

THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT



August 14, 2022

Hon. Seth Damon
Office of the Speaker
Post Office Box 3390
Window Rock, AZ 86515

RE: CJY-35-22, *An Act Relating to the Resources and Development, Budget and Finance and Naabik'iyáti Committees, and to the Navajo Nation Council; Allocating \$4,100,000 from the Sihasin Fund for a Proposed Apartment/Multipurpose Complex in Navajo, New Mexico; Approving the Related Expenditure Plan Pursuant to 12 N.N.C. § 2501 - § 2508*

Dear Speaker Damon,

The housing needs of the Navajo Nation continue to grow as our population increases and infrastructure and community development projects are starting up due to the Nation receiving and allocating the American Rescue Plan Act funds. This surge in development also requires an increased workforce to support implementation of these projects. In the past, the lack of adequate housing has discouraged our skilled workers and professionals from accepting employment on the Nation.

We appreciate the work of the Navajo Nation Council and the Navajo Townsite Community Development Corporation for their work and vision to provide affordable housing for the community of Navajo, New Mexico, and rentals for families that are not eligible for income based housing. Rentals of this kind are severely lacking on the Nation.

The closure of the Navajo Forest Products Industry in Navajo left many vacant housing units that were once occupied by their employees. The proposed development envisions a renewal of the community of Navajo and supports the high demand for rental units needed for our growing workforce. For these reasons we are approving the Sihasin allocation of \$4,100,000 for the proposed housing complex. I sign CJY-35-22 into law.

Sincerely,


Jonathan Nez, President
THE NAVAJO NATION


Myron Lizer, Vice President
THE NAVAJO NATION

RESOLUTION OF THE
NAVAJO NATION COUNCIL
24th NAVAJO NATION COUNCIL - FOURTH YEAR, 2022

AN ACT

RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO NATION COUNCIL; ALLOCATING \$4,100,000 FROM THE SÍHASIN FUND FOR A PROPOSED APARTMENT/MULTIPURPOSE COMPLEX IN NAVAJO, NEW MEXICO; APPROVING THE RELATED EXPENDITURE PLAN PURSUANT TO 12 N.N.C. § 2501 - § 2508

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources and Development Committee is a standing committee of the Navajo Nation Council with oversight authority over all 110 Navajo Nation Chapters. 2 N.N.C. § 500(C) and 26 N.N.C. § 102.
- B. The Budget and Finance Committee is a standing committee of the Navajo Nation Council with the responsibility to "review and recommend to the Navajo Nation Council the budgeting, appropriation, investment and management of all funds." 2 N.N.C. § 301(B)(2).
- C. The Naabik'íyáti' Committee is a standing committee of the Navajo Nation Council that considers all proposed final actions by the Navajo Nation Council. 2 N.N.C. § 164(A)(9).
- D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102(A). As such, the Council may approve appropriations from the Navajo Nation's Síhasin Fund.
- E. 12 N.N.C. § 2502, as amended by CJA-03-18, states the purpose of the Navajo Nation Síhasin Fund ("Síhasin Fund") as follows:

§ 2502 Purpose

- A. The purposes of this Fund are to provide financial support and/or financing for:
 - 1. The planning and development of economic development and regional infrastructure supporting economic development and community development, including such infrastructure as, but not limited to, housing, commercial and government buildings, waterline, solid waste management development, powerline projects, and

transportation and communication systems, within the Navajo Nation; . . .

- B. For the Purpose in § 2502(A)(1), Fund expenditures for infrastructure shall not be limited by 12 N.N.C. § 1310(F) or TCDCJY-77-99.
- C. Leveraging the Fund by way of guaranteeing loans, match funding, direct funding in part, and other weighted uses of the Fund, including loan financing from the Fund, for the purposes in § 2502(A)(1), shall be favored over direct funding in whole.
- F. The Síhasin Fund provides that "Fund Principal" shall consist of all deposits made to the Síhasin Fund and that "Fund Income" shall consist of all earnings (interest, dividends, etc.) generated and realized by the Fund Principal, and that Síhasin Fund Income shall be deposited in, and added to, the Fund Principal until such time as a Fund Expenditure Plan is duly approved. 12 N.N.C. § 2504 and § 2505(C).
- G. The Síhasin Fund provides that "Fund Principal and Income shall not be expended except pursuant to a Fund Expenditure Plan consistent with the purposes set forth in § 2502 of this Chapter and adopted by a two-thirds (2/3) vote of all members of the Navajo Nation Council." 12 N.N.C. § 2505(A).

SECTION TWO. FINDINGS

- A. The Navajo Townsite Community Development Corporation ("NTC") is a nonprofit corporation duly established in 1989 under the laws of the Navajo Nation. EXHIBIT A. NTC received a Certificate of Good Standing under the Navajo Nation Corporation Code on December 7, 2021. EXHIBIT B. The U.S. Internal Revenue Service has verified that NTC is exempt from federal income tax under 26 U.S.C. § 501(c)(3). EXHIBIT C.
- B. NTC holds Lease No. FD-99-702 located in Navajo, New Mexico, comprising 14.969 acres in "Tract B," approximately 3 acres of which contain existing utility infrastructure. A copy of Navajo Nation Council Resolution No. CD-112-98 that approved Lease No. FD-99-702, as well as a copy of the Lease, is attached hereto as EXHIBIT D.
- C. NTC's purposes, among others, is to address the problems of the Navajo and Red Lake communities by seeking out and implementing housing initiatives for area families. Consistent with its goals, NTC is requesting \$4,100,000 in Síhasin funds for the planning, design, and construction of a 25-unit multi-

family apartment/multipurpose complex (the "Project") that will be built on the undeveloped 3+ acres within Tract B of NTC's Lease No. FD-99-702. **EXHIBIT E.**

- D. NTC has prepared a Project Summary, attached hereto as **EXHIBIT F.** NTC explains that its proposed Project will provide modern, safe, and affordable housing to families in the Navajo and Red Lake communities.
- E. NTC has prepared a comprehensive Project white paper, titled "Red Clay Hill Multi-Family, Mixed-Income Housing Complex and the Demolition of Blighted Housing Units within the Community of Navajo, New Mexico." This paper provides detailed information regarding the housing issues within the Navajo and Red Lake communities, and shows the Project's proposed budget and planned expenditures. **EXHIBIT G.**
- F. The Red Lake Chapter, in Resolution No. RLC-01-22-01, has indicated its full support for the Project and for NTC's Síhasin funding request. **EXHIBIT H.**
- G. Allocation of the requested \$4,100,000 from the Síhasin Fund meets the criteria for Síhasin expenditures because the proposed expenditures by NTC are for "housing" and "community development" as described in 12 N.N.C. § 2502(A) (1).
- H. Given the dire need for housing in the Navajo and Red Lake communities, the Navajo Nation finds that providing the \$4,100,000 in Síhasin Funds for NTC's proposed housing Project is in the best interest of the Navajo Nation and the Navajo People.

SECTION THREE. ALLOCATING \$4,100,000 IN SÍHASIN FUNDS FOR THE PROPOSED APARTMENT/MULTIPURPOSE COMPLEX IN NAVAJO, NEW MEXICO; APPROVING THE RELATED EXPENDITURE PLAN PURSUANT TO 12 N.N.C § 2501 - § 2508

- A. In accordance with 12 N.N.C. § 2505(A), the Navajo Nation hereby allocates \$4,100,000 from the Síhasin Fund to the Navajo Townsite Community Development Corporation for the planning, design, and construction of its proposed 25-unit multi-family apartment/multipurpose complex to be built in the Red Lake Chapter in Navajo, New Mexico on Tract B of its Lease No. FD-99-702.
- B. The \$4,100,000 approved herein may be further leveraged by bond or loan financing pursuant to the Navajo Nation Bond Financing Act (12 N.N.C. § 1300 *et seq.*, as amended), using Síhasin Fund earnings for repayment and financing costs, upon approval of

the Budget and Finance Committee and upon further approval by a two-thirds (2/3) vote of the full membership of the Navajo Nation Council.

- C. The Controller shall determine whether the source of the \$4,100,000 approved herein will be Síhasin Fund Principal or Síhasin Fund Income, or a combination of both.
- D. The Navajo Nation hereby approves the Expenditure Plan for NTC's proposed Project, as described in the attached EXHIBITS E - G.
- E. Starting no later than thirty (30) business days after the effective date of this Act, the Controller shall begin releasing the \$4,100,000 in Síhasin funds to NTC, provided that an appropriate grant agreement, memorandum of agreement, or other legal document establishing a project schedule, payment or drawdown plan, fund management plan, or other relevant procedures, has been agreed to by the Controller and is executed by NTC and the Navajo Nation.
- F. The \$4,100,000 in Síhasin funds shall be used by NTC strictly for the planning, design, and construction of its proposed Project, as described in the attached EXHIBITS E - G. NTC shall be responsible for complying with the Expenditure Plan detailed therein and with all provisions of the agreement described in Section Three (E) above.
- G. As a condition of receiving the Síhasin funds from the Navajo Nation, NTC shall allow the Navajo Nation full access to its financial records related to the \$4,100,000 for the purpose of the Navajo Nation's review and audit of NTC's expenditures of Síhasin funds on its Project.
- H. The NTC shall submit written reports, and verbal reports if so requested, to the Resources and Development Committee and the Budget and Finance Committee and to the Naabik'íyáti' Committee, which reports shall explain the progression and status of NTC's Project activities and its expenditures of the approved Síhasin funds. Such reports shall be provided by the end of each Fiscal Year Quarter until NTC's Project is completed or the entire \$4,100,000 in Síhasin funds is exhausted.
- I. Any and all savings or unused amounts of the Síhasin funds approved herein shall be immediately returned to the Síhasin Fund Principal once NTC's expenditures for the Project are completed, or upon the reversion deadline in Section Three (J) below.

- J. The \$4,100,000 shall not lapse on an annual basis, which would otherwise occur pursuant to 12 N.N.C. § 820(N). However, any Síhasin funds not spent or encumbered within twenty-four (24) months of the effective date of this Act shall then revert to the Síhasin Fund Principal, unless otherwise approved by the Navajo Nation Council.
- K. The Síhasin Fund shall be reimbursed the \$4,100,000 amount approved herein, from funds available to the Navajo Nation from any and all state and federal sources, including Congressional appropriations under the American Rescue Plan Act of 2021 or other COVID-19-related relief, so long as NTC's expenditures described herein are deemed eligible under such COVID-19-related or other funding sources.

SECTION FOUR. EFFECTIVE DATE


This Act and the approved Expenditure Plan shall be effective pursuant to 12 N.N.C. § 2505.

SECTION FIVE. SAVING CLAUSE

If any portion of this Act is invalidated by the Supreme Court of the Navajo Nation, or by any Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, the remainder of this Act shall be the law of the Navajo Nation.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the 24th 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 21 in Favor, and 00 Opposed, on this 26th day of July 2022.


Honorable Eugenia Charles-Newton, Speaker Pro Tem
24th Navajo Nation Council

8/5/22
DATE

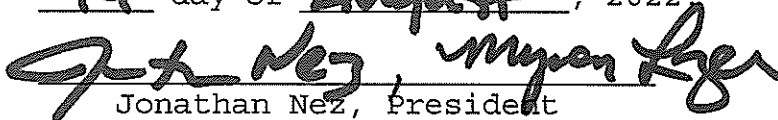
Motion: Honorable Nathaniel Brown

Second: Honorable Herman M. Daniels, Jr.

Speaker Pro Tem Eugenia Charles-Newton not voting

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 14 day of August, 2022.


