

**STATEMENT OF MICHAEL LIU**  
**ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING**  
**U.S. Department Of Housing and Urban Development**  
**BEFORE THE**  
**UNITED STATES HOUSE OF REPRESENTATIVES**  
**COMMITTEE ON RESOURCES**  
**OCTOBER 17, 2001**

**Introduction**

Mr. Chairman and Members of the Committee: Good morning, my name is Michael Liu, and I am HUD's Assistant Secretary for Public and Indian Housing. I am responsible for the management, operation and oversight of HUD's public housing program, which aids the nation's 3,300-plus public housing agencies in providing housing and housing-related assistance to low-income families. In addition, my jurisdiction encompasses virtually all of HUD's Native American programs. These programs serve federally-recognized Indian tribes and their tribally designated housing entities by providing grants and loan guarantees designed to support affordable housing activities and viable community and economic development in Native American communities, including Indian reservations, Alaska Native Villages, and other traditional Indian areas.

**Overview of the Indian Community Development Block Grant Program**

Among my responsibilities is the Community Development Block Grant Program for Indian Tribes and Alaska Native Villages, usually referred to as the Indian Community Development Block Grant program, or Indian C-D-B-G. This program, authorized by the Housing and Community Development Act of 1974, as amended, provides eligible recipients with direct grants to develop viable Indian and Alaska Native communities, including decent housing, a suitable living environment, and economic opportunities, primarily for low- and moderate-income persons.

Eligible applicants for assistance include any Indian tribe, band, group, or nation (including Alaska Indians, Aleuts, and Eskimos) or Alaska Native Village, which has established a relationship with the Federal government as defined in our program regulations. In certain instances, tribal organizations may be eligible to apply.

The Indian CDBG program can provide funding for recipients in the following categories:

**Housing** -- Housing rehabilitation, land acquisition to support new housing construction, and, under limited circumstances, new housing.

**Community Facilities** -- Infrastructure construction, such as roads, water and sewer facilities; and single or multi-purpose community buildings.

**Economic Development** -- A wide variety of commercial, industrial and agricultural projects, which may be recipient-owned and operated, or which may be owned and/or operated by a third party.

The program is administered directly by the six Area Offices of Native American Programs, with policy development and oversight provided, under my direction, by the ONAP National Office. Each Area ONAP is responsible for a geographic jurisdiction that includes from 26 to over 200 eligible applicants.

The program regulations provide for two categories of grants, Imminent Threat and Single Purpose. Single Purpose grants are awarded on a competitive basis, pursuant to the terms published in the annual HUD Super NOFA (Notice of Funding Availability). Each Area ONAP receives a proportional share of all annual Indian CDBG grant funds available; it rates, ranks and awards grants to the eligible recipients within its jurisdiction.

The Department may set aside in the NOFA a percentage of each year's allocation for the noncompetitive, first come-first served, funding of grants to eliminate or lessen problems which pose an imminent threat to public health or safety.

Area ONAPs assist grantees throughout the grant period, which can be up to several years. Successive grants are often awarded.

### **Specific Comments on H.R. 1239**

H.R. 1239, the bill that is the subject of this hearing, would establish a moratorium on the ability of the Secretary of the Interior to approve the relinquishment of a lease on 8.78 acres of trust land in San Diego County, California unless all seven tribes or bands involved in this dispute approve the relinquishment by tribal resolution.

What was HUD's role? Beginning in 1985 and ending in 1993, the Department approved the award of a series of four Indian CDBG grants, totaling \$1,139,002, to assist in the construction and expansion of the Southern Indian Health Council's Alpine, California clinic. The funds were used for some of the construction costs for the facility, to later expand the clinic to include space for medical and dental services, and to further expand it by providing administrative offices. The last of the four grants was awarded in 1993 and closed out on March 21, 1996.

Under HUD's Indian CDBG regulations at 24 CFR 1003.504, a grantee may not change the use of real property assisted in whole or in part with Indian CDBG funds prior to or within five years after the close-out of a grant, unless certain conditions are met.

The regulatory conditions include:

notifying affected citizens of the proposed new use and offering them an opportunity to comment on the proposed change; and

reimbursing the Indian CDBG program in the amount of the current fair market value of the property, less any value attributable to the non-Indian CDBG funds used for the acquisition of, and improvements to, the property.

However, all regulatory conditions on the use of the Alpine health clinic expired on March 20, 2001, five

years after the last grant was closed out.

I would like to point out that these Indian CDBG regulations on oversight and closeout procedures are identical to the regulations used in the Entitlement and Small Cities Community Development Block Grant programs, which are under the jurisdiction of my colleague Roy Bernardi, HUD's Assistant Secretary for Community Planning and Development.

### **Conclusion**

This concludes my prepared statement. I would be happy to answer any questions you might have. Thank you again for providing me with the opportunity to testify before the Committee.

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