

GEORGETOWN CLIMATE CENTER

## ADAPTATION POLICY IN PRACTICE *SERIES*



# New Jersey's Blue Acres Program: Breaking the Cycle of Repetitive Flood Losses

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*Georgetown Climate Center's Adaptation Policy in Practice series spotlights the nation's most effective state-level climate adaptation initiatives, presenting practical analysis for leaders building comprehensive adaptation programs. Each brief examines not just what works, but how it works: the legislative foundations, funding mechanisms, community engagement strategies, and replication frameworks that transform successful state innovations into actionable blueprints.*

## Overview

The National Flood Insurance Program has identified more than 200,000 properties that have experienced repeated, catastrophic flooding. However, a variety of policy factors have limited the ability of existing federal buyout programs to help homeowners move to safer ground in a timely fashion. New Jersey's Blue Acres program demonstrates how strategic state investment in flood buyouts can address the gaps that can leave vulnerable households trapped in repetitive loss properties for years. Since 1995, Blue Acres has acquired over 1,200 flood-prone properties, compressing typical 3–7 year federal buyout timelines to 6–12 months through a funding model that amplifies rather than replaces federal dollars. The program uses dedicated state revenues to cover federal cost-share requirements, negotiate mortgage debt forgiveness for underwater homeowners, provide relocation assistance, and enable proactive acquisitions before disasters strike. Blue Acres distinguishes itself through community-centered implementation, including dedicated case managers, transparent appraisal systems, and comprehensive post-acquisition planning that transforms cleared properties into functional flood storage and community amenities. The program's three-decade track record offers replicable lessons for states developing buyout initiatives: constitutional funding protection ensures permanence across political transitions, specialized state capacity enables small municipalities to access federal programs, and sustained attention to both homeowner needs and municipal concerns builds the legitimacy necessary for voluntary participation. As climate change intensifies flooding nationwide, Blue Acres provides a proven blueprint for state leadership in managed retreat.

## Background

People living in flood-prone homes face a challenging dilemma. If they stay in place, they live with the ever-present risk of another dangerous, damaging flood. At the same time, relocating from a risky floodplain to safer, higher ground can be a daunting prospect. Challenges include selling their house (potentially at a loss), uprooting themselves from a community, and finding another place to live. Emanuel Arriaza's Plainfield, New Jersey, home flooded twice in four years, with Hurricane Ida alone causing \$80,000 in damage. "We're homeless now," he said. "We don't have a home anymore."<sup>1</sup>

Across New Jersey and the United States, hundreds of thousands of homeowners are experiencing this same alarming circumstance. The National Flood Insurance Program (NFIP) tracks approximately 160,000 "Repetitive Loss" properties. These are homes that have flooded multiple times over a ten-year period. There are also 45,000 "Severe Repetitive Loss" properties that have experienced catastrophic flooding four or more times.<sup>2</sup> Each figure represents a household dealing with challenges like disrupted schooling, lost work days, and mounting financial losses from repeated flooding.

For families in repetitive loss properties, the financial impact is substantial. While some have sufficient financial reserves to relocate on their own, many in the highest-risk areas are "underwater" on their mortgages, owing more than their homes' appraised values. Unable or unwilling to sell their properties at a loss, they have little choice but to rebuild where they are, exhausting insurance payments and additional accumulating debt.

Federal buyout programs exist to relocate people from these chronically flooded properties, but long timelines, restrictive eligibility rules that exclude underwater homeowners, and burdensome requirements on small municipalities, often result in families waiting years for help to move out of harm's way.

But even as federal buyout processes face long delays and restrictive eligibility rules, a few states have used their own funding to fill the gaps and found ways to work with homeowners to expedite the process. These states demonstrate that effective adaptation means building the expertise needed to remove barriers that keep vulnerable households in flood-prone areas. The scale of the problem requires policy responses designed at a similar scale.

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<sup>1</sup> Renee Anderson et al., *New Jersey flash flood blamed for at least 2 deaths as Gov. Phil Murphy says state was "crushed" by storms*, CBS New York (July 16, 2024) <https://www.cbsnews.com/newyork/news/new-jersey-flash-flood-deaths-plainfield/>.

<sup>2</sup> Anna Weber, *Losing (More) Ground: Updated Severe Repetitive Loss Data*, Natural Resources Defense Council (Jan. 9, 2024) <https://www.nrdc.org/bio/anna-weber/losing-more-ground-updated-severe-repetitive-loss-data>.

## Strategic Relocation: The Path Forward for Chronic Flooding

Federal analysis shows that for properties experiencing chronic flooding, relocation through voluntary buyouts represents sound fiscal policy, and sometimes a buyout is the only way to avoid recurrent flooding losses. Analysis by the Federal Emergency Management Agency (FEMA) has estimated that relocating residents from the most vulnerable properties can be ten times more cost-effective than repeatedly rebuilding in place.<sup>3</sup>

FEMA's voluntary acquisition programs permanently remove homes and other structures from floodplains, achieving two goals: reducing damage to property and people, and restoring natural flood storage capacity to landscapes. These programs prioritize "repetitive loss" properties, and federal analysis confirms their cost-effectiveness. FEMA's buyout initiatives have acquired over 55,000 homes since 1993, delivering substantial avoided future losses.<sup>4</sup>

But the need is growing faster than the federal response. As of December 2022, only 24 percent of severe repetitive loss properties had received relocation assistance.<sup>5</sup>

## Federal Program Limitations

The Federal Emergency Management Agency (FEMA) administers flood buyout programs. Together, these programs have funded acquisition of over 45,000 flood-prone properties since 1993, with FEMA investing approximately \$6.8 billion in buyouts nationwide.<sup>6</sup> However, federal buyout programs face structural limitations that delay assistance and exclude vulnerable populations. Federal buyout programs face three main problems: timelines of 3–7 years, eligibility rules that exclude homeowners behind on their mortgages, and local match requirements that many municipalities, especially smaller ones, can't afford. For people living in flood zones, these barriers can mean years of continued financial strain and risk.