Jonathan Nez, President
Navajo Nation

2. I, hereby, veto the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C)(11), on this _____ day of _____, 2022 for the reason(s) expressed in the attached letter to the Speaker.

Jonathan Nez, President
Navajo Nation

3. I, hereby, exercise line-item veto pursuant to the budget line-item veto authority delegated to the President by vote of the Navajo People in 2009, on this _____ day of _____, 2021.

Jonathan Nez, President
Navajo Nation



NAVAJO NATION CORPORATION CODE

CERTIFICATE OF INCORPORATION

To all to Whom these Presents Shall Come, Greeting:

I, the Director of the Real Estate Management Department, DO HEREBY CERTIFY that

NAVAJO TOWNSITE COMMUNITY DEVELOPMENT CORPORATION

a NON-PROFIT CORPORATION organized under the laws of the jurisdiction of the Navajo Nation, was on the 24th day of January, 19 89, authorized to transact business within the Navajo Nation as a NON-PROFIT CORPORATION.

I FURTHER CERTIFY that this corporation has filed all affidavits and paid filing fees required to date and, therefore, is in good standing within the Navajo Nation.

FILE NO.: 100055



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Navajo Nation Corporation Code.

Done at Window Rock, the Capital of the Navajo Nation, this 24th day of January, 19 89 A.D.

Mie C. Sanderson

Director, Real Estate Management Department
Commission for Accelerating
Navajo Development Opportunities



NAVAJO NATION CORPORATION CODE

CERTIFICATE OF GOOD STANDING

To all to Whom these Presents Shall Come, Greetings:

I, the Director of the Business Regulatory Department, DO HEREBY CERTIFY
that
NAVAJO TOWNSITE COMMUNITY DEVELOPMENT CORPORATION

File Number: 100055

a Corporation organized under the laws of the Navajo Nation Corporation Act, did
incorporate on January 24th, 1989

I FURTHER CERTIFY that this corporation has filed all affidavits and annual
reports and has paid all annual filing fees required to date and, therefore, is in good
standing within the Navajo Nation.



IN WITNESS WHEREOF, I have hereunto set
my hand and affixed the official seal of the
Navajo Nation Corporation Code. Done at
Window Rock, Arizona, the 7th Capital of the
Navajo Nation, this
day of December, 2021 A.D.

[Signature]
Notary Public

Director, Business Regulatory
Division of Economic Development

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JUL 07 2015

NAVAJO TOWNSITE COMMUNITY
DEVELOPMENT CORPORATION
PO BOX 876
NAVAJO, NM 87328

Employer Identification Number:
85-0384053
DLN:
17053137304046
Contact Person:
RICHARD COMBS ID# 31024
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
September 30
Public Charity Status:
509(a)(2)
Form 990/990-EZ/990-N Required:
Yes
Effective Date of Exemption:
February 15, 2015
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

Based on the information you submitted with your application, we approved your request for reinstatement under Revenue Procedure 2014-11. Your effective date of exemption, as listed at the top of this letter, is retroactive to your date of revocation.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar

Letter 947

NAVAJO TOWNSITE COMMUNITY

to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Sincerely,



Jeffrey I. Cooper
Director, Exempt Organizations
Rulings and Agreements

Request for Taxpayer Identification Number and Certification

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Give Form to the
requester. Do not
send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
Navajo Townsite Community Development Corporation

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC

☐ C Corporation

☐ S Corporation

☐ Partnership

☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ►

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☒ Other (see instructions) ► **501(c)(3)**

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.
P.O. Box 876

6 City, state, and ZIP code
Navajo, New Mexico 87328

7 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			-			-				
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or

Employer identification number

8	5	-	0	3	8	4	0	5	3
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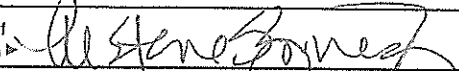
Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here

Signature of U.S. person ► 

Date ► **10/15/2021**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

RESOLUTION OF THE
NAVAJO NATION COUNCIL

The Navajo Nation Council Hereby Approves Of a Master Lease By and Between the Navajo Nation "Lessor", and the Navajo Townsite Community Development Corporation (NTCDC), "Lessee" For the Purpose of Developing a Residential Housing Project On Two Parcels Of Land Situated Within the Townsite Of Navajo, Navajo Nation (New Mexico) Known As Tract "A", Consisting Of Approximately 34.779 Acres Of Land, More Or Less, Located Within the Northeast One-Quarter of Section 1, Township 19 North, Range 21 West and the Southeast One-Quarter Of Section 36, Township 20 North, Range 21 West, N.M.P.M., McKinley County, New Mexico and Tract "B", Consisting Of Approximately 14.969 Acres of Land, More Or Less, Located Within the Northwest One-Quarter Of Section 12, Township 19 North, Range 21 West, N.M.P.M., McKinley County, New Mexico and Authorizing the NTCDC to Lease, Assign, and/or Transfer Lands Within Either Tract "A" or Tract "B" In Order To Accomplish the Assignment Of Leasehold Interest and/or Rental Of Homes To Individual Families Or To Assign Or Long-Term Lease Subdivided Tracts Of Land For Future Construction and Development Of Multi-Family Housing, and/or Single Family Residential Dwellings to Individual Families, and/or Develop Recreational Facilities or Parks on Either Tract "A" or Tract "B" To Support and Enhance the Usage Of the Planned Unit Development

WHEREAS:

1. Pursuant to N.N.C. §102(A), the Navajo Nation Council is the governing body of the Navajo Nation; and

2. Subsequent to the closure of the Navajo Forest Products Industry (NFPI), the Navajo Townsite Community Development Corporation (NTCDC) located in Navajo, Navajo Nation (New Mexico) has been responsible for the administrative responsibilities of the community, securing and managing financing of the community, reviewing and evaluating models for local self-governance for Navajo Townsite as well as the planning and implementation of future economic and social development of the community of Navajo. The NTCDC desires to implement a new residential housing development program for the community of Navajo and its overall development plan for Housing Development Programs will include housing development benefits for the community of Navajo, Navajo Nation (New Mexico) and surrounding forest communities (the Navajo Nation Chapters of Red Lake, Sawmill, Tsaile/Wheatfields, Mexican Springs, Crystal and Lukachukai); and

3. The Navajo Nation Council approves of a Master Lease by and between the Navajo Nation and the NTCDC consisting of two tracts of land situated in Navajo, Navajo Nation (New Mexico) known as Tract "A" and Tract "B" to develop the herein referenced property to meet the growing needs and demands for housing development within the Townsite of Navajo and the Navajo Nation Chapters of Red Lake, Tsaile/Wheatfields, Mexican Springs, Crystal and Lukachukai; and

4. As the designated Developer and Lessee, the NTCDC is in the process of defining the Planned Unit Development and upon completion of same will proceed with the detailed design and engineering for infrastructure and registering of final surveys and subdivisions plats with the appropriate governmental agencies; and

5. It should be noted that the NTCDC is seeking to secure funding from the following sources:

- NHA through NAHASDA development funds
- the successful award of Low Income Housing Tax Credits provided through the State of New Mexico
- Rural Local Initiatives Support Corporation (LIISC) of which the NTCDC is an affiliate
- the Federal Home Loan Bank, and
- affordable housing development funds through Wells Fargo Bank, N.A. and Bank of America, N.A.; and

6. It should also be noted that the NTCDC, other than through NAHASDA funding, does not anticipate requiring any funding amounts from the Navajo Nation, but may require financial assistance in meeting matching requirements for federal domestic assistance and/or equity requirements for permanent bank financing; and

7. As the designated Developer and Lessee, the NTCDC is hereby given approval from the Navajo Nation Council to lease, assign and/or transfer lands within Tract "A" or Tract "B" in order to accomplish the rental and/or assignment of leasehold interest of multi-family or single family residential homes to individual families or to assign or execute long term leases of subdivided tracts of lands for future construction and development of multi-family, single family residential units, or parks or recreational areas in accordance with the Planned Unit Development; and

8. On behalf of the NTCDC, the community of Navajo, Navajo Nation (New Mexico), and the nearby Navajo Nation "forest communities" of Red Lake Chapter, Sawmill Chapter, Tsaille/Wheatfields Chapter, Mexican Springs Chapter, Crystal Chapter and Lukachukai Chapter, it is in the best interest of the Navajo Nation to approve a Master Lease between the Navajo Nation, Lessor, and the NTCDC, Lessee, consisting of Tract "A" and Tract "B" located in Navajo, Navajo Nation (New Mexico) for the purpose of creating residential housing developments.

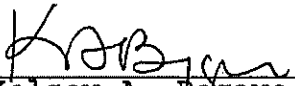
NOW THEREFORE BE IT RESOLVED THAT:

1. The Navajo Nation Council hereby approves a Master Lease between the Navajo Nation, Lessor, and the Navajo Townsite Community Development Corporation, Lessee, for the purpose of residential housing development on Tract "A" and Tract "B" situated in Navajo, Navajo Nation (New Mexico), on terms and conditions consistent with this resolution and acceptable to the Division of Natural Resources, Navajo Land Department, and the Department of Justice.

2. The Navajo Nation Council further directs the Navajo Townsite Community Development Corporation to do all things necessary to carry out the intent of this resolution in the best interests of the Navajo Nation.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that same was passed by a vote of 62 in favor, 0 opposed and 0 abstained, this 29th day of December 1998.



Kelsey A. Begaye, Speaker
Navajo Nation Council

12-30-98
Date Signed

Motion: Walter Atene
Second: Robert Ortiz

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I hereby ~~give notice that I will not~~ ^{sign into law} ~~veto~~ the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (10), on this 4th day of January 1998. ¹⁸


Milton Bluehouse, Sr., President
Navajo Nation

2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (10), this ___ day of ___, 1998 for the reason(s) expressed in the attached letter to the Speaker.

Milton Bluehouse, Sr., President
Navajo Nation

**THE NAVAJO NATION
and
THE NAVAJO TOWNSITE COMMUNITY DEVELOPMENT
CORPORATION**

**HOUSING PROJECT MASTER LEASE
(Trust or Restricted Land Only)**

THIS LEASE is made and entered into this 18th day of August, 1999, by and between **THE NAVAJO NATION**, hereinafter called the "Lessor," whose address is P.O. Box 9000, Window Rock, Navajo Nation (Arizona) 86515, and the **NAVAJO TOWNSITE COMMUNITY DEVELOPMENT CORPORATION**, a non-profit corporation, incorporated under the laws of the Navajo Nation, hereinafter called the "Lessee," whose address is P.O. Box 876, Navajo, Navajo Nation (New Mexico) 87328, in accordance with the provisions of 2 N.N.C. § 695(B)(4); and 25 U.S.C. § 415, as implemented by the regulations contained in 25 C.F.R. Part 162; and all amendments or successors thereto, which by this reference are made a part hereof.

1. DEFINITIONS.

(A) "Approved Encumbrance" means an encumbrance approved in writing by Lessor and the Secretary in accordance with the terms and conditions of this Lease.

(B) "Encumbrancer" means the owner and holder of an Approved Encumbrance, including all successors and assigns.

(C) "Hazardous Substance" means any "hazardous substance" as defined under the provisions of section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601(14), including all amendments or successors thereto, and "petroleum" as defined under the provisions of section 9001(8) of the Resource Conservation and Recovery Act, 42 U.S.C. § 6991(8).

(D) "Secretary" means the Secretary of the United States Department of the Interior or his duly authorized representative or successor.

(E) "Storage Tank" means an "underground storage tank" as defined under the provisions of section 6991(1) of the Resource Conservation and Recovery Act, 42 U.S.C. 6001 et seq., including all amendments and successors thereto, notwithstanding what per centum of volume is located beneath the surface of the ground.

