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March 28, 2024

House Committee on Environment & Energy
Vermont State House
115 State Street
Montpelier, VT 05633

Re: Flood Recovery Assistance Program, H.723

Dear Committee Members,

The Environmental Justice Clinic (EJC) at Vermont Law and Graduate School (VLGS) respectfully submits this letter in support of the Flood Recovery Assistance Program (FRAP, H.723). Last year, the EJC partnered with VLGS's Entrepreneurial Legal Laboratory to host several flood relief clinics across the state, providing support to residents and small business owners applying for flood recovery assistance. Flood recovery is an important environmental justice issue for the communities of Vermont, and this bill is necessary to ensure that recovery is equitable. Despite the importance of FRAP, it was read on the House floor on January 10, 2024, and assigned to the Environment & Energy Committee where it has remained since. We urge you to pass FRAP out of committee.

As you know, FRAP directs the Agency of Commerce and Community Development to provide financial assistance to nonprofits and for-profit businesses who suffered damage from the 2023 floods.¹ This aid would be directed at flood-related losses such as loss of revenue, lost

¹ H.723 §4(a), 2023-2024 Vt. Gen. Assemb., (Vt. 2024).

wages of employees, lost inventory and new supplies, damaged equipment, and other administrative or operating expenses.² Importantly, FRAP helps nonprofits and for-profit businesses with a priority for businesses owned by persons of color, Indigenous peoples, and new Americans.³ This is imperative, as these demographics are often the most at-risk to the impacts of climate change, such as extreme flooding, and generally receive less funding and support to recover from natural disasters.

Flood recovery is an environmental justice issue because disparities in recovery funding increase the wealth gap and overburden people of color in Vermont. The Congressional Budget Office recognized the increased risk of flooding as the impacts of climate change become greater and more tangible. A 2050 projection found 10% of properties in the United States have a 1-in-4 chance of flooding at a depth of 1ft or more in the next 30 years.⁴ At least one study has proven that FEMA provides more aid to white applicants than to people of color, even where the amount of damage is the same.⁵ This disparity is critical because homes and businesses owned by people of color are already undervalued, leading to disaster recovery payouts that are smaller, even where damages are equivalent.⁶ Across the United States, in counties hit by disasters, Black survivors saw a wealth decrease of \$27,000 on average while white survivors saw an increase of \$126,000 on average.⁷ Additionally, there is a history of undervalued Black homes being more likely to be bought out than reinvested in.⁸

Communities of color in Vermont have been at a disadvantage for flood recovery from the get-go. As of 2020, the average income of Black Vermonters was \$41,553, as compared to their white counterparts whose average income was \$58,244.⁹ In addition, 57% of Black households and 51% of Asian households earn less than 80% of their area's median income, compared to 43% of their white counterparts.¹⁰ As of 2022, only 28% of Black Vermonters owned their homes, compared to 74% of White Vermonters.¹¹ Low-income Vermonters were hit hardest by the July flooding, leaving low-income populations in Vermont, who are disproportionately communities of color, in worse economic positions.¹²

Vermont, too, is susceptible to the impending climate crisis. Inland flooding is expected

² H.723 §4(a)(1-6), 2023-2024 Vt. Gen. Assemb., (Vt. 2024).

³ H.723 §4(b), 2023-2024 Vt. Gen. Assemb., (Vt. 2024).

⁴ Communities at Risk of Flooding, CONG. BUDGET OFF. (Sept. 2023), <https://www.cbo.gov/publication/59566>.

⁵ Christopher Flavelle, *Why Does Disaster Aid Often Favor White People?*, NEW YORK TIMES (June 7, 2021), <https://www.nytimes.com/2021/06/07/climate/FEMA-race-climate.html>.

⁶ *Id.*

⁷ Justin Dorazio, *How FEMA Can Prioritize Equity in Disaster Recovery Assistance*, CTR. FOR AM. PROGRESS (July 19, 2022), <https://www.americanprogress.org/article/how-fema-can-prioritize-equity-in-disaster-recovery-assistance/>.

⁸ Christopher Flavelle, *Why Does Disaster Aid Often Favor White People?*, NEW YORK TIMES (June 7, 2021), <https://www.nytimes.com/2021/06/07/climate/FEMA-race-climate.html>.

⁹ Mia Watson, *Vermont Housing Needs Assessment Reveals Racial Disparities*, VHFA (Jun. 19, 2020), <https://www.vhfa.org/news/blog/vermont-housing-needs-assessment-reveals-racial-disparities>.

