post-buyout tasks including community outreach, planning and redevelopment, and financial reporting.

Any municipality can benefit from additional support with the buyout process, but consultants can be especially helpful for municipalities with limited buyout experience, smaller staff, or limited expertise.

Figure 2. Potential roles of consultants in supporting municipalities in the buyout process.

e. Homeowner eligibility criteria can preclude buyouts that would benefit community risk reduction.

Some municipalities discussed challenges with the buyout eligibility requirements for different funding streams (e.g. FEMA's Flood Mitigation Assistance funding requires the property to have NFIP-backed flood insurance). In some cases, homeowners reportedly did not have flood insurance because old FEMA Flood Insurance Rate Maps did not depict their property within a flood hazard area, although the updated maps did. Further, Severe Repetitive Loss criteria, which is related to flood damage claims totaling more than the home's value, can be difficult to meet in current housing inflated markets.

Achieving contiguous buyouts is difficult when some properties within a single area are not eligible for a buyout, potentially diminishing overall benefits (e.g. community open space, flood storage) of buyout programs. Assessing program criteria (e.g. NFIP-backed insurance; Severe Repetitive Loss, etc.) and where feasible, incorporating flexibility into eligibility, could help buyouts to better achieve communities' visions. Flexible damage thresholds could also prevent homeowners in need of a buyout from slipping through the cracks.

2. Program Coordination

a. Coordination across agencies helps serve homeowners in need of buyouts.

Interviewees identified five potential pathways to buyouts in New Jersey: (1) Municipality applies on behalf of homeowners to FEMA; (2) Municipality applies on behalf of homeowners to a county buyout program; (3) Municipality applies on behalf of homeowners to Blue Acres; (4) Homeowner applies directly to Blue Acres; or (5) USACE initiates buyouts. All of these pathways require coordination between federal, state, county, and/or municipal programs; thus, inadequate coordination can complicate the buyout process. Interviewees reported instances of agencies releasing conflicting statements to the public, more than one agency targeting the same properties, and homeowners in need of buyouts slipping through the cracks. These issues could be addressed by agency coordination to prioritize types of mitigation (e.g. buyouts, elevations,

etc.), as well as cross-agency sharing of lists of properties targeted for mitigation and their application statuses. More coordinated public messaging can also ensure information for homeowners is clear and consistent across agencies.

b. Municipalities can benefit from agency support at all stages of the buyout process.

Program coordination issues can strain inter-agency relationships, especially between municipalities and Blue Acres. Interviewees discussed challenges with: (a) Unclear expectations around application, eligibility, and timelines; (b) Lack of flexibility with post-buyout land use; (c) Inconsistent communication; (d) Lack of programmatic support for municipal leaders; and/or (e) Balancing buyout programs with other flood risk reduction strategies and infrastructure projects. Municipal capacity to overcome program coordination challenges is difficult with a limited budget and staff, presenting an equity issue for municipal participation. At a minimum, consistent communication can keep municipalities updated at each step of the buyout process. The Blue Acres program could consider assigning a specific coordinator to each municipality interested in buyouts. Partnerships with academic and non-profit organizations could provide municipalities with technical support for pre- and post-buyout tasks such as planning, relocation assistance, and redevelopment.

c. Financial barriers can limit municipal participation in buyout programs.

Municipal budget limitations may discourage municipalities from applying in the first place or cause them to request funding for too few buyouts due to inability to meet cost-share requirements and/or auxiliary buyout costs. Providing the typical 25% local share of buyout costs for federally-funded projects can be difficult for municipalities without a dedicated funding stream that can be used for such activities. County buyout programs, where available, are helpful to overcome the cost-share barrier. Auxiliary costs can vary depending on funding stream, but fees for environmental remediation and ongoing post-buyout maintenance costs can be prohibitively expensive. Exploring mechanisms to address equity of non-federal

cost-share requirements and auxiliary buyout expenses could help address financial barriers.

d. Greater county involvement in the buyout process could benefit municipalities and state/federal agencies.

County buyout programs currently coordinate to varying degrees with federal and state agencies, municipalities, non-profits, and academic organizations. Interviewees suggested, however, that additional partnerships are needed for wraparound support for county buyout programs. Coordination with FEMA and DEP is typically limited to information sharing (e.g. which properties they are targeting for buyouts, flood data, etc.) and relationships with municipalities vary. **Figure 3** summarizes equity considerations related to municipal participation in county programs. The counties' role(s) in buyouts varies from administrative and/or technical assistance to municipalities, to partial funding, to majority funding. Encouraging coordination with counties could help municipalities navigate the buyout programs and help facilitate state and federal administrative processes. There is also the opportunity to align buyout planning with county plans (e.g. open space, climate).

County Buyout Programs: Equity Considerations

County buyout programs come with their own equity considerations. Barriers to municipal participation may include ability to supply the up-front property purchase cost (for programs in which the municipality is reimbursed), as well as having the time and expertise to develop a Floodplain Action Plan (for programs that require one as part of the application). Less wealthy counties are also at a disadvantage as funding for the buyout programs is derived from property taxes. The county programs do, however, make efforts to encourage equitable outcomes. For example, Passaic County ensured that every eligible municipality had a seat at the table for CBDG-DR funding decisions. Rather than compete with one another, grant recipients collectively decided how those funds would be split across municipalities.

The counties allow grants to be used on auxiliary buyout expenses, making participation more feasible for municipalities with limited budgets. Programs have also partnered with non-governmental organizations to support post-buyout restoration projects.

Figure 3. Equity considerations for county buyout programs.

3. Planning & Prioritization

a. A regional approach to buyout planning could facilitate coordination across local governments.

The need for careful planning was a common theme throughout the interviews, yet there are only a few examples of long-term buyout planning to-date, typically at the municipal level. A regional approach to planning flood mitigation strategies can be more effective since flood waters do not respect political boundaries. Regional buyout plans developed with municipal and county participation could incorporate watershed-scale considerations for open space, social vulnerability, existing flood control projects, etc. There is an opportunity, for example, to align and leverage buyout planning (and potentially funding) with existing county open space or climate resilience plans. The Blue Acres program could explore the feasibility of a pilot program in which municipalities work as a group to grant funds in accordance with regional plans. A regional or statewide buyout planning committee could also be helpful to coordinate strategies across municipalities and counties.

b. Community-driven planning could increase equity in buyout decisions and help build local support for buyout programs.

Municipalities typically did not report having a long-term community vision or plan for buyouts. Buyout properties are often prioritized based on Substantial Damage⁵ and/or Severe Repetitive Loss following a major flood event (**Figure 4**). No interviewees reported accounting for household income or social vulnerability in buyout decisions; rather, their overarching focus has been limiting loss of life and property. This presents an equity issue as homeowners' vulnerability to health and property impacts from a flood event is directly associated with underlying socioeconomic factors. Recognizing this, Blue Acres now uses social vulnerability datasets to underscore its importance within buyout planning discussions.

⁵ A structure is Substantially Damaged if the total cost of repairs is 50% or more of the structure's market value before the disaster occurred.