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<sup>3</sup> *OpenFEMA Dataset: NFIP Multiple Loss Properties*, FEMA (Dec. 17, 2024) <https://www.fema.gov/openfema-data-page/nfip-multiple-loss-properties-v1>.

<sup>4</sup> *Floodplain Buyouts, Community Resilience and Habitat Connectivity*, Environmental Law Institute (last visited Dec. 9, 2025) <https://www.eli.org/land-biodiversity/floodplain-buyouts-community-resilience-and-habitat-connectivity>.

<sup>5</sup> Anna Weber, *Losing (More) Ground: Updated Severe Repetitive Loss Data*, Natural Resources Defense Council (Jan. 9, 2024) <https://www.nrdc.org/bio/anna-weber/losing-more-ground-updated-severe-repetitive-loss-data>.

<sup>6</sup> Rob Moore, Alfonso Pating, & Anna Weber, *Funding and Financing Voluntary Buyouts and Relocation: Going Beyond Federal Grants*, Natural Resources Defense Council (Nov. 18, 2025) <https://www.nrdc.org/resources/funding-and-financing-voluntary-buyouts-and-relocation-going-beyond-federal-grants>

## Extended Timelines

Analysis by the Congressional Research Service (CRS) suggests that average FEMA Hazard Mitigation Grant Program (HMGP) buyout projects take more than five years from the start of the associated disaster to property acquisition and closeout.<sup>7</sup>

During these extended timelines, NFIP-policy insurance payments often arrive first, enabling homeowners to rebuild before or instead of relocating. As the CRS points out, this timing gap undermines the program because funding may be insufficient to buy out all requested properties. This leaves homeowners on waiting lists, with little choice but to return to their flooded homes while they wait for the completion of their buyout. After they repair their flood-damaged houses, they may feel less enthusiastic about relocating.

## Eligibility Restrictions

FEMA requirements create gaps in coverage. Households with upside-down mortgages, where home loan debt exceeds the pre-disaster market value, are ineligible for a FEMA buyout.<sup>8</sup> Renters receive no direct buyout assistance, although they may qualify for temporary housing support and personal property replacement.<sup>9</sup> Households that need help finding affordable replacement housing do not receive relocation assistance beyond temporary shelter. These restrictions mean federal programs primarily serve homeowners who own their homes outright or have substantial assets, rather than the most financially vulnerable populations.<sup>10</sup>

## Local Match Requirements

The federal government typically covers 75 percent of buyout costs but requires that local governments cover the remaining 25 percent (a provision called a “local match requirement”). Smaller municipalities may receive a more generous match, however, with limited fiscal capacity they may struggle to meet this requirement, potentially excluding people who live in communities with significant need but constrained budgets.

## Funding Variability

Federal buyout programs rely on three funding sources.<sup>11</sup> The Hazard Mitigation Grant Program (HMGP), which has funded most buyouts, becomes available only after a Presidential disaster

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<sup>7</sup> *Id.*

<sup>8</sup> Shi et al., *Equitable buyouts? Learn from state, county, and local floodplain management programs*, Climatic Change (Oct. 26, 2022) <https://doi.org/10.1007/s10584-022-03453-5>.

<sup>9</sup> *As a renter, what types of FEMA assistance could I be eligible for?*, FEMA (Feb. 13, 2025) <https://www.fema.gov/node/renter-what-types-fema-assistance-could-i-be-eligible>.

<sup>10</sup> Shi et al., *Equitable buyouts? Learn from state, county, and local floodplain management programs*, Climatic Change (Oct. 26, 2022) <https://doi.org/10.1007/s10584-022-03453-5>.

<sup>11</sup> Diane P. Horn, *Floodplain Buyouts: Federal Funding for Property Acquisition*, Congressional Research Service (Apr. 22, 2025) <https://www.congress.gov/crs-product/IN11911>.

declaration,<sup>12</sup> so a community must wait until it is hit with a disaster before accessing these funds. The Flood Mitigation Assistance (FMA) and Building Resilient Infrastructure and Communities (BRIC) programs provide annual funding without requiring disasters, but at a much smaller scale.<sup>13</sup>

## The Opportunity for State Leadership

These federal program limitations suggest opportunities for state-level innovation. States including New Jersey, New York, and Washington have established programs with non-federal funding, while Massachusetts and Texas are exploring similar approaches.<sup>14</sup> Successful buyout programs, such as these, share two features: permanent, independent revenue streams and a commitment to community engagement.<sup>15</sup>

These state programs work by filling specific gaps in federal assistance. Strategic state investments cover local matches, assist underwater homeowners, expand relocation assistance, and enable proactive buyouts before disasters strike. HMGP funding only becomes available after a Presidential disaster declaration, but a state with an independent funding stream can acquire vulnerable properties before a disaster strikes, rather than waiting for the next catastrophe.

