

RESOLUTION OF THE
NAVAJO NATION COUNCIL

23RD NAVAJO NATION COUNCIL - Third Year, 2017

AN ACTION

RELATING TO AN EMERGENCY; AMENDING CJA-13-17 REGARDING THE EFFECTIVE DATE TO ADDRESS THE THREAT TO DIRECT SERVICES TO THE NAVAJO NATION

BE IT ENACTED:

Section One. Authority

- A. The Navajo Nation Council is the governing body of the Navajo Nation, pursuant to 2 N.N.C. §102(A).
- B. Pursuant to 2 N.N.C. §164(A)(16) "[m]atters constituting an emergency shall be limited to the cessation of law enforcement services, and disaster relief services, fire protection services or other direct services required as an entitlement under Navajo Nation or Federal law, or which directly threaten the sovereignty of the Navajo Nation. Such an emergency matter must arise due to the pressing public need for such resolution(s) and must be a matter requiring final action by the Council"

Section Two. Findings

- A. On January 26, 2017 the Navajo Nation Council passed Resolution CJA-13-17, *Approving the Navajo Housing Authority Reform Act by Approving Amendments to 6 N.N.C. §§605, 606, and 618*, that changed the composition and qualifications of the Board of Directors; the Speaker of the Navajo Nation Council certified the resolution on February 1, 2017 and the Navajo Nation President signed CJA-13-17 on February 10, 2017.
- B. CJA-13-17 stated that "One hundred and twenty days, after 6 N.N.C. §605, 606, and 618 is amended through this legislation, is sufficient time for selection and confirmation of the Navajo Housing Authority Board of Commissioners using the new qualifications criteria. Commissioners of the current Navajo Housing Authority Board of Commissioners may apply for positions after the amendments to the qualification of Navajo Housing Authority Board of Commissioners have been enacted." See CJA-13-17, Findings, (D).

- C. CJA-13-17, Effective Date, states "The Act enacted herein shall be effective 120 days after the Navajo Nation President signs it into law or 120 days after the Navajo Nation Council overrides the Navajo Nation President's veto of the resolution." See CJA-13-17, Section Four, Effective Date.
- D. The Speaker of the Navajo Nation Council, the President of the Navajo Nation and Council Delegate Alton Shepherd signed a letter to the Navajo Housing Authority Board (the "Board") expressing great concern about recent questionable Board activities. The Navajo Housing Authority Board response did not address the serious issues raised by Navajo leadership. The letters are attached as **Exhibit A and B**.
- E. The Navajo Housing Authority only completed 26 homes in 2016, 50 homes in 2015, and 21 in 2014. Aneva Yazzie, Navajo Housing Authority, Executive Director, presented this information to the staff of the Senate Committee on Indian Affairs. This information is attached as **Exhibit C**.
- F. In 2016, NHA reportedly spent \$103,099,619 on development and construction. In 2015 NHA spent \$71,600,000, in 2014 NHA spent \$92,500,000 in development in construction yet built only 97 homes in a three year period and expenditure of \$267,199,619. This information is attached as **Exhibit D**.
- G. U.S. Congressional offices have noticed the reports on the ineffective operation of the Navajo Housing Authority and have noticed the questionable activities of the Navajo Housing Authority Board, consequently there are grave concerns of continued funding for housing for Navajo People who are in need of homes.
- H. The Navajo Nation finds and declares that an emergency exists as to the threat of the Navajo Nation's direct services which requires an immediate amendment to CJA-13-17 regarding the timeframe of the selection and confirmation of the Navajo Housing Authority Board of Commissioners; without such an amendment to CJA-13-17 the Navajo Nation will lose millions of dollars that will provide needed homes to Navajo People.

Section Three. Amendment

The Navajo Nation, addressing the threat to direct services, hereby approves the following amendment to CJA-13-17 to avoid the loss of federal housing funding for homes for Navajo People:

Section Four. Effective Date

The Act enacted herein shall be effective ~~120 days~~ immediately after the Navajo Nation President signs it into law or ~~120 days~~ immediately after the Navajo Nation Council overrides the Navajo Nation President's veto of the resolution.