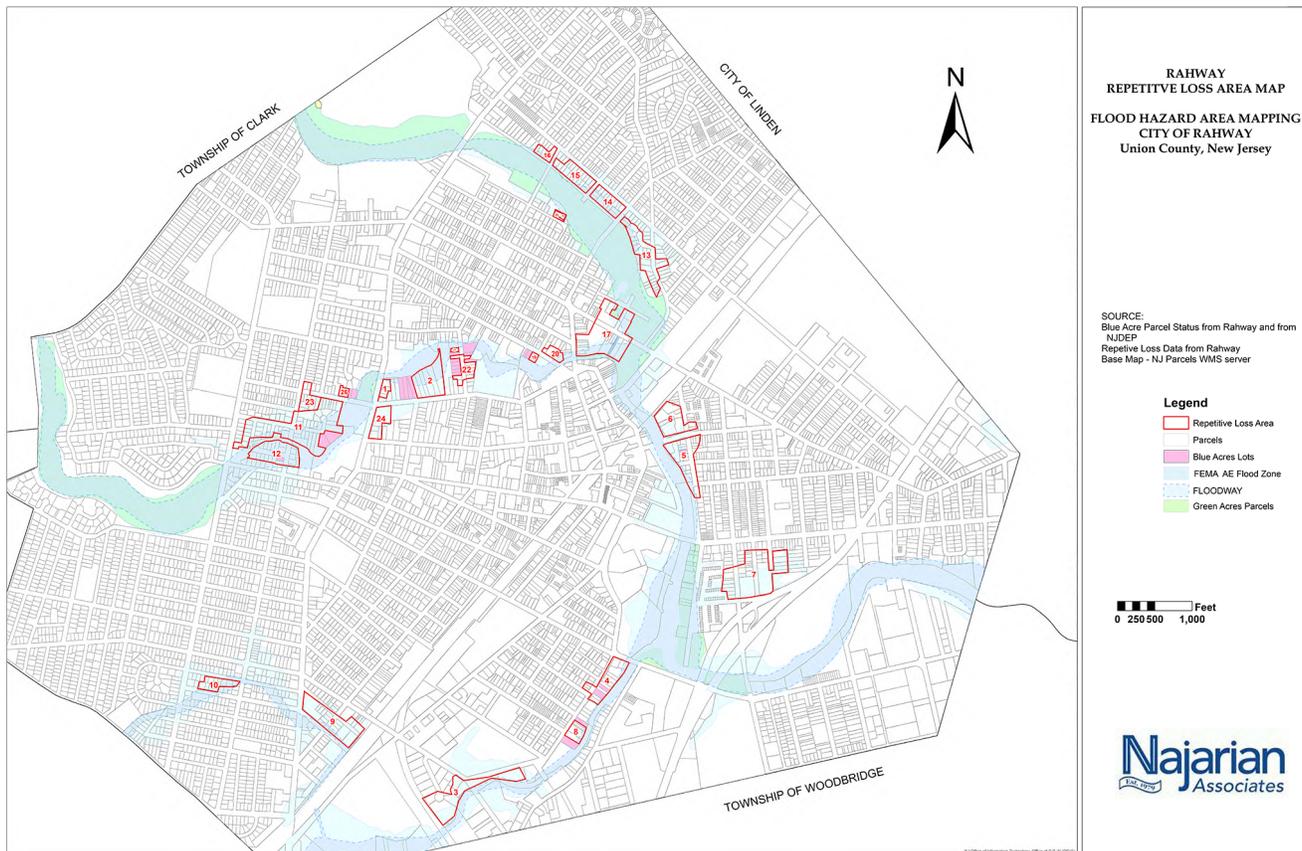


Figure 4. Example of mapping data used by municipalities to prioritize buyout areas.

Without a plan that considers buyouts, elevations, and impacts to the broader community, flood mitigation actions will not necessarily support community vision. Individual homeowners' decision-making process around whether to accept a buyout versus elevation includes a number of financial and social considerations (**Appendix D**) that ultimately drive the community landscape. While most municipalities hope for contiguous buyouts, a patchwork configuration is a more typical outcome and administrations are hesitant to consider eminent domain for holdouts. Allowing residents to define goals and vision for buyout properties and/or flood zones could help to address these challenges and encourage buyouts that support community needs, including those of the most vulnerable residents.

c. Municipal buyout planning needs more resources and technical assistance.

When municipal buyout planning occurs, it typically includes identifying where buyouts and/or elevations are most strategic, finding ways to address financial impacts of buyouts, and determining post-buyout land uses. This level of planning requires time and resources beyond some municipalities' capacities, presenting an equity concern. Looking forward, several municipalities now aim to complete buyouts in high-risk areas where only a few homes remain. Others are not planning future buyouts due to a lack of municipal capacity and/or interest from municipal leadership. Technical assistance to municipalities and sharing of successful local buyout practices could help municipalities plan strategically for buyouts to address municipal land use needs (e.g. open space, recreation, flood retention, etc.). For example, **Figure 5** provides an example of how an overlay zoning approach is being used to plan buyouts in Woodbridge, NJ.

Overlay Zone: Woodbridge, NJ

Following Superstorm Sandy, Blue Acres bought out over 170 homes in a largely contiguous formation in Woodbridge Township. Local oversight of the properties was delegated to the municipality. After demolishing the structures, the properties were incorporated into the Woodbridge's existing wetland preserve. Woodbridge now uses zoning regulations and local policy to encourage preservation. The municipality altered local zoning law to prevent future development in the area and added "cumulative extensive damage zones," requiring houses that did not accept buyouts to rebuild more resiliently. Woodbridge has also created an Open Space Conservation Resiliency Zone to highlight the most vulnerable homes. The zoning changes seek to reduce patchwork buyouts and make future rounds of buyouts more effective.

Figure 5. Using an overlay zone for buyout planning.

d. Plan during “blue skies” periods to streamline post-storm buyouts.

Some municipalities expressed interest in more opportunities for “blue skies” planning and funding. However, it was more common for interviewees to express doubts about the efficacy of pre-disaster buyouts when flooding is not at the front of residents’ minds. Some interviewees also noted that long-term municipal buyout planning can be complicated by concerns over loss of ratables. Pre-approving homes for buyouts during “blue skies” periods could speed up the buyout process when funds become available. Additionally, “blue skies” periods are an opportunity for federal and state agencies to connect with municipalities and residents to build program awareness and support in advance of post-disaster decision-making.

4. Communication & Outreach with Homeowners

a. Municipal administrations and residents benefit from buyout resources provided at the federal and state levels.

Municipalities reported varying levels of involvement in buyout outreach to homeowners. This ranged from municipalities leading outreach, to the state/federal government leading outreach, to self-organization and leadership by community members. Others reported conducting no outreach at all and simply waiting for residents to request buyouts. Interviewees indicated it was very helpful when outreach efforts were supported by other government agencies or even hired consultants. Specifically, some interviewees reported that their capacity to communicate with residents about buyout programs can be limited by the educational resources available on administering agencies’ websites. Providing outreach materials with buyout program details (e.g. requirements, timelines, steps in the process, who to contact, etc.) in multiple languages and formats (e.g. website, social media, etc.) can help increase local facilitation of buyout programs.

b. Municipal-led outreach, with support from federal and state agencies, is an effective way to reach homeowners and encourage buyouts.

Interviewees suggested that homeowners are less likely to pursue and/or accept buyouts without thoroughly understanding the program, but municipal staff cannot effectively support residents without their own adequate understanding of buyout program details. Municipalities' outreach approaches vary in complexity. Some simply link to online buyout resources through the municipal webpage, while others directly contact the most vulnerable households. Others mail letters to homeowners with information on flooding and buyouts. Community meetings are a common outreach approach and may be for the general public and/or targeted at those in need of a buyout. Meetings cover topics like flooding information, buyout considerations, post-disaster needs, and other resources. There are also examples of Community Rating System communication efforts being leveraged for buyout outreach. Federal and state agencies can support municipal outreach by providing resources and data. For example, lists of buyout eligible homes could aid in the municipality's ability to understand priority properties

**Buyout Outreach:
Successful Tactics**

Municipalities reported varying approaches to buyout outreach. While outreach tactics vary depending on municipal capacity and resident needs, successful strategies have included:

- Direct contact to vulnerable neighborhoods being targeted for buyouts.
- Town hall-style meetings to connect residents with Blue Acres staff, followed by one-on-one consultations.
- Ongoing annual outreach to vulnerable households including registering residents for emergency alerts and services, providing storm-preparedness and recovery resources, reminders about the buyout program, and contact information for the municipal floodplain manager.
- Adjusting outreach approaches and framing to meet different residents needs.

Figure 6. Successful buyout outreach strategies used by municipalities.

and target buyout outreach. **Figure 6** offers examples of successful buyout outreach strategies reported by interviewees.

c. Boosting municipal capacity and/or willingness to do buyout outreach could help address the equity of access to buyouts.