2. LEASED PREMISES.

For and in consideration of the rents, covenants, agreements, terms and conditions contained herein, Lessor hereby leases to Lessee all that tract or parcel of land situated within the Townsite of Navajo, Navajo Nation, (County of McKinley, State of New Mexico), within the Northeast one-quarter of Section 1, Township 19 North, Range 21 West, and the Southeast one-quarter of Section 36, Township 20 North, Range 21 West, New Mexico Principal Meridian (hereinafter N.M.P.M.), more particularly described in Tract "A," in the Exhibit attached hereto and by this reference made a part hereof, containing approximately 34.78 acres, more or less, and the Northwest one-quarter of Section 12, Township 19 North, Range 21 West, N.M.P.M., more particularly described in Tract "B," in the Exhibit attached hereto and by this reference made a part hereof, containing approximately 14.969 acres, more or less, together with the right of reasonable ingress and egress, subject to any prior, valid, existing rights-of-way, hereinafter called the "Leased Premises." There is hereby reserved and excepted from the Leased Premises rights-of-way for utilities constructed by or on authority of Lessor, provided that such rights-of-way do not unreasonably interfere with Lessee's use of the Leased Premises.

3. USE OF PREMISES; GENERAL PLAN.

(A) Lessee shall develop, use and occupy the Leased Premises for the purpose of constructing and operating a Housing Project and its appurtenances, including constructing and operating appropriate related residential and public facilities such as roads, utilities, playgrounds, multi-purpose buildings, day care centers, ceremonial structures, laundry facilities, police, fire and medical facilities and other like facilities, consistent with a General Plan developed and approved in accordance with subsection (B) of this Section.

(B) Prior to development of the Leased Premises, Lessee shall develop and submit to Lessor for approval a General Plan for the complete development of the Leased Premises. The approval of Lessor may be withheld, granted or granted upon conditions, in the sole discretion of Lessor.

(C) The Leased Premises shall not be used by Lessee for any purpose other than as provided in an approved General Plan, except with the prior written consent of Lessor and the Secretary. The consent of Lessor may be withheld, granted or granted upon conditions, in the sole discretion of Lessor.

(D) Lessee agrees not to use or permit to be used any part of the Leased Premises for any unlawful conduct or purpose.

4. TERM.

The term of this Lease shall be fifty (50) years, beginning on the date this Lease is approved by the Secretary.

an amount reasonably required to ensure that such responsibilities are completed within a reasonable time after termination of this Lease.

8. CONSTRUCTION; MAINTENANCE; REPAIR; ALTERATION.

(A) All buildings and other improvements placed on the Leased Premises shall be constructed in a good and workmanlike manner in compliance with applicable laws and building codes. All parts of buildings or other improvements visible to the public or from adjacent premises shall present a pleasant appearance and all service areas shall be screened from public view.

(B) Lessee shall maintain the Leased Premises and all buildings and other improvements thereon and any alterations, additions or appurtenances thereto, in good order and repair and in a safe, sanitary and neat condition.

(C) Lessee shall have the right to make reasonable alterations, additions or repairs to buildings or other improvements on the Leased Premises, consistent with other provisions of this Lease.

9. UTILITY SERVICE LINE AGREEMENTS.

(A) Lessee specifically is authorized to enter into appropriate service line agreements with utility companies for the provision of utility services to the Leased Premises, including gas, water, sewer, electricity, telephone, television and other utilities, without further consent by Lessor, on the condition that:

- (1) such agreements are for the sole purpose of supplying utility services to the Leased Premises;
- (2) such agreements authorize utility service lines only within the Leased Premises;
- (3) such agreements do not extend beyond the term of this Lease;
- (4) executed copies of such agreements, together with plats or diagrams showing with particularity the location, size and extent of such service lines, are filed by the utility companies with Lessor and with the Secretary within thirty (30) days of their execution; and
- (5) such agreements are otherwise in accordance with the provisions of 25 C.F.R. § 169.22, including any amendments or successors thereto.

(B) Nothing contained herein shall be construed to limit the right of Lessor to enter into service line agreements with utility companies for service lines across the Leased Premises, provided that such service lines do not unreasonably interfere with Lessee's use of the Leased Premises, nor otherwise to affect the rights-of-way reserved to Lessor in Section 2 of this Lease.

10. LIENS; TAXES AND ASSESSMENTS; UTILITY CHARGES.

(A) Lessee shall not permit any liens arising from any work performed, materials furnished, or other obligations incurred by Lessee to be enforced against the Leased Premises, any interest therein or improvements thereon. Lessee shall discharge all such liens before any action is brought to enforce same.

(B) Lessee shall pay, before becoming delinquent, all taxes, assessments and other like charges levied upon or against the Leased Premises, any interest therein or improvements thereon, for which Lessee is liable. Upon request by Lessor or the Secretary, Lessee shall furnish Lessor and the Secretary written evidence duly certified that any and all such taxes, assessments and other like charges required to be paid by Lessee have been paid, satisfied or otherwise discharged. Lessee shall have the right to contest any asserted tax, assessment or other like charge against the Leased Premises, any interest therein or improvements thereon, by posting bond to prevent enforcement of any lien resulting therefrom. Lessee agrees to protect and hold harmless Lessor, the Secretary and the Leased Premises and all interests therein and improvements thereon from any and all such taxes, assessments and like charges and from any lien therefor, any sale or other proceedings to enforce payment thereof, and all costs in connection therewith. Upon request by Lessee, Lessor shall execute and deliver any appropriate documents with reference to real estate tax exemption of the Leased Premises, any interest therein or improvements thereon.

(C) Lessee shall pay, before becoming delinquent, all charges for water, sewage, gas, electricity, telephone and other utility services supplied to the Leased Premises.

(D) Lessor shall have the right to pay any lien, tax, assessment or other charge payable by Lessee under this Lease, or to settle any action therefor, if, within a reasonable time after written notice thereof from Lessor or the Secretary, Lessee fails to pay or to post bond against enforcement thereof. All costs and other expenses incurred by Lessor in so doing shall be repaid by Lessee to Lessor on demand, together with interest at the legal rate from the date of payment or incursion thereof by Lessor until repayment is made by Lessee.

11. SUBLEASES AND ASSIGNMENTS; PARTIAL RELINQUISHMENTS.

(A) Lessee is hereby authorized to sublease the Leased Premises, in whole or in part, for a period of up to one (1) year without further approval of Lessor or the Secretary. Subleases so made shall not serve to relieve the Lessee from any liability under this Lease nor to diminish any supervisory authority of the Secretary provided for under this Lease or under applicable federal laws and regulations. During the term of any sublease, should the sublessee succeed to the interests of Lessee hereunder, it is hereby agreed that no merger of interests shall occur thereby.

(B) Any sublease or authorized by Section 11(A) above shall be on a form approved by Lessor and the Secretary, and no such sublease or assignment shall be valid unless it is on an approved form. All subleases must explicitly state that the sublessee shall be bound by each and every covenant, agreement, term and condition of this Master Lease.

(C) Lessee shall provide a copy of any sublease to shall be delivered to the Lessor and to the Secretary within thirty (30) days of its execution.

(D) Except as otherwise provided in subsections (A), (B) and (C) of this Section, Lessee shall not assign, convey or otherwise transfer this Lease, or any interest therein, without the prior written approval of Lessor and the Secretary, and then only upon the condition that the assignee or other successor in interest shall agree, in writing, to be bound by each and every covenant, agreement, term and condition of this Lease. Any such attempted assignment, conveyance, or transfer, without such written approval shall be void and of no effect. The approval of Lessor may be granted, granted upon conditions, or withheld at the sole discretion of Lessor.

(E) Lessee is hereby authorized to relinquish to Lessor any part of this Lease, with the prior written approval of Lessor and the Secretary, for the purpose of Lessor issuing a Homesite Lease for the part relinquished; provided, that each person to whom the Homesite Lease is proposed to be issued is eligible to receive as Homesite Lease and the issuance of the proposed Homesite Lease otherwise is in compliance with all applicable requirements of the Navajo Nation Homesite Policy and Procedures adopted by Resolution No. RCD-189-93, including all amendments or successors thereto.

12. QUIET ENJOYMENT.

Lessor hereby covenants and agrees that, upon performing each of its covenants, agreements, terms and conditions contained in this Lease, that Lessee shall peaceably and quietly have, hold and enjoy the Leased Premises without any hindrance, interruption, ejection or molestation by Lessor or by any other person or persons claiming from or under Lessor.

13. ENCUMBRANCE.

(A) This Lease or any interest therein may not be encumbered without the prior written approval of Lessor and the Secretary, and no such encumbrance shall be valid or binding without such prior written approval. An encumbrance shall be confined to the leasehold interest of Lessee, and shall not jeopardize in any way Lessor's interest in the land. Lessee agrees to furnish any requested financial statements or analyses pertinent to the encumbrance that Lessor and the Secretary may deem necessary to justify the amount, purpose and terms of said encumbrance.

(B) In the event of default by Lessee of the terms of an Approved Encumbrance, Encumbrancer may exercise any rights provided in such Approved Encumbrance, provided that prior to any sale of the leasehold, Encumbrancer shall give to Lessor and the Secretary notice

of the same character and duration as is required to be given to Lessee by the terms of such Approved Encumbrance and by applicable law. In the event of such default, Lessor shall have the right, which may be exercised at any time prior to the completion of sale, to pay to Encumbrancer any and all amounts secured by the Approved Encumbrance, plus unpaid interest accrued to the date of such payment, plus expenses of sale incurred to the date of such payment.

(C) If Lessor exercises the above right, all right, title and interest of Lessee in this Lease shall terminate and Lessor shall acquire this Lease; provided, however, that such termination shall not relieve Lessee of any obligation or liability which shall have accrued prior to the date of termination. Acquisition of this Lease by Lessor under these circumstances shall not serve to extinguish this Lease by merger or otherwise.

(D) If Lessor declines to exercise the above right and sale of the leasehold under the Approved Encumbrance shall occur, the purchaser at such sale shall succeed to all of the right, title and interest of Lessee in this Lease. It is further agreed that the purchaser at such sale if it is the Encumbrancer, the Encumbrancer may sell and assign this Lease without any further approval by Lessor and the Secretary, provided that the assignee shall agree in writing to be bound by all the covenants, agreements, terms and conditions of this Lease, and no such assignment shall be valid unless and until the assignee shall so agree. If Encumbrancer is the purchaser, it shall be required to perform the obligations of this Lease only so long as it retains title thereto. If the purchaser is other than Encumbrancer, the purchaser shall agree in writing to be bound by all the covenants, agreements, terms and conditions of this Lease, and no such purchase shall be valid unless and until purchaser shall so agree.

14. DEFAULT.

(A) Time is declared to be of the essence in this Lease. Should Lessee default in any payment of monies when due under this Lease, fail to post bond or be in violation of any other provision of this Lease, said violation may be acted upon by the Secretary in accordance with the provisions of 25 C.F.R. Part 162, including any amendments or successors thereto.

(B) In addition to the rights and remedies provided by the aforementioned regulations, Lessor and the Secretary, either jointly or severally, may exercise the following options upon Lessee's default, subject to the provisions of subsection (D) below:

- (1) Collect, by suit or otherwise, all monies as they become due hereunder, or enforce by suit or otherwise, Lessee's compliance with all provisions of this Lease; or
- (2) Re-enter the premises and remove all persons and property therefrom, and re-let the premises without terminating this Lease as the agent and for the account of Lessee, but without prejudice to the right to cause the termination of the Lease under applicable law thereafter, and without invalidating any right of Lessor or the Secretary or any obligations of Lessee hereunder. The terms and conditions of such re-letting shall be in

the sole discretion of Lessor, who shall have the right to alter and repair the premises as it deems advisable and to re-let with or without any equipment or fixtures situated thereon. Rents from any such re-letting shall be applied first to the expense of re-letting, collection, altering and repairing, including reasonable attorney's fees and any reasonable real estate commission actually paid, insurance, taxes and assessments and thereafter toward payment to liquidate the total liability of Lessee. Lessee shall pay to Lessor monthly when due, any deficiency and Lessor or the Secretary may sue thereafter as each monthly deficiency shall arise; or

(3) Take any other action authorized or allowed under applicable law.

