



December 7, 2021

The Honorable Rebecca Rausch, Chair
Joint Committee on Environment, Natural Resources and Agriculture
State House, Room 218
Boston, MA 02133

The Honorable Carolyn Dykema, Chair
Joint Committee on Environment, Natural Resources and Agriculture
State House, Room 473F
Boston, MA 02133

RE: Support for S.603/H.983, An Act establishing a Massachusetts Flood Risk Protection Program

Dear Chair Rausch, Chair Dykema and members of the Joint Committee on Environment, Natural Resources and Agriculture,

Our organizations strongly support passage of S.603 and H.983, *An Act establishing a Massachusetts Flood Risk Protection Program* (FRPP), sponsored by Senator Marc Pacheco and Representative Sarah Peake.

Climate change is causing sea level rise and more frequent rainfall and intense storms. By 2050, nearly 50,000 Massachusetts homes will face a substantial risk of structural damage from flooding resulting in at least \$300 million in financial losses every year.¹ Adapting to climate impacts depends on our willingness to visualize and addressing flood risk today and into the future.

Barriers, such as walls, levees, and dunes are not always effective at managing severe or repetitive flooding caused by overflowing rivers, storm surge, and sea level rise. Instead, communities are increasingly looking for a more permanent solution to adapt to flooding. One

¹ https://assets.firststreet.org/uploads/2020/06/first_street_foundation_first_national_flood_risk_assessment.pdf

critical tool is property buyouts,² a proven, sustainable climate adaptation strategy involving interested property owners looking to sell their homes and relocate to safer ground.

While these projects can be complex, well-planned buyouts that include community involvement and relocation support may be the only solution available for people with no other options, including low-income homeowners and Environmental Justice (EJ) Populations.³ Some of these homeowners lack flood insurance or could experience double-digit increases to flood insurance premiums.⁴ Many of these homeowners cannot afford to retreat, rehabilitate, or rebuild when extreme weather damages or destroys property.

Moreover, there are major social costs following a damaging storm. Poorer residents may be part of a mass exodus and experience loss of their home, employment, and income, as well as access to primary health care, childcare, and schools.⁵ A well-established pre-disaster property buyout program in Massachusetts would be designed to eliminate those social costs.

Buyout projects are relatively affordable when compared to the long-term costs associated with multiple attempts at rebuilding, and public expenses to repair infrastructure. They are a one-time investment to acquire property at fair market value (pre-damage) and help willing property owners and renters to relocate. These projects can provide widespread public benefits when wetlands and floodplains are restored to natural conditions and buffer communities from climate impacts. Natural areas also provide critical ecosystem services, such as drinking water supply protection and habitat conservation, as well as new parks, trails and beaches that provide outdoor recreational opportunities.⁶

The Federal Emergency Management Agency (FEMA)'s Building Resilient Infrastructure and Communities (BRIC) program supports similar buyout projects by offering pre-disaster hazard mitigation funds.⁷ However, BRIC funds are not sufficient to address the mounting risks nationwide.⁸ FEMA does not prioritize EJ communities, and nonprofits - key project partners - are not permitted to apply directly for FEMA funds. Also, it can take up to a decade to facilitate and complete a FEMA project.

Lawmakers enacted environmental bond bills in 2014 and 2018 that together authorize \$50 million for a coastal buyback program.⁹ However, while the Commonwealth has created a

² Property buyouts are also referred to as buyback, strategic realignment, managed retreat, planned relocation and resettlement.

³ <https://malegislature.gov/Laws/SessionLaws/Acts/2021/Chapter8>

⁴ In October 2021, FEMA's Risk Rating 2.0 went into effect. This is FEMA's revised approach to setting flood risk premiums for the National Flood Insurance Program (NFIP). FEMA expects the new approach to alleviate premium burdens for some ratepayers under NFIP. For example, most of Massachusetts' 60,000 NFIP policyholders are expected to see lower annual premiums under Risk Rating 2.0. However, at least 12% of MA policyholders are likely to see increase in premiums, some of which may be significant (i.e., up to 18% annual cap set by FEMA). It is not yet clear what the impacts will be for lower-income households holding NFIP coverage. <https://www.fema.gov/press-release/20210924/fema-offers-more-equitable-flood-insurance-rates-beginning-oct-1>

⁵ <https://www.brookings.edu/blog/social-mobility-memos/2017/09/18/hurricanes-hit-the-poor-the-hardest>

⁶ <https://www.lincolnst.edu/sites/default/files/pubfiles/buy-in-for-buyouts-full.pdf>

⁷ <https://www.fema.gov/grants/mitigation/building-resilient-infrastructure-communities>

⁸ The recently passed Infrastructure Investment and Jobs Act (IIJA) allocates an additional \$3.5 billion for BRIC - well below recent property damages from flooding equaling \$17 billion annually from 2010 to 2018.

⁹ See line 2000-7060 in 2014 Environmental Bond, <https://malegislature.gov/Bills/188/H4375>, and line 2000-7064 in 2018 Environment and Climate Bond, <https://malegislature.gov/laws/sessionlaws/acts/2018/chapter209>

climate adaptation management plan¹⁰ and Municipal Vulnerability Preparedness program, those bond funds have not yet been spent, and a comprehensive statewide buyout program does not yet exist.

The Flood Risk Protection Program legislation:

- Creates statewide program (coastal and inland) to help stakeholders facilitate the acquisition and restoration of property from willing owners at risk of flood inundation, and that suffer, or are projected to suffer, repetitive or substantial flood damage.
- Requires state agencies to use current data, and periodically update that data, to develop and implement a long-term strategy to prioritize projects and help communities mitigate the impacts of severe and repetitive flooding impacting homeowners, renters, small businesses, nonprofits, and neighborhoods.
- Provides grants directly to nonprofit land trusts, conservation organizations, and community development corporations to facilitate property buyouts, expanding capacity and resources.
- Ensures that property is acquired from a willing seller; and the owner is paid pre-loss fair market value.
- Offers relocation assistance for owners and renters.
- Prioritizes at least 75% of state funds to support low-income homeowners and EJ populations.
- Requires acquired properties to be conserved in perpetuity and maintained as open space for public benefit, including public access.
- Relies on nature-based solutions to restore wetlands and floodplains and buffer against future storms and floods.
- Creates a FRPP Trust Fund designed to leverage local, state, federal and private funds, and insurance monies. (Beyond the \$50 million in existing bond authorization for coastal projects, the bill does not create new funding.)
- Requires experts under three state secretariats to consult with the existing environmental justice advisory council, global warming solutions act implementation advisory committee, and other stakeholders including homeowners, tenants, insurers, and municipal officials, to create a program and promulgate regulations.

We respectfully request that you give a favorable report to S.603 and H.983, *An Act establishing a Massachusetts Flood Risk Protection Program*.

If you have questions, please contact Linda Orel at lorel@thetrustees.org or 617-360-1857.

Thank you for your consideration.

Sincerely,

Linda Orel
Policy Director
The Trustees

Steve Long
Director of Policy and Partnerships
The Nature Conservancy, Massachusetts Chapter

¹⁰ <https://www.mass.gov/adapting-to-climate-change>

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