

**STATEMENT OF
SCOTT CAMERON
DEPUTY ASSISTANT SECRETARY,
PERFORMANCE AND MANAGEMENT,
U.S. DEPARTMENT OF THE INTERIOR
BEFORE THE
SENATE ENERGY AND NATURAL RESOURCES COMMITTEE,
SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS
HEARING ON
H.R. 3874, RIVERSIDE COUNTY, CALIFORNIA LAND CONVEYANCE
SEPTEMBER 29, 2004**

Thank you for the opportunity to present testimony on H.R. 3874, introduced by Representative Mary Bono and which passed the House of Representatives on July 19, 2004. H.R. 3874 would transfer approximately 44 acres of land managed by the Bureau of Land Management (BLM) in the City of Palm Springs, California, to S.V.D.P. Management, Inc., for the purposes of providing a homeless shelter, training center, and affordable housing on the lands. The Department supports the goals of this legislation, but recommends some modifications.

The proposed transferee under the bill, S.V.D.P. Management, Inc., transacts business as Father Joe's Villages. Father Joe's Villages is a nonprofit organization operating in the southwest United States offering education, job training, child care, health care and substance abuse counseling to thousands of families and individuals. Helping the homeless has been a major focus of the organization and the proposed facility in Palm Springs seeks to further that goal.

The lands proposed for transfer under the bill lie on the northern outskirts of Palm Springs, near an Army Corps of Engineers flood control dike and a parcel of land previously conveyed by the BLM to the City of Palm Springs for a park. The legislation directs the Secretary of the Interior to transfer the lands without consideration to Father Joe's Villages. While the Department applauds the outstanding goals of this organization, we typically require that the government receive fair market value for lands transferred outside the Federal government.

Under the Recreation & Public Purposes (R&PP) Act, the BLM can administratively transfer lands at a reduced price to nonprofit organizations for certain purposes. Specifically, nonprofit organizations may be required to pay only 50% of fair market value if the lands are to be used for such things as public recreation, museums and social services that are open to the public. While we understand that there is urgency in completing the transfer proposed under this legislation, and the sponsor may not wish to pursue an administrative transfer under the R&PP, we nevertheless believe, at a minimum, that the R&PP pricing guidelines should be applied.

Section 1(b) of H.R. 3874 states that the lands conveyed are to provide a homeless shelter, a training center and affordable housing. While a homeless shelter may well qualify for a reduced R&PP rate, affordable housing is not an allowed use under the R&PP, and it is unclear whether or not the training center would qualify. We would like the opportunity to work with the Committee to clarify the legislative language to specify exactly which lands are proposed for which specific uses and the appropriate compensation to the Federal government.

We should note that because these lands are within the City of Palm Springs, their full development value is significant. The value of these lands would normally be determined through an objective appraisal conducted in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA). However, we are mindful that legislated land transfers often promote varied public interest considerations that may not lend themselves readily to the standard appraisal process or to equal value exchanges in all cases. In these instances, the balancing of important public policy considerations against the financial implications of proposed transfers are ultimately a question that rests with Congress. In balancing these

considerations, Congress may wish to seek more detailed information concerning the proposed uses of the lands sought for transfer.

Section 1(c) of the bill, as passed the House, provides for the discretionary reversion of these lands to the Secretary of the Interior if they are not used for the purposes specified in the legislation. We recommend a further modification of the reverter clause to provide that such a reversion is subject to the transferee's cleanup of any hazardous materials at the site. This would ensure that the Federal government is not forced to assume potential liabilities that may arise.

Thank you for the opportunity to testify. Again, we look forward to working with the Committee to help achieve a positive result. I will be happy to answer any questions from the Committee.