## Blue Acres Program Design and Implementation: Building Capacity Over Three Decades

New Jersey's Blue Acres program provides the longest-running example of this complementary approach. Blue Acres is a state administered program that operates as a flood buyout initiative within the New Jersey Department of Environmental Protection, authorized under New Jersey's Green Acres bond act and subsequent laws.<sup>16</sup> The program purchases flood-prone residential properties from willing sellers at pre-disaster fair market values, takes down all the structures on the site, and permanently preserves the cleared land as open space for flood storage, recreation, and conservation purposes.<sup>17</sup> All acquisitions are voluntary. The program does not use eminent domain and the program seeks the endorsement of the local municipal government for each buyout before proceeding.<sup>18</sup>

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<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> Shi et al., *Equitable buyouts? Learn from state, county, and local floodplain management programs*, Climatic Change (Oct. 26, 2022) <https://doi.org/10.1007/s10584-022-03453-5>.

<sup>15</sup> *Id.*

<sup>16</sup> N.J. STAT. ANN. § 13:8C-1 et seq. (1995).

<sup>17</sup> *Blue Acres Homeowners Frequently Asked Questions*, N.J. Dept. of Env. Protection (July 24, 2024) <https://dep.nj.gov/wp-content/uploads/blueacres/faq-homeowner-questions-7-24-24-1.pdf>.

<sup>18</sup> *3 Years Long, 3 Years Strong: New Jersey's Successful Approach to Purchasing Homes along Sandy's Flooded Path*, FEMA (Feb. 11, 2021) <https://www.fema.gov/case-study/3-years-long-3-years-strong-new-jerseys-successful-approach-purchasing-homes-along>.

### Key Program Principles:

1. Properties acquired through Blue Acres must remain as permanently preserved open space, preventing future development that would place new structures in flood-prone areas.<sup>19</sup>
2. Program regulations establish eligibility criteria prioritizing properties in floodways, floodplains, or areas with documented repetitive flood losses, though specific criteria have evolved to incorporate climate vulnerability assessments and environmental justice considerations.<sup>20</sup>
3. The program employs dedicated staff with specialized expertise and experience in case management, property acquisition, appraisal, environmental review, and demolition processes.<sup>21</sup>

Since its establishment, Blue Acres has acquired over flood-prone properties and converted them to open space across 46 municipalities in 13 counties.<sup>22</sup> The program's scale and longevity distinguish it from shorter-term or pilot initiatives in other states.

### Blue Acres' success rests on two distinguishing features that other states can replicate:

First, the program deploys state funding not to replace federal dollars, but to make sure those dollars do the most good. These funds are deployed strategically to eliminate the specific bottlenecks that cause federal programs to fail. They are used to cover local match requirements. Funds are used to forgive underwater mortgages that federal rules prohibit, and to compress multi-year timelines to 6-12 months.

Second, Blue Acres treats buyouts as a community partnership. The program employs dedicated case managers that meet homeowners on their terms. The program also employs a transparent three-appraisal system focused on building trust and getting a fair price. This combination differentiates Blue Acres from programs that either lack resources to overcome federal limitations, or have funding but can't earn voluntary participation.

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<sup>19</sup> N.J. STAT. ANN. § 13:8C-1 et seq. (1995); *Blue Acres Policy CDBG-DR Requirements*, N.J. Dept. of Env. Protection (Apr. 30, 2025) [https://nj.gov/dca/ddrm/pdf\\_docs/Blue\\_percent20Acres\\_percent20CDBG-DR\\_percent20Addendum\\_V3\\_FINAL\\_508.pdf](https://nj.gov/dca/ddrm/pdf_docs/Blue_percent20Acres_percent20CDBG-DR_percent20Addendum_V3_FINAL_508.pdf).

<sup>20</sup> *Blue Acres Community Development Block Grant Disaster Recovery Program*, N.J. Dept. of Community Affairs (last visited Dec. 8, 2025) [https://www.nj.gov/dca/ddrm/programs/ida/property\\_ba.shtml](https://www.nj.gov/dca/ddrm/programs/ida/property_ba.shtml).

<sup>21</sup> *Blue Acres*, N.J. Dept. of Env. Protection (last visited Dec. 8, 2025) [https://www.nj.gov/dep/greenacres/blue\\_flood\\_ac.html](https://www.nj.gov/dep/greenacres/blue_flood_ac.html).

<sup>22</sup> Anna Weber, *Blueprint of a Buyout: Blue Acres Program, New Jersey*, Natural Resources Defense Council (Sept. 26, 2019), <https://www.nrdc.org/bio/anna-weber/blueprint-buyout-blue-acres-program-nj>; *New Jersey Is Buying Out At-Risk Homes for Demolishing Against Floods*, Newsweek (November 29, 2024), <https://www.newsweek.com/new-jersey-flood-mitigation-blue-acres-project-1993581>.

## Origins and Institutional Evolution

In 1995, Republican Governor Christine Todd Whitman signed into law the Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act.<sup>23</sup> Approved by New Jersey voters as Public Law 1995, Chapter 204, the bond act authorized \$350 million in general obligation bonds, including \$15 million specifically designated for "Coastal Blue Acres" to acquire storm-damaged coastal properties and an additional \$15 million for inland flood-prone properties, particularly along the Passaic River and its tributaries.<sup>24</sup>

The legislation recognized that some properties could not be protected cost-effectively and should be returned to open space. From 1995 through 2012, Blue Acres operated as a small, state-funded initiative supported by the 1995 Blue Acres Bond Act and subsequent voter-approved bonds in 2007 and 2009, developing the processes, expertise, and municipal relationships that would prove invaluable after Hurricane Sandy.<sup>25</sup>

Hurricane Sandy transformed Blue Acres. The October 2012 storm devastated New Jersey's coastline, damaging or destroying 346,000 homes and causing \$30 billion in economic loss. Governor Chris Christie centralized the state's entire post-Sandy acquisition effort under the umbrella of the Blue Acres program, dramatically expanding its scope by funneling federal disaster recovery funding through its programs.