Municipal capacity to perform outreach to residents can pose an equity concern. Flood outreach is limited by staff and budget constraints. Additionally, municipalities with residents who speak many languages can be challenged to equitably reach non-English speakers living in vulnerable neighborhoods, especially if buyout programs do not offer translated resources. An equity issue also exists for residents in municipalities that do not support buyouts, do no outreach, and/or do not facilitate other agencies' engagement with residents. In these municipalities, residents' chances of learning about buyouts are limited by their ability to access the internet and research and navigate government programs. Agencies could explore potential incentives to municipalities to perform a minimum level of buyout outreach to vulnerable residents. This could be supported by development of a municipal outreach framework driven by outreach resources provided at the federal and state levels.

d. Improving transparency of prior flood history in property transfers could increase homeowner uptake of buyouts.

Accepting a buyout can be less desirable when a homeowner has a competing opportunity to sell their vulnerable property to another buyer. Interviewees discussed cases of homeowners refusing a buyout and then selling to a home "flipper," who in turn improves the property and sells it to a buyer who may be unaware of the prior flood history. Increased transparency of flood risks in the home buying process can address this. As of June 2023, New Jersey Bill S3110/A4783 requires flood disclosure to buyers and renters.

e. Social and economic factors can prevent some residents from taking a buyout.

Lower income residents can face financial challenges in accepting buyouts, even if they are otherwise willing. None of the interviewed municipalities had the resources to offer financial relocation assistance to those impacted by flooding, nor did most have the capacity to offer non-financial assistance. Emotionally, residents who have been established for several generations in an area may want to stay in-town as part of their family legacy and personal identity. Uprooting children out of their school system lends to an additional layer of instability for families with minors. To address these barriers, buyout administering agencies can consider partnerships with other agencies and nonprofits to support buyout applicants with relocation, mental health care, and/or disaster aid for living expenses. These types of services may help to persuade more people to accept buyouts and benefit equity of buyout programs.

5. Community Impacts

a. More research is needed to better understand how buyouts affect communities and residents.

None of the municipalities interviewed have formally assessed the cost-benefit ratio of buyouts on municipal finances and/or community well-being. The most important positive buyout impact factor reported by many municipalities is reduced emergency management (rescue) needs, followed by decreased infrastructure service needs (e.g. roads, sewer). Some negative factors reported by interviewees include planning costs, decreased tax revenue, and maintenance of buyout properties. Other factors could be psychological impacts on residents, impacts on the school system, impacts on the housing market, and whether buyout properties are a source of income and/or community benefit after being redeveloped.

Most of the interviewed municipalities do not track where residents move post-buyout. Some estimated that most buyout households remained within the municipality, while others reported that most households moved to surrounding towns (generally for more affordable housing). No municipalities

conducted post-buyout surveys, outreach, or research to determine the quality of life impacts that buyouts have on remaining residents. Cost-benefit analysis to quantify social and economic impacts of buyouts, as well as better information on post-buyout outcomes for sellers would help guide buyout programs.

b. Buyouts can be a financial burden to municipalities due to property tax loss and maintenance costs.

Many interviewees noted municipal concerns about buyout impacts on ratables. However, in all the municipalities interviewed, the number of buyouts has been a minimal fraction of the total housing units (<0.1%), making fiscal impacts to-date slight.⁶ The concern is greater in smaller and/or less wealthy municipalities where the buyouts are impacting a growing fraction of the ratable property. Ratable losses can be partially offset through land use changes in other areas of the municipality. Some municipalities also noted that property tax loss can be offset by decreasing costs of public works or emergency services for contiguous buyout areas. Other mechanisms to reduce financial burdens on municipalities could include fee-sharing or a tax relief system.

c. Contiguous buyouts are desirable to maximize community benefits, but rarely occur.

Although most municipalities noted a desire for contiguous buyouts, a patchwork configuration is the more typical outcome. Patchwork buyouts are generally a less desirable outcome due to loss of the neighborhood feel and diminished benefits to the town as infrastructure and emergency services still need to be provided to the area. Further, a patchwork configuration of parcels limits open space redevelopment options, reducing the potential benefits to the community of new passive recreational space. Improved buyout planning and outreach can help prepare communities to efficiently implement the buyout process with a holistic vision and encourage homeowner uptake.

⁶ A companion report to this project is examining the impacts of buyouts on municipal finance and property value.

d. Post-buyout land use poses both an opportunity and a challenge for communities.

After a buyout, a property is typically transferred to local ownership with an easement preventing future development. Many municipalities maintain buyouts as mowed grassy lots; other reported uses included recreational, community gardens, ecological restoration, and flood mitigation. However, local capacity to maintain properties and fund redevelopment is often limited and thus the community impacts of buyouts can be inequitable. Wealthier communities may more easily adjust to ratable impacts and be more likely to afford improvements to open space provided by buyouts. Additionally, when buyout properties have outstanding concerns such as environmental contamination, it is more difficult to redesign the space as a community resource. Some interviewees also expressed a lack of clarity from DEP on what uses are allowed post-buyout.

Federal and state agencies can help municipalities to better understand options for post-buyout open space uses. Flexible policies on flood retention uses could facilitate beneficial outcomes for green stormwater solutions. Recreational and open space uses should be equitably

**Community Impacts:
Woodbridge, NJ**

Following Superstorm Sandy, Woodbridge Township bought out over 170 homes in a largely contiguous formation. After demolishing the structures, the properties were incorporated into the municipality's existing wetland preserve, Woodbridge River Park. The park now spans over 30 acres and contains the Woodbridge River which flooded the area during Sandy. The buyout area is being restored to its original ecosystem by removing impervious surface, adjusting topography, and planting native vegetation to encourage future flood water retention. A section of the Woodbridge River was redirected to decrease tidal fluctuations. About one mile of trails has been installed on the Blue Acres portion of the preserve.

The expanded preserve has several benefits. Flooding has improved as water is better infiltrated into the soil and sheet flows move differently. The local ecosystem is returning. The municipality saves on emergency response costs and maintenance to certain roads and sections of infrastructure systems has been decreased.

Figure 7. Post-buyout land use in Woodbridge, NJ.

planned and designed with community members to meet their needs. **Figure 7** describes an example of successful post-buyout land use in Woodbridge, NJ.

e. Flood modeling after buyouts and/or ecological restoration could help make the case for buyouts.

Municipalities recognize the benefit of getting residents out of harm's way through buyouts, but the impacts to flood risk on adjacent properties and/or neighborhoods is more difficult to quantify. Modeling flood risk reduction impacts could demonstrate community-wide benefits for municipal administrations that are unsure about buyouts.

V. CONCLUSION

Table 2 provides a summarized list of all interview insights. Together these reveal a number of cross-cutting themes:

- All aspects of the buyout process could be improved by more available funding. Interviewees indicated that their capacity to effectively do buyout activities including planning, outreach, administration, and/or post-buyout maintenance and redevelopment are all limited by funding.
- Local support of the buyout process is important for success, but capacity to participate is typically limited by costs, time, and knowledge. At the local level, counties can offer valuable support to municipal capacity; overall greater county participation could improve buyout programs.
- Mechanisms are needed at all government levels to be more prepared to streamline buyouts when funding becomes available after a flood event. This includes the need for frequent community-level conversations about buyouts to frame them as a key flood mitigation strategy within the long-term community vision.
- Equity concerns are inherent to buyouts, including: (a) municipal capacity to participate in the process and (b) which residents are (and are not) being offered buyouts. These equity issues can begin to be addressed by greater community participation in buyout processes while also concurrently addressing the need for greater pre-storm preparedness, municipal support, and funding.

This project provides insight into current buyout practices and impacts in New Jersey, including successes, challenges, and the barriers or facilitators to better coordination, planning and outreach to accomplish buyout goals. By focusing on municipalities where buyouts have successfully occurred, this study does not include the insights of municipalities who have been unable to overcome

the challenges of the buyout process or discouraged buyout awareness and participation all together. Further, the interviews revealed that additional research is needed to better understand how buyouts affect communities and residents. This includes quantitative factors such as reduced emergency service and infrastructure needs, qualitative factors like psychological effects on residents, and modeling to better understand impacts on community flood reduction. Understanding the efficacy of buyouts in reducing flood risks to communities and residents is needed to position buyouts as a key mitigation strategy in an increasingly holistic approach to climate resilience planning.