(C) No waiver of a breach of any of the terms and conditions of this Lease shall be construed to be a waiver of any succeeding breach of the same or any other term or condition of this Lease. Exercise of any of the remedies herein shall not exclude recourse to any other remedies, by suit or otherwise, which may be exercised by Lessor or the Secretary, or any other rights or remedies now held or which may be held by Lessor in the future.

(D) Lessor and the Secretary, as the case may be, shall give to an Encumbrancer a copy of each notice of default by Lessee at the same time as such notice of default shall be given to Lessee. Lessor and the Secretary shall accept performance by an Encumbrancer of any of Lessee's obligations under this Lease, with the same force and effect as though performed by Lessee. An Encumbrancer shall have standing to pursue any appeals permitted by applicable federal or Navajo Nation law that Lessee would be entitled to pursue. Neither Lessor nor the Secretary shall terminate this Lease if an Encumbrancer has cured or is taking action diligently to cure Lessee's default and has commenced and is pursuing diligently either a foreclosure action or an assignment in lieu of foreclosure.

15. SANITATION.

Lessee hereby agrees to comply with all applicable sanitation laws, regulations or other requirements of the United States and the Navajo Nation. Lessee agrees to dispose of all solid waste in compliance with applicable federal and Navajo Nation law. Lessee further agrees at all times to maintain the entire Leased Premises in a safe and sanitary condition, presenting a good appearance both inside and outside the Leased Premises.

16. HAZARDOUS SUBSTANCES.

Lessee shall not cause or permit any Hazardous Substance to be used, stored, generated or disposed of on or in the Leased Premises without the prior written approval of Lessor, which approval may be given, given upon conditions or denied in the sole discretion of Lessor. Without limitation of the foregoing, if Lessee causes or permits the presence of any Hazardous Substance on the Leased Premises and such results in contamination to the Leased Premises or any building or other improvement thereon, Lessee shall promptly take any and all actions necessary or appropriate to restore the Leased Premises or building or other improvement to the condition existing prior to the presence of any such Hazardous Substance on the Leased

Premises. Lessee shall obtain written approval from Lessor prior to commencement of any such remedial action.

17. PUBLIC LIABILITY INSURANCE.

(A) At all times during the term of this Lease, Lessee shall carry a public liability insurance policy in the amount of at least \$1,000,000 for personal injury to one (1) person and \$3,000,000 per occurrence, and \$500,000 for damage to property. Said policy shall be obtained from a reliable insurance company authorized to do business in the Navajo Nation and in the State identified in Section 2 of this Lease and shall be written to protect Lessee, Lessor and the United States and shall provide for notification to Lessor and the Secretary prior to any material change, cancellation or non-renewal of said policy for any reason, including non-payment of premiums. Upon written request therefor, copies of said policy shall be furnished to Lessor and the Secretary.

(B) Lessor or the Secretary may require that the amount of the insurance policy required by subsection (A) of this Section be increased at any time, whenever either shall determine that such increase reasonably is necessary for the protection of Lessor or the United States.

(C) With the prior written approval of Lessor and the Secretary, the insurance obligation under this Section may be satisfied by a self-insurance program maintained by Lessee or by other means of alternative performance satisfactory to Lessor and the Secretary.

18. FIRE AND CASUALTY INSURANCE.

(A) At all times during the term of this Lease, Lessee shall carry fire and casualty insurance with an extended coverage endorsement covering not less than the full insurable value of all improvements on the Leased Premises. Said policy shall be obtained from a reliable insurance company authorized to do business in the Navajo Nation and in the State identified in Section 2 of this Lease, and shall be written to protect Lessee, Lessor, the United States and an Encumbrancer, if any, and shall provide for notification to Lessor, the Secretary and any Encumbrancer prior to any material change, cancellation or non-renewal of said policy for any reason, including non-payment of premiums. Upon written request therefor, copies of said policy shall be furnished to Lessor and the Secretary.

(B) Subject to the provisions of subsections (C) and (D) of this Section, in the event of destruction of or damage to any improvement on the Leased Premises, Lessee shall promptly replace or repair the destroyed or damaged improvement to a condition as good or better than before the destruction or damage occurred.

(C) In the event of destruction of or damage to any improvement on the Leased Premises, Lessee shall have the option not to replace or repair said improvement. Lessee shall provide Lessor with written notice of exercise of Lessee's option within thirty (30) days of the said event of damage. Should Lessee exercise its option to not to replace or repair in accordance with this subsection, this Lease shall terminate ninety (90) days after the effective date of notice thereof and all proceeds of fire and damage insurance shall be paid to Lessor. Lessee shall clear the Leased Premises of all debris prior to termination of this Lease.

(D) In the event of destruction of or damage to any improvement on the Leased Premises while an Approved Encumbrance remains in effect, the proceeds of fire and damage insurance equal to the amount of destruction or damage to the encumbered improvements (but not exceeding the remaining balance of the Approved Encumbrance) shall be paid to Encumbrancer on the condition that Encumbrancer agrees to perform and comply with Lessee's replacement and repair obligations set forth in subsections (B) and (C) of this Section. If such amount paid to Encumbrancer is sufficient to repair the destroyed or damaged improvements with respect to which it was paid, or, if within three (3) months after such payment by the insurer to Encumbrancer, Lessor or Lessee shall deposit with Encumbrancer sufficient additional funds, if any, required to completely replace or repair the destruction or damage, upon written order of Lessor or Lessee, Encumbrancer shall pay such the costs of such replacement or repair, and such payment shall not be deemed a payment or credit on the Approved Encumbrance. Otherwise, at the expiration of such three (3) months said sum so paid by the insurer to Encumbrancer shall be applied and credited on the Approved Encumbrance.

(E) With the prior written approval of Lessor and the Secretary, the insurance obligation under this Section may be satisfied by a self-insurance program maintained by Lessee or by other means of alternative performance satisfactory to Lessor and the Secretary.

19. INSPECTION.

The Navajo Nation and the Secretary shall have the right, at any reasonable time during the term of this Lease, to enter upon the Leased Premises, or any part thereof, to inspect the Leased Premises and any buildings and other improvements erected or placed thereon.

20. MINERALS.

All minerals, including sand and gravel, contained in or on the Leased Premises are reserved for the use of Lessor. Lessor also reserves the right to enter upon the Leased Premises and search for and remove minerals located thereon, paying just compensation for any damage or injury caused to Lessee's personal property or improvements constructed by Lessee.

21. EMINENT DOMAIN.

If the Leased Premises or any part thereof is taken under the laws of eminent domain at any time during the term of this Lease, Lessee's interest in the Leased Premises or the part of the Leased Premises taken shall thereupon cease. Compensation awarded for the taking of the Leased Premises or any part thereof, including any improvements located thereon, shall be awarded to Lessor and Lessee as their respective interests may appear at the time of such taking, provided that Lessee's right to such awards shall be subject to the rights of an Encumbrancer under an Approved Encumbrance.

22. DELIVERY OF PREMISES.

At the termination of this Lease, Lessee shall peaceably and without legal process deliver up the possession of the Leased Premises in good condition, usual wear and tear excepted. Upon the written request of the Navajo Nation, Lessee shall provide to the Navajo Nation, at Lessee's sole cost and expense, an environmental audit assessment of the Leased Premises at least sixty (60) days prior to delivery of said premises.

23. HOLDING OVER.

Holding over by Lessee after termination of this Lease shall not constitute a renewal or extension thereof or give Lessee any rights hereunder or in or to the Leased Premises or to any improvements located thereon.

24. INDEMNIFICATION.

Lessee shall indemnify and hold harmless the Navajo Nation and the Secretary and their authorized agents, employees, landusers and occupants, against any liability for loss of life, personal injury and property damages arising from the construction on or maintenance, occupancy or use of the Leased Premises by Lessee.

25. ATTORNEY'S FEES.

Lessee agrees to pay and discharge all reasonable costs, attorney's fees and expenses that may be incurred by Lessor or the Secretary in enforcing the provisions of this Lease.

26. AGREEMENT TO ABIDE BY NAVAJO NATION AND FEDERAL LAWS.

In all activities conducted by Lessee within the Navajo Nation, Lessee shall abide by all laws and regulations of the Navajo Nation and of the United States, now in force and effect or as hereafter may come into force and effect.

27. GOVERNING LAW AND CHOICE OF FORUM.

Except as prohibited by applicable federal law, the law of the Navajo Nation shall govern the construction, performance and enforcement of this Lease. Any action or proceeding brought by Lessee against the Navajo Nation in connection with or arising out of the terms and conditions of this Lease shall be brought only in the courts of the Navajo Nation, and no such action or proceeding shall be brought by Lessee against the Navajo Nation in any court or administrative body of any State.

28. CONSENT TO JURISDICTION.

Lessee hereby consents to the legislative, executive and judicial jurisdiction of the Navajo Nation in connection with all activities conducted by the Lessee within the Navajo Nation.

29. COVENANT NOT TO CONTEST JURISDICTION.

Lessee hereby covenants and agrees never to contest or challenge the legislative, executive or judicial jurisdiction of the Navajo Nation on the basis that such jurisdiction is inconsistent with the status of the Navajo Nation as an Indian nation, or that the Navajo Nation government is not a government of general jurisdiction, or that the Navajo Nation government does not possess police power (i.e., the power to legislate and regulate for the general health and welfare) over all lands, persons and activities within its territorial boundaries, or on any other basis not generally applicable to a similar challenge to the jurisdiction of a state government. Nothing in this Section shall be construed to negate or impair federal responsibilities with respect to the Leased Premises or to the Navajo Nation.

30. NO WAIVER OF SOVEREIGN IMMUNITY.

Nothing in this Lease shall be interpreted as constituting a waiver, express or implied, of the sovereign immunity of the Navajo Nation.

31. TERMINATION OF FEDERAL SUPERVISION.

Nothing in this Lease shall operate to delay or prevent a termination of federal responsibilities with respect to the Leased Premises by the issuance of a fee patent, or otherwise, during the term of this Lease, however, such termination shall not serve to abrogate this Lease. Lessor, Lessee and an Encumbrancer, if any, shall be notified of any such change in the status of the Leased Premises.

32. INTEREST OF MEMBER OF CONGRESS.

No member of or delegate to Congress or any Resident Commissioner shall be admitted to any share or part of this Lease or to any benefit that may arise herefrom, but this provision shall not be construed to extend to this Lease if made with a corporation or company for its general benefit.

33. OBLIGATIONS TO THE UNITED STATES.

It is understood and agreed that while the Leased Premises are in trust or restricted status, all of Lessee's obligations under this Lease are to the United States as well as to Lessor.

34. NOTICES AND DEMANDS.

(A) Any notices, demands, requests or other communications to or upon either party or the Secretary provided for in this Lease, or given or made in connection with this Lease, (hereinafter referred to as "notices,") shall be in writing and shall be addressed as follows:

To or upon Lessor:

President
The Navajo Nation
Office of the President/Vice-President
P.O. Box 9000
Window Rock, Navajo Nation (Arizona) 86515

Fax: 1-520-871-4025

To or upon Lessee:

Executive Director
Navajo Townsite Community Development Corporation
P.O. Box 876
Navajo, Navajo Nation (New Mexico) 87328

Fax: 1-505-777-2266

To or upon the Secretary:

Area Director
Navajo Area Office
Bureau of Indian Affairs
United States Department of the Interior
301 West Hill Street
P.O. Box 1060
Gallup, New Mexico 87305

Fax: 1-505-863-8324.