In November 2014, New Jersey voters approved a constitutional amendment requiring that 6 percent of corporate business tax (CBT) revenues be dedicated annually to environmental programs.<sup>26</sup> Effective in State Fiscal Year 2016, the constitutional amendment established the "Preserve New Jersey Fund Account," which allocates funding among four categories: 64 percent to Green Acres (general open space preservation), 29 percent to farmland preservation, 4 percent to Blue Acres (flood buyouts), and 3 percent to historic preservation.<sup>27</sup> While Blue Acres receives a relatively small share of the dedicated CBT funding, approximately 0.24 percent of total CBT revenues, the constitutional protection ensures this funding stream survives political transitions and budget crises.

## Strategic Funding Architecture

The program's first key innovation is deploying state funds strategically to eliminate the bottlenecks that keep federal programs from delivering needed assistance in a timely way (or from delivering it at all). New Jersey's state funding, while relatively small compared to federal

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<sup>23</sup> *Coastal Blue Acres*, N.J. Dept. of Env. Protection (last visited Dec. 9, 2025) <https://dep.nj.gov/greenacres/coastal-blue-acres/>.

<sup>24</sup> *Description of Funds*, N.J. Office of Mgmt. and Budget (Nov. 18, 2025) <https://www.nj.gov/treasury/omb/funddesc.shtml>.

<sup>25</sup> *New Jersey Blue Acres Buyout Program*, Urban Land Institute (last visited Dec. 9, 2025) <https://developingresilience.uli.org/case/new-jersey-blue-acres-buyout-program/>.

<sup>26</sup> S.B. 2769, 216 Leg., Reg. Sess. (N.J. 2015).

<sup>27</sup> *Id.*

contributions, enables the state to serve critical functions that federal programs aren't allowed to provide or that federal timelines do not accommodate.

Blue Acres uses state resources to initiate buyout processes before federal approval arrives, compressing timelines that might otherwise stretch across years. The program covers the required 25 percent federal cost-share match, eliminating barriers for small municipalities with limited fiscal capacity. The program has the option to negotiate debt forgiveness with mortgage lenders when homeowners owe more than their properties' pre-flood fair market value, or are behind on payments. And the program supports relocation assistance, specialized staff, and strategic acquisitions outside disaster declaration periods. For a hypothetical \$10 million FEMA-funded buyout project, Blue Acres would contribute \$2.5 million in state funds as the local match, which would allow a small town to participate without raising its property taxes or borrowing money by issuing municipal bonds.

Blue Acres' mortgage forgiveness function is especially important. To date, Blue Acres has negotiated \$5.7 million in mortgage debt relief with 35 lenders on behalf of 73 underwater homeowners, using state funds to make lenders whole.<sup>28</sup> Without this state intervention, these financially stressed homeowners could not participate in buyouts at all, as federal rules prohibit debt write-downs exceeding pre-disaster property values.

The constitutional protection securing state funding is a crucial element of the program's success. While Blue Acres shares its corporate business tax allocation with other conservation programs rather than receiving dedicated appropriations, constitutional dedication ensures permanence surviving political transitions. This differs significantly from Washington State's Floodplains by Design program, which depends on biennial legislative appropriations subject to competing budget priorities, or New York's one-time \$250 million bond act.<sup>29</sup> Secure, predictable funding enables long-term strategic planning, sustained staff development, and relationship-building that episodic funding cannot support.

## BLUE ACRES BY THE NUMBERS

Since 1995:

\$5.7M

IN MORTGAGE DEBT RELIEF

35

LENDERS MADE WHOLE

73

HOMEOWNERS RECEIVED MORTGAGE DEBT RELIEF

<sup>28</sup> Tom Johnson, *Blue Acres Makes a 'Good Start' at Removing Flood-Prone Properties*, N.J. Spotlight News (Oct. 7, 2019) <https://www.njspotlightnews.org/2019/10/blue-acres-makes-a-good-start-at-removing-flood-prone-properties/>.

<sup>29</sup> *Funding Overview*, N.Y.S. Env. Bond Act (last visited Dec. 9, 2025) <https://environmentalbondact.ny.gov/pages/funding-overview>.

## Community-Centered Process Design

The second key to Blue Acres' success is its approach to working with and their families. Blue Acres operates exclusively through homeowner consensus, and no properties are acquired through eminent domain.<sup>30</sup> This voluntary approach creates coordination challenges but is essential for legitimacy and political support. The program prioritizes acquiring clusters of properties in the same neighborhood to maximize ecological benefits and demonstrate community-wide impact, though achieving full neighborhood participation remains persistently difficult despite decades of effort.<sup>31</sup>

Ideally, every acquisition under Blue Acres receives municipal approval. Blue Acres seeks local partners throughout the buyout process, and often works with the local governments to achieve an endorsement of the buyout proposals. This stems from a recognition that municipalities ultimately own and manage the cleared properties.<sup>32</sup> This municipal partnership element, while potentially slowing program timelines, ensures local buy-in and reduces potential political backlash.