Table 2. Compiled Insights.	
Category	Insights
Administrative Process & Structure	<ul style="list-style-type: none"> • Municipalities play a critical role in the buyout process, but their capacity to participate and facilitate is limited • Funding is key to effective buyout administration • Speeding up the buyout process timeline could increase uptake among homeowners. • There are opportunities for municipalities to modify local procedures and rules to ease the buyout process for residents. • Homeowner eligibility criteria can preclude buyouts that would benefit community risk reduction.
Program Coordination	<ul style="list-style-type: none"> • Coordination across agencies helps serve homeowners in need of buyouts. • Municipalities can benefit from agency support at all stages of the buyout process. • Financial barriers can limit municipal participation in buyout programs. • Greater county involvement in the buyout process could benefit municipalities and state/federal agencies.
Planning & Prioritization	<ul style="list-style-type: none"> • A regional approach to buyout planning could facilitate coordination across local governments. • Community-driven planning could increase equity in buyout decisions and help build local support for buyout programs. • Municipal buyout planning needs resources and technical assistance • Plan during “blue skies” periods to streamline post-storm buyouts

Communication & Outreach	<ul style="list-style-type: none"> • Municipal administrations and residents benefit from buyout resources provided at the federal and state level. • Municipal-led outreach, with support from federal and state agencies, is an effective way to reach homeowners and encourage buyouts. • Boosting municipal capacity and/or willingness to do buyout outreach could help address the equity of access to buyouts. • Improving transparency of prior flood history in property transfers could increase homeowner uptake of buyouts.
Community Impacts	<ul style="list-style-type: none"> • More research is needed to better understand how buyouts affect communities and residents. • Buyouts can be a financial burden to municipalities due to property tax loss and maintenance costs. • Contiguous buyouts are desirable to maximize community benefits, but rarely occur. • Post-buyout land use poses both an opportunity and a challenge for communities. • Flood modeling after buyouts and/or ecological restoration could help make the case for buyouts. • Social and economic factors can prevent some residents from taking a buyout.

VI. APPENDICES

List of Appendices

- A. Interview Protocol
- B. Municipal Summaries
- C. County Summaries
- D. Homeowner Decision-Making

APPENDIX A: Interview Protocol

1. How many parcels have been bought out in your town/area?
 - Time period of buyouts?
 - What type of parcels?
 - Average size of the parcels?
 - Total amount of acreage bought out?
 - Location of parcels? (Along a waterway, in a floodplain)
 - How are they configured? (patchwork, contiguous)

2. What was/were the funding source(s) for the buyouts?
 - Did any of the buyouts leverage multiple funding sources? (DEP, FEMA, HUD, Open Space) If so, what type of challenges did this present? Any lessons learned?
 - Average cost per buyout? Total amount of funds for buyouts?
 - Can you describe how the process worked for the property owners? (application through approval through purchase)

3. How were these parcels identified and prioritized for buyout?
 - To what extent were these properties identified for acquisition during “blue skies” periods (i.e. proactively and not in response to a particular event)?
 - To what extent were equity considerations factored into the design or implementation of the buyout program?
 - To what extent were community leaders and residents (other than the property owner) involved in planning/decision-making for acquisition efforts?

4. Are you aware of how many property owners consider both elevations and buyouts as options, and if so, how do they decide between the two?
 - Does the town have a method to determine preferred or priority approaches? If so, what is the method of weighing the relative costs/benefits?

5. What has happened to the properties after buyout?
 - Structures demolished?
 - Reuse of property?
 - Ownership of property?
 - Community benefits?

6. Has there been any formal effort to consider the impact of flood prone property buyouts on local property values and municipal finance?
 - If so, in what way and by what methods?
 - Has there been any change to property values of surrounding and nearby properties?

7. Are you aware of any support resources for owners' and tenants' transitions into their next home?

8. Is there any effort underway to identify and track/evaluate the owners/tenants post-buyout?
 - Where did they relocate?
 - Are you aware of any evaluation of their well-being?

9. What has been your experience regarding the way that New Jersey laws or regulations may hamper or facilitate the encouragement of buyouts?
 - Do Federal laws or regulations hamper or facilitate?
 - Do local laws or regulations hamper or facilitate?
 - How can they be altered to make the process smoother and more effective in mitigating future flood damage?

10. How much do buyout decisions involve local government? What is your role? Would do you think is the ideal role for local government?
 - How much and how well do you work with other units/levels of government on buyouts?

11. What resources or assistance would help you to encourage more participation in buyouts in your jurisdiction?

APPENDIX B: Municipality Summaries

These municipal summaries offer highlights from each of the 13 municipal interviews. Note that the interviewees' responses have been summarized and have not been checked for accuracy.

Dunellen Township

Dunellen Township is located in Middlesex County. It covers 1.06 land square miles and has a population of approximately 7,580 (ACS 2021). Dunellen has not completed any buyouts to-date, but eight properties have applied to Blue Acres due to damage from Tropical Storm Ida. Most of these properties are located in the same area of town and were prioritized based on the severity of damage. Future buyouts are not currently planned in Dunellen beyond those in the application process. The town administration was unfamiliar with Blue Acres prior to Tropical Storm Ida.

The buyout properties may be converted to community open space if at least two adjacent lots are purchased. Dunellen would like the new open space to be low maintenance. No formal cost-benefit analysis has assessed the potential buyout impacts, but Dunellen will lose several thousand dollars worth of property tax income. The town hopes to increase development in order to counteract this. Because so few properties are applying for a buyout, changes to utilities or emergency services costs are not expected.

Dunellen performed some active outreach and also put Blue Acres online resources on their municipal website. Active outreach does not continue today. The municipality is facilitating the application process and serving as an intermediary between NJDEP and residents. The municipality has been unable to offer relocation assistance and does not plan to track the outcomes of the families whose properties are successfully purchased.

The biggest hurdle cited by Dunellen is unfamiliarity with the program. It will take time for the administration to better understand Blue Acres, how it is financed, and how to make it faster. The FEMA funding process via Blue Acres has been a slow and bureaucratic process for the municipality. Generally speaking, Dunellen feels that the program is going well. In addition to Dunellen employees gaining further

technical knowledge of Blue Acres, the municipality noted that the process could be improved by more outreach and immediately accessible funds.

Lambertville City

The City of Lambertville is located in Hunterdon County. It covers 1.08 land square miles and has a population of approximately 4,116 (ACS 2021). Following Tropical Storm Ida, Lambertville completed two Blue Acres buyouts and is working through two additional applications for properties within the floodplain. Lambertville is open to supporting additional buyouts in the future.

The buyout properties have not yet been redeveloped, but Lambertville has potential plans to use them for public flood education if funding can be found. No formal cost-benefit analysis has assessed the buyout impacts. There are concerns about losing ratables, but so few properties have been purchased thus far that the impact is negligible. The town also noted that in addition to the buyouts, a number of residents have sold their homes and left the area after damage from Ida.

After Tropical Storm Ida, Lambertville identified the most at-risk properties and then contacted Blue Acres. NJDEP led outreach, including meetings to educate residents about the program. The municipality advocates for residents in the buyout process, conducts community outreach, and liaises with Blue Acres. The municipality is unable to offer relocation assistance and has not tracked the outcomes of the families whose properties were purchased. In the future, Lambertville hopes to complete surveys on residential flooding and lead more public education initiatives.

Lambertville has had several hurdles. Elevations are not possible because of the area's soil composition and housing density. Many of the homes are historic or multifamily, complicating the Blue Acres process. Housing value in Lambertville has increased which would force lower-income homeowners to leave the municipality entirely after a buyout. During Ida, sections of Lambertville flooded that are not in the mapped floodplain and those residents did not have flood insurance. One experience that Lambertville found helpful was participation in a resiliency pilot program the year prior, leading to a new resiliency plan.

Little Falls Township

Little Falls Township is located in Passaic County. It covers 2.79 land square miles and has a population of approximately 13,628 (ACS 2021). Little Falls has completed 148 buyouts, taking place between 2011 and 2018 in response to Hurricane Irene. Approximately 53% were through Blue Acres. Funding was also secured directly from FEMA. Another 50 homes or so chose to elevate. The buyouts were prioritized based on storm damage and are concentrated in the Signac neighborhood, but are not contiguous. There is currently no official plan to guide further buyouts in Little Falls.

