

LEGISLATIVE SUMMARY SHEET

Tracking No. 0144-17

DATE: April 19, 2017

TITLE OF RESOLUTION: 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

PURPOSE: The purpose of this legislation is to require an immediately reselection and confirmation of the Navajo Housing Authority Board of Commissioners.

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
23rd NAVAJO NATION COUNCIL - Third Year, 2017

INTRODUCED BY



Primary Sponsor

TRACKING NO. 0144-17

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

1 on February 1, 2017 and the Navajo Nation President signed CJA-13-17 on February
2 10, 2017.

3 B. CJA-13-17 stated that "One hundred and twenty days, after 6 N.N.C. § 605, 606 and
4 618 is amended through this legislation, is sufficient time for selection and
5 confirmation of the Navajo Housing Authority Board of Commissioners using the
6 new qualification criteria. Commissioners of the current Navajo Housing Authority
7 Board of Commissioners may apply for positions after the amendments to the
8 qualifications of Navajo Housing Authority Board of Commissioners have been
9 enacted." *See* CJA-13-17, Findings, (D).

10 C. CJA-13-17, Effective Date, states, "The Act enacted herein shall be effective 120
11 days after the Navajo Nation President signs it into law or 120 days after the Navajo
12 Nation Council overrides the Navajo Nation President's veto of the resolution." *See*
13 CJA-13-17, Section Four, Effective Date.

14 D. Recent investigative reports found that Navajo Housing Authority spent \$152 million
15 recently to build 26 new homes. More examples of misspent funds were described in
16 the investigative reporting by the Arizona Republic. *See* Arizona Republic article
17 dated December 14, 2016, attached as **Exhibit A**.

18 E. The Speaker of the Navajo Nation Council, the President of the Navajo Nation and
19 Council Delegate Alton Shepherd signed a letter to the Navajo Housing Authority
20 Board (the "Board") expressing great concern about recent questionable Board
21 activities. The Navajo Housing Authority Board response did not address the serious
22 issues raised by Navajo leadership. The letters are attached as **Exhibits B and C**.

23 F. U.S. Congressional offices have noticed the reports on the ineffective operation of the
24 Navajo Housing Authority and have noticed the questionable activities of the Navajo
25 Housing Authority Board, consequently there are grave concerns of continued
26 funding for housing for Navajo People who are in need homes.

27 G. The Navajo Nation finds and declares that an emergency exists as to the threat of the
28 Navajo Nation's direct services which requires an immediate amendment to CJA-13-
29 17 regarding the timeframe of the selection and confirmation of the Navajo Housing
30 Authority Board of Commissioners; without such an amendment to CJA-13-17 the

1 Navajo Nation will lose millions of dollars that will provide needed homes to Navajo
2 People.

3
4 **Section Three. Amendment**

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

8
9 **Section Four. Effective Date**

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



The Navajo Nation accepted more than \$1 billion for houses. So, where did it go?

THERE HAVE LONG BEEN QUESTIONS ABOUT HOW THE NAVAJO HOUSING
AUTHORITY USED FEDERAL FUNDS FOR TRIBAL NEEDS. BUT WHEN ONE
WOMAN SAW NEW HOUSES GOING UP, SHE HOPED FOR THE BEST. SHE WAS
WRONG. AN ARIZONA REPUBLIC INVESTIGATION FOUND THE AUTHORITY HAS
FAILED IN WAYS ALMOST TOO NUMEROUS TO COUNT.

Craig Harris and Dennis Wagner, The Arizona Republic

SHIPROCK, N.M. — Carletta Begay and her family thought they were getting their big break.

They'd been living in a flat-topped box home on the Navajo Reservation. All six were crammed into a few hundred square feet, paying rent to a local housing corporation.

But one spring, a contractor for the Navajo Housing Authority started work on vacant lots sprinkled throughout the South Shiprock neighborhood. New houses were going up, 91 in all. Begay believed one could be hers.

The project was part of a federal housing-support program that directs hundreds of millions of dollars to tribal communities across the country.

The Native American Housing Assistance and Self-Determination Act, or NAHASDA, took effect in 1998 to ease housing shortages in Indian country. The Navajo Nation, the country's largest tribe and whose reservation is one of the poorest places in America, gets the biggest share — \$1.66 billion since it was enacted.

Despite that, an *Arizona Republic* investigation found the Navajo Housing Authority, the agency responsible for that money, has failed in ways almost too numerous to count.