The buyout process reflects deliberate design choices emphasizing partnership and fairness. Blue Acres pays pre-storm appraised values, uses a three-appraisal system to build trust, and assigns each homeowner a dedicated case manager.<sup>33</sup>

The program prioritizes acquiring contiguous clusters of properties when possible to maximize both ecological restoration and community cohesion. However, in any given flood-prone neighborhood, some homeowners are eager to accept buyouts and relocate, while others prefer to stay, rebuild, or wait for insurance payouts. Some worry about being the first to leave a close-knit community. Others fear being the last resident on an increasingly abandoned block.

The voluntary nature of Blue Acres buyouts means the program cannot compel uniform neighborhood participation, which can result in a "checkerboard" pattern where bought-out properties are interspersed among still-occupied homes.<sup>34</sup> Blue Acres staff work patiently with both those who choose to relocate and those who remain, helping municipalities plan for mixed-outcome neighborhoods.<sup>35</sup>

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<sup>30</sup> *3 Years Long, 3 Years Strong: New Jersey's Successful Approach to Purchasing Homes along Sandy's Flooded Path*, FEMA (Feb. 11, 2021) <https://www.fema.gov/case-study/3-years-long-3-years-strong-new-jerseys-successful-approach-purchasing-homes-along>.

<sup>31</sup> *New Jersey Blue Acres Buyout Program*, Urban Land Institute (last visited Dec. 9, 2025) <https://developingresilience.uli.org/case/new-jersey-blue-acres-buyout-program/>.

<sup>32</sup> *Id.*

<sup>33</sup> *Id.*

<sup>34</sup> *Blue Acres: The Art and Science of Managing Flood-Prone Open-Space Properties in New Jersey*, Rutgers Newsroom (Nov. 2, 2022) <https://sebsnjaesnews.rutgers.edu/2022/11/blue-acres-the-art-and-science-of-managing-flood-prone-open-space-properties-in-new-jersey/>.

<sup>35</sup> *Id.*

Blue Acres also covers all transaction costs. No transfer fees, real estate taxes, or realtor commissions burden sellers.<sup>36</sup> Recognizing New Jersey's acute housing challenges, Blue Acres added a dedicated tenant relocation program in 2017 with assistance for renters displaced when a landlord chooses to accept a buyout. Since then, over \$1.5 million in relocation assistance has been distributed to 55 households, with three families transitioning from renting to homeownership through program support, and another dozen or so undergoing the relocation and payment process currently.<sup>37</sup>

These comprehensive support services distinguish Blue Acres from bare-bones acquisition programs that pay the required minimum without addressing the complex circumstances that determine whether a vulnerable family can actually relocate.

## Process Innovations

Blue Acres' 6–12 month timelines from application to closing are substantially faster than the 3–7 year timelines typical of federal-only buyout programs. It achieves these improvements through a combination of centralized expertise, proactive case management, and strategic use of state resources to streamline complex procedures.<sup>38</sup>

The program moves faster by using specialized state staff to handle acquisitions instead of requiring individuals and municipalities to navigate federal requirements on their own. Blue Acres assigns each participating homeowner a dedicated case manager who coordinates all aspects of the acquisition process, from initial application through final demolition. Case managers engage people on their own terms, scheduling appointments with homeowners on evenings and weekends, meeting in familiar locations like diners or homes, and accommodating life events before scheduling closings. This personalized approach recognizes that buyouts aren't just real estate transactions but life transitions requiring empathy, and attention to people's circumstances beyond property titles.

The program's multiple appraisal system builds homeowner trust while establishing fair valuations. Blue Acres commissions pre-storm, pre-flood appraisals to establish baseline values. If homeowners dispute the initial state-commissioned appraisal, they can hire their own appraiser



<sup>36</sup> *New Jersey Blue Acres Buyout Program*, Urban Land Institute (last visited Dec. 9, 2025) <https://developingresilience.uli.org/case/new-jersey-blue-acres-buyout-program/>.

<sup>37</sup> *Id.*

<sup>38</sup> Diane P. Horn, *Floodplain Buyouts: Federal Funding for Property Acquisition*, Congressional Research Service (Apr. 22, 2025) <https://www.congress.gov/crs-product/IN11911>.

for a second opinion. Blue Acres then commissions a third independent appraisal and makes its final offer based on that assessment.<sup>39</sup> Appraisers meet with homeowners and review pre-storm photos to accurately assess pre-storm conditions rather than only inspecting already-damaged properties.<sup>40</sup> While this approach adds time and cost, it creates transparency that is essential for voluntary participation.

Blue Acres further streamlines the process by handling all federal compliance requirements on behalf of local governments. These include environmental reviews under the National Environmental Policy Act, Davis-Bacon prevailing wage determinations, and federal procurement regulations.<sup>41</sup> The program covers all transaction costs, eliminating transfer fees, real estate taxes, and realtor commissions that might prevent participation.<sup>42</sup> For homeowners with underwater mortgages, Blue Acres staff can negotiate directly with lenders to secure debt forgiveness, using state funds to make lenders whole.