The buyout properties became grassy lots for passive recreation. They cannot be converted into a park due to their patchwork configuration. No formal cost-benefit analysis has assessed the buyout impacts, but Little Falls lost a significant amount of property tax revenue. The town has been able to compensate by adjusting other tax revenue streams.

Little Fall's outreach strategy included many community meetings to educate residents on the buyout process. That outreach does not continue today. These meetings were co-hosted with JSW & Associates, a consultant hired by the town to support administration of their FEMA grant. The municipality also served as a resident advocate through each step of the process. Little Falls was unable to offer relocation assistance and did not track the outcomes of the families whose properties were purchased.

JSW & Associates was hired by Little Falls because administering their FEMA grant was beyond the municipality's capacity. Little Falls struggled to devote as much time to buyout planning as they would have liked to. An additional complication that arose was that homeowners with private insurance were ineligible for a buyout. In the future, Little Falls would need more staff and, ideally, a grant administrator to implement more buyouts.

Manville Borough

The Borough of Manville is located in Somerset County. It covers 2.36 land square miles and has a population of approximately 10,861 (ACS 2021). Manville

has completed 412 buyouts since Hurricane Irene, with additional influxes of funding following Superstorm Sandy and Tropical Storm Ida. Approximately 83% of the buyouts were through Blue Acres. Funding was also secured from FEMA's Flood Mitigation Assistance Swift Current Initiative, which required applicants to have National Flood Insurance Program coverage. The buyouts were prioritized based on Severe Repetitive Loss and Substantial Damage and form a patchwork configuration.

Where possible, buyout properties have been combined to form recreation areas. In the Lost Valley area, properties are being incorporated into a floodplain restoration project in partnership with The Nature Conservancy. Some single lots have been repurposed into community gardens with leadership from Duke Gardens. Manville is considering utilizing some buyout properties for wetland mitigation banking, which could be a source of revenue. No formal cost-benefit analysis has assessed the buyout impacts, but anecdotally there does not appear to be major financial impacts. Manville recognizes that there may be decreases in future emergency management costs.

The municipality was unable to offer relocation assistance, although some residents received funding from DCA's Homeowner Assistance and Recovery Program initiative following Tropical Storm Ida. Manville has not tracked the outcomes of the families whose properties were purchased, but anecdotally those residents likely left town due to limited housing stock. The municipality is considering redevelopment projects in the future to increase housing stock. Manville's administration was not particularly involved in the Blue Acres buyouts. In terms of local floodplain planning, Manville prefers buyouts for homes in the floodway and elevation of homes outside the floodway.

The administrative and regulatory hurdles facing Manville included confusion around buyout eligibility; e.g. residents who had discontinued their flood insurance unknowingly disqualified themselves. Communication between Blue Acres and Manville's administration could have been more frequent and clear. There were also differing priorities; e.g. Manville would prefer to purchase vacant lots, but they are low priority for Blue Acres. One possible improvement identified by Manville is to enroll in a FEMA group policy so that uninsured homeowners are able to participate.

Montgomery Township

Montgomery Township is located in Somerset County. It covers 32.30 square miles and has a population of approximately 23,557 (ACS 2021). Montgomery has not completed any buyouts to-date, but seven properties have applied for buyouts following Tropical Storm Ida. Six have applications with Blue Acres and the seventh is being handled by Somerset County's buyout program. Two of the applicants are adjacent properties, but the rest form a patchwork configuration. The structures are Substantially Damaged and vacant. Future buyouts are not currently planned beyond those in the application process. Montgomery reported that residents typically do not have flooding top of mind until impacted, making "blue skies" planning difficult.

Montgomery would like to incorporate the buyout properties into their flood prevention programming. There is also a possibility of extending existing walking trails into the buyout lots. No formal cost-benefit analysis has assessed the potential buyout impacts. Loss of ratables has not yet come up in discussion as the municipality's focus has been resident safety.

Montgomery's outreach strategy consisted of individually meeting with families of severely damaged homes. Independent of the municipality, the local Elk Club also hosted community meetings for residents to support one another. The municipality helped homeowners complete their applications and provides overall advisory support. They allowed families who had to relocate outside of town to keep children in the school district and lowered property taxes on the homes applying for buyouts to reduce financial burden. The municipality discussed elevations with residents, but there was no interest. The municipality has been unable to offer financial relocation assistance, but has helped applicants look for rental units. They do not plan to track the outcomes of the families whose properties are purchased.

The main regulatory and administrative issues facing Montgomery are the slow speed of the program and the municipality's unfamiliarity with Blue Acres. The single property pursuing a county buyout did so in hopes that it would be faster, but that has not yet proven true. In the future, Montgomery expressed that it would be helpful to have an assigned Blue Acres coordinator and Blue Acres-led workshops to support residents. They also said it would have been helpful to have a relationship with the program pre-disaster to be more prepared for Ida. A helpful resource would

be a step-by-step explanation and timeline of the program. Overall, Montgomery feels that Blue Acres's help has been critical for navigating the buyout process.

Oakland Borough

The Borough of Oakland is located in Bergen County. It covers 8.50 land square miles and has a population of approximately 12,773 (ACS 2021). Oakland completed 12 buyouts from 2013 to 2015 in response to Hurricane Irene. One was through Blue Acres and the others through Bergen County's buyout program, Green Acres, and Oakland's own open space tax. The buyouts are contiguous and adjacent to an existing open space. Oakland prioritized properties not protected by USACE floodgates installed in 2007. Future buyouts are not planned in Oakland.

The buyout properties will be converted to a passive riverfront park with bioswales and native plantings. The land will largely be allowed to return to nature while still maintaining public access points to the Ramapo River. A Rutgers University student group assisted in the park's initial concept design. The structures have been used for training Oakland's fire department while awaiting demolition. No formal cost-benefit analysis has assessed the buyout impacts, but the loss of tax revenue for Oakland is reportedly small. The municipality is currently more concerned about resident safety than ratables. There have been discussions around removing utility infrastructure in the buyout area, but doing so is proving to be difficult.

Oakland contacted the properties they wanted to buy out and were largely successful; there was only one hold out. The municipality was the primary decision-maker on buyout planning. The municipality was unable to offer relocation assistance and has not tracked the outcomes of the families whose properties were purchased. Oakland has also been building relationships with Pompton Lakes and Mahwah in order to share resources and support during emergencies. Further, the municipality has a flood commission to address river-related issues.

Limited capacity and navigating FEMA programs were Oakland's main hurdles. The Land Conservancy helped expand capacity by liaising with residents and Green Acres. It was also more difficult for Oakland to cultivate public support as time passed from the flood event. Oakland recommended initiating a regional or statewide planning committee so that municipalities can coordinate strategies.

Pequannock Township

Pequannock Township is located in Morris County. It covers 6.79 land square miles and has a population of approximately 15,577 (ACS 2021). Pequannock has completed 75 buyouts, beginning in 1985 after severe flooding. Funding was secured directly from FEMA, Green Acres, and Morris County's buyout program. The buyouts are mostly contiguous along the Pompton River and were prioritized based on flooding severity. Close to one-third of Pequannock floods, putting many homes at risk. Future buyouts are not planned for Pequannock.

The buyout properties have been allowed to revert back to their natural state. Restoration and tree plantings were conducted along the riverbanks. The increase in vegetation increases flood storage. Most of the properties are municipal-owned, but some were taken over by Green Acres. No formal cost-benefit analysis has assessed the buyout impacts, but there are concerns about impacts on tax revenue. The original goal was to buy out 600 homes, but that number was decreased once Pequannock better understood the impacts on ratables.

Pequannock's role consists of outreach, coordination, providing knowledge of local needs, and administrative support. The municipality does the majority of the work to navigate the buyout process, rather than the homeowners. However, that role is shifting as homeowners are more recently opting for elevations. Elevations are increasing home value and a history of flooding does not appear to be hurting sale prices. The municipality was unable to offer relocation assistance and has not tracked the outcomes of the families whose properties were purchased.