Section Four. Effective Date

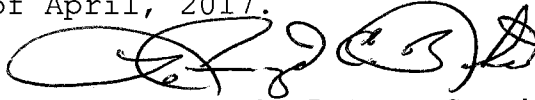
The provisions of this Act shall become effective in accordance with 2 N.N.C. §221(B).

Section Five. Directive

- A. The Navajo Nation raises concerns with the questionable practice of the Navajo Housing Authority and is concerned about the possibility of NHA destroying, damaging or removing documents and property. As the Tribally Designated Housing Entity and Navajo Nation enterprise, NHA has a responsibility to ensure the safety of records to carry out its purpose as provided in 6 N.N.C. section §601 et. seq. The Navajo Nation directs the Navajo Housing Authority to ensure the safety of all official records.
- B. The Navajo Nation has grave concerns of Navajo Housing Authority's spending of federal and non-federal funds. The Navajo Nation directs the Navajo Housing Authority to suspend its Board of Commissioners compensation and travel to protect all funds.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 16 in favor and 04 opposed, this 20th day of April, 2017.



LoRenzo C. Bates, Speaker
Navajo Nation Council


4-24-17

Date

Motion: Honorable Otto Tso
Second: Honorable Benjamin Bennett

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I hereby sign into law the foregoing legislation, pursuant to 2 N.N.C. §1005 (c)(10), on this 6th day of May 2017.



Russell Begaye, President
Navajo Nation

2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. §1005 (c)(11), on this _____ day of _____ 2017 for reason(s) expressed in the attached letter to the Speaker

Russell Begaye, President
Navajo Nation

RCS# 762

NAVAJO NATION

NNC Spring Session

4/20/2017
06:59:36 PM

Amd# to Amd#

Legislation No. 0145-17

PASSED

MOT Tso

Amending CJA-13-17 regarding

SEC Bennett

the Effective Date to address
the Threat to Direct Services

Yea : 16

Nay : 4

Not Voting : 3

Yea : 16

Begay, K
Begay, NM
Begay, S
BeGaye, N

Bennett
Crotty
Damon
Daniels

Perry
Pete
Slim
Smith

Tso
Tsosie
Witherspoon
Yazzie

Nay : 4

Phelps

Brown

Chee

Jack

Not Voting : 3

Bates

Filfred

Hale

Shepherd



April 13, 2017

Board Members
Navajo Housing Authority
Fort Defiance, Arizona

RE: Concerns with NHA

Board Members of the NHA,

We, the entrusted Naat'áani of the Navajo Nation, respectfully request for the resignation and/or removal of the managing officers of the Navajo Housing Authority. The demoralizing climate under the current leadership is no longer conducive to the objectives of the Navajo Housing Authority. We believe the only way to overcome the overwhelming evidence of the incompetence of NHA is to seek qualified individuals who understand the needs of our people.

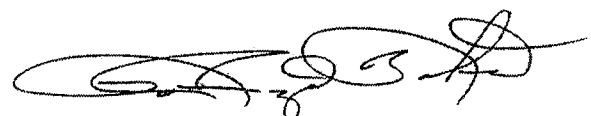
Furthermore, the board most recently demonstrated complete and blatant disregard for the Nation and its people through its recent series of extravagant uses of discretionary funds for "exigent professional development." The numerous Board meetings and trips have become so excessive in nature that the Navajo Leadership has taken notice. Our offices were informed that these reckless displays of wasteful misappropriation and nonuse of federal HUD funds has reflected poorly on the Nation. As a result, the Nation's ability to practically, and lawfully manage its affairs has been called into question. The board's inability to manage and demonstrate its basic plenary responsibilities has not only eroded the reputation of the Navajo Housing Authority but consequently, the Navajo Nation.

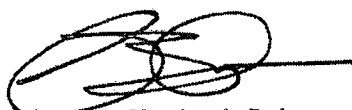
The managing officers have created an atmosphere of anger and mistrust amongst their employees and our People has resulted in a complete lack of confidence in the Navajo Housing Authority. For the above-mentioned reasons, we must request the immediate resignation and/or removal of the managing officers of the Navajo Housing Authority in the immediate and future interests of the Navajo Nation.

