



Re: Federal Register Proposed Rule

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2 CFR Part 1402

Department of the Interior, Office of the Secretary

RIN 1090-AB19

Financial Assistance Interior Regulation

Docket ID: DOI-2018-0013

The New Jersey Highlands Coalition urges the Department of Interior (DOI) to reconsider a recently proposed rule concerning “Financial Assistance Interior Regulation” and the standardization of appraisal methods for evaluating land. The current proposal would have a devastating impact on land preservation in the New Jersey Highlands Region. We advise the rule be revised to allow the use of specific state-mandated alternatives, detailed below.

The Highlands extends across parts of four states: Connecticut, New York, New Jersey, and Pennsylvania. It is nationally recognized for “the high value of the water, forest, agricultural, wildlife, recreational, and cultural resources”, and as such is protected by the Highlands Conservation Act (HCA) (PL 108-421-Nov. 30, 2004). This Act authorizes the DOI, through the U.S. Division of Fish & Wildlife Service, to support local conservation initiatives with federal matching grants. This money is appropriated annually by Congress through the Land & Water Conservation Fund.

In addition to the HCA, in August 2004, the New Jersey Legislature passed the Highlands Water Protection and Planning Act (Highlands Act) in response to the numerous additional pressures on land and resources that New Jersey alone faces, a consequence of being the most densely populated in the nation. These include increasingly high land values and the concomitant rise in development pressure due to New Jersey Highlands’ proximity to both New York City and Philadelphia and the suburban belt surrounding these major cities. The New Jersey Highlands provides water to 6.5 million people, or 70% of the state’s population. Therefore, protection of the critical water resources in the Highlands is paramount.

The Highlands Act established the NJ Highlands Water Protection and Planning Council (Highlands Council) which was charged with coordinating development in the region while ensuring the protection of the area’s water and other natural resources. In addition the Highlands Act mandated that the NJDEP adopt strict land use regulations for the Preservation Area, which would severely limit development. The resulting imitations on a

property owner's ability to develop land raised concerns about landowner equity. To address this concern, the Highlands Act prescribes a method of dual appraisal which considers the current value of a property and compares it to the current value without the development restrictions that were adopted as a result of the Highlands Act. Alternatively, the Highlands Council is authorized to establish a Transfer of Development Rights Program, which is based on the value of the forfeited development potential. These procedures were mandated to support and incentivize land protection efforts and have proved successful in meeting the objectives of the Highlands Act while addressing landowner equity concerns.

The proposed standardization of the appraisal process for federal land acquisition projects would mean that if the successful dual appraisal system continued, New Jersey would no longer be able to benefit from HCA funding for land or development rights acquisitions in the Highlands. New Jersey would be forced into a Hobson's Choice of either: continuing with the dual appraisal and continue to address legitimate landowner equity concerns, but lose the much needed federal funding; or, discontinue the dual appraisal, creating a disincentive for landowners to become willing sellers in land acquisition programs.

The New Jersey Highlands Coalition urges the Department of Interior to revise the proposed rule, to recognize regional and state specific appraisal methods as acceptable alternatives to the Uniform Appraisal Standards for Federal Land Acquisitions.

The New Jersey Highlands Coalition represents a diverse network of organizations — small and large, local, regional, statewide and national — and individuals.

Our mission is to represent their common goal to preserve, enhance and restore the New Jersey Highlands and to protect the quality and quantity of drinking water for 6.5 million people in the State.