Pequannock recommends that municipalities have a dedicated flood resilience officer and flood control advisory committee. They also found that having a Flood Acquisition Plan helps streamline the buyout process. Pequannock suggests having emergency funding in place so buyouts can occur quickly.

Pompton Lakes Township

The Township of Pompton Lakes is located in Passaic County. It covers 2.89 land square miles and has a population of approximately 11,113 (ACS 2021). Pompton Lakes has completed approximately 60 buyouts since Superstorm Sandy. Approximately

43% were through Blue Acres and the remainder directly through FEMA. The buyouts are somewhat contiguous along the Ramapo River, with some blocks completely bought out and others partially bought out. Buyouts were prioritized based on being in the floodway. The floodway homes that were not bought out have mostly been elevated.

Structures were demolished and the buyout properties were seeded, but Pompton Lakes does not have the capacity to maintain all of the lots. Residents wanted to install community gardens, but NJDEP turned down the request since it involved raised beds and fencing. Some residents are unofficially using the properties for personal use. No formal cost-benefit analysis has assessed the buyout impacts, but the buyouts are reducing municipal tax revenue.

Post-Sandy, FEMA set up an office in Pompton Lakes to answer residents' questions about flooding assistance. A set of meetings specifically about Blue Acres were then held. The Pompton Lakes administration led both buyouts and elevations for residents. This included completing applications, liaising between agencies, hiring and managing contract workers, educating residents on eligibility requirements, etc. The municipality was unable to offer relocation assistance. Pompton Lakes reports that most homeowners who took buyouts stayed in town, but additional details about how they are faring post-buyout is unknown.

Despite the municipality's efforts, some homes in the floodway that were targeted for buyouts were sold, restored, and flipped. Property values have increased in the several years since the last major flood and homes in the floodway are attractive to investors because they are cheaper. Additionally, some residents who chose not to take a buyout are now wanting to leave as their block is only partially populated and accessibility issues for aging residents in elevated homes.

Pompton Lakes encountered several regulatory and administrative issues during their buyout experience. As a municipality with limited capacity, the buyout process was complicated and bureaucratic, especially when navigating the several languages spoken in the municipality. The total number of buyouts the municipality can manage depends upon ratables, staff needed to maintain the properties, and obtaining required matching funds. Additionally, Pompton Lakes found many of DCA's approved contractors unreliable.

Pompton Lakes had several recommendations for improvements to the buyout process: a mechanism to help municipalities address lost ratables; clearer communication on the exact steps of the buyout process, eligibility requirements, and required deliverables from applicants; and community meetings led by funding agencies to educate the public on their programs and address concerns.

Rahway City

The City of Rahway is located in Union County. It covers 3.9 land square miles and has a population of approximately 29,582 (ACS 2021). Rahway has completed 29 buyouts with funding allocated after both Hurricane Irene and Superstorm Sandy. Approximately 93% of the buyouts were through Blue Acres, with some funding also from HUD's CDBG program and NJ State Land Acquisition Funds. Approximately 15 new applications have been submitted since Tropical Storm Ida. Rahway still has approximately 300 Severe Repetitive Loss (SRL) properties.

Rahway aims to purchase contiguous lots. The completed buyout properties were converted to grassy open space. There are discussions about removing utility infrastructure in the more contiguous sections of buyouts. The municipality was unable to offer relocation assistance, but reports that there may have been some FEMA rental aid disbursed immediately post-disaster. Rahway has not tracked the outcomes of the families whose properties were purchased and no formal cost-benefit analysis has assessed the buyout impacts. Rahway supports the buyout program despite the decrease to its tax base.

The municipality is currently performing outreach to homes impacted by Ida. They are targeting properties in the Special Flood Hazard Area and would ideally like to contact the 300 SRL properties. Rahway has hosted two Ida-related community meetings in the most impacted neighborhood. The municipality also plays an active role in the Rahway River Watershed Mayor's Coalition, which is currently crafting a regional flood resilience plan.

Similar to other municipalities, buyouts have caused some areas within Rahway to lose their neighborhood feel. The municipality is also combating misinformation about the program that would scare away potential participants. The FEMA field representatives who visited earlier in the process were reportedly unclear in the

information distributed to the public. Rahway would like more flexible post-buyout property use for stormwater infrastructure (e.g. basins, rain gardens). Rahway also recommended that NJDEP be more involved in community meetings, update their website, publish clearer materials on the buyout process, and implement flooding education during “blue skies” periods. Overall, Rahway finds the buyout programs to function relatively smoothly.

Sayreville Borough

The Borough of Sayreville is located in Middlesex County. It covers 15.83 land square miles and has a population of approximately 45,062 (ACS 2021). Sayreville has completed 149 buyouts, primarily from 2013 to 2015 following Hurricane Irene and Superstorm Sandy. Approximately 17% were through Blue Acres, with funding also secured from the CDBG program and FEMA directly. The buyouts are fairly contiguous and were selected by FEMA, who played a more active role in this community. Sayreville reports that there are remaining high risk areas of town that should be bought out if funding becomes available.

The buyout properties are being allowed to revert to nature with the goal of decreasing wave velocity of future floods. A small section of buyout land has been developed into a community garden. Sayreville noted that the buyouts have decreased the burden and had small cost-savings on police, emergency response, and utility maintenance. No formal cost-benefit analysis has assessed the buyout impacts, but Sayreville has reportedly lost tax revenue.

The municipality was unable to offer financial relocation assistance, but several non-profit groups helped families to move. Less than half of homeowners who were bought out stayed in town, and those who stayed primarily did so to avoid their children changing schools. Older residents tended to retire out-of-state or move permanently into vacation homes at the New Jersey shore. Sayreville has not formally tracked any additional detail about how residents are faring post-buyout.

Immediately following the disasters, Sayreville’s outreach strategy consisted of weekly community meetings to address resident needs. They had assistance from many volunteers and eventually hired a contractor to lead outreach. The municipal administration was initially wary of buyouts, but came to support them at residents’

urging. The municipality acted as an advocate for applicants, set up offices for FEMA and NJDEP representatives to meet with residents, and amended local laws to facilitate the buyout process. For example, Sayreville did not require demolition permits for buyout structures. Today, general flood outreach continues in high-risk areas to educate residents and ensure they are signed up for flood alerts. The municipality also tracks local flooding and resilience opportunities.

Sayreville has had challenges with post-buyout land use. A community garden was installed on buyout land with a Green Acres grant before the town learned that this was a violation of Blue Acres rules. Overall, Sayreville feels that the Blue Acres staff were essential to the success of the program and is happy with their work.

Wayne Township

Wayne Township is located in Passaic County. It covers 23.72 square miles and has a population of approximately 54,880 (ACS 2021). Wayne has completed 342 buyouts, approximately 23% of which were through Blue Acres. Funding was also secured directly from FEMA with the support of consultant Jeff Ward, the CDBG program, and open space funds. The buyouts were prioritized based on Substantial Damage and Severe Repetitive Loss. The properties form a patchwork configuration, although there are a few areas that are mostly contiguous. The municipality would like to see the last of these homes be purchased.

The buyouts added 100 acres of open space to Wayne. Much of the land has been allowed to revert back to nature, with parkland, community gardens, and nature-based flood controls installed in some locations. There has been a decrease in nuisance flooding post-buyout. No formal cost-benefit analysis has assessed the buyout impacts. Many of the buyouts were lower-value property so the decrease in ratables was small. About 25% of the buyouts were commercial or industrial and new commercial development elsewhere in Wayne has partially countered the lost tax revenue. Less money is spent now on emergency services, but Wayne continues patrolling the lots for illegal dumping.

When funding is available, Wayne compiles a list of at-risk homes and then filters for eligibility. Eligible homeowners are invited to a town meeting with Jeff Ward, FEMA, and Wayne's administration to discuss buyout options. Wayne handles the closing

fees and title search on behalf of homeowners, provides administrative support, and works to create a positive culture around buyouts. Wayne was unable to offer relocation assistance and has not tracked the outcomes of the families whose properties were purchased. Anecdotally, the administration heard that many of the homeowners moved to a more affordable municipality or retired out-of-state.

Wayne has struggled to coordinate with the Blue Acres program due to communication hurdles and competing for the same FEMA funding. Wayne is also challenged to balance post-buyout land use rules with preventing the land from becoming a community nuisance.