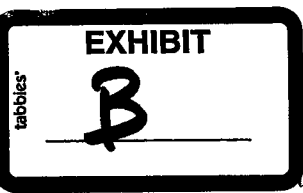
Sincerely,

THE NAVAJO NATION


Russell Begaye, *President*


LoRenzo Bates, *Speaker*
23rd Navajo Nation Council


Alton Joe Shepherd, *Delegate*
23rd Navajo Nation Council



NHA Hooghan—Center of Family Growth, Stability **NAVAJO HOUSING AUTHORITY**

April 18, 2017

Honorable Russell Begaye
President, Navajo Nation
P.O. Box 7440
Window Rock, Arizona 86515

Honorable LoRenzo Bates
Speaker, 23rd Navajo Nation Council
P.O. Box 3390
Window Rock, Arizona 86515

Honorable Alton Joe Shepherd
Chairman, Resource and Development Committee
P.O. Box 3390
Window Rock, Arizona 86515

SUBJECT: Electronic letter to the NHA Board of Commissioners

I feel it necessary to immediately respond to a copy of an electronic letter circulating that apparently was sent to the NHA Board of Commissioners. At the Navajo Housing Authority (NHA), our first priority is and always has been to support and enrich the lives of the Navajo Nation by providing quality, safe and affordable housing. We are committed to improving housing on the reservation and promoting economic self-sufficiency for all our tribal members.

NHA works diligently to address housing issues for the Navajo people, managing 9,200 housing units as well as hundreds of ongoing projects. We also focus on investing in sustainable master planning initiatives, building emergency shelters, daycare centers and other public facilities, as well as increasing crime prevention and safety services and expanding housing opportunities for veterans.


Since we launched our five-year expenditure plan in 2012, we have spent down the balance of our federal funds by nearly half, averaging \$142 million per year in expenditures. Also in the past five years, we have built more than 500 new housing units and modernized nearly 900 existing units. In 2016 alone, we constructed 119 new units and modernized 50 units.

We are also committed to transparency and making efficient use of our federal funding. The US Department of Housing and Urban Development (HUD) reviews NHA annually and our financial statements are routinely audited by independent parties. We have also made significant improvements to enhance our internal controls and accountability, such as installing customized financial and tenant management software to improve program and financial oversight; working with an independent third party to assess and correct procurement inefficiencies; and auditing and reviewing all unfinished projects to redistribute the funds and expedite other projects' development.

Electronic letter to the NHA Board of Commissioners
April 18, 2017
Page 2 of 2

As we near the end of our five-year expenditure plan, we trust that our progress made and reforms undertaken serve as evidence of our good stewardship and dedication to continuous improvement. While these reforms aim to improve oversight and enhance accountability, ultimately we take on each project with the goal of benefitting the Navajo people.

NAVAJO HOUSING AUTHORITY


Aneva J. Yazzie
Chief Executive Officer

IMPACT OF THE FIVE-YEAR EXPENDITURE PLAN

	2012	2013	2014	2015	2016	Total
Modernization	200	188	335	105	50	878
New Construction (PR)	30	76	-	52	93	251
New Construction (HO)	124	66	21	50	26	287
Section 504 Accessibility	-	2	21	2	4	29
Crime Prevention and Safety	38	-	6,433	-	3,522	9,993
Transitional and Group Homes	70	34	16	24	-	144
Infrastructure Development	73	38	-	497	9	617
Model Projects	1	1	4	2	-	8
Land Acquisition (PR)	-	-	463	64	-	527
Land Acquisition (HO)	-	-	-	16	-	16
Emergency Shelters	-	-	20	-	-	20
New Construction (HO) - non-low income	-	-	3	-	-	3