(B) All notices shall be given by personal delivery, by registered or certified mail, postage prepaid, by facsimile transmission or by telegram. Notices shall be effective and shall be deemed delivered: if by personal delivery, on the date of delivery if during normal business hours, or if not during normal business hours on the next business day following delivery; if by registered or certified mail, by facsimile transmission or by telegram, on the next business day following actual delivery and receipt.

(C) Copies of all notices shall be sent to the Secretary.

(D) Lessor, Lessee and the Secretary may at any time change its address for purposes of this Section by notice.

35. SUCCESSORS AND ASSIGNS.


The terms and conditions contained herein shall extend to and be binding upon the successors, heirs, assigns, executors, administrators, employees and agents, including all contractors and subcontractors, of Lessee. Except as the context otherwise requires, the term "Lessee," as used in this Lease, shall be deemed to include all such successors, heirs, executors, assigns, employees and agents.

36. EFFECTIVE DATE; VALIDITY.

This Lease shall take effect on the date it is approved by the Secretary. This Lease, and any modification of or amendment to this Lease, shall not be valid or binding upon either party until it is approved by the Secretary.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of the date first above written.

THE NAVAJO NATION, LESSOR

By: 
Kelsey A. Begaye, President

NAVAJO TOWNSITE COMMUNITY
DEVELOPMENT CORPORATION,
LESSEE

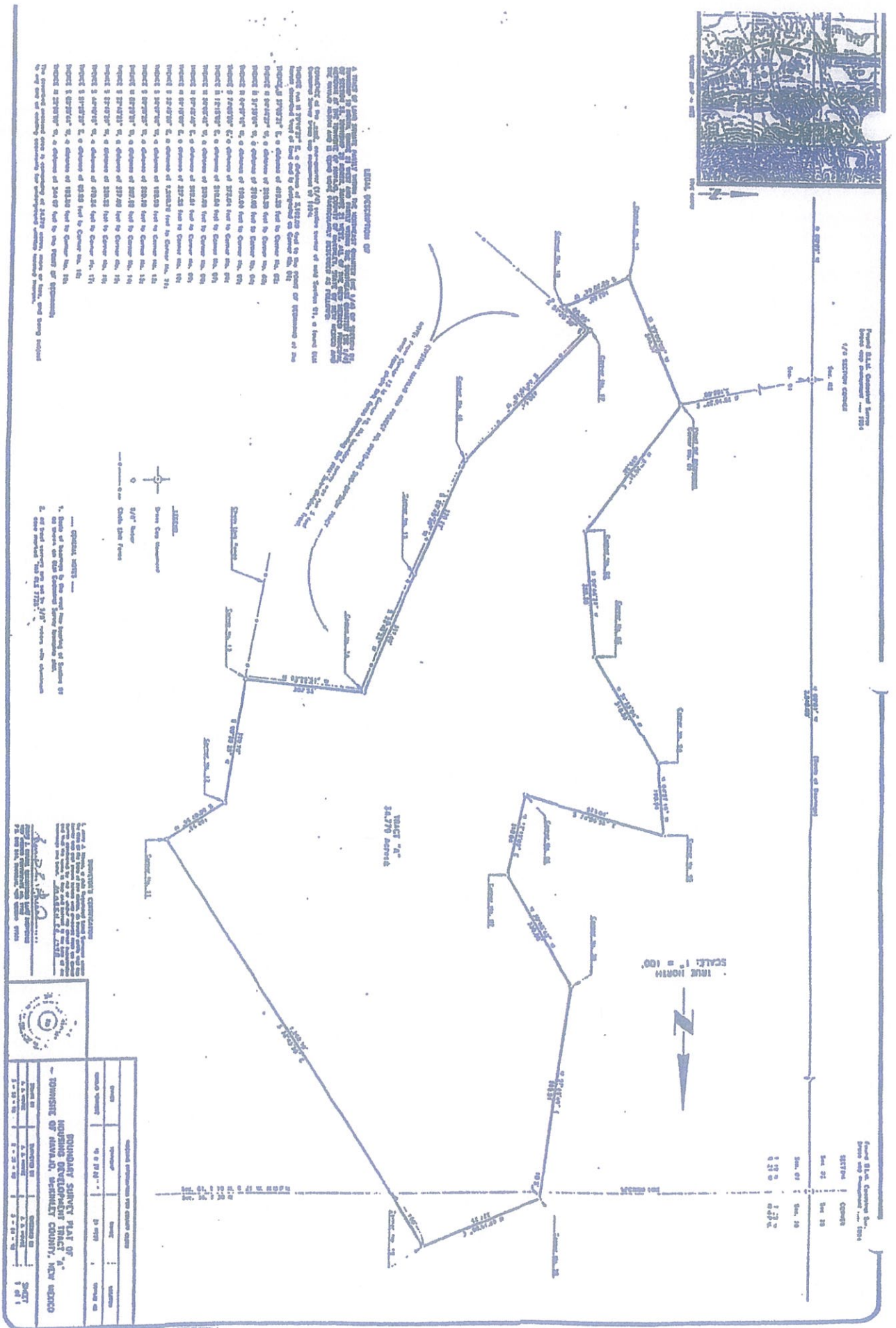
By: 
Leonard Teller, Executive Director

APPROVED pursuant to Secretarial
Redelegation 209 DM 8, Secretarial
Redelegation Order Nos. 3150 and 3177,
and 10 BIAM Bulletin 13, as amended.

Date: AUG 18 1999

By: *Genni Venetone*

Area Director
Navajo Area Office
Bureau of Indian Affairs
United States Department of the Interior



