



Partners in Open Space



Initially, recovery from the 2005 Flooding was the impetus to partner funds to maximize the impact of federal and state grants. Harmony, Pohatcong and Wayne Townships were the first municipalities to use both Federal funding under a FEMA grant

program combined with an open space acquisition grant under the NJDEP Green Acres Program. Combined 100% funding has set aside these once repetitively flooded properties as permanent open space. In an effort to clarify the funding requirements and procedures, this handout was prepared by Green Acres with input from the Office of Emergency Management. Provisions under the Blue Acres portion of the 2007 Garden State Preservation Trust Bond Issue which designates specific funding for flood relief in the Passaic, Raritan and Delaware River basins will continue the partnership.

Background

The New Jersey Office of Emergency Management administers Federal Emergency Management Agency (FEMA) programs that provide for flood prone property acquisitions that are maintained as permanent open space. Flood-inundated communities can use Federal grant funding to acquire private property as a hazard mitigation option. This buyout program provides the local government unit with a 75% matching grant of the cost of acquisition. Once it acquires the property – from willing sellers only – the local government unit must demolish all structures and hold the site as public open space in perpetuity.

This FEMA program is consistent with the goals of the Green Acres Program, specifically the creation of permanent public open space. Therefore, Green Acres works together with the Office of Emergency Management and assists local government units by providing the 25% non-Federal match requirement for the land acquisition project.

Procedural Information:

The established Green Acres requirements for survey, preliminary assessments, and title insurance must be met as part of the project. Variations and exceptions to the other Green Acres procedures are noted below: FEMA will not reimburse a local government unit for project expenditures made before FEMA project approval.

Appraisals:

- All appraisals must be done by Green Acres approved appraisers.
- Appraisers must be in the form required by FEMA, specifically a Uniform Residential Appraisal Report.
- The Project site will be appraised on the date and the property's condition prior to the disaster.
- The cost of the appraisal obtained by the local government unit is eligible for reimbursement by Green Acres. The cost of an appraisal obtained by the landowner, if applicable, is not eligible even if FEMA ultimately bases its participation on that appraisal.
- In accordance with the Garden State Preservation Act, appraisal done for these projects will not include a "hypothetical land value" (see Green Acres rules) because Federal funding is being used.

Eligible Land Costs:

Neither FEMA, Emergency Management, nor Green Acres will duplicate the benefits paid by another public source. For example, FEMA will require the local government unit to subtract from the purchase price the amount of other assistance the individual property owner has received for the same purpose, including flood insurance benefits.

For Green Acres purposes, the local government unit will be eligible for 25% of the land acquisition costs as follows:

Green Acres Certified Market Value minus any Federal insurance benefits aid to landowner equals the eligible land cost.

Green Acres will base its participation on its certified market value even if FEMA bases its reimbursement on a different value. Under no circumstances, however, will Green Acres funding, when combined with FEMA funding, exceed the actual purchase price.

Structures:

FEMA requires the demolition of any structures within 90 days after closing. However, both FEMA and Green Acres require that any structure on a project site must be evaluated for its potential historic nature and reviewed by the Department's of Environmental Protection Office of Historic Preservation (OHP) to determine if it is eligible for inclusion in the New Jersey Register of Historic Places. If necessary, Green Acres will coordinate with OHP during its review and assist the local government unit is addressing any issues that may arise from an OHP determination of Register eligibility.

Demolition:

Demolition costs are eligible for reimbursement unless the local government unit has received funding from another source that pays for demolition. For example, Increased Cost of Compliance (ICC) coverage is part of most insurance policies available under FEMA's National Flood Insurance Program and may be used for demolition. The individual policy holder may assign his or her benefits to the local government unit, which FEMA will then consider as part of the non-Federal matching share. Therefore, ICC payment would be deducted from the local government units' Green Acres funding, which is serving as the non-Federal matching share.

Deeds:

The deed conveying the project site to the local government unit must reflect the full consideration of the purchase and must contain the required Green Acres language referencing the conditions of funding. In addition, it must include FEMA's deed restriction requiring that the project site must be held for public open space in perpetuity.

Relocation:

FEMA does not reimburse for landowners relocation costs because its buyout program is voluntary. However, benefits to displaced tenants may be available. Green Acres funding may be used for eligible relocation costs.

State Acquisition:

When acquisition is accomplished directly by the State and held by the State or when management is transferred to a municipality, then municipalities are compensated for taxes losses over a thirteen year period. Full tax losses are paid the first year and are then reduced by 8% per year.

For more information Contact: New Jersey Office of Emergency Management, Division of State Police



P. O. Box 7068, West Trenton, NJ 08628-0068

SFC. Robert Little, State Hazard Mitigation Officer

Tele: (609) 963-6963 Fax: (609) 530-3649 Email: Little.robert@gw.njsp.org

For more information Contact: New Jersey Department of Environmental Protection, Green Acres Program



P. O. Box 412, West Trenton, NJ 08625-0412

Martha Sapp, Chief, Bureau of Local and Non-Profit Assistance

Tele: (609) 9840500 Fax: (609) 984-0608 Email: martha.sapp@dep.state.nj.us