DATA PREPARED BY: FIVE YEAR PLAN

APRIL 2017

tabbles

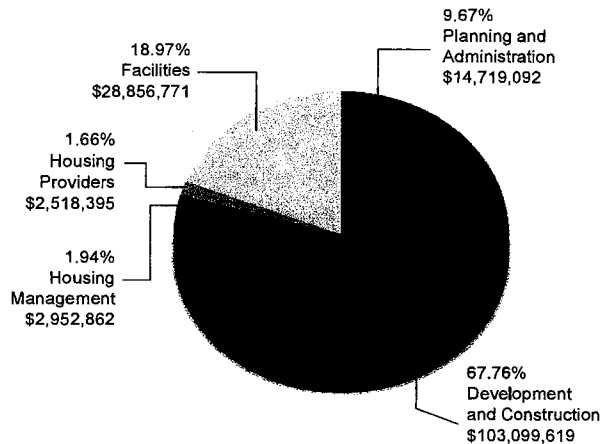
EXHIBIT

Fiscal Year 2016 Indian Housing Block Grant Expenditures

NHA spends \$152,146,739 million in FY2016

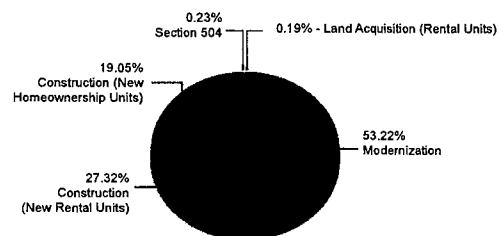
The Navajo Housing Authority's (NHA) spending goal for FY2016 was \$150 million. The organization made significant progress and is pleased to announce that it has exceeded its 2016 goal by spending \$152,146,739 million by September 30, 2016.

In accordance with proper planning, management and operation of NAHASDA funds, NHA spent the funding in the following categories: Planning and Administration, Facilities, Housing Management, Development and Construction, and Housing Providers. The diagrams below shows detailed information of NHA's actual expenditures in FY 2016 for each category.



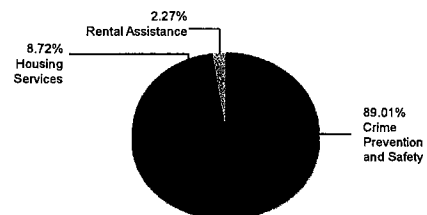
Development and Construction - \$103,099,619

Modernization	\$54,867,663
Construction (New Rental Units)	\$28,162,263
Construction (New Homeownership Units)	\$19,640,679
Section 504	\$234,894
Land Acquisition (Rental Units)	\$194,120



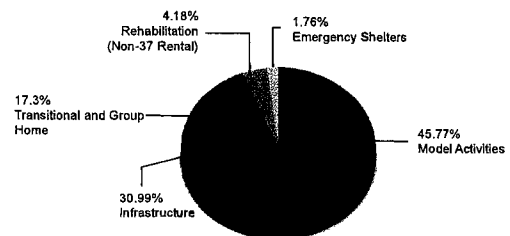
Housing Management - \$2,952,862

Crime Prevention and Safety	\$2,628,235
Housing Services	\$257,551
Rental Assistance	\$67,075



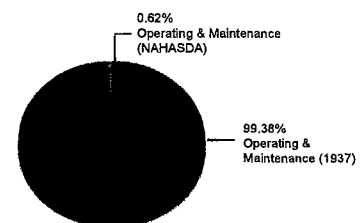
Housing Providers - \$2,518,395

Model Activities	\$1,152,706
Infrastructure	\$780,408
Transitional and Group Home	\$435,685
Rehabilitation (Non-37 Rental)	\$105,330
Emergency Shelters	\$44,266



Facilities - \$28,856,771

Operating and Maintenance (1937)	\$28,678,296
Operating and Maintenance (NAHASDA)	\$178,475

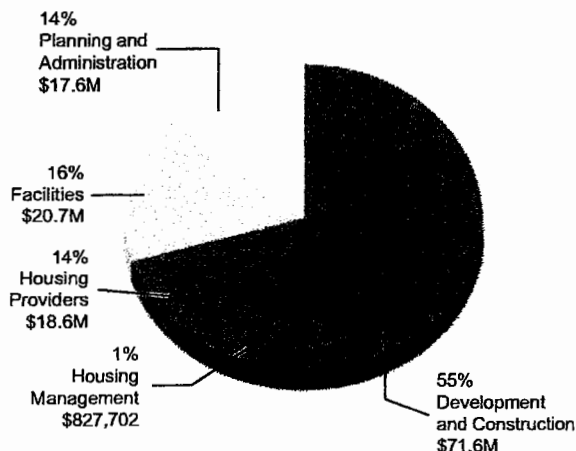


"Numbers reflect unaudited expenditure prior to HUD review."