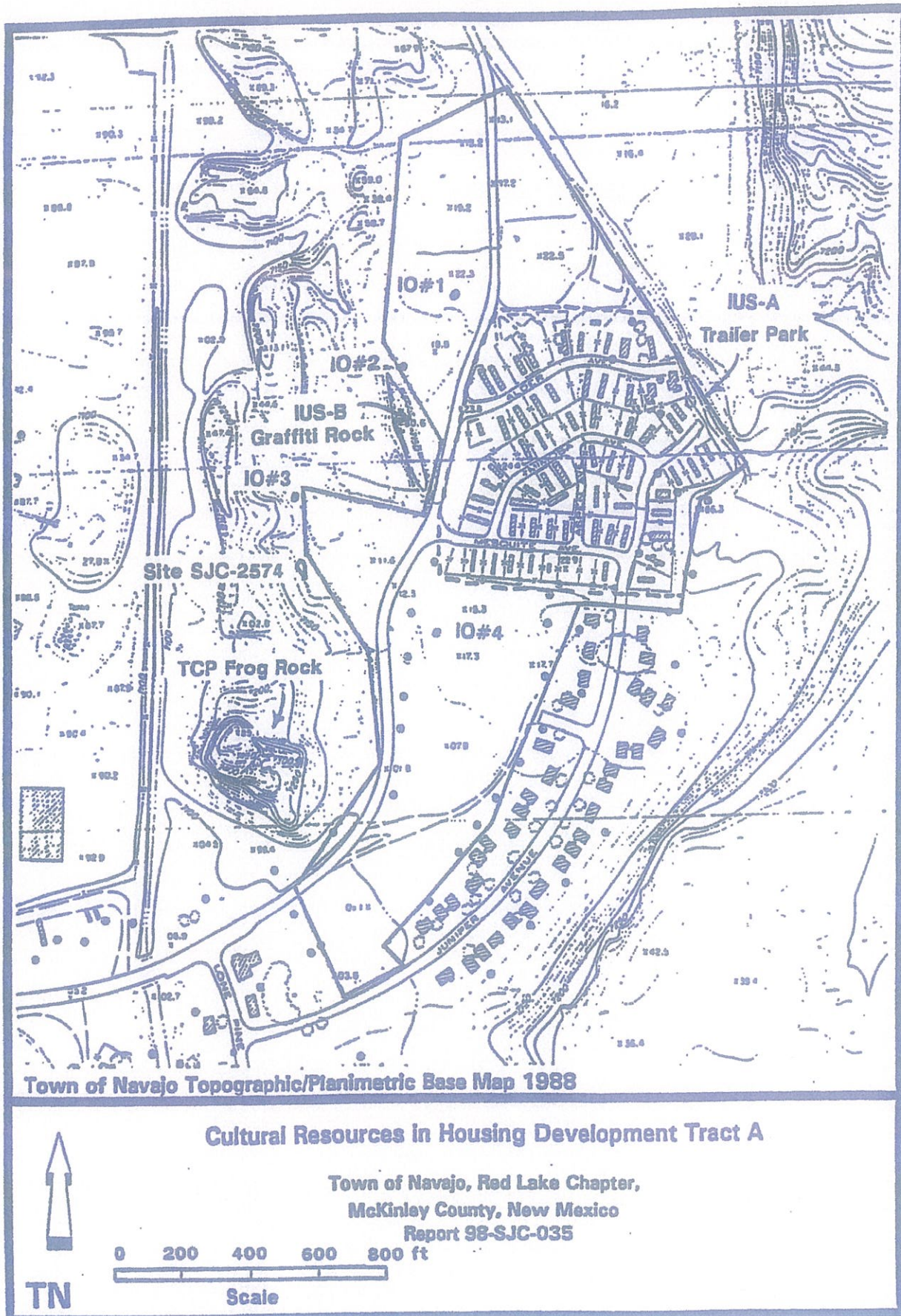


Figure 4. Tract A Cultural Resources

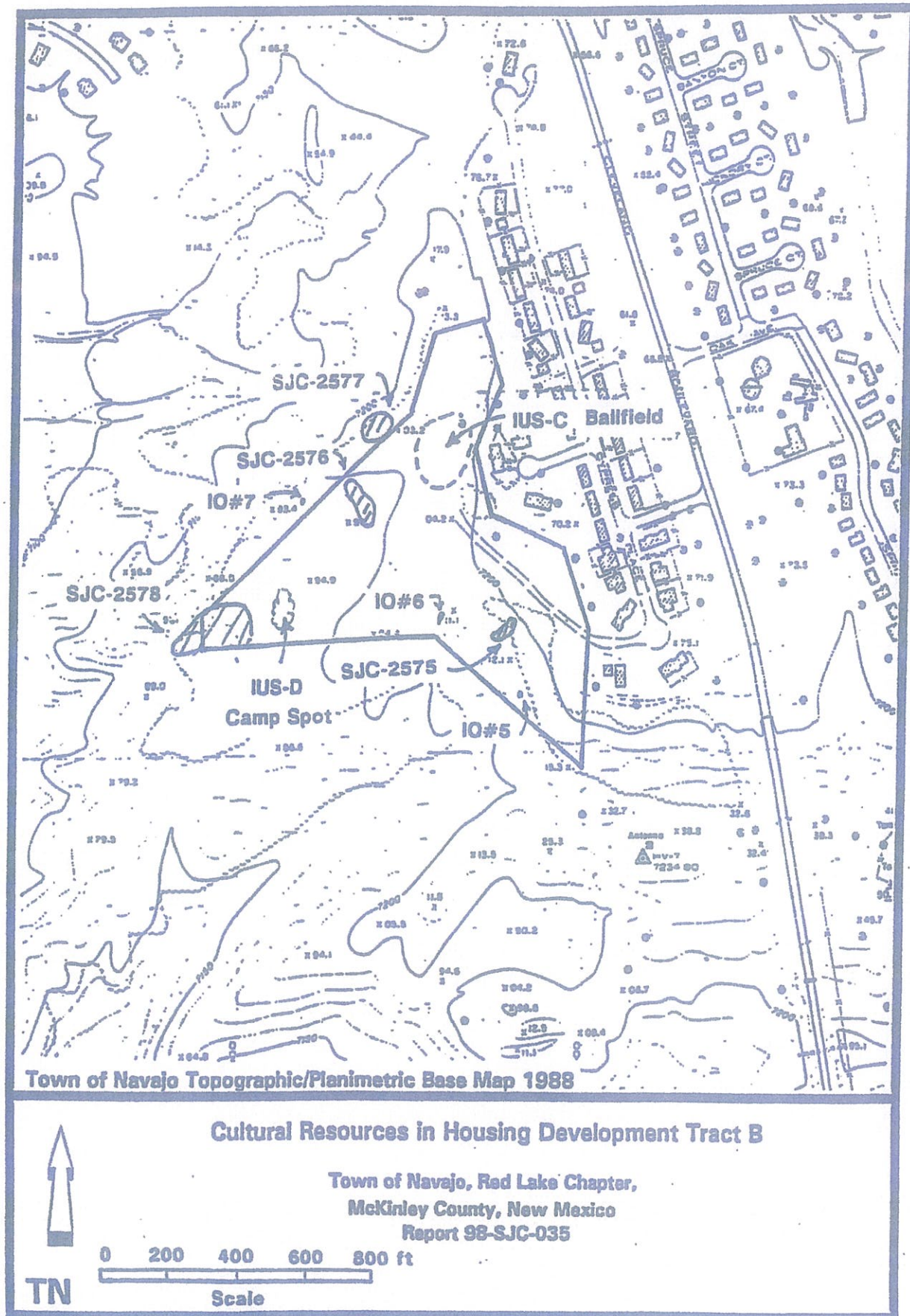


Figure 8. Tract B Cultural Resources

**RESOLUTION OF THE BOARD OF DIRECTORS
OF
THE NAVAJO TOWNSITE COMMUNITY DEVELOPMENT CORPORATION**

Requesting the Budget & Finance Committee, the Resources & Development Committee, the 24th Navajo Nation Council, and the Capital Projects Management Department of the Navajo Nation Division of Community Development and the Navajo Nation Division of Economic Development to appropriate \$4,100,000.00 (\$4.1 Million) from the Navajo Nation Sihasin Funds for the Planning, Design, and Construction of a 25-Unit Multi-family, Mixed-Income Apartment/Multi-Purpose Complex in Navajo, New Mexico

WHEREAS:

1. The Navajo Townsite Community Development Corporation (NTCDC) is a duly chartered non-profit community development organization incorporated on January 24, 1989, under the laws of the Navajo Nation of which the NTCDC Board of Directors is empowered to regulate the NTCDC operational affairs and to provide for the administrative and financial well-being of the NTCDC program; and
2. The Board of Directors of the NTCDC acknowledges that NTCDC holds a 14.969 acres lease known as Tract B under lease agreement FD-99-702 and where there is 3+ acres undeveloped with existing utility infrastructure in place (Exhibit A: Master Lease FD-99-702) in the community of Navajo, New Mexico within Red Lake #18 Chapter; and
3. The Board of Directors of NTCDC recognizes there is a dire need for safe, decent, and available housing for the Navajo people, particularly during these extraordinary COVID-19 pandemic times; and
4. NTCDC desires to plan, design, and develop a 25-unit multi-family apartment/multi-purpose facility complex consisting of 1, 2, and 3-bedroom units and a multi-purpose facility within the available, undeveloped parcel of land on existing Master land lease FD-99-702; and
5. The Red Lake #18 Chapter pursuant to chapter resolution RLC-05-21-22 (Exhibit B) approved to support the NTCDC in seeking funding to new housing within the community of Navajo, NM on the undeveloped parcel of land on existing Master land lease FD-99-702; and
6. The Budget & Finance Committee of the Navajo Nation Council is empowered to review and recommend to the Navajo Nation Council the budgeting, appropriation, investment, and management of all funds pursuant to 2 N.N.C. Section 301(B)(2); and
7. The Resource & Development Committee of the Navajo Nation Council is empowered to provide oversight over chapter activities, as well as oversight over community and economic development on the Navajo Nation pursuant to 2 N.N.C. Section 501(C)(2); and
8. The Navajo Nation Code provides that the purpose of the Navajo Nation Sihasin funds is as follows: "A. The purpose of this fund is to provide financial support and/or financing for 1. The planning and development of economic development and regional infrastructure supporting economic development and community development including

such infrastructure as, but not limited to, housing, commercial and government buildings, waterlines, solid waste management development, powerline projects, and transportation and communication systems within the Navajo Nation.”; and

9. Honorable Council Delegate, Wilson C. Stewart Jr., represents the Fort Defiance, Red Lake #18, Sawmill and Crystal Chapters, where the community of Navajo lies within Red Lake #18 Chapter boundaries and within Honorable Delegate Stewart’s representative area; and
10. Honorable Council Delegate, Wilson C. Stewart Jr. has received NTCDC’s proposal for funding of a project that benefits 25 Navajo families within the community of Navajo, New Mexico with new housing infrastructure; and
11. NTCDC further seeks support from the Navajo Nation to plan, design, and develop a mixed-income, 25-unit multi-family apartment/multi-purpose facility complex consisting of 1, 2, and 3-bedroom units within the available, undeveloped parcel of land on existing Master land lease FD-99-702.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board of Directors of the NTCDC approves the Resolution NTCDC 21-12 and supporting and approving a request the Budget & Finance Committee, Resources & Development Committee, the 24th Navajo Nation Council to appropriate Navajo Nation Sihasin Funds in the amount of \$4,100,000 (\$4.1 Million) for the Planning, Design, and Construction of a 25-Unit Multi-family, Mixed-Income Apartment/Multi-Purpose Complex in Navajo, New Mexico; and
2. The Board of Directors of the NTCDC hereby requests the Capital Projects Management Department and the Division of Community Development, and the Navajo Nation Division of Economic Development to provide technical assistance in the requirements needed to request such funds through the Navajo Nation Sihasin Funds; and
3. The Board of Directors authorizes the NTCDC Executive Director to work with representatives of the Navajo Nation to execute the purpose and intent of this Resolution NTCDC 21-12.

CERTIFICATION

I hereby certify that the foregoing Resolution NTCDC 21-12 was duly considered by the Board of Directors of NTCDC at its duly called meeting in Navajo, New Mexico at which a quorum was present and that same was passed by a vote of 4 in favor, 0 opposed and 1 abstained, this 22nd day of December, 2021.

Motioned by: Willie Tracy, Jr.

Second by: Delmar Blackhorse

Jonathan L Hale
Jonathan Hale, Chairman
Board of Directors of NTCDC

Sihasin Funding

Purpose: Develop a \$7.1M Housing Complex (Multi-family, Mixed-Income) in Navajo, NM

Amount Requested: \$4.1M utilizing Sihasin funds

Background: Navajo Townsite Community Development Corporation (NTCDC) is a housing management entity operating in the community of Navajo, New Mexico which lies entirely in the Red Lake #18 Chapter. The community has a population of about 2,450 people and many live in subsidized public rental dwellings. The community is underserved and impoverished however, Navajo Townsite Community Development Corporation (NTCDC) finds itself in the encouraging position of immediate access to land though an existing land lease of 3+ acres with existing utility infrastructure meant for housing development within the community of Navajo, New Mexico. The careful and thoughtful planning and development of a new multi-family housing complex on the site will offer new housing options for a broad array of tenants and/or homebuyers of varying incomes levels. This in turn will create a healthy, sustainable and diverse community with potential to support more community and economic development opportunities within the town of Navajo, New Mexico. The project to build a 25-unit multi-family complex will cost \$7.10M. NTCDC seeks \$3.0M from American Rescue Plan Act funds for External Entities and \$4.1M from Navajo Nation Sihasin Funds for a total of \$7.1M for this 25-unit multi-family complex. NOTE: This proposal only requests \$3 million for this project.

Location: The Project will be located on Tract B (highlighted in yellow at the bottom of the map)



25-unit Multifamily Apartment Complex Budget	
Feasibility and Master Plan	\$50,000.00
1.) Site Investigation/Analysis/Report	
2.) Master Plan	
3.) Utility Feasibility Study	
4.) Update Environmental Assessment	
Design and Engineering	\$500,000.00
1.) 25-unit (1, 2, & 3-bedroom) apartment style complex	
2.) Community Multi-purpose Facility	
3.) Outdoor recreational/landscaped space/fencing	
Site Improvement	450,000.00
1.) Grading/Drainage	
2.) Utility (water, sewer, gas, storm, electric, broadband)	
3.) Driveways	
4.) Retaining walls, concrete walks, etc	
5.) Miscellaneous Costs: Mobilization, dust control, etc.	
Construction	6,000,000.00
1.) 25-unit (1, 2, & 3-bedroom) apartment style complex (at \$240/sq.ft. for average of 1,000 sq.ft units)	
2.) Community Multi-purpose Facility	
3.) Outdoor recreational/hardscape seating, concrete walking/landscapes/fencing	
Other Miscellaneous	
1.) Appliances for 25 units (refrigerators, stoves, water heaters, washers, dryers)	\$100,000.00
Total \$7,100,000.00	

NOTE: The request from ARPA is \$3M only; however the total project is \$7.1M. NTCDC is requesting for an additional \$4.1M from Sihasin Funds to complete project for mixed-income (low, medium, and high incomes).

Community of Navajo, New Mexico



Map: 1 NTCDC Master Lease A & B in yellow outline

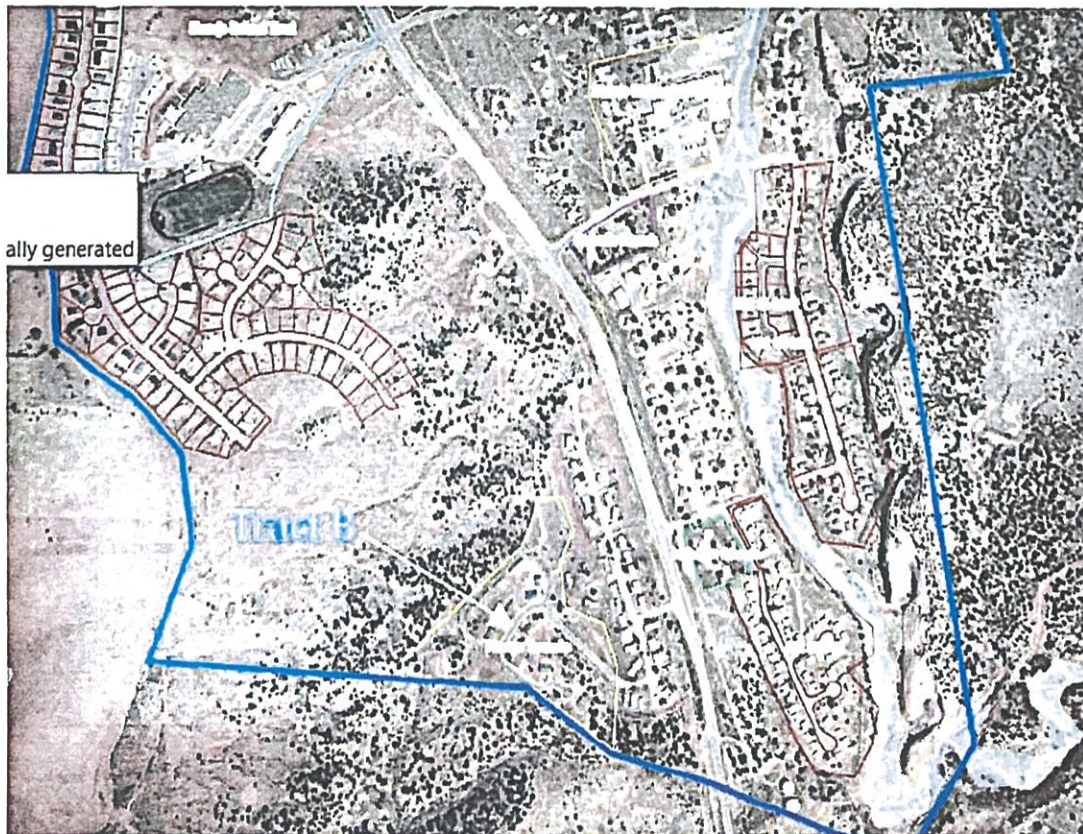
ARPA Funding

Purpose: Develop a \$7.1M Housing Complex (Multi-family, Mixed-Income) in Navajo, NM