Westwood Borough

The Borough of Westwood is located in Bergen County. It covers 2.26 land square miles and has a population of approximately 11,267 (ACS 2021). Westwood completed 6 buyouts following Hurricane Irene through FEMA direct funding with a Blue Acres match. The buyouts were prioritized based on Substantial Damage and Severe Repetitive Loss and form a patchwork configuration. Future buyouts are not planned in Westwood; the municipality prefers elevations.

Two adjacent buyout properties were converted to a park, the rest are grassy open lots. Maintaining the open lots has strained Westwood's budget. No formal cost-benefit analysis has assessed the buyout impacts, but Westwood is concerned about the tax revenue impacts of any additional buyouts. This wariness has increased recently due to other (non-buyout) properties that have come off the tax roll. Hoping to avoid the need for future buyouts, Westwood has joined nearby municipalities to invest in flood prevention, including one potential project that would address water flows in the local brook.

The buyout process primarily occurs between Blue Acres and the homeowners. The mayor distanced the Westwood administration from Blue Acres to maintain neutrality. Westwood did not conduct any outreach and let Blue Acres contact homeowners directly. Residents formed a non-profit to act as a lobbying group and liaison to get better information about Blue Acres. Due to lack of outreach, the municipality noted that it is less able to gauge how the public feels about buyouts. The municipality was initially handling the buyout paperwork, but due

to lack of capacity, Blue Acres took over that responsibility. Westwood is unable to offer relocation assistance and has not tracked the outcomes of the families whose properties were purchased.

Clear and consistent communication has been a challenge in Westwood. Blue Acres and the municipal administration communicate infrequently, making it challenging for Westwood to understand which properties are pursuing buyouts and where they are in the process. Westwood's is concerned that they will not be informed of a buyout far enough in advance to prepare for the financial impact. They are also concerned about ownership of buyout properties transferring to non-profits instead of the municipality. Westwood suggests increasing the frequency at which Blue Acres provides updates on the process to municipal administrations.

Woodbridge Township

Woodbridge Township is located in Middlesex County. It covers 23.26 land square miles and has a population of approximately 103,353 (ACS 2021). Woodbridge has completed 171 buyouts since Superstorm Sandy. Approximately 57% of those were through Blue Acres. One lot was purchased outright by Woodbridge. The buyouts are mostly contiguous. Woodbridge used a planning grant from DCA to examine where buyouts were most needed, establishing the most at-risk part of the Special Flood Hazard Area (SFHA) as the Open Space Conservation Resiliency Zone. Almost all buyouts take place in this zone. Buyouts in Woodbridge took place at a strong pace between until 2017 and now only a few occur each year. Woodbridge would like future buyouts of homes on streets with only a few remaining holdouts.

The buyout properties have been adjoined to an existing wetland preserve. An extensive walking trail system was installed and large tracts have been ecologically restored to retain flood water. Woodbridge previously partnered with Rutgers University to assess socioeconomic impacts of the project. No formal cost-benefit analysis, however, has assessed the buyout impacts on the municipality. Due to Woodbridge's large size, the loss of ratables has reportedly been manageable. The administration also noted a decrease in emergency response costs.

Woodbridge hosted public meetings for residents where Blue Acres attended and answered questions. There were also resident consultations with Blue Acres and FEMA. Outreach was targeted to Woodbridge's priority neighborhoods. Today, the municipality conducts annual outreach to residents in the Open Space Conservation Resiliency Zone and SFHA. Woodbridge was a strong advocate for the buyouts, led public education initiatives on flooding, and gathered data on flood insurance to inform future buyouts. They were unable to offer financial relocation assistance, but their housing authority provided relocation support. Woodbridge conducted an informal survey of relocation destinations which indicated that 90% of buyout homeowners stayed in the municipality. The administration also encouraged residents to avoid relocating to flood prone areas.

Woodbridge cited a number of challenges with the buyout process: increasing home values have made it harder to meet the Substantial Damage criteria, ineligibility of bank-owned properties, and lengthy negotiations over appraisals. Additionally, following Tropical Storm Ida, 50 buyout applications were submitted, but none were accepted due to lack of funding. Woodbridge also suggested ways to improve buyouts: more support from Blue Acres with outreach and education, a revolving fund so that buyouts can take place during "blue skies" periods, and a study that maps buyout needs, who is eligible, and where the overlap lies.

APPENDIX C: County Summaries

	Passaic County Community Development Block Grant Program	Morris County Flood Mitigation Program	Bergen County Flood Plain Protection Grants Program	Somerset County Municipal Flood Mitigation Program
County Department	Planning and Economic Development	Planning & Preservation	Parks	Planning, Policy and Economic Development
Year Began	2011	2012	2013	2016
Program Goals	<ul style="list-style-type: none"> -Reduce risk to emergency responders and residents -Reduce property loss -Post-storm recovery 	<ul style="list-style-type: none"> -Reduce risk to emergency responders and residents -Reduce property loss -Lower municipal recovery costs -Create open space -Lower insurance costs 	<ul style="list-style-type: none"> -Reduce risk to emergency responders and residents -Reduce property loss -Lower municipal recovery costs -Create open space -Lessen impacts on businesses 	<ul style="list-style-type: none"> -Reduce risk to emergency responders and residents -Reduce property loss -Lower municipal recovery costs -Create open space
Program Structure	Allocated approximately \$11M in CDBG-DR funds to municipalities after Hurricane Irene. Currently offers municipalities technical support for Blue Acres.	Provides municipalities up to 25% buyout costs for buyouts funded by Blue Acres or FEMA (MATCH Program) or up to 75% of buyout costs for buyouts without federal funding (CORE Program).	Provides municipalities up to 25% buyout costs for buyouts funded by Blue Acres or FEMA or up to 75% of buyout costs for buyouts without federal funding.	Provides municipalities up to 25% buyout costs for buyouts funded by Blue Acres or FEMA (MATCH Program) or majority share of buyout costs for buyouts without federal funding (Primary Funding Program).
County Funding Source	CDBG-DR	Morris County Open Space Trust Fund supplied by property tax (5/8 cent per \$100).	Bergen County Open Space Trust Fund supplied by property tax and generates about \$18M annually.	Somerset County Open Space Trust Fund supplied by property tax (\$0.03 per \$100).

Buyout Eligibility	<ul style="list-style-type: none"> -Damage from Hurricane Irene. -Repetitive loss. -Municipality participated in the FEMA Hazard Mitigation Grant Program. 	<ul style="list-style-type: none"> -Residential property with Repetitive Loss and/or Substantial Damage. Bank-owned properties are eligible if they meet these criteria. -Minimum Benefit Cost Ratio of 1:1 using FEMA's Benefit Cost Analysis Model. -CORE applicants must create a municipal Floodplain Acquisition Plan 	<ul style="list-style-type: none"> -Residential property (or non-residential properties within a target acquisition area) with Repetitive Loss and/or Substantial Damage. Bank-owned properties are eligible if they meet these criteria. -Locally-funded applicants must create a municipal Floodplain Acquisition Plan. 	<ul style="list-style-type: none"> -Residential property with Repetitive Loss and/or Substantial Damage. Bank-owned properties are eligible if they meet these criteria.
Funding Decision-Making	<ul style="list-style-type: none"> Consensus by county and participating municipalities. 	<ul style="list-style-type: none"> 7-member Flood Mitigation Committee makes recommendations to the Board of County Commissioners. 	<ul style="list-style-type: none"> 15-member Trust Fund Public Advisory Committee makes recommendations to the County Executive and Board of County Commissioners. 	<ul style="list-style-type: none"> 10-member Open Space Advisory Committee makes recommendations to the Board of County Commissioners.
Buyout Prioritization	<ul style="list-style-type: none"> -Severe Repetitive Loss -Contiguous lots -Flood control and/or protection 	<ul style="list-style-type: none"> -Level of damage to the structure -Contiguous lots -Flood control and/or protection -Alignment with county's open space plan -Municipalities with local hazard mitigation plans -100-year flood zone properties 	<ul style="list-style-type: none"> -Level of damage to the structure -Contiguous lots -Flood control and/or protection -Alignment with county's open space plan -Municipalities with local hazard mitigation plans 	<ul style="list-style-type: none"> -Level of damage to the structure -Contiguous lots -Flood control and/or protection -Alignment with county's open space plan -Municipalities with local hazard mitigation plans
Future Planning	<ul style="list-style-type: none"> None at this time. 	<ul style="list-style-type: none"> Assist applicants with Floodplain Acquisition Plan. 	<ul style="list-style-type: none"> Floodplain Acquisition Plan is created by municipalities. 	<ul style="list-style-type: none"> -Consideration of future Blue Acres plans -More commercial property

