

Recommendations for a Strategic Recovery & Acquisition Program for High-Hazard Areas in New Jersey

Purpose:

- To facilitate the movement of people and property out of vulnerable, hazardous locations subject to repeated damage from storms, shoreline erosion, flooding and storm surge.
- To enable the recovery of hazardous areas to natural conditions where they can help buffer and/or reduce the impacts of future storms, through permanent preservation and the restoration of natural features such as dunes, wetlands and living shorelines.
- To provide owners of damaged and/or vulnerable properties with an option that can prevent future headaches and costs associated with rebuilding.
- To increase safety for the public and properties in locations *adjacent* to hazardous areas and to improve the attractiveness of those areas for private investment and tourism.
- To reduce the many costs of recovery including the burdens on the municipality, insurance claim payouts, taxpayer liability and the need for expensive, temporary protective works and to be able to provide protective systems in a more, effective and less costly manner.

Proposed Program Focus

- Rely upon willing sellers.
- Limit program to: 1) high-hazard areas: FEMA “V” Zones, Erosion Hazard Areas, Overwash Areas and areas that experienced substantial damage from Superstorm Sandy; and 2) undeveloped lands that can buffer private developed property from the hazards of future storms.
- Design program to achieve complete relocation out of targeted high-hazard areas in the long-term, recognizing that progress will necessarily be incremental in many cases, especially given the reliance on willing sellers. Acknowledge that some areas will have a “checkerboard” pattern in the interim period.

Proposed Three-Part Program Structure

Dedicate \$250 million from the HMGP 404 program today, and seek additional funding from the supplemental federal appropriation. Structure the program to mirror the successful and well-understood NJ Green Acres program and allow for leveraging with additional public and private funds. Provide for more strategic targeting of acquisition areas through reliance upon target “Recovery and Acquisition areas” within which property owners are eligible to apply for buyout on a willing seller basis. Include bonus provisions in all three programs.

- **Part A – Municipal Program** –Invite municipalities to apply for designation of a Recovery and Acquisition (R & A) area or areas, subject to state review, provided they: 1) agree to designate R & A areas in their municipal master plan, zoning ordinance and capital improvement plan; and 2) notify all affected property owners. Encourage or require contiguous zones covering at least ten

homes. Allow, but do not require, municipalities and counties to provide matching funds. Limit eligible areas in the CAFRA region to the CAFRA area between the mean high water line of any tidal waters, or the landward limit of a beach or dune, whichever is most landward, and a point 150 feet landward of the mean high water line of any tidal waters or the landward limit of a beach or dune, whichever is most landward.

- **Part B – State Program** – Call on DEP to identify state priority R & A areas with a strong likelihood of repetitive damage based on the presence of conditions such as the following: historic flood insurance claims and damage assessments (from the National Flood Insurance Program), erosion rates, lack of available land for adequate dunes and beaches, proximity to a historic breach, inlet or overwash area, and adjacency to wetlands and natural areas. (See examples of such areas below.) Direct DEP to purchase properties in state priority R & A areas. Such a program provides a buyout option to severely impacted property owners in municipalities that have not designated their own R & A area. Require state identification of preliminary R & A areas within three months. Fund the DEP to develop a comprehensive blueprint for shore and flood protection, including updated Recovery and Acquisition areas, within 12 months, as described below.
- **Part C- Nonprofit Program** – Invite nonprofit organizations to apply for matching grants (with a 25% private match) to purchase properties in state or municipally designated R & A areas.