Amount Requested: \$3.0M utilizing ARPA funds

Background: Navajo Townsite Community Development Corporation (NTCDC) is a housing management entity operating in the community of Navajo, New Mexico which lies entirely in the Red Lake #18 Chapter. The community has a population of about 2,450 people and many live in subsidized public rental dwellings. The community is underserved and impoverished however, Navajo Townsite Community Development Corporation (NTCDC) finds itself in the encouraging position of immediate access to land through an existing land lease of 3+ acres with existing utility infrastructure meant for housing development within the community of Navajo, New Mexico. The careful and thoughtful planning and development of a new multi-family housing complex on the site will offer new housing options for a broad array of tenants and/or homebuyers of varying income levels. This in turn will create a healthy, sustainable and diverse community with potential to support more community and economic development opportunities within the town of Navajo, New Mexico. The project to build a 25-unit multi-family complex will cost \$7.10M. NTCDC seeks \$3.0M from American Rescue Plan Act funds for External Entities and \$4.1M from Navajo Nation Sihasin Funds for a total of \$7.1M for this 25-unit multi-family complex. NOTE: This proposal only requests \$3 million for this project.

Location: The Project will be located on Tract B (highlighted in yellow at the bottom of the map)



Budget Breakdown:

25-unit Multifamily Apartment Complex Budget	
Feasibility and Master Plan	\$50,000.00
1.) Site Investigation/Analysis/Report	
2.) Master Plan	
3.) Utility Feasibility Study	
4.) Update Environmental Assessment	
Design and Engineering	\$500,000.00
1.) 25-unit (1, 2, & 3-bedroom) apartment style complex	
2.) Community Multi-purpose Facility	
3.) Outdoor recreational/landscaped space/fencing	
Site Improvement	450,000.00
1.) Grading/Drainage	
2.) Utility (water, sewer, gas, storm, electric, broadband)	
3.) Driveways	
4.) Retaining walls, concrete walks, etc	
5.) Miscellaneous Costs: Mobilization, dust control, etc.	
Construction	6,000,000.00
1.) 25-unit (1, 2, & 3-bedroom) apartment style complex (at \$240/sq.ft. for average of 1,000 sq.ft units)	
2.) Community Multi-purpose Facility	
3.) Outdoor recreational/hardscape seating, concrete walking/landscapes/fencing	
Other Miscellaneous	
1.) Appliances for 25 units (refrigerators, stoves, water heaters, washers, dryers)	\$100,000.00
Total \$7,100,000.00	
Funding Sources	
ARPA Funding for External Entities:	3,000,000.00
Sihasin Funding:	4,100,000.00
Total 7,100,000.00	



**Red Clay Hill Multi-Family, Mixed-Income Housing Complex and
the Demolition of Blighted Housing Units within the Community of
Navajo, New Mexico**

Updated: December 2021

April 2021

Navajo Townsite Community Development Corporation

Contact: Prestene Garnenez, Executive Director

P.O. Box 876

Navajo, New Mexico 87328

(505)777-2245

pgarnenez@navajotownsite.org

www.navajotownsite.org

Executive Summary

Navajo Townsite Community Development Corporation is a housing management entity operating in the community of Navajo, New Mexico which lies entirely in the Red Lake #18 Chapter. The community has a population of about 2,450 people and many live in subsidized public rental dwellings offered to the public by Navajo Townsite Community Development Corporation, Navajo Housing Authority, Sandstone Housing, and Gallup-McKinley County Schools throughout the community of Navajo, NM. Unfortunately, the community is underserved and impoverished which are plainly reflected with many long-term vacant, vandalized, and/or burned houses and other buildings throughout the community. Other homes have fallen into disrepair and are in dire need of renovation and/or replacement entirely. However, a glimmer of hope exists in that Navajo, New Mexico is within easy commuting distance of Fort Defiance and Window Rock, Arizona where many prosperous job prospects exist with entities such as the Tsehootsooi Medical Center, Navajo Tribal Utility Authority, Navajo Housing Authority, and the Navajo Nation government. Further, Navajo Townsite Community Development Corporation (NTCDC) finds itself in the encouraging position of immediate access to land through an existing land lease meant for the development of housing within the community of Navajo, New Mexico. This acreage of land has existing infrastructure of water, wastewater, and electricity. The careful planning and development of a new multifamily housing complex on the site will open a window to allow for consolidation and relocation of existing tenants, demolition, and re-development of the blighted areas of the community and eventually lead to new housing options for the community for a broad array of tenants and/or homebuyers of varying incomes levels. This in turn will create a healthy, sustainable and diverse community with potential to support more community and economic development opportunities within the town of Navajo, New Mexico. The project to build a multi-family complex will cost between \$4.38M to \$7.10M depending on the number of units. NTCDC is seeking \$4.1M from Navajo Nation Sihasin Funds and \$3.0M from American Rescue Plan Act funds (for External Entities for a total of \$7.1M for 25-unit multi-family complex. Additionally, a phased approach to remove the blighted, condemned, and dilapidated homes will cost nearly \$2.52M in total; however, NTCDC is requesting for \$500,000.00 for the first phase to remove all the burned units and some boarded/condemned units. These two projects will make it possible for a third project for a mixed-use development along Route 12 in Navajo, NM (though this 3rd project is not being requested for funding at this time; preliminary studies need to determine feasibility). A simple timeline demonstrating the sequencing of each project and phase can be found in the Attachment A.

Introduction

Navajo Townsite Community Development Corporation (NTCDC) is a small 501(c)(3) community development non-profit business located in Navajo (Navajo Nation), McKinley County, New Mexico. Created in 1989, the small non-profit primarily focuses its operations on housing management; in fact, there are three existing housing management programs titled as: NAHASDA Public Rentals, NAHASDA Homeownership, and NTCDC Public Rentals. NTCDC

owns twenty-five (25) Native American Housing Assistance and Self-Determination Act (NAHASDA) Public Rental units and fifteen (15) NAHASDA Lease-to-own Homeownership units that were built in the last 10-15 years for low- and moderate-income families. There were 118 NTCDC public rentals that NTCDC manages for the Navajo Nation which are approximately 50-60 years old and in need of renovation and/or demolition and rebuild. However, over time many have been deemed unsafe to live in and now only 65 are occupied/rented. The annual revenue from these three housing programs averages about \$490,000; however, expenses average about the same each year as well.

The organization is run by a 5-member Board of Directors, Executive Director, Associate Director, Bookkeeper/Payroll Manager, Resident Intake/Occupancy Manager, Administrative Assistant, Lead Maintenance Technician, and 3 Additional Maintenance Technicians. Some areas of expertise of the current make-up of the Board of Directors include government leadership, housing management leadership, human resources, as well as finance and investments. Recent changes to the executive leadership now include an Executive Director with education and experience in community development, community planning, organizational administration, program management, supervisory experience, and grants writing, administration, and management. The Associate Director has more than 30 years of experience in housing maintenance, program management, and administration.

The Navajo Townsite Community Development Corporation aspires to become a leader in community development within the small community of Navajo, NM. The town of Navajo has a rich history that begins when the Navajo Tribal Council, in the late 1950's, established the Navajo Forest Products Industry (NFPI), one of the first enterprises of the Navajo Nation. NFPI flourished from the 1960's through the 1980's, providing jobs to hundreds of Navajos from across the Navajo Nation; as a result, NFPI built many homes to accommodate the influx of new employees/residents/families to the town of Navajo. In the late 1980's NFPI Board of Directors worked to establish NTCDC to help manage the employee housing units and trailer parks; hence NTCDC was incorporated in 1989 under the Navajo Nation. Unfortunately, the mid-1990's saw the abrupt closure of NFPI by the Navajo Nation. NTCDC, being a wholly separate non-profit entity, carried on and in 1999 began the process of acquiring a Master Lease from the Navajo Nation. This Master Lease contains two areas denoted as Tract A and Tract B (see attachment B). In the late 2000's, NTCDC was able to secure NAHASDA grant funding through Navajo Housing Authority to build 25 public rental units and 15 lease-to-own homeownership units. These units were completed by 2012 and have been occupied since that time.

Concerns about Housing Issues in Navajo, NM

The community of Navajo, New Mexico (population approx. 2,450) is an underserved community in which the 52.8% is below the age of 25 and 5.6% is age 65 and older (retirement age). Economically speaking, the community of Navajo is impoverished and is disproportionately impacted as compared to other communities in New Mexico and the United States. According to the latest results of the American Community Survey, Navajo, NM's median household income is \$21,500 whereas for New Mexico and the U.S. it is \$49,754 and

\$62,843, respectively. Residents of Navajo experience significantly more poverty and unemployment as such the unemployment rate is 16.8% and New Mexico is at 6.7%.

Additionally, the community is in the 92nd - 99th percentile for Demographic Indexes including minority, low income, populations under 5 years of age and linguistically isolated populations compared to the rest of U.S.

Of those within the local population who are employed (it should be noted that the community of Navajo shows about 48.7% of the population are within working ages of 20-65), 83.8% own a vehicle and commute an average of 26 minutes to work which appears consistent with industry employment options. Many of those who are employed work in various government (federal, state, county, or tribal) offices located in Fort Defiance and Window Rock, Arizona which are both approximately 13 to 18 miles in distance, respectively, from the community of Navajo, New Mexico. A significant portion of those who are employed work in the healthcare and education industries (33.0%) such as the local school districts of Gallup-McKinley County Schools in New Mexico and Window Rock Unified Schools in Arizona and the Tsehootsooi Medical Center located in Fort Defiance, Arizona.