Indian Housing Block Grant Expenditures

NHA spends \$129.3 million in FY2015



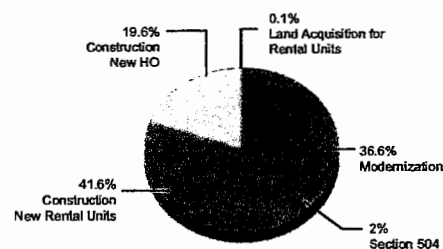
The Navajo Housing Authority's (NHA) spending goal for FY2015 was \$155 million. The organization made significant progress and is pleased to announce that it met 83 percent of its FY2015 goal by spending \$129.3 million by September 30, 2015.

In 2012 the NHA began an aggressive 5-year expenditure plan and within the 3rd year (FY2015) the NHA has collectively spent \$417.6 million.

In accordance with proper planning, management and operation of NAHASDA funds, NHA spent the funding in the following categories: Planning and Administration, Fleet and Facilities, Housing Management, Development and Construction, and Housing Providers. The diagrams below shows detailed information of NHA's actual expenditures in FY 2015 for each category.

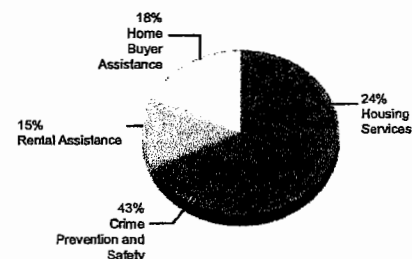
Development and Construction - \$71.6 million

This category details NHA's in-house construction activities, which includes activities like Modernization of older housing units built prior to 1996; Section 504, New Public Rental and Homeownership Construction and Upgrading housing and facilities to meet accessibility standards.



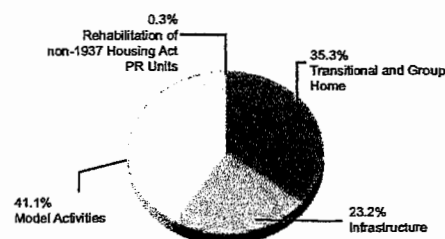
Housing Management - \$827,702

Funding is set-aside to provide housing and resident services to make NHA communities a safe and quality environment. Funds are provided for such items as street lights, fencing, security guard services, relocation of tenants during renovation or modernization, and public rental assistance.



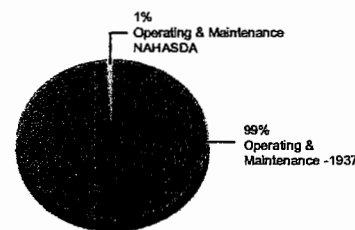
Housing Providers - \$18.6 million

This category includes projects being developed by local independent organizations who receive NAHASDA funds through a grant from NHA. These projects include housing for Chinle Nursing home, Dennehotso Sweat Equity, Tuba City Regional Health Care, Shonto Youth Center and planning/construction services for other projects throughout Navajo.



Facilities - \$20.7 million

NHA is responsible for operating and maintaining 8,500 housing units and 437 existing development sites. Maintenance and repairs on many of the housing units have been deferred over the years since 1998 and NHA is now undertaking major repair and improvement work.