Among them:

- More than \$100 million has been squandered on projects that never housed anyone. Some housing developments sit empty years after they were built. In the northern Arizona community of Tolani Lake, nearly \$7 million was wasted on igloo-shaped fourplexes that still sit empty.
- Much of the money received for Navajo housing simply sat unspent, collecting until the surplus was so large federal officials began pushing to take it back. Currently, there's close to a quarter-billion dollars sitting in the tribe's federal account.
- Federal pressure to lower the surplus caused the housing authority to go on a spending binge the past several years, yet few homes were built. In 2016, for example, the NHA spent \$152 million, but built just 26 new houses. The majority of the funds was spent on modernizing existing residences.
- Among projects that actually were completed and occupied, many allegedly are plagued with construction problems. In Aneth, Utah, for example, \$3.3 million was spent to build 23 homes that residents claim are beset by construction defects.
- The NHA spent much of its federal money on things that don't directly house anyone. In Fort Defiance, Ariz., about \$6.7 million was spent to open a 17,000-square-foot youth center with a gym and computer room last year.



New homes built by the Navajo Housing Authority often remain empty and end up being vandalized and in disrepair like these fourplexes in Tolani Lake, Ariz.

(Photo: Michael Chow/The Republic)

A low point arguably came in 2007 when HUD investigators determined that the NHA repeatedly allowed misappropriations, price-gouging and excessive delays.

Auditors for the Office of Inspector General found that \$53 million went to 14 housing projects that were either unfinished or never started. Contractors were hired without competitive bids. Procurement codes were ignored. Building inspections were not done. Homes were built without access to roads. Workmanship was so flawed, and building materials so shoddy, some homes were ruled unsafe to inhabit.

Mismanagement led to corruption and chaos, followed by lawsuits and bankruptcies.

Problems did not end after the inspector general's report, despite new NHA leadership and pronouncements about a reform campaign to meet Navajo housing needs.

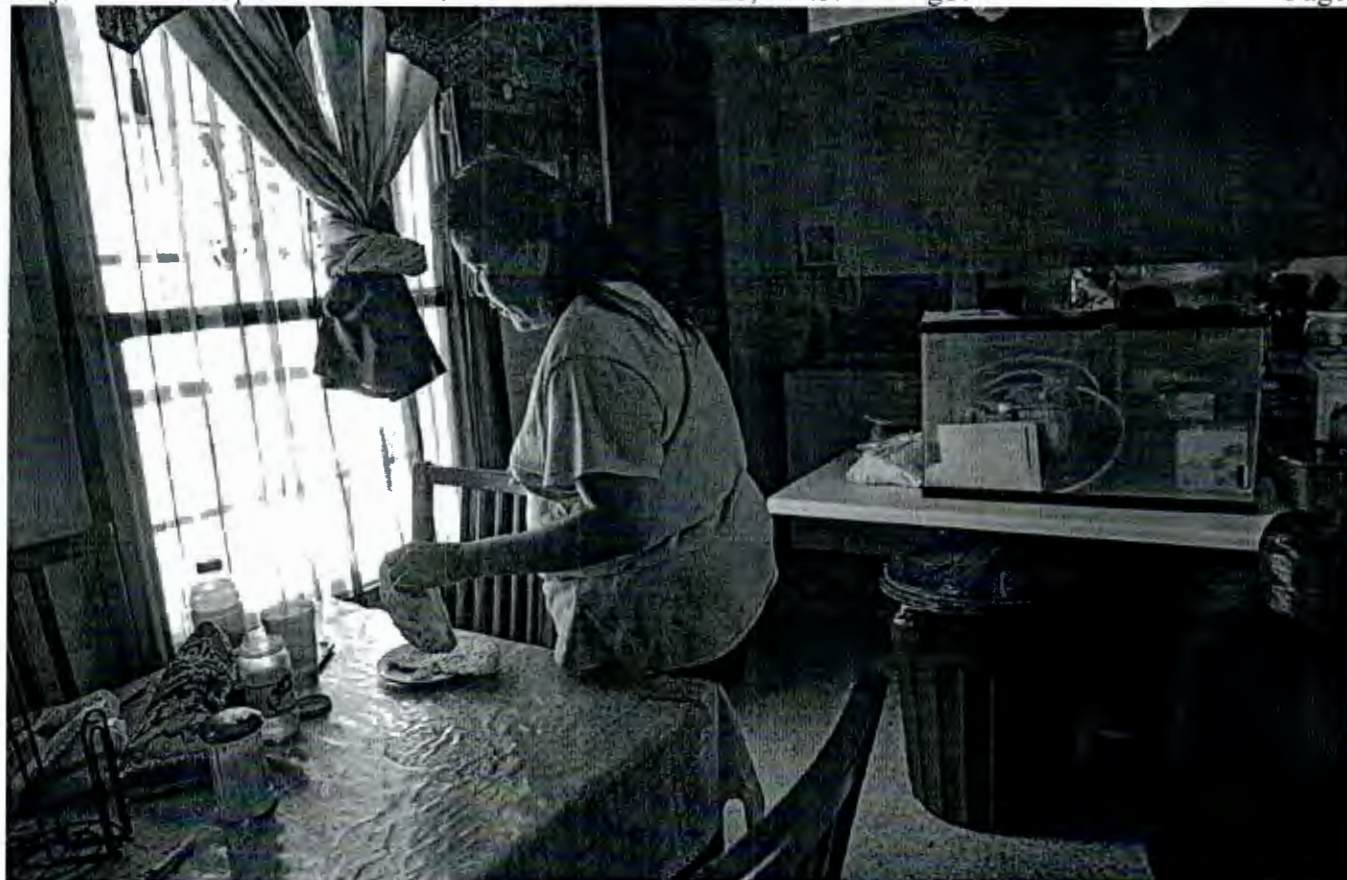
Nearly a decade after the 2007 investigation, there is little to show. Only several hundred new homes have been built.

