



PUBLIC TESTIMONY OF WATERFRONT ALLIANCE

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New Jersey State Assembly Environment and Solid Waste Committee and Special Committee on Infrastructure and Natural Resources: Support A4783.

Submitted by Tyler Taba, Senior Manager for Climate Policy, Waterfront Alliance

Thank you, Chair Kennedy and Chair Karabinchak for hosting this joint hearing today. I am Tyler Taba, Senior Manager for Climate Policy at Waterfront Alliance, an alliance of more than 1,100 organizations, businesses, and individuals. Waterfront Alliance is a bi-state organization, and a leader in waterfront revitalization, climate resilience, and advocacy for the New York-New Jersey Harbor region.

We are committed to sustainability and to mitigating the effects of climate change across the region's hundreds of miles of waterfront. We spearhead the Rise to Resilience coalition of 100+ groups advocating for making climate resilience an urgent policy priority and we run the Waterfront Edge Design Guidelines (WEDG) program for promoting innovation in climate design.

I am grateful for the opportunity to testify at today's hearing.

There are currently 29 states across the nation with flood disclosure laws, New Jersey not being one of them. This legislation would establish a long overdue flood risk "right-to-know" for renters and buyers. Recent storms, in the past couple of years alone, have demonstrated the high level of risk that New Jersey faces regarding flooding.

New Jersey is faced with threats from coastal flooding (i.e., tropical storms, hurricanes, nor'easters, sea level rise, and storm surge) and stormwater flooding in both coastal and inland communities (i.e., more frequent and intense precipitation events). Robust flood disclosure is a necessary tool for protecting New Jerseyans on the frontline of climate change. Simply put, it is costly and dangerous to leave New Jersey families uninformed.

Nearly **20% of homes in New Jersey are in a FEMA special flood hazard area (SFHA)**, behind only four other states.¹ This figure is projected to grow as climate change threats intensify. It's important to note that properties in SFHA's are not the only ones at risk from flood damage. There are several homes outside of FEMA's flood maps that experience repeated flooding, making flood disclosure crucial for these areas.

¹ <https://nationalfloodservices.com/blog/these-are-the-10-states-most-at-risk-for-flooding-are-they-red-or-blue/>



Vulnerable communities have repeatedly expressed concerns regarding the growing costs of flood damage in their homes, as well as never being warned about the risks they face when moving into a new home. In a state where flood risks are high, like New Jersey, disclosure laws are an important first step to understanding how you might be impacted by climate change. These laws provide consumer protections and transparency around climate risks and are an important cost avoidance tool for tenants and homeowners.

Lower income housing in the U.S has been disproportionately placed along the floodplain. **New Jersey has the [highest number of affordable housing units at risk of flooding in the country](#)**, with more than 1,600 units. By 2050 that number is expected to grow to nearly 6,900, or 4 percent of the state's total affordable housing stock.

Some of the recent storms (including Hurricane Ida) displaced and damages homes that were not in the mapped floodplain, demonstrating the impacts that climate change can have on communities who might have once felt safe or "out-of-the-way" from flooding. The reality is that several homes and communities in New Jersey were developed on filled-in marshland and streams with extremely poor drainage. Many others live in low-lying areas where outdated sewer systems are easily overwhelmed.

Climate change has made flood risk no longer exclusive to those who live along waterfronts or in the floodplain. Flood disclosure is one of the many tools necessary to properly inform residents about potential flood risks.

As New Jersey works to advance decarbonization and resilience efforts, we must ensure that residents are able to make informed decisions for themselves, and their families, in the wake of growing climate risks.

Waterfront Alliance strongly supports the passage of A4783, which would raise awareness about climate risk, enhance consumer protections in real estate transactions, and help to change patterns of behavior related to flood insurance. In many states, flood disclosure bills have passed in bipartisan efforts, with support from housing groups, the real estate industry, and environmental groups.

Without proper flood disclosure, a home buyer often does not know the risk and potential lifetime cost associated with the home. A 2022 [report](#), commissioned by Natural Resources Defense Council (NRDC) and Milliman, provides insight into the hidden costs associated with purchasing a single-family home with a flood history in New Jersey, a state where past flood damages are not adequately disclosed to home buyers.

Key findings from the report include that:

- The expected future annual flood losses for a home **with prior flood damage is significantly higher than the average of all homes**. The average home in New Jersey with prior flood damage has an **expected average annual loss of \$1,678**, compared to \$104 for the average



home. Over the course of a 15-year mortgage, average expected damages to the previously flooded home equate to \$25,175 and for a 30-year mortgage the damages equate to \$50,351.

- In New Jersey, **7,944 homes were purchased in 2021 that were estimated to have been previously flooded**. The expected annual flood damages for these sold homes were estimated to be over \$18 million.
- Even with current conditions the expected losses increase dramatically over the duration of a mortgage. The losses can become even more extreme if climate change follows the Medium Climate Scenario or the High Climate Scenario (see report for the specifics of these scenarios). With these scenarios, climate change makes flooding more likely and more severe, through higher sea levels and changes in precipitation patterns, leading to even higher expected damages over the life of a mortgage for home buyers. For example, for a buyer of a previously flooded home with a 15-year mortgage in New Jersey, estimated damages rise from \$25,175 under current climate conditions to \$32,707 in the Medium Climate Scenario, and \$50,756 in the High Climate Scenario. For a 30-year mortgage, estimated damages rise from \$50,351 under current climate conditions to \$65,415 in the Medium Climate Scenario, and \$101,513 in the High Climate Scenario.

As communities become more aware of their climate risks, communities can take proper steps to protect their homes from flooding and begin to think about where it is safe and responsible to live and develop. Flood disclosure is not the end all be all, but it is an important and necessary component for ensuring that residents, irrespective of income, are granted full transparency and awareness of potential climate risks.

Thank you for the opportunity to testify today. I encourage you to support this legislation and would be happy to follow up separately to address any questions.

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