

RISE TO RESILIENCE

OUR COMMUNITIES, OUR FUTURE

Memorandum in Support of Senate Bill 5400 - A Bill to Require Disclosure of Information Concerning Flood Risk on Property Condition Disclosure Statements

The 27 undersigned members of the Rise to Resilience Coalition (R2R) write strongly in support of Senate Bill 5400 (Assembly Bill 1967), which would require disclosure of information concerning flood risk and insurance on property condition disclosure statements for real property. This bill would establish a long overdue flood risk "right to know" for homebuyers. 30 states in the nation have flood risk disclosure laws, 25 of which are rated higher than New York's current law - including New Jersey who passed one of the nation's strongest flood disclosure laws in March 2023.

Robust flood disclosure is a necessary tool for communicating risks to New Yorkers on the frontline of climate change. Flood disclosure meets the fundamental goal of providing awareness and transparency for all residents, irrespective of income.

In New York, disaster declarations due to flooding have been declared in every county in the past ten years alone. Flooding events are the most common climate-related hazard in New York.¹ By 2045, more than \$8.5 billion of the State's residential properties will be at risk of chronic and repeated flooding. By 2100, that amount will increase to nearly \$98 billion.² In August 2022, R2R partner, Natural Resources Defense Council (NRDC) commissioned an [economic study](#) into the hidden costs associated with purchasing a home with flood history in New York.³ The study found that:

- The average home in New York with prior flood damage has an expected average annual loss of \$3,126, compared to \$93 for the average home.
- Over the course of a 15-year mortgage, average expected damages to the previously flooded home equate to \$46,887 (in today's dollars); for a 30-year mortgage flood damages equate to \$93,774.
- In 2021, there were 7,645 homes were purchased that were estimated to have been previously flooded. The expected annual flood damages for these sold homes were estimated to be over \$23 million.

¹ <https://archplan.buffalo.edu/content/dam/ap/PDFs/NYSERDA/Regional-Costs-of-Climate-Related-Hazards.pdf>

² <http://www.rebuildbydesign.org/news-and-events/updates/flooding-in-new-york-state>

³ <https://www.nrdc.org/press-releases/report-new-york-previously-flooded-homes-pose-costly-risk-home-buyers>

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Awareness of flood risk helps change patterns of behavior related to flood insurance, increasing uptake by up to 15 percent or more.⁴ Residents are already paying the costs, and consumers have a right to know their risks.

Last year, New York successfully passed a flood risk disclosure law for renters (A7876A/S5472A), but homebuyers are still not guaranteed a right to know their flood risks. **This bill would rectify a current loophole through which an owner can opt-out of disclosure through paying a \$500 fee. The state of current law led to New York state's record of receiving an "F" when rated against other states nationally for flood risk disclosure.**^{5,6}

The bill would also require sellers to disclose to homebuyers whether a property:

- Is in a Federal Emergency Management Agency (FEMA) designated flood area, such as the area subject to a 100-year or 500-year flood;
- Is subject to any requirement under federal law to obtain and maintain flood insurance on the property;
- Has a FEMA elevation certificate available for it; and
- Has had a claim for flood damage to the property filed with any insurance provider, including the National Flood Insurance Program.

The bill's long overdue reforms would ensure that New York homebuyers are fully informed about the risks of flooding so they can take the necessary steps to protect their belongings and families.

Sincerely,

American Littoral Society
Bronx River Alliance
Center for NYC Neighborhoods

Columbia Climate School, Center for
Sustainable Urban Development
Coney Island Beautification Project
Environmental Defense Fund

4 Hanek, E et al. 2011. Managing California's Water: From Conflict to Reconciliation. Public Policy Institute of California

5 Adler, D, M Burger, R Moore, J Scata. 2019. Changing the National Flood Insurance Program for a Changing Climate. Environmental Law Institute. Washington, DC.

6 Natural Resources Defense Council and Columbia University. 2019. State Disclosure Laws Leave Homebuyers in the Dark About Flood Risks.

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Jamaica Bay-Rockaway Parks Conservancy
Natural Areas Conservancy
Natural Resources Defense Council (NRDC)
Neighborhood Housing Services of Brooklyn
New Yorkers for Parks
New York League of Conservation Voters
New York State Floodplain and Stormwater
Managers Association
NYC H2O
Newtown Creek Alliance
Ocean Bay CDC
Rebuild by Design

Regional Plan Association
Regional Ready Rockaway
RISE (Rockaway Initiative for Sustainability and
Equity)
Save the Sound
South Bronx Unite
Staten Island Urban Center
Stormwater Infrastructure Matters (SWIM)
Coalition
Surfrider Foundation
The Municipal Arts Society of New York
Waterfront Alliance

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Rise to Resilience

Rise to Resilience is a campaign and coalition which includes more than 100 organizations representing leaders in business, labor, environmental justice, volunteer organizations, scientists, environmental advocates, and design professionals collectively calling on our federal, state, and local governments to make building climate resilience an urgent priority. Waterfront Alliance, an advocate for coastal resilience, waterfront access, and working waterfronts in the New York-New Jersey region, spearheads the Rise to Resilience coalition.

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