Over the last several years, HUD has issued fines and rescinded NHA funds. Members of Congress have pushed to cut Navajo housing allocations. And some tribal leaders are now pressing to shut down the agency.

Today, the NHA touts a new vision in pamphlets illustrated with glossy images. Plans call for construction of 200 units near Houck, Ariz., a rural outpost 35 miles west of Gallup, N.M. But after more than two years of talk, no earth has been turned and locals say the proposed project has no water supply.

In terms of sheer waste, however, nothing compares to what happened in Carletta Begay's neighborhood.

A DIRE HOUSING NEED, AND AN AGENCY MEANT TO HELP



Carletta Begay, her husband and four children rent a run-down 750-square-foot house in Shiprock, N.M., where 90 new homes were built, then razed, by the Navajo Housing Authority.
(Michael Chow/The Republic)

Begay's home is so crammed with a table, freezer and TV that the washing machine stands next to the kitchen stove. There's no room for a full sofa. Baseboards peel, windows don't shut, and some interior panels are held up with duct tape.

To say that many Navajos live this way would be an understatement.

On the reservation, a swath of real estate the size of West Virginia and home to more than 173,000 people, housing arrangements are more a function of fate than choice.

The poverty rate is 43 percent, double that of Mississippi, which is worst among the 50 states. Navajo unemployment hovers at 42 percent — six times that of Alaska, the highest among the states. The median household income of \$20,005 is so low that nearly every Navajo family qualifies for food stamps.

Tourists from around the world flock here to see the Monument Valley, Painted Desert and Canyon De Chelly, mostly overlooking the families living in distant hogans and dilapidated government housing. Navajos often take what is handed down or available for housing, because of the high unemployment and low-wage jobs.

Navajo Nation: By the numbers

The Navajo Nation is home to the largest Native American tribe in the United States. The Navajo Reservation extends into Arizona, New Mexico and Utah, covering more than 27,000 square miles, about the size of West Virginia.



173,000

Tribal members living on the Navajo Reservation.



43 percent

Begay's family had some stability. Her husband's truck-driving job produced regular income. But they stayed in their drafty two-bedroom rental.

In Shiprock, an outpost where dogs and horses roam the streets, there were few other alternatives. And what is available isn't much better than Begay's home.

In far-flung tribal communities, scattered across mesas and prairies, thousands of Navajos haul water by hand to houses where they keep warm beside wood stoves.

Fewer than half of all homes have finished bathrooms or kitchens. More than one third have no electricity. Some homes glow at night with kerosene lanterns in places where power lines never were strung.

Because most reservation land is held in federal trust, it can't be easily bought or sold, so there's little mechanism for private builders to invest in new housing developments. Even if families have means, most of the Navajo Reservation is far from construction resources.

Federal dollars are allocated each year to address those needs.

