



GREEN ACRES LOCAL GOVERNMENT UNIT AND NONPROFIT GUIDE

Green Acres and FEMA

Recent and ongoing flooding throughout New Jersey has inspired government at all levels to maximize federal and state grants for the buyout of flood prone properties. Towns such as Harmony, Pohatcong and Wayne townships were the first municipalities to apply both Federal funding under a Federal Emergency Management Agency (FEMA) grant program with an open space acquisition grant under the NJDEP Green Acres Program to successfully acquire repetitively flooded properties as permanent open space with 100% grant funding.

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.

Background

The New Jersey Office of Emergency Management administers FEMA programs that provide for flood prone property acquisitions that will be 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 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 non-Federal match requirement for the land acquisition project.

Procedural Information

FEMA will not reimburse a local government unit for project expenditures made before FEMA project approval, nor will Green Acres consider eligible those costs incurred before project approval, unless specifically authorized by Green Acres under an at-risk authorization. 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:

Appraisals

- All appraisals must be done by Green Acres approved appraisers.
- Green Acres will require only one appraisal report, consistent with FEMA requirements.
- Appraisals must be in the form required by FEMA, specifically a General Purpose Appraisal Report.
- The project site will be appraised based on the date of value as determined by NJOEM and FEMA.
- 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 for reimbursement, even if FEMA ultimately bases its participation on that appraisal.

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 land acquisition costs as follows:

Green Acres Certified Market Value minus any Federal insurance benefits paid 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 **on-site** 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 of Environmental Protection's 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 in 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 the 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 unit's 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.