¹⁰ *Id.*

¹¹ *Homeownership Rate By Race*, HOUSINGDATA.ORG, <https://www.housingdata.org/profile/homeownership-costs/homeownership-by-race> (last visited Mar. 28, 2024).

¹² Lola Duffort, *The Flood Waters Disproportionately Hit Vermont's Affordable Housing Stock – At the Worst Time*, VTDIGGER (Jul. 31, 2023), <https://vtdigger.org/2023/07/31/the-flood-waters-disproportionately-hit-vermonts-affordable-housing-stock-at-the-worst-time/>.

to increase, making last year’s “100-year Flood” more of a norm than an exception.¹³ The winter flooding in December of 2023 will likely become a more frequent scene.¹⁴ There are no mapped projections depicting changes due to the overall increase in water deposition caused by climate change.¹⁵ What we do know is that more than 4,000 people’s homes and more than 800 businesses were damaged in the July Flood.¹⁶ Only 1% of the properties had flood insurance through the National Flood Insurance Program.¹⁷ Further, 20% of the businesses are owned by people of color.¹⁸ Of these businesses visited by The Vermont Professionals of Color Network, none of them were insured.¹⁹ In addition, businesses owned by people of color more commonly suffered from language barriers that slowed flood resources from reaching them.²⁰ Businesses owned by people without citizenship status were denied FEMA aid to restart or rebuild their businesses after the flood, even if they lost inventory or equipment necessary to keep their businesses going.²¹

FRAP has the potential to help address these injustices. FRAP has the capacity to give aid to those businesses who were denied FEMA aid due to citizenship status, because FRAP does not require citizenship to receive aid.²² FRAP has the capacity to assist businesses owned by people of color that were uninsured to rebuild and to invest in communities of color in Vermont.²³ FRAP is key to providing relief to businesses that may have started at a disadvantage but make Vermont what it is today.

We urge the House Environment & Energy Committee to pass this bill out of committee and move forward toward a more equitable flood recovery plan.

¹³ *Vermont Flooding: What ICE Models Show*, ICE (Jul. 2023), <https://www.ice.com/insights/sustainable-finance/vermont-flooding-what-the-data-reveals> (last visited Mar. 28, 2024)

¹⁴ Emma Cotton, *Due To Climate Change, Winter Flooding is Likely To Become More Common in Vermont*, VTDIGGER (Dec. 22, 2023), <https://vtdigger.org/2023/11/23/heroes-of-resiliency-shut-out-from-federal-funding-an-immigrant-owned-montpelier-restaurant-struggles-to-return-after-the-floods/>.

¹⁵ Erin Petenko, *It May Be Years Before FEMA Maps Show The Full Flood Risk to Vermont Communities*, VTDIGGER (Aug. 27, 2023) <https://vtdigger.org/2023/08/27/it-may-be-years-before-fema-maps-show-the-full-flood-risk-to-vermont-communities/>.

¹⁶ Kristen Fountain and Lola Duffort, *Preliminary Tally Indicated Vermont Floods Damaged More Than 4,000 Homes and 800 Businesses*, VTDIGGER (Jul. 26, 2023), <https://vtdigger.org/2023/07/26/preliminary-tally-indicates-vermont-floods-damaged-more-than-4000-homes-and-800-businesses/>.

¹⁷ Emily Pontecorvo, *Vermont Is the Soggy Edge of America’s Flood Insurance Crisis*, HEATMAP (Jul. 12, 2023), <https://heatmap.news/economy/flood-insurance-vermont-new-york>.

¹⁸ *VT PoC’s BIPOC Relief Fund*, VT. PRO. OF COLOR NETWORK, <https://givebutter.com/Mj3Dwy> (last visited Mar. 28, 2024).

¹⁹ THE VT. PRO. OF COLOR NETWORK, *FINDING STRENGTH IN COMMUNITY: A RECAP OF VT POC’S 2023* 13 (2023).

²⁰ *Id.*

²¹ Auditi Guha, *‘Heroes of Resiliency’: Shut Out From Federal Funding, an Immigrant-Owned Montpelier Restaurant Struggles To Return After The Floods*, VTDIGGER (Nov. 23, 2023), <https://vtdigger.org/2023/11/23/heroes-of-resiliency-shut-out-from-federal-funding-an-immigrant-owned-montpelier-restaurant-struggles-to-return-after-the-floods/>.

²² H.723 §4(b), 2023-2024 Vt. Gen. Assemb., (Vt. 2024).

²³ H.723 §4, 2023-2024 Vt. Gen. Assemb., (Vt. 2024).

Sincerely,



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