When Congress began channeling new money to tribes in 1998, the NHA took responsibility for spending it on the Navajo Reservation.

Depending on family size, tribal members with household incomes below \$40,000 are generally eligible for NHA rental subsidies or homebuying assistance.

Many qualify. But potential occupants need to earn enough to pay rent or a mortgage, and utilities.

Applicants say it can take years — sometimes more than a decade — to get a place.

Hundreds are on waiting lists. Few get new homes.

And to many, the Housing Authority seems like one more impenetrable bureaucracy.

Skepticism is pervasive.



Carletta Begay's three-bedroom home in South Shiprock, N.M., is too small for her family of six.

(Photo: Michael Chow/The Republic)

When Begay first heard, around 2004, that the NHA was coming to South Shiprock with money and plans, she might have resigned herself to disappointment.

And yet, that year, there was progress.

Ninety-one new houses began to take form right outside her window.

As the new dwellings arose, so did an idea. People in the neighborhood would apply for the houses, to buy them, rent them, somehow. And Begay's family might get one.

She could finally find a way to move up in Shiprock.



Carletta Begay, seen here with her granddaughter, Kanzebah Begay, 2, says their home is cramped, leaky and in constant need of repairs.
(Michael Chow/The Republic)

An old sign at the entrance to Begay's neighborhood announces "South Shiprock Estates and Gardens." But there are no obvious gardens, no homes that would reasonably be called estates.

The development always had more of a feeling of being half-built, half-abandoned.

Cars and trucks pulled up to dirt front yards. Empty lots pockmarked the place.

Though everybody lives on a road, none of the homes has ever had a street address. Nobody ever bothered to put up street signs.

With new houses going in, though, it was easy to picture things changing.

Begay saw gleaming appliances, plumbing fixtures, sinks and cabinets going into the homes.

And whoever got them would have something special: Each house came with its own driveway, fresh concrete poured right from the curb, leading up to its two-car garage.

Maybe, Begay thought, when all the homes were done, there would even be street signs.

HOUSING NEEDS MULTIPLY DESPITE 18 YEARS OF FUNDING

The idea of federal housing assistance for Indian tribes is rooted in two centuries of history.

From the earliest days of the colonies, Native Americans were subjugated, their lands and homes often taken. Many tribes ultimately were assigned to reservations.

The U.S. government accepted a "trust responsibility" for what now are 566 federally recognized Indian tribes. Those obligations include dwellings, and for decades the government funneled money to tribes through the U.S. Department of Housing and Urban Development.

The funding system changed in the 1990s after news media investigations and congressional oversight of HUD exposed financial scandals involving abuse and mismanagement throughout Indian country.

What emerged was NAHASDA.

In 1998, when HUD first started issuing block grants to tribes, the Navajo Housing Authority estimated nearly 21,000 families on the reservation needed new homes.

More than a decade later, despite hundreds of millions of tax dollars spent, a housing survey concluded the Navajo Nation needs 34,100 new units and another 34,300 refurbishments.

"This housing is lower quality than tents or shacks, and may be interpreted to indicate a possibly desperate situation," concluded the 2011 report by RPI Consulting of Colorado.

The Republic reviewed housing records from the NHA to calculate how many homes have actually been built since 1998. In the final accounting, it was clear why the numbers weren't getting better.

The Housing Authority had been spending money for 18 years to chip away at the need.

And each year, on average, it built 235 dwellings. Not one home or rental unit was built from 2008 to 2011.



Aneva Yazzie, chief executive of the Navajo Housing Authority.
(Photo: Michael Chow/The Republic)



NHA Chief Executive Aneva "AJ" Yazzie was appointed in 2007, inheriting what she says was a dysfunctional organization.

An industrial engineer with federal and state housing experience, Yazzie was raised on the reservation in a two-room homestead with no running water or electricity.

After nine years as the NHA's leader, she says the lack of progress stems from entrenched obstacles to tribal development, but also from HUD's failed oversight prior to her administration.

Projects were in such disarray she put a temporary moratorium on building. And then it took years to evaluate the tribe's housing needs, reform the NHA, plan for the future and clean up old messes.

"There's a process, yet I keep doing the Whac-A-Mole," Yazzie says. "It's been a constant crisis mode. ... I wanted to quit so many times. I thought, 'I've gotten in too deep.' I just kept trudging forward."

The bottom line: No more than 758 residences have been built under Yazzie's leadership, records show.

