

Buy-In for Buyouts

The Case for Managed Retreat from Flood Zones

By Robert Freudenberg, Ellis Calvin, Laura Tolkoff, and Dare Brawley



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the Federal Emergency Management Agency (FEMA) and the Department of Housing and Urban Development (HUD), but programs are typically managed and overseen locally. The details of programs vary greatly, but in most cases a public agency acquires properties from home owners and converts them to a less risky use—usually open space or parkland, although in some cases structures may be rebuilt to meet strict building code and elevation requirements.

Buyout programs can help break a cycle in which home owners are incentivized to live in disaster-prone areas by federally subsidized flood insurance, which effectively shifts financial risks to the public. Under the 2012 Biggert-Waters Flood Insurance Reform Act, many of these subsidies will be phased out, which is expected to raise premiums sharply for some residents and increase the need for alternative solutions such as buyouts. *Buy-In for Buyouts* examines the use of buyouts in five communities in New York, New Jersey, and Connecticut, and analyzes the implementation of programs at the state, county, and municipal levels. The report includes

IN THE FACE OF RISING SEA LEVELS, more frequent and severe storms, and other climate change risks, flood-prone communities need to give greater consideration to strategic retreat through buyouts, a policy tool for removing residential development from the most vulnerable areas, according to new research published by the Lincoln Institute of Land Policy in collaboration with the Regional Plan Association.

In *Buy-In for Buyouts: The Case for Managed Retreat from Flood Zones*, authors Robert Freudenberg, Ellis Calvin, Laura Tolkoff, and Dare Brawley demystify the mechanics of buyout programs and how they have been implemented in the United States, with a focus on communities in the New York metropolitan region that suffered damage from hurricanes Irene and Sandy. They provide a roadmap for making programs more effective and more likely to garner the support of local governments and community members.

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and helps create public amenities by acquiring homes in flood-prone areas and restoring the land to natural floodplain functions,” the authors write.

The fiscal impact of buyout programs is one of the biggest factors weighed by local governments deciding whether to embrace or resist buyout programs, according to the report. Incorporating financial considerations into the reuse of acquired properties and the relocation of residents is critical. For example, well designed parks can make nearby property more desirable, and open space projects can increase water supply and help prevent flooding.

“Restricted land use coupled with new amenities can increase property values and, in turn, increase local revenue,” the authors write. “If local governments plan properly, home owners can relocate within the municipality and thereby maintain, and even enhance, the tax rolls.”

Buyout programs in the United States date back to the 1970s. They are funded primarily by federal grants from

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a detailed fiscal impact analysis of each community that untangles the costs and benefits of removing properties from the floodplain and from property tax rolls, as well as an analysis of local demographic factors such as income, ethnicity, and home ownership rates, which are critical for understanding how well programs serve socially vulnerable populations. The local communities include Oakwood Beach, Staten Island, New York; Mastic Beach, Long Island, New York; Wayne Township, New Jersey; Sayreville, New Jersey; and Milford, Connecticut.

Buyout programs played out very differently in each community. For example, the Oakwood Beach neighborhood benefited from being part of New York City, which made the loss of property tax revenue negligible and helped achieve 99 percent participation. In Mastic Beach, by contrast, buyout efforts were hamstrung by opposition from some municipal officials, and “conflicting programs and messages from different agencies and levels of government led to confusion among residents over their options.”

In reviewing the cases studies and analyzing buyout programs across all levels of government, the authors make the following recommendations for designing and improving programs:

- Rethink the purpose and timeline of buyout programs as a long-term adaptation strategy, not merely for short-term recovery.
- Standardize buyout program requirements at the federal level and increase capacity at the state and local level.
- Consider alternative funding models, such as land trusts or community preservation taxes.
- Provide incentives for property owners—including the opportunity for entire blocks to relocate together.

Asking residents or entire neighborhoods to uproot themselves and their families “is laden with social and political difficulties,” the authors write, and thus many communities have dismissed managed retreat as a strategy. The unavoidable impacts of climate change, however, will require adding retreat to the adaptation

toolbox. This report will help communities craft the most effective and equitable programs before the next storm hits. □

ABOUT THE AUTHORS

Robert Freudenberg is director of the Regional Plan Association’s (RPA’s) energy and environmental programs. **Ellis Calvin** is an associate planner dedicated to making the New York metropolitan region a more equitable and resilient place. **Laura Tolkoff** coordinates the San Francisco Bay Area Planning and Urban Research Association’s planning and policy work in San Jose; prior to joining SPUR, Laura was a senior planner for energy and the environment at RPA. **Dare Brawley** is the program administrator at Columbia University’s Center for Spatial Research; prior to joining the center, she was a research analyst for the RPA’s energy and environmental programs, where she contributed research, analysis, and design to RPA’s coastal resilience and energy portfolios.



Days after Hurricane Irene hit, Fayette Park in Wayne, New Jersey, remained impassable. Credit: Tim Pioppo/FEMA (2011)