Following closing, Blue Acres contracts for structure demolition and site restoration, typically completed within an additional 6-12 months. Demolished properties are permanently restricted as open space through deed restrictions, preventing future development in flood-prone areas.<sup>43</sup>

### What makes Blue Acres work?

- Permanently preserves open space after relocation
- Prioritizes properties with a history of repetitive flooding
- Uses state funding to compress long federal timelines for relocation
- Specialized staff assist throughout the entire relocation process
- Negotiates debt forgiveness, covers all real estate fees, and covers the required cost-share match for federal programs
- Incorporates environmental justice principles and develops trust within communities

<sup>39</sup> *3 Years Long, 3 Years Strong: New Jersey's Successful Approach to Purchasing Homes along Sandy's Flooded Path*, FEMA (Feb. 11, 2021) <https://www.fema.gov/case-study/3-years-long-3-years-strong-new-jerseys-successful-approach-purchasing-homes-along>.

<sup>40</sup> *Id.*

<sup>41</sup> *Flood Mitigation: Actions Needed to Improve Use of FEMA Property Acquisitions*, U.S. Govt. Accountability Office (Sept. 13, 2022) <https://www.gao.gov/products/gao-22-106037>.

<sup>42</sup> *New Jersey Blue Acres Buyout Program*, Urban Land Institute (last visited Dec. 9, 2025) <https://developingresilience.uli.org/case/new-jersey-blue-acres-buyout-program/>.

<sup>43</sup> Anna Weber, *Blueprint of a Buyout: Blue Acres Program, New Jersey*, Natural Resources Defense Council (Sept. 26, 2019) <https://www.nrdc.org/bio/anna-weber/blueprint-buyout-blue-acres-program-nj>.

## Program Impact and Outcomes

Blue Acres has achieved significant results: acquired over 1,200 flood-prone properties, removed over 800 structures from harm's way, protected communities across multiple counties, and converted over 400 acres to permanent flood storage and recreational areas.<sup>44</sup>

The program's effectiveness appears in both measurable outcomes and individual experiences. Participants describe relief from both financial burden and psychological strain, escaping properties with declining values while ending the cycle of repeated flood damage.<sup>45</sup>

Blue Acres' success in delivering both individual relief and community benefits demonstrates the value of sustained state investment in buyout infrastructure. The program provides a proven model for other states seeking to reduce flood risk while creating functional green space.

## Building State Capacity

Blue Acres' effectiveness depends on sustained investment in institutional infrastructure that individual municipalities cannot replicate independently. The program's centralized structure enables specialized expertise, streamlined federal grant management, and long-term relationships with federal agencies that accelerate approval processes. Yet even with these advantages, certain challenges persist, particularly, the difficulty of coordinating voluntary participation across entire neighborhoods. The following elements illustrate both the structural strengths that make Blue Acres work and the coordination realities that shape outcomes on the ground.

### BLUE ACRES BY THE NUMBERS

Since 1995:

1,200

FLOOD-PRONE PROPERTIES ACQUIRED

800

STRUCTURES DEMOLISHED & CONVERTED TO OPEN SPACE

400

ACRES CONVERTED FOR FLOOD STORAGE & RECREATION

46

MUNICIPALITIES

13

COUNTIES

<sup>44</sup> Shi et al., *Equitable buyouts? Learn from state, county, and local floodplain management programs*, *Climatic Change* (Oct. 26, 2022) <https://doi.org/10.1007/s10584-022-03453-5>.

<sup>45</sup> Brandon Goldner, *What is Blue Acres? New Jersey DEP program aims to help homeowners impacted by increasing flooding*, CBS Philadelphia (Jan. 10, 2024) <https://www.cbsnews.com/philadelphia/news/flood-nj-climate-change-blue-acres-program/>.

## Neighborhood Coordination

Buyout programs are most effective when they relocate groups of neighbors from adjacent properties to restore larger natural areas. However, getting neighbors to participate together remains the biggest challenge, according to program managers. Blue Acres uses several strategies to address this obstacle: prioritizing acquisitions in severely damaged neighborhoods, using maps to show shared flood risk, building consensus before submitting formal applications, and demonstrating how cleared land becomes trails and parks. Despite these efforts, full neighborhood participation is the exception to the rule. In practice, buyouts often create a 'checkerboard' pattern with purchased properties scattered among occupied homes. For scattered parcels, Blue Acres works with municipalities to create small parks and greenspace for remaining neighbors.



*Formerly flooded properties are converted to open space for community use. A sign at the start of a state-maintained trail lets people know that this space was made possible by the Blue Acres Program. Image credit: NJDEP*

## Centralized Grant Management

Blue Acres, administered by the New Jersey Department of Environmental Protection, serves as the state's implementing agency for flood buyouts. The program works in coordination with the New Jersey Department of Community Affairs (DCA) which passes through state funding and Community Development Block Grant Disaster Recovery (CDBG-DR) funds from the U.S. Department of Housing and Urban Development (HUD). Homeowners apply directly to Blue Acres rather than working through their municipal governments to access federal buyout programs, as is common in many states.

## Sustained Relationships with Federal Agencies

The program's track record has created trust and communication channels with FEMA, HUD, and federal emergency management agencies that accelerate approval processes. During Hurricane Sandy recovery, Blue Acres staff relocated from Trenton to FEMA's Joint Field Office, enabling

real-time collaboration that compressed approval timelines from months to weeks.<sup>46</sup> These relationships, built through consistent performance over time, represent institutional capital that new programs must develop from scratch but that provides Blue Acres with procedural advantages unavailable to municipalities acting independently.