SO MUCH MONEY, SO LITTLE PUT TO USE

New residences accounted for about 30 percent of the NHA's spending.

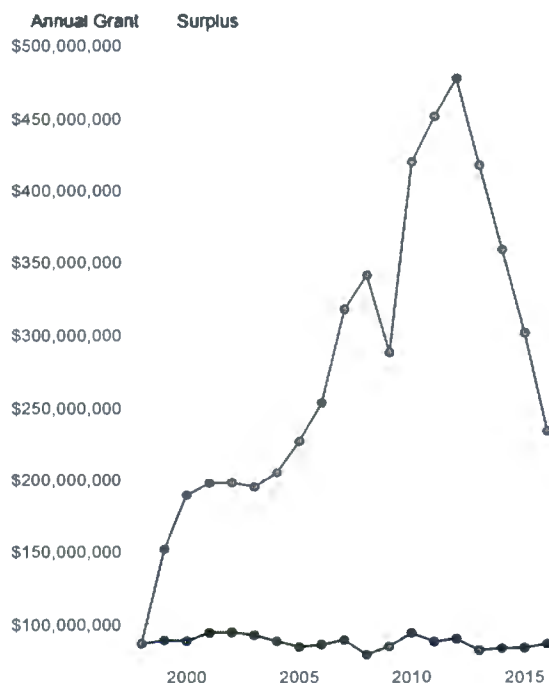
The rest of the money spent went to new administrative offices, planning, youth facilities and to refurbish or maintain existing NHA homes across the reservation.

But much of the cash languished, unspent.

Each year, tribes must tell federal authorities how much of their NAHASDA money they plan to spend and save, partly to ensure the funds are properly used.

Nearly two decades of financial reports show the NHA misreported its anticipated spending year after year by tens of millions of dollars.

The Navajo Housing Authority says nearly 34,000 new homes are needed on the reservation. Here's a breakdown of annual U.S. Department of Housing and Urban Development block grants to the NHA and the running surplus that has accrued since 1998, when a new block grant program began.



*2016 surplus figure as of Nov. 1

Source: HUD

Created with [Datawrapper](#)

In 2011, for example, the NHA projected expenditures of \$88 million — all of that year's federal housing allotment. But in a follow-up, the authority reported "no activities or projects have been implemented."

Some tribes intentionally accrue funding while they plan major developments. But none comes close to the Navajo Housing Authority's surplus. At one point, it had amassed nearly \$500 million.

The most recent federal records available show tribes nationwide had a combined \$787 million of unspent housing funds as of early September.

Tomasita Duran, executive director of the Ohkay Owingeh Housing Authority in northern New Mexico, said the Navajo surplus remains a sore point with some smaller Indian nations that have to cobble HUD money together with other funds just to build a few homes.

"It's a little frustrating when you hear about the Navajos, with their millions that they get and the money not being spent," Duran said. "We understand there is a dire need and they are much larger than other tribes, but for the amount of money they are getting, why are their needs not met?"

Yazzie said the NHA has a plan to spend down the entire surplus, which was drawn down to \$234 million as of early November. She noted that \$152 million was expended this past year.

The NHA's 2016 annual report, filed in early December, does not have precise breakdowns of how much was spent on each housing project and there is not a detailed budget on how nearly \$15 million was spent for planning and administration.

One significant investment was expected to be a 200-home community in Houck, where the NHA is planning a grand neighborhood of single-family houses, apartments, group homes, parks, trails and a community center.

A groundbreaking ceremony was staged in August 2014, and construction was supposed to start last year. But the Houck project is behind schedule and on hold.

Locals say there's no drinkable water supply, and few qualified Navajos have shown an interest in moving to a rural outpost with no jobs or stores.

Yazzie said the design phase of the development is 95 percent complete, and the infrastructure is sufficient for electrical and water needs.

As unspent funds built up, so did the ire of some members of Congress.

They demanded to know why the money was not being used. And, unsatisfied with the answers, some pushed legislation to cut the Navajos' allocation and give more to other tribes.

"How can cash just be sitting in their account for years? Who is that helping?" asks Rep. David Schweikert, R-Ariz.

Some Tribal Council members also lost patience, in part because of threatened federal cutbacks, but also because they've seen people like Begay suffer from decade-long housing waits — if they bothered applying.

"We're not spending money for things we need — desperately need — and those are homes," says Navajo Nation President Russell Begaye, who grew up in Shiprock.

