

AGENDA



2023 NAR NXT

LAND USE, PROPERTY RIGHTS AND ENVIRONMENT

Monday, March 13, 2023

1:30 – 3:00pm

CHAIR: DEVON VIEHMAN (WY)

VICE CHAIR: KENT SIMPSON (NM)

COMMITTEE LIAISON: SARAH GERRISH (TX)

STAFF EXECUTIVE: RUSSELL RIGGS (DC)

PURPOSE

To position the National Association of REALTORS® on federal environmental, land use, energy, natural resource and property rights policies, legislation, and regulation.

1:30 – 1:35pm

I. Welcome and Introductions - *Devon Viehman, Chair* - [Approval of Minutes from the May 2023 Meeting](#)

1:35 – 1:40pm

II. RPAC Challenge - *Kent Simpson, Vice-Chair*

1:40 – 1:50pm

III. Discussion Group Status Reports/Discussion - *Devon Viehman, Chair*

- Water Quality – *Jeff Fagan*
- Housing Supply/Affordability – *Elizabeth Cardone*
- Climate Change and Risk Mitigation - *Craig Foley*

1:50 – 2:15pm

IV. Climate Change and Risk Mitigation Recommendation - *Kent Simpson, Vice-Chair and Craig Foley*

Climate Change Risks and Property Sustainability (with changes shown in red)

NAR is committed to sustainability, the benefits of which will **help** preserve our environment and address **ongoing** climate change risks, while supporting our nation as a vibrant, healthy, and prosperous place to live and work.

NAR supports:

- Cost-effective strategies that facilitate a positive, voluntary market response to energy production, energy efficiency, resiliency, and sustainability.
- Market-based federal policies that are cost-effective and energize the nation's innovative entrepreneurial spirit.
- Public policies that address climate risks, resiliency, and sustainability, guided by and respectful of, private property rights, long-term sustainability, and Smart Growth principles.
- The creation of resilient and sustainable infrastructure, buildings, and communities.
- Cost effective mitigation strategies that facilitate adaptation to the effects of climate change risks, weather events, and ecosystem change.

- Solutions that encourage sustainable energy practices, energy efficiency and independence through **including** incentives such as expedited permitting and tax benefits.
- Smart building and high-performance construction technologies that enhance ~~living experiences and the community~~ **our quality of life** while preserving resources and the environment.

NAR acknowledges:

- The benefits of adapting to changing climate conditions and protect against future risks.
- The benefits of transitioning towards clean energy resources while acknowledging that carbon-based energy will remain a fundamental, and necessary, foundation of our economy until clean energy production and storage can supply reliable and abundant energy for the power grid.

Rationale: The policy statement demonstrates NAR's commitment to sustainability and addressing climate change risks from a long-term perspective. By advocating for cost-effective strategies, climate-risk adaptations, a transition to clean energy resources, market-based policies, and resilient and sustainable real estate practices, NAR recognizes the importance of preserving the environment and ensuring a prosperous and healthy future for communities.

2:15 – 2:25pm

V. Climate Financial Risk WG Proposed Recommendations - Devon Viehman, Chair ([Full Report & Recommendations](#)) - NAR Insurance Committee Representative TBA

Charge:

- Identify reasonable approaches to address climate financial risks to the federal mortgage loan programs and regulated entities while minimizing the impact on real estate stakeholders;
- Collaborate with federal regulators, agencies and government sponsored entities;
- Report back to the Insurance Committee at the November 2023 meeting.

Recommendations:

- 1. Develop a blueprint for climate financial risk by beginning with the flood risk to the GSEs.**
Flood is the largest climate financial risk, but most homeowners do not have flood insurance to repair property damage, which means that the GSEs could have to forebear mortgage payments or sell properties at a loss after major floods. Because the GSEs help finance half of all U.S. mortgages annually, the GSE response to uninsured flood risk will guide the market on how to address climate financial risk.
- 2. Encourage GSEs to use better risk assessment tools to identify and disclose all special flood hazard areas in the U.S.** There are too many stories of people who never would have moved into an area if they had known the risk. The First Street Foundation, CoreLogic, and others are using more granular, modern, and accurate risk assessment tools to delineate more special flood hazard areas than FEMA maps. The GSEs should hire one or more of these companies to identify all the special flood hazard areas and use these tools to disclose flood facts about the properties they guarantee so that GSE investors, property buyers and renters, and taxpayers can make informed decisions.
- 3. Require flood insurance for GSE new construction loans in all special flood hazard areas across the U.S.** Because FEMA maps do not identify all the special flood hazard areas, at least

10 million properties have a high flood risk but are not required to build to flood standards or purchase flood insurance. When properties are built too low in harm's way, the owners often turn to a real estate professional to help them sell properties with high insurance costs and/or past flood damage. Requiring flood insurance would reduce the GSE exposure and ensure that home builders and buyers qualify for loans in high-risk areas only when considering the total cost of home ownership, including flood insurance.

4. Continue working to identify reasonable climate financial risk options for existing properties.

While identifying and discussing many options, the Work Group was not able to reach consensus on reasonable alternatives to minimize GSE flood risk while balancing existing housing affordability and sustainability concerns. Meanwhile, federal agencies, lenders, insurers, investors, and other key players, such as Blackrock, continue to move forward, and NAR could miss an opportunity to help shape alternatives to address the climate financial risk.

5. Reauthorize and strengthen the National Flood Insurance Program (NFIP). The GSEs would be less exposed if more property owners purchased flood insurance. NAR policy supports providing federal grants or loans for policyholders to elevate, mitigate or relocate. NAR should explore targeting and means-testing assistance so that lower income families can purchase flood insurance from the NFIP.

2:25 – 2:40pm

VI. Federal Issues Update - Devon Viehman, Chair

- Russell Riggs, NAR Staff

2:40 – 3:00pm

VII. Committee Networking and Discussion - Devon Viehman, Chair and Kent Simpson, Vice-Chair

- What is happening in your community?

VIII. Adjournment