## Transforming Buyout Properties into Community Assets

The program emphasizes that cleared properties serve dual purposes: flood-risk reduction features and as community amenities. Where Blue Acres has acquired contiguous clusters, municipalities have benefited from substantial flood storage zones, walking and biking trail systems, parks and recreation areas, and restored natural habitats. Multiple municipalities have developed interconnected trail systems along rivers and streams through partnerships with university researchers, who provide master plans for ecological restoration and recreational space design.

For scattered parcels where contiguous trail systems aren't feasible, Blue Acres develops "pocket park" concepts. Small-scale amenities like community gardens or rain gardens serve remaining neighbors while providing flood storage. When program staff meet with mayors and town councils, they present concrete visual plans showing how former lots will become neighborhood assets, addressing municipal concerns about property tax loss with demonstrated community benefits.<sup>47</sup>

The work on Blue Acres properties does more than just remove buildings. Restored land creates wetlands, absorbs stormwater, reduces flooding downstream, improves water quality, and provides wildlife habitat. This transforms buyouts from simply moving people out of harm's way into a strategy that makes entire landscapes more resilient.

## Lessons for Other States: Adapting the Blue Acres Model

New Jersey's three-decade experiment with Blue Acres offers a clear lesson: states don't need to outspend the federal government to run effective buyout programs. They just need to address the barriers that make federal programs challenging for vulnerable households. The difference between a homeowner waiting seven years for a buyout and one relocating within months often comes down to a few strategic state investments: covering a 25 percent match, negotiating with a mortgage lender, or hiring a case manager who meets homeowners in diners rather than government offices.

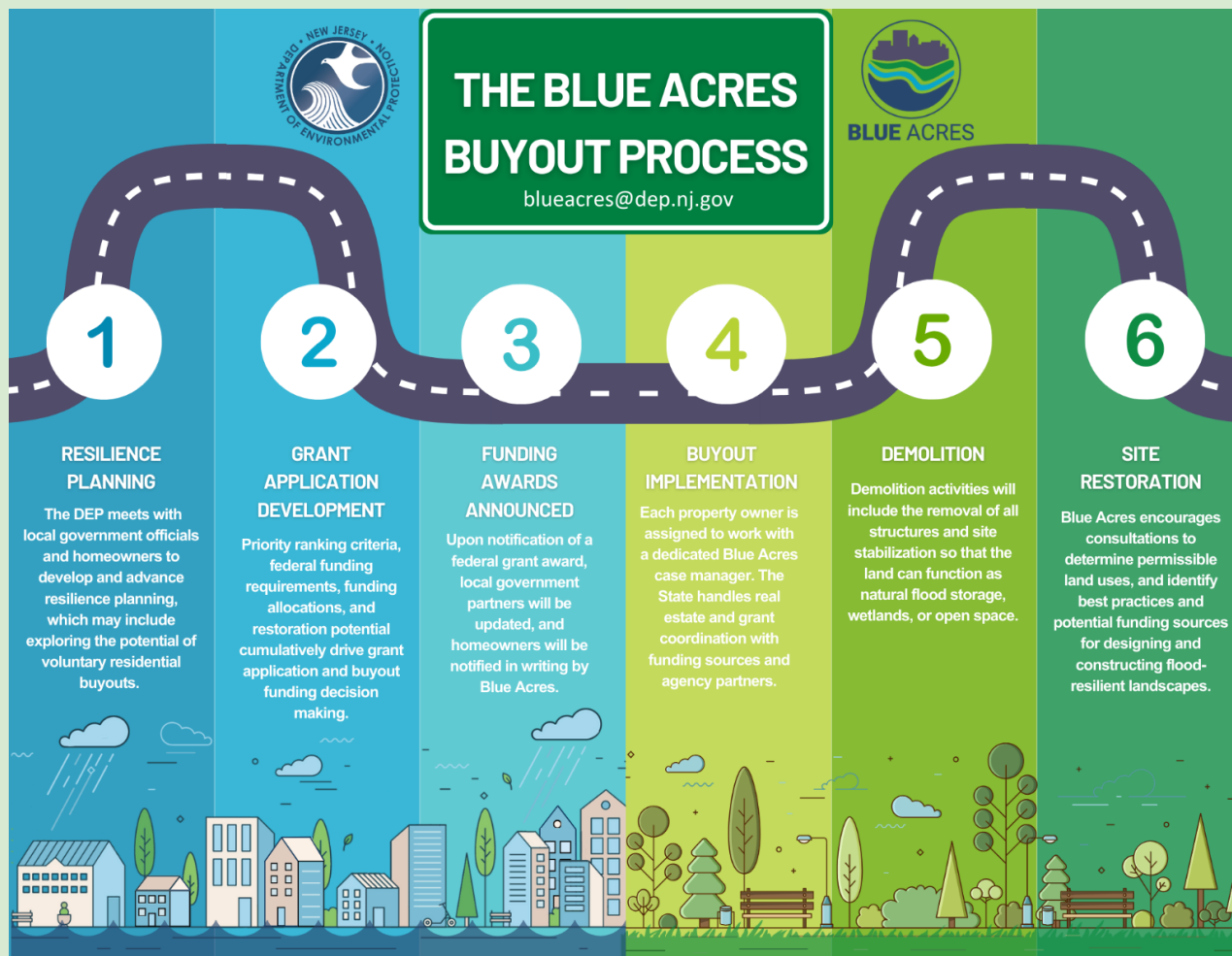
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<sup>46</sup> *3 Years Long, 3 Years Strong: New Jersey's Successful Approach to Purchasing Homes along Sandy's Flooded Path*, FEMA (Feb. 11, 2021) <https://www.fema.gov/case-study/3-years-long-3-years-strong-new-jerseys-successful-approach-purchasing-homes-along>.