"No more excuses. No more saying it's because of deadlines or because of federal regulations," Begaye said. "Build those homes."

The NHA previously has survived efforts by the Tribal Council to take over housing funds and development. This year, delegates introduced another measure. It calls for the removal of the NHA as the tribe's federally designated housing entity, effectively shutting down the organization. However, it has not passed.

HUD Secretary Julian Castro recently told *The Republic* he looks forward to



Though the Navajo Housing Authority held a ribbon-cutting ceremony in 2014, construction has not yet begun on the Bluestone Development near Houck, Ariz.

(Photo: Michael Chow/The Republic)

PUBLIC HEARING

A public hearing on the future of the Navajo Housing Authority and who will manage about \$85 million a year in federal housing funds is scheduled for 9 a.m. Wednesday at the Navajo Nation Museum in Window Rock.

Legislation that has moved through the Navajo Nation Council would strip the NHA's status as the tribally designated housing entity accepting U.S. Department of Housing and Urban Development funds. Federal dollars would instead flow to the tribe's Division of Community Development. Tribal leaders have become frustrated with NHA's inability to build more homes on the sprawling reservation.

"I believe the Navajo Nation wants to do the right thing," Castro said. "They have taken some steps to do the right thing ..."

Rick Lazio, a former New York congressman who wrote the NAHSDA legislation, said it's brought progress to Indian country, but not without stumbles.

"NAHSDA is a significant step forward, but there are still huge underlying problems," Lazio said. "There's still not a lot of experience in terms of building a public infrastructure that is accountable and works."

Lazio, now an affordable-housing lawyer, said the Navajos could use some outside experts on training and technology.

ENDLESS WAIT FOR A NEW HOUSE IN SHIPROCK



Carletta Begay looks out at vacant land around her home. She hoped to live in one of the 91 homes built nearby by the Navajo Housing Authority. Instead, they were torn down amid litigation and safety issues.
(Michael Chow/The Republic)

Sometime after the colorful roofs went up and garage doors were hung in Shiprock Estates, construction suddenly stopped.

Carletta Begay wondered, what's going on?

In the background, far from her neighborhood, an audit and a criminal case unfolded.

HUD's inspector general was investigating then-NHA Executive Director Chester Carl, who ran the agency for more than a decade before Yazzie.

In 2009, a federal grand jury indicted Carl as well as William Aubrey, who owned Lodgebuilder Inc., the company that built the homes in Shiprock and elsewhere.

Prosecutors alleged Aubrey diverted federal money from the housing projects to himself, using it for gambling, horse racing, furs, jewelry and for paying bribes to Carl.

The NHA shut down the Shiprock project, \$11.75 million already spent.

Aubrey was found guilty of misappropriating funds and was sentenced to 4½ years in prison. Carl denied taking payoffs and was acquitted.

The houses sat empty.

After a while, crews put up chain-link fences to keep trespassers out. Vandals broke in anyway.

The new toilets and plumbing fixtures were carted off, stolen one by one. Teenagers skipping class used the houses as hangouts.

Squatters moved in, escaping the cold. Fires started. Some houses burned down. Others stood, charred shells of a project.

Begay was bewildered why so many houses were mostly built and then just abandoned. What if they had let families move in and finish the work themselves? What was going to happen to them?

One day a few years ago, she looked out across the neighborhood and saw what the Housing Authority was going to do with the houses.

Bulldozers had arrived.

IN THE END, ONLY ONE HOME STANDING



The home on the left is the only one of 91 built by the Navajo Housing Authority in Shiprock Estates that was left standing. It was remodeled and occupied following a fire.
(Michael Chow/The Republic)

Crews knocked down the stucco walls and the garage doors and hauled away the debris. They dug the water lines out of the ground. They tore out the concrete foundations.

They bladed everything down to the dirt, including driveways.

Begay wondered why they didn't even leave a concrete slab. It could have been used as a basketball court.

By the time the NHA was finished tearing down the houses, it had spent another \$1 million on demolition.

Yazzie, the NHA director, said it had to be done: The homes were in such bad shape they were a potential health hazard to the community.

HUD eventually assessed a nearly \$12 million penalty, saying the NHA failed to use the money as required for "eligible affordable housing activities."

The Housing Authority paid that penalty in the face of a HUD threat to involve the Justice Department.

In a 2014 letter to HUD, Yazzie protested, "There is no genuine effort to truly understand the unique and difficult issues we face, nor is there a sincere attempt to come up with a better workable solution."

