

The Record

THE TRUSTED LOCAL SOURCE

January 15, 2012

How homeowners can benefit under new flood laws

By JOHN A. SCHEPISI

GOVERNOR Christie and the Legislature should be commended for passing legislation that now permits counties and municipalities to use open space funds to buy flood-damaged homes.

For years, all of us have sympathized with the property owner whose home was damaged or destroyed by seasonal flooding. The only remedy available to those property owners was their flood insurance, if they had any, which would repair the damage to their home but left them subject to further damage the next time a flood occurred.

Selling their homes was not an option either for these property owners because they were legally obligated to disclose the flooding problem to prospective purchasers.

That's why this legislation, if properly implemented by counties and the local municipalities, could be a potential savior to these property owners.

So, how many of these properties can be saved in light of the limited open space funds available? The counties and municipalities have to balance the use of these funds for the protection of open space against benefits derived by the affected homeowners.

However, in weighing that benefit, the counties and the municipalities must remember that the property being acquired will become open space and will be dedicated to this purpose. Therefore, three or four houses in an area prone to flooding can be acquired, and instead of being seasonally destroyed by floods, could be used instead for recreational purposes for the benefit of the entire municipality and the county.

In order to make this a viable option, the next time a flood occurs and a property is damaged, the property owners should contact their local municipal and county officials to determine whether there are adequate funds available to acquire the property.

If these funds are available, and the property has flood insurance, the amount of damage to the build-

ings should be collected by the property owner, who should not rebuild. (It is important that the property owner review the inspection to make certain the policy does not require the owner to rebuild.)

The municipality should acquire the property as vacant land. This way, the property owner can get out, the flood insurance carrier will be paying the value for the cost of the improvement to the property owner and the municipality or county will only be paying for the vacant land plus the cost of demolition of the improvements.

A win/win solution

This could turn out to be a win/win for everyone. The homeowner will finally have a way of getting out of a flood-prone home and receive just compensation for it, and the county and municipality will obtain more open space without having to spend municipal and county funds in rescue-and-repair efforts every time a storm occurs.

Of course, this is not the complete answer. This

type of legislation is only the beginning. If every municipality and county in New Jersey takes whatever steps are necessary to implement this legislation, the property owners can, once and for all, breathe easier and move out of these flood-prone areas.

Municipal officials should realize that by using open space funds to acquire these homes, new open space is being created at the same time property owners in the flood-prone areas will be receiving relief.

Before attempting to proceed with negotiations, property owners should consult with an attorney so they obtain the most money available from their insurance company and the fair market value for their land.

The amount of damage to the property may be less than the total damage but homeowners will be in a much better position getting these funds than they were prior to the passing of this legislation.

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