

Infinity Lounge:
Scaling the Next Generation of
Innovative Green Finance Solutions

GROW JERSEY JOBS

POST-COVID-19, A RESILIENT STIMULUS PLAN TO JUMPSTART NEW JERSEY'S ECONOMY

Background

Climate change is not abstract for our region. More than one million people across New York and New Jersey live at risk of flooding today. Yet, eight years after Hurricane Sandy, we are still unprepared. What is at stake? Your home, your business, your school, your park, your neighborhood, and your way of life. Delaying action is not an option. Now is the time to address the greatest threat to our region's future.

The Rise to Resilience campaign is today's roadmap for a more resilient tomorrow. Together we can build resilience, support our communities and economy and create a more equitable and just region.

Please join us at rise2resilience.org.

Issue overview

We are already experiencing the costs of climate change. Hurricane Sandy alone caused nearly \$30 billion in damages in New Jersey.¹ By the end of the next century, climate change is projected to cost the state billions more, in addition to an approximately \$100 billion loss in property values.^{2,3,4} Through blackouts, train and road closures, fuel and food shortages and increasing insurance premiums, these costs will affect people across the state, especially vulnerable communities.

The financial risks associated with the climate crisis and the economic impacts of the current crisis demand new solutions that put New Jersey back to work on building a resilient future.

¹ Russ, Hilary. 2012. New York, New Jersey put \$71 billion price tag on Sandy. Reuters

² Rosenzweig, Cynthia et al., Eds. 2011. Responding to Climate Change in New York State. Technical Report, New York State Energy Research and Development Authority. And New Jersey; Williamson, S.; M. Ruth; K Ross; and D Irani. 2008. Economic Impacts of Climate Change on New Jersey. The Center for Integrative Environmental Research, University of Maryland.

³ Union of Concerned Scientists. 2018. 2.5 Million Homes, Businesses Totaling \$1 Trillion Threatened by High Tide Flooding. Study Finds Coastal Municipalities May Lose Huge Sums in Property Tax Revenue

⁴ Hess, H; M Delgado; A Hamidi; T Houser; R Kopp; I Bolliger; S Hsiang; M Greenstone. 2019. New Jersey's Rising Coastal Risk. Rhodium Group

ACTION:
**Invest \$10 million
in green, resilient
workforce
development**

Investments in resilience will realize growth opportunities in the construction, retrofit, maintenance and social services sectors, an expected net creation of jobs.⁵

**To prepare for this new workforce and keep it local,
New Jersey should:**

- > **Invest in workforce development for green energy and resilience** with \$10 million for programs across the state to equip under- and unemployed workers with skills for jobs in a resilient economy (retrofits, construction, maintenance), prioritizing workers from low-income communities and communities of color.⁶
- > **Fast-track the expansion of port and manufacturing infrastructure to** accommodate off-shore wind development and commit to local hiring and project labor agreements.
- > **Invest in building resilience and the electrification of port assets** to ensure the protection and continuity of 400,000 jobs that rely on the Port of New York and New Jersey and clean the air for surrounding environmental justice communities.

ACTION:
**Invest in resilient
affordable housing
out of harm's way**

Much of New Jersey's housing is at increased risk of flooding. Housing that is affordable to lower-income families is both at risk due to climate change and in short supply. An additional 73,000 to 113,000 buildings worth a combined \$60 to \$96 billion will likely be in the 1-in-30-year floodplain by 2050. The state should leverage federal dollars for investment in housing that ensures low income households have affordable housing options in areas with low flood risk. Additionally, private dollars can be leveraged without increases to state budgets through policies that increase allowable density for mixed-income, affordable complexes in transit-connected, upland communities and following through on Fair Share Housing commitments.

ACTION:
**Invest in resilient
infrastructure and
programs**

The planning, implementation and maintenance of flood risk reduction measures is a critical function for which there is no dedicated source. The state should evaluate options for a long-term funding source for resilience, which can provide a return of 6:1 on investment.⁷ A climate resilience fund would support 1) research, risk assessment, and planning; 2) a comprehensive and collaborative adaptation planning and design and 3) implementation of capital projects. This fund could build upon the ResilientNJ program and prioritize investments based on risk reduction and social vulnerability.

Such a fund should include:

- > **Increased support for resilience and municipalities:** Cuts in funding from the federal government and the previous state administration have reduced agency staff and capacity. Increases to NJDEP staff to at least 3,200 by 2021 are needed to not only manage existing challenges but those exacerbated by the climate crisis.
- > **Build Blue Acres into a comprehensive floodplain restoration program:** Expand the mission and increase the budget of the NJDEP Blue Acres program to support voluntary relocation and floodplain restoration programs resulting in multiple benefits.

⁵ International Labour Organization. 2018. The Employment Impact of Climate Change Adaptation.

⁶ See [Jersey Renews](#)

⁷ National Institute of Building Sciences. 2018. Natural Hazard Mitigation Saves.

> **Support the frontlines of preparedness and response:** Create dedicated funding for Community and Volunteer Organizations Active in Disaster, our flooding first responders whose resources have been exhausted in responding to COVID-19.

While multiple options for capitalizing such a fund exist, it has been shown that a small surcharge on certain types of property and casualty insurance (exempting workers compensation and medical malpractice) could create thousands of jobs and approximately \$1 billion annually.⁸

⁸ J Keenan. 2017. Regional Resilience Trust Funds: An Exploratory Analysis for the New York Metropolitan Region. Environment Systems and Decisions, and further estimated through indicative analysis conducted by an underwriter of municipal debt, using National Association of Insurance Commissioners data. Numbers represent net revenue through a 2% surcharge combined with an annual bond issue and pay-as-you-go capital.