Proposed Program Provisions

- Payment level:
 - Base price based on pre-storm value as an incentive for property owners
- Priority ranking for:
 - Properties in V-zone and Coastal High Hazard Areas, as defined in DEP Coastal Zone Management Rules, at N.J.A.C. 7:7E-3.18
 - Overwash Areas, as defined in DEP Coastal Zone Management Rules, at N.J.A.C. 7:7E-3.17
 - Erosion Hazard Areas, , as defined in DEP Coastal Zone Management Rules, at N.J.A.C. 7:7E-3.19
 - Properties needed to allow for adequately-sized dunes and beaches.
 - Properties adjacent to preserved land
 - Repetitive loss properties as defined by the NFIP
- Bonus Provisions where:
 - Ten or more adjacent property owners indicate willingness to sell – 10% bonus
 - Entire target area indicates willingness to sell – 15% bonus
 - Municipality makes target R & A area ineligible for public rebuilding/elevation funds – additional 5% bonus
 - Property can be used for natural resource restoration with protective value such as dune construction or living shoreline – 10% bonus
- Provisions for federal reimbursement for demolition of properties

- Ownership: Properties would be state-owned initially (except in case of nonprofit program), then conveyed to the municipality or conservation group.
- Property deed restricted for conservation and recreation purposes.

Recommended Additional Program Components

- Create program to assist homeowners and renters with identifying new places to live and with relocation costs. (We are told that North Carolina had a successful program with such provisions that might offer helpful lessons.)
- Dedicate \$2 million for planning grants for municipalities with land in an R & A area to update zoning and other ordinances and to allow density transfer programs such as cluster, noncontiguous cluster and Transfer of Development Rights. (Note that municipalities can create a joint TDR program where development rights are transferred from one municipality that lacks capacity for growth into another municipality willing to accept it.)
- Provide municipalities with access to a fiscal impact analysis from the Office of Planning Advocacy in conjunction with the DCA Division of Local Government Services.
- Provide municipalities with priority access to the proposed EDA Neighborhood and Community Revitalization Program to obtain funds for infrastructure rebuilding in safe locations.
- Dedicate \$5 million for the creation of a comprehensive blueprint for beach protection, flood protection and acquisitions, similar to the 1981 Shore Protection Master Plan, but with greater detail. The blueprint would be based on scientific analysis of storm- and flood-related hazards and alternative protection measures, and include cost-benefit analyses.

Examples of Areas Appropriate for State Designation for Recovery and Acquisition

Superstorm Sandy demonstrated that certain areas in New Jersey have a strong likelihood of recurring, repetitive damage from storms and flooding. Individual property owners, their neighbors, and the taxpayers of New Jersey all benefit from relocating people and property away from these areas, regardless of whether the municipality is ready or able to apply for acquisition funding. Outstanding examples of highly hazardous, vulnerable locations include the following:

- Whale Beach, Upper Township, Cape May County. This area is eroding rapidly, as reflected in its identification as a Critical Erosion Area I in the NJ Shore Protection Master Plan, with high-energy waves, overwash and flooding¹. The entire island is in a V-zone and has a track record of damage.
- Union Beach, Monmouth County. Portions of Union Beach were severely damaged, especially locations surrounded by wetlands and streams.
- Ortley Beach, Toms River, Ocean County. The homes between Route 35 and the ocean are so close to the ocean that there is inadequate land to sustain beaches and dunes. (See the attached map showing damage post-Sandy.) A goal of reclaiming two to three rows of homes would allow for successful protective beaches and dunes to be reestablished. There are

¹ Coastal Storm Hazard Mitigation Strategies for Strathmere and Whale Beach, June 1986, Frank Banisch and Peter Pizor.

opportunities for development and redevelopment nearby, including a large vacant parcel formerly used by the Ocean County Utility at the corner of Fielder and Washington.

- Mantoloking, Ocean County. The breach in Mantoloking, though repaired, is highly vulnerable to future damage, especially the homes near the bridge (which is an evacuation route.)

There are successful examples in New Jersey of where acquisition and density transfer programs have protected people and property, including the following:

- Sea Isle City implemented a density transfer program after the 1962 storm whereby the mayor at the time, Dominic Raffa, traded storm damaged oceanfront properties for municipal properties located landward of Landis Ave as a means to move residents out of harm's way. When the DEP conducted damage assessment after the March 1984 northeaster disaster, the mayor identified oceanfront parcels that were swapped and was quite proud of what he had done more than 20 years earlier.
- Although it was a long time ago, the Borough of Longport abandoned 10 blocks at the southern end of town in the early 1900s based on continued erosion and storm damages, which were eventually washed into the sea.