<p>State/Federal Coordination</p>	<p>-Worked with NJDCA who managed the CDBG-DR grant for the state and re-granted it to Passaic County.</p>	<p>-Requests information from other funders like FEMA and NJDEP concerning the applicant</p>	<p>-Requests information from other funders like FEMA and NJDEP concerning the applicant</p>	<p>-Requests information from other funders like FEMA and NJDEP concerning the applicant -Coordinate buyout target lists</p>
<p>Municipal Coordination</p>	<p>-Worked with municipalities to create funding plan -County and consultants led community meetings</p>	<p>-Periodic outreach to municipalities to remind them of the buyout program</p>	<p>-Provides municipal guidance on outreach</p>	<p>-Work with municipalities to find solutions for loss in ratables</p>
<p>Other Coordination</p>	<p>-Worked with Catholic Charities to provide social work services</p>		<p>-Rutgers is often involved in creation of FAP's; paid for by the county -Work with Rutgers Water Resources and the Land Conservancy of NJ to create development plans for buyout areas -Working with local non-profits to restore areas like Sourland Conservancy and Land Conservancy</p>	

APPENDIX D: Homeowner Decision-Making

There are many factors involved in a homeowner's decision to accept a buyout. Household income has a strong influence on the ability to withstand the buyout timeline. If the home is uninhabitable the resident must find alternate housing until the process is complete, while still paying the mortgage and property taxes. There is also a risk that a homeowner may wait months only to find out that their property has not been accepted for a buyout. The buyout process also includes out-of-pocket costs for the homeowner including an attorney at closing, environmental remediation if needed, resolving outstanding liens if necessary, and the price of a second appraisal if they choose to appeal the findings of the first. Elevations are not always a quick process either. Locating a contractor in the busy post-disaster period and completing the elevation takes time. Elevations and repairs can also be delayed by pending insurance payments.

The average individual assistance claim payout in NJ in the past ten years was \$4,400 and the average National Flood Insurance Program (NFIP) claim payout was \$47,700.⁷ Even with flood insurance, there is a possibility of not all expenses being covered. Elevation is typically required for all Substantially Damaged homes within the Special Flood Hazard Area (SFHA). The NFIP provides up to \$30,000 Increased Cost of Compliance Coverage which can be used for elevation. However, if a homeowner is ineligible for this coverage or if the cost of elevation exceeds the insurance payout, a financial hurdle remains. Elevating homes with residents who have limited mobility creates additional concerns. Conversely, home values increase after elevation, further complicating this decision.

None of the interviewed municipalities had the resources to offer financial relocation assistance, nor did most have the capacity to offer non-financial assistance. Due to the strong impact of income on a homeowners' mitigation options, equity needs to be considered. Residents' financial stability can prevent them from participating in buyouts, or from repairing and elevating their home, or both. In multiple municipality interviews, administrators reported some damaged

⁷ FEMA. 2021. New Jersey-Risk Rating 2.0. www.fema.gov/sites/default/files/documents/fema_new-jersey-state-profile_03-2021.pdf

homes being abandoned. Another equity concern is that there is no consideration of homeowner income in the buyout offer, despite lower-income homeowners having a harder time relocating than those with more resources. Buyouts also are more complicated for multi-unit buildings because it requires several homeowners to reach a consensus, yet multi-unit structures are more likely to house lower-income households.

The equity issue is magnified by the fact that flood insurance is expensive. Nationally, the premium for an NFIP policy is approximately \$700 annually⁸, but is substantially higher in areas of high flood risk. Homes in high-risk areas with federally-backed mortgages are required to have flood insurance, but buying a policy is optional otherwise. Homeowners living outside of high-risk areas are not necessarily safe and run a risk of paying entirely out of pocket for flood damage. More than 25% of NFIP claims made by homeowners and over one-third of FEMA disaster assistance funding are for properties outside of high-risk areas. This is complicated by the fact that the FEMA flood risk maps are outdated in many areas and thus do not accurately communicate flood risk to homeowners. Homes without insurance are ineligible from receiving certain streams of funding (e.g. FEMA FMA grants), even if the payments are dispersed via Blue Acres.

New Jersey's housing market plays also plays an influential role. Meeting the Severe Repetitive Loss threshold is increasingly difficult as housing markets rise. Higher home values and higher rents also make it less feasible for lower income families to stay in-town if they accept the buyout. **Table D1** highlights housing costs in the case example municipalities.

⁸ FEMA. 2019. Fact Sheet: Myths and Facts About Flood Insurance. www.fema.gov/press-release/20230425/fact-sheet-myths-and-facts-about-flood-insurance

Table D1. Cost of housing in case example municipalities.

Municipality	Median Home Value	Median Gross Rent
Dunellen	\$296,300	\$1,221
Lambertville	\$429,400	\$1,443
Little Falls	\$379,500	\$1,446
Manville	\$266,800	\$1,487
Montgomery	\$619,300	\$1,940
Oakland	\$475,400	\$1,731
Pequannock	\$443,200	\$2,653
Pompton Lakes	\$338,500	\$1,479
Rahway	\$293,300	\$1,405
Sayreville	\$334,600	\$1,421
Wayne	\$498,500	\$1,902
Westwood	\$467,600	\$1,899
Woodbridge	\$334,700	\$1,731

Source: ACS 2021 5-Year Estimate

Homeowners must also consider whether the buyout price being offered is better or worse than what can be achieved on the private market. Immediately following a disaster, the pre-flood value being offered for a buyout is likely the best option as recent flooding causes a decrease in desirability. However, if several years have passed since the last flood, home values may have increased. As such, by the time a buyout offer is made, selling on the market may yield a larger payout. Because home prices drop immediately following a flood, developers have an opportunity to pay cash and “flip” these houses once the market has recovered. A final consideration is the way that flood risk maps impact home value. If updated maps indicate that a home which was not previously in a flood zone is now in one, the home value will suffer. Homeowners may or may not be aware of this consideration.

Income also influences the way that buyers navigate housing; inexpensive post-flood homes can be enticing for low-income families. The lack affordable housing in NJ can force some residents into flood-prone homes despite the risks. Flood disclosure laws also impact the ability for home buyers and renters to make educated decisions about flood risk. Up until June of 2023, the state of New Jersey did not require flood disclosure for real estate transactions. Now, New Jersey has

passed Bill S3110/A4783 which requires all sellers and landlords to disclose flood risk to buyers and renters. Consequently, the possibility of selling a house for a better price than the buyout appraisal is now less feasible due to buyers being more aware of the risk.

In addition to income and the housing market, social context alters resident attitudes towards buyouts. Interviewees suggested that municipal administrations can influence residents' receptivity to elevations and buyouts. Even though homeowners can make buyouts decisions independently of local government, municipal administrators can hold significant sway. For example, some interviewees reported municipal leaders fostering a positive environment around the buyout process and in others they instilled a preference towards elevations. Additionally, there is a strong psychological element to buyouts. Living through repeat flooding is stressful but abandoning a home can also be a traumatic experience. Uprooting children out of their school system is difficult for families with minors. Finally, residents who have been established for several generations in an area may consider staying in their homes as part of family legacy and personal identity.



RUTGERS

Edward J. Bloustein School
of Planning and Public Policy

Edward J. Bloustein School of Planning and Public Policy
Rutgers, The State University of New Jersey
33 Livingston Avenue
New Brunswick, N.J. 08901

p. 848-932-2725 eac@ejb.rutgers.edu
bloustein.rutgers.edu

© 2023, Rutgers, The State University of New Jersey