<sup>47</sup> *Blue Acres: The Art and Science of Managing Flood-Prone Open-Space Properties in New Jersey*, Rutgers Newsroom (Nov. 2, 2022) <https://sebsnjaesnews.rutgers.edu/2022/11/blue-acres-the-art-and-science-of-managing-flood-prone-open-space-properties-in-new-jersey/>.

Blue Acres works because it combines three elements that other programs attempt in isolation: permanent funding that survives political transitions, specialized staff with expertise municipalities can't replicate independently, and community-centered processes that treat buyouts as life transitions rather than real estate transactions.

**Figure 1: The Blue Acres Roadmap**



*This roadmap developed by the New Jersey Department of Environmental Protection shows the key processes involved in the buyout process. Other states can use Blue Acres as an example for steps to implement their own buyout programs. Image credit: NJDEP*

States seeking to establish effective flood buyout programs can adapt Blue Acres' proven approaches to their own contexts. The following recommendations distill New Jersey's experience into actionable guidance.

## **Recommendation 1: Establish Funding Models That Amplify Federal Resources**

Permanent revenue streams that complement rather than replace federal disaster assistance enable states to maintain continuous buyout programs that respond to both immediate disasters and long-term flood risks. Effective mechanisms include constitutional dedications like New Jersey's corporate business tax allocation, carbon pricing revenues, insurance premium assessments, or general fund appropriations that address specific gaps federal programs cannot fill.

Strategic state funding covers federal cost-shares, enables immediate action before federal approval, supports activities federal rules prohibit (mortgage forgiveness and relocation assistance), and allows proactive acquisitions. Constitutional protections or diversified revenue streams provide permanence and reduce political vulnerability. States need not match federal dollar amounts. New Jersey's state funding is a fraction of total resources, but strategic deployment multiplies overall effectiveness.

## **Recommendation 2: Build Specialized State Capacity for Centralized Grant Management**

Establishing centralized programs with dedicated professional staff rather than expecting municipalities to navigate complex federal requirements independently allows states to streamline acquisition processes, reduce timelines, and provide equitable access to buyout programs across communities of varying capacity. Centralized capacity enables small municipalities to access federal programs they could not manage alone while achieving faster timelines and consistent outcomes.

Essential expertise includes real estate acquisition, environmental and federal compliance, legal analysis, financial negotiation, and case management. This capacity enables states to prepare strong benefit-cost analyses, negotiate mortgage debt forgiveness, manage federal compliance for local governments, and provide consistent case management. Effective programs require sustained investment in multi-disciplinary expertise that develops over years, not months.

## **Recommendation 3: Design Community-Centered Processes That Earn Voluntary Participation**

Successful buyout programs recognize that participating property owners and their families are likely navigating trauma and major life transitions, not merely engaging in a real estate transaction. States should implement processes demonstrating respect for homeowners' circumstances while building trust necessary for voluntary participation.

Critical elements include dedicated case managers, transparent appraisal systems (Blue Acres uses three appraisals), comprehensive support addressing barriers like housing searches and

title complications, and municipal partnerships ensuring local buy-in. Programs prioritizing speed over relationships risk low participation and political backlash.

## **Recommendation 4: Plan Beyond Acquisition for Post-Buyout Management**

By budgeting for technical assistance helping municipalities transform cleared properties into functional flood storage and community amenities, not just acquisition and demolition, states can ensure buyouts deliver lasting flood reduction benefits while building the local political support necessary for program sustainability. Post-acquisition planning is critical for securing municipal support and delivering flood risk reduction benefits justifying buyout investments.

Support mechanisms include university partnerships for ecological restoration, landscape design assistance, guidance on scattered parcel management, and maintenance protocols. Without planning, cleared properties become eyesores rather than community benefits. States that treat buyouts as landscape adaptation strategies build necessary municipal support.

## **Conclusion**

The success and durability of the Blue Acres program demonstrates that leveraging state capacity can make federal programs work better for communities on the ground. New Jersey's 30-year investment in permanent funding, specialized expertise, and community-centered processes has created a model that other states can adapt to their circumstances.

The program's hybrid approach demonstrates how strategic state investments multiply federal effectiveness. By compressing timelines, forgiving underwater mortgages, providing relocation assistance, and enabling proactive planning, modest state resources fill critical gaps in federal programs.

As climate-driven flooding intensifies, the challenge for states extends beyond funding to building the institutional capacity necessary for effective action. New Jersey's experience demonstrates what sustained investment in specialized expertise and governance structures can achieve. Other flood-prone states can learn from this example as they design their own adaptation programs.

## About This Series

**Authored by Joshua Saks, Adaptation Program Director**

This brief is part of the Georgetown Climate Center's *Adaptation Policy in Practice* series.

As climate-driven disasters grow more frequent and severe, states are stepping up to protect their communities through innovative adaptation programs that deliver measurable results. This series spotlights some of the most effective state-level climate adaptation initiatives.

Each brief examines not just what works, but how it works: the legislative foundations, funding mechanisms, community engagement strategies, and replication frameworks that transform successful state innovations into actionable blueprints. Drawing on Georgetown Climate Center's 16 years of experience working directly with state governments on climate adaptation policy, the series delivers practical analysis for leaders building comprehensive adaptation programs.

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