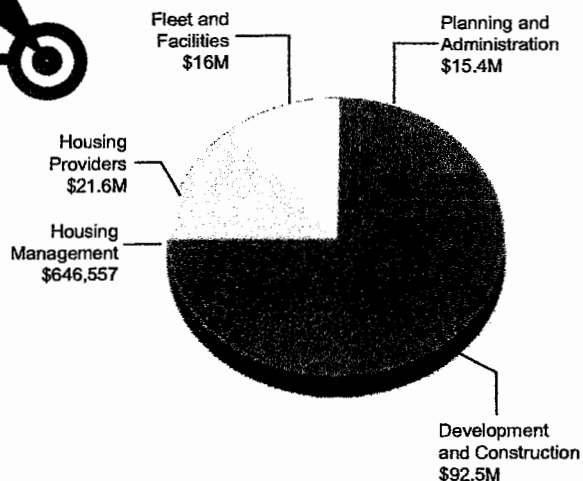


"Numbers reflect the final estimate of expenditure prior to HUD review."



Indian Housing Block Grant Expenditures

NHA meets 95 percent of its \$155 million goal in FY2014

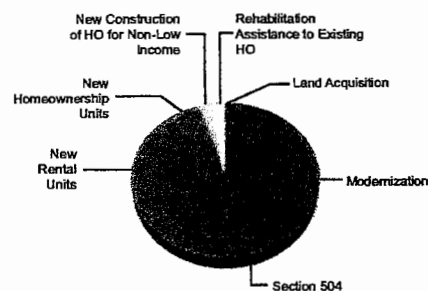


According to the five-year expenditure plan, the Navajo Housing Authority's (NHA) spending goal for FY 2014 was \$155 million. The organization made significant progress and is pleased to announce that it has met 95 percent of its goal by spending \$146.3 million by September 30, 2014. The previous year (FY 2013), the NHA spent a total of \$142 million. Achieving this high level of spending demonstrates that NHA is consistently expending its funds at a higher rate, which is in line with our plan.

In accordance with proper planning, management and operation of NAHASDA housing funds, NHA spent the funding in the following categories: Planning and Administration, Fleet and Facilities, Housing Management, Development and Construction, and Housing Providers. The diagrams below show detailed information of NHA's actual expenditures in FY 2014 for each category.

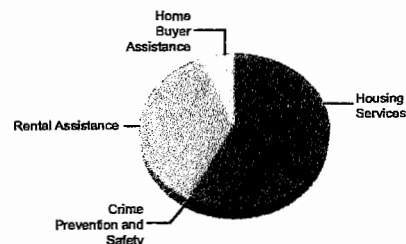
Development and Construction - \$92.5 million

This category details NHA's in-house construction activities, which includes activities like Transitional and Groups Homes, Modernization of older housing units built prior to 1996; and Upgrading housing and facilities to meet accessibility standards.



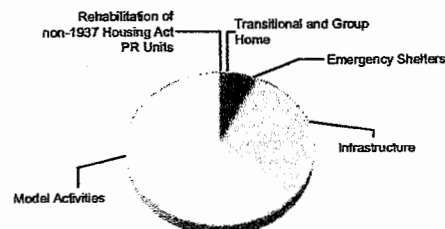
Housing Management - \$646,557

Funding is set-aside to provide housing and resident services to make NHA communities a safe and quality environment. Funds are provided for such items as playgrounds, motion sensor lights at NHA field offices, street lights, fencing, security guard services, relocation of tenants during renovation or modernization, and public rental assistance.



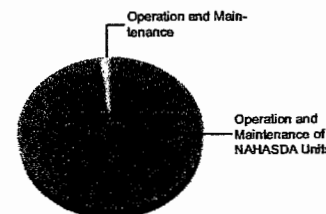
Housing Providers - \$21.6 million

This category includes projects being developed by local independent organizations who receive NAHASDA funds through a grant from NHA. These projects include housing for Chinle Nursing home, 148 bathroom additions, Little Folks Day Care Center, 3 Boys and Girls Clubs, Kayenta Women's Shelter, and planning/construction services for various projects throughout Navajo.



Fleet Facilities - \$16 million

NHA is responsible to operate and maintain 8,500 housing units and 437 existing development sites that have been deferred over the years since 1998 and now require major repair and improvement work. (21 units total).



*Numbers reflected are the best estimate available as of September 30, 2014. Final numbers will not be available until HUD has completed its final review.