Today, a single house with a slanted roof and garage remains in Shiprock Estates. Among the 91 erected years ago, this one was rebuilt with insurance money after a fire. Today, it stands as a lone reminder of what might have been.

According to HUD records, the family living there does not qualify for low-income housing.

Begay, her husband and four daughters had moved across the neighborhood in 2006 to another flat-roofed rental, where termites crawl up through holes in the floor. They still live there, paying \$650 a month to the project manager.

Out her back window, Begay sees bare earth where several of the 90 homes once stood.

She leads a tour of the area. All that remains are curb cuts, hints of driveways that once were there.

No one ever put up street signs.

"They should have stuck with the plan," Begay says. "Instead, they just got everyone's hopes up. ... A total waste."

Reach the reporters at craig.harris@arizonarepublic.com (<mailto:craig.harris@arizonarepublic.com>) and on Twitter [@charrisazrep](https://twitter.com/charrisazrep) (<https://twitter.com/charrisazrep>), and dennis.wagner@arizonarepublic.com (<mailto:dennis.wagner@arizonarepublic.com>) and on Twitter [@azrover](https://twitter.com/azrover) (<https://twitter.com/azrover>).

NEXT: WHY IT'S HARD TO BUILD HOMES ON NAVAJO NATION  ([HTTP://AZC.CC/2HYCUSX](http://azc.cc/2HYCUSX))

THE NAVAJO HOUSING TRAGEDY ([HTTP://WWW.AZCENTRAL.COM/PAGES/INTERACTIVES/NAVAJO-HOUSING/](http://www.azcentral.com/pages/interactives/navajo-housing/))

[Who to Contact \(http://azc.cc/2gDfia8\)](http://azc.cc/2gDfia8) | [About the Series \(http://azc.cc/2hHBhlx\)](http://azc.cc/2hHBhlx)



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

A handwritten signature in black ink, appearing to read "Russell Begaye".

Russell Begaye, *President*

A handwritten signature in black ink, appearing to read "LoRenzo Bates".

LoRenzo Bates, *Speaker*
23rd Navajo Nation Council

A handwritten signature in black ink, appearing to read "Anton Joe Shepherd".

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

NHA Hooghan—Center of Family Growth, Strength and Beauty NAVAJO HOUSING AUTHORITY

April 18, 2017

EXHIBIT

C

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.

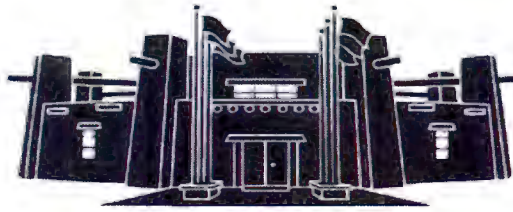
Electronic letter to the NHA Board of Commissioners
April 18, 2017
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As we near the end of our five-year expenditure plan, we trust that our progress made and reforms undertaken serve as evidence of our good stewardship and dedication to continuous improvement. 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

A handwritten signature in black ink, appearing to read 'Aneva J. Yazzie', is written over the printed name.

Aneva J. Yazzie
Chief Executive Officer



MEMORANDUM

TO: Hon. Jonathan Hale
23rd Navajo Nation Council

FROM: 
Levon B. Henry, Chief Legislative Counsel
Office of Legislative Counsel

DATE: April 19, 2017

SUBJECT: 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

Pursuant to your request, attached is the above-referenced proposed resolution and associated legislative summary sheet. Based on existing law, the resolution as drafted is legally sufficient. However, as with all legislation, it is subject to review by the courts in the event of a challenge.

The Office of Legislative Council confirms the appropriate review is with the Navajo Nation Council. Nevertheless, "the Speaker of the Navajo Nation Council shall introduce [the proposed resolution] into the legislative process by assigning it to the respective oversight committee(s) of the Navajo Nation Council having authority over the matters for proper consideration." 2 N.N.C. § 164(A)(5).

Please review the proposed resolution to ensure it is drafted to your satisfaction. If this proposed resolution is acceptable to you, please sign it where it indicates "Prime Sponsor", and submit it to the Office of Legislative Services for the assignment of a tracking number and referral to the Speaker.

If the proposed resolution is unacceptable to you, or if you have further questions, please contact me at the Office of Legislative Counsel and advise me of changes you would like made to the proposed resolution. You may contact me at (928) 871-7166. Thank you.