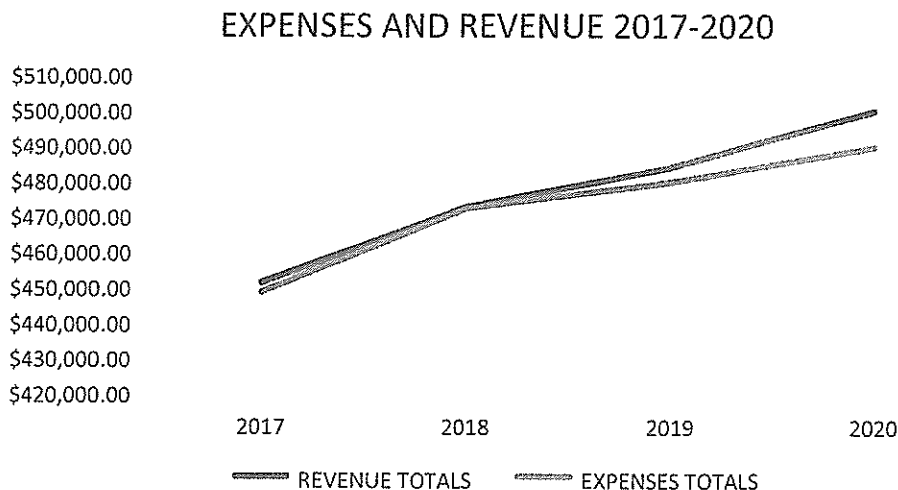
It is widely known "an estimated 34,000 homes are needed to address the Navajo Nation's chronic housing shortage" (Navajo Housing Authority). Certainly, the community of Navajo is not immune to this chronic issue. There is an estimated 400+ homes in the community of Navajo with 73.1% occupied as either rental or home-owned and a 26.9% vacancy rate, according to the latest 2019 American Community Survey. Unfortunately for Navajo Townsite Community Development Corporation, the 26.9% rate can be attributed to the many vacant and condemned units that NTCDC is responsible for managing. These homes (NTCDC Public Rentals) were initially built and managed by the former NFPI to house employees beginning in the late 1950's/early 1960's; therefore, we can estimate that these homes are between 40-60 years old. It is imperative to note that these homes are in dire need of repair, in fact, the homes that are beyond repair are slated as uninhabitable, at which point, they are boarded up and left vacant.

Boarding up and leaving units vacant results in a snowball effect of issues for the community. The first issue being, the boarded up vacant homes are old and most likely built with asbestos and lead paints, thus, simple demolition and rebuild become impossible rather these houses need proper abatement, demolition and disposal which have increasingly greater costs with each year. Secondly, the vacant homes are attractive for vandalism, locations for transients and/or young people to shelter or "party" or for scavengers looking to strip the houses for copper wiring and exposing themselves to the environmental hazards mentioned previously. Thirdly, the utilities are shut off to the abandoned, boarded up homes so there are no electricity, water or wastewater utilities and particularly in the winter, the unauthorized inhabitation/use of these houses can mean transients might build a fire to keep warm or in the case of several houses, vandals have intentionally or accidentally set fire to a vacant house. Fourthly, some of these old houses which were recently sampled by NTCDC were found to have Asbestos Containing Material present in the interior wall texture, ceilings, and for some in the floor tiles and are an environmental danger to the community at large when the burned houses release the asbestos fibers into the air. Over the years, there are 11 houses that have been set on fire and are now in varying states of

destruction throughout the community. Another 40+ abandoned homes are boarded up and vacant. It is a matter of time before those homes are set ablaze too. This can be dangerous for neighboring houses being in such close proximity to one of these vacant homes because there is a risk of damage from a fire to their rental homes and other property. Further complicating such events is the response time by the local fire department, McKinley County Fire, which is a volunteer unit; as such they are not at the fire station around the clock, so a blaze at one of the abandoned houses can burn hot and happen very quickly in some instances.

On a community wide level, these boarded up and abandoned homes are very disheartening to see daily, further contributing to the general despair and depression within the community. The 2016 Tsehootsooi Medical Center Community Health Needs Assessment noted that “A community’s health also is affected by the physical environment. A safe, clean environment that provides access to healthy food and recreational opportunities is important to maintaining and improving community health.” Further, residents informed that they were afraid to exercise outdoors (walking, jogging, biking, etc.), “the barriers include stray dogs, rattle snakes, gangs, drunken individuals, and unsafe drivers.” And exercising beside the road is not a safe place to exercise especially in the evenings because of the general dangerous state of many of the houses in their neighborhoods. It also should be noted that “... 36.7% of the population indicating that they don’t have adequate social/emotional support, there will be higher rates of negative behavioral health outcomes... evident... when suicide is highlighted.”

Internally, Navajo Townsite Community Development loses revenue with every house that is deemed uninhabitable and vacant. At present, NTCDC’s revenue ranges from \$485,000 to \$500,000 per year; however, expenses also range at about just the same. Below is a graph of revenue and expenses from the past 3 years showing there is almost no profit and nearly all revenues gained are used to cover operating expenses. Therefore, NTCDC finds it nearly impossible to generate enough profit to cover costs to demolish and/or thoroughly renovate these homes.

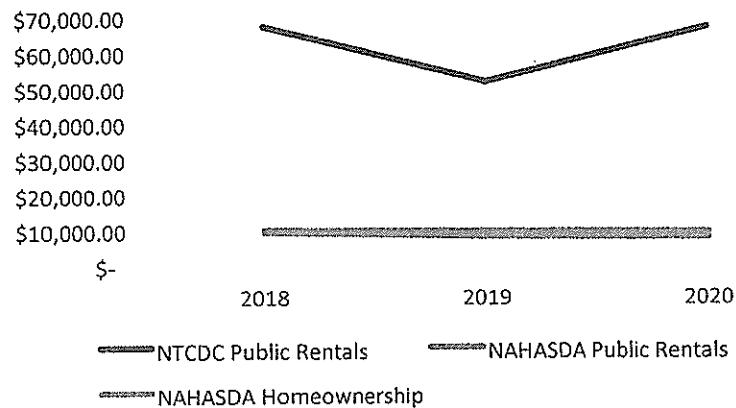


Furthermore, NTCDC currently spends an average of \$61,250 per year on repairs and small renovation costs on these older public rentals. The following graph will also demonstrate

renovation and repair costs to these homes over the past 3 years. Note: NTCDC Public Rentals are the majority of repair/renovation costs (79%) when compared to the NAHASDA Public Rentals (11%) and NAHASDA Homeownership Units (10%). At a certain point, these repair costs would outweigh the costs to continue to rent out these properties.

Year	2018	2019	2020
NTCDC Public Rentals	\$66,487.84	\$51,076.44	\$66,195.55
NAHASDA Public Rentals	\$9,015.64	\$8,795.00	\$8,527.01
NAHASDA Homeownership	\$8,509.47	\$7,353.63	\$6,935.16
Total	\$84,012.95	\$67,225.07	\$81,657.72

Renovation & Repair Costs by Program
2018-2020



Solutions to address housing in Navajo, NM

Navajo Townsite Community Development Corporation is seeking funding for:

Solution 1. The development of mixed income multi-family housing complex for 15, 20, or 25 new units for a rental program (Red Clay Hill Multi-Family, Mixed-Income Housing Complex).

Navajo Townsite Community Development Corporation currently has an existing 50-year land lease (Lease Number FD-99-702) for a parcel of land identified as "Tract B" within the land lease agreement located at 35.89668505000415, -109.03243411829237 in the community of Navajo, New Mexico adjacent to NTCDC's fifteen (15) NAHASDA Lease-to-own Homeownership lots. Additionally, there are some infrastructure (water, wastewater, and electric) already in place for this location.

Navajo Townsite Community Development Corporation's recent analysis of 2020 and current

2021 years for Fair Market Rent within McKinley County in New Mexico and Apache County in Arizona for a one-bedroom is an average of \$614 per month, a 2-bedroom averages about \$741 per month, and a 3-bedroom can be \$971 per month. Additionally, based on current information on tenant waitlists, we appear to have a demand for 1- and 2-bedroom homes rather than for larger houses with 4-bedrooms or more. This demand appears to be consistent with NHA-Navajo Housing Management Office here in Navajo, NM as there appears to be a demand for 1-, 2bedroom, and 3-bedroom units with their office as well. There is a reliable number of applicants of 10-15 annually requesting for 1-, 2-, and 3-bedroom homes. It is important to note that applicants and waiting lists may reflect less interest because the units NTCDC offers are quite old and small. Amenities to feature at these new units would include energy efficiency, range/stove, refrigerator, washer/dryer hook-ups and/or actual washer/dryer and units will be built to accommodate American with Disabilities Act (ADA) accessibility, small storage space, outdoor greenspace and landscaping, a small community building/clubhouse, outdoor court or fitness area, playground areas, and security fencing around the complex.

Based on actual construction costs for the 25 Public Rentals and 15 Lease-to-own Homeownership Units that were built in 2009-2012, we estimate the following costs for a 15-, 20-, or 25-unit multi-family facility (adjusted for typical inflation costs, but not COVID-19 impact on costs):

Number of Units	Estimated Cost to Construct per # of Units	Estimated Costs-Impact of COVID-19 (20%)
15	\$3.65M	\$4.38M
20	\$4.86M	\$5.83M
25	\$6.10M	\$7.32M

This project is important to the following solution as we look to options to relocate tenants living in NTCDC Public Rentals. A resolution from Red Lake #18 Chapter is provided in Attachment C.

Solution 2. The demolition, remediation, and/or renovation or rebuild of burned out, condemned, vacant, and inhabited old homes (NTCDC Public Rentals) which number about 117 in total.

Navajo Townsite Community Development Corporation would like to remove the debris and foundation of the 11 burned units (these are houses 2 houses located on Cypress Street, 1 house located on Pinon Place, 3 units on Birch Place, 2 units on Maple Place, 1 unit on Balsam Court, and 2 units on Lone Pine Drive). All the houses were sampled for asbestos and 4 units are found to have detection of asbestos. There are also an additional 31 homes that are currently boarded up and are long-term vacancies due to being uninhabitable. These are homes of varying size (2-, 3-, or 4-bedrooms) with attached or detached storage sheds and garages and carports. Sampling of two 4-bedroom units has resulted in detections of Asbestos Containing Material (ACM) and will require formal asbestos abatement of the houses prior to demolition.

The demolition and removal of these blighted homes is important to the social, emotional, physical and environmental welfare of the community. ***"Blight is a cancer,... If you don't get rid of blight it just keeps spreading and keeps spreading and keeps spreading. It will kill a neighborhood. It will absolutely kill it."*** (Shank, Hana, "Blight is eating American cities. Here's how Mobile, Alabama, stopped it", Fast Company, June 2019). NTCDC certainly doesn't want our little community to die. However, we acknowledge that the community has echoed concerns, frustrations, and anger in countless Red Lake #18 Chapter meetings, community meetings, and through online social media platforms. A resolution is provided in Attachment C supporting the removal of the blighted and condemned homes throughout the community of Navajo. And while, NTCDC agrees that the removal of these blighted buildings is very much needed, the costs to remove blight is exorbitantly high in our relatively remote location. The average costs in New Mexico and Arizona to abate asbestos ranges from \$20,000 to \$30,000 for a single 1,500 square foot home. Further, the NTCDC homes range in square footage from 972 square foot for a 2-bedroom house to 1,700 square feet for a 4-bedroom house. By these estimates, asbestos abatement alone may cost higher than \$1M! And additional fees for demolition, disposal, and hauling costs for the rest of the house.

Navajo Townsite Community Development Corporation proposes the following Phases for the removal of blight.

Solution 2 Phase 1: Abate and demolish (including remove concrete foundations) all 11 burned units in and around the community of Navajo, New Mexico. Abate and demolish the 19 condemned (boarded) houses along Cypress Place (see map). Mostly 3- and 4-bedroom houses, the sizes of the houses range from 1,152 sq. ft., 1,296 sq. ft., to 1,792 sq. ft. In total, there are 11 burned units and 19 condemned units along Cypress Place for a total of 29 units needing immediate abatement and/or demolition.

Burn Out Units: And estimated cost of \$20,000 per unit to abate and demolish is \$220,000 for all 11 units. However, there are 6 units found to not have asbestos containing material and may be prioritized in this phase since asbestos abatement is not necessary. Initial estimates to demolish and properly dispose of the 6 non-asbestos containing units is approximately \$70,000.00 or about +-\$11/square foot per unit. Four units were determined to have ACM and must be abated prior to demolition. Estimates for the abatement of these buildings is approximately \$21,160 per unit. Additional costs may be added to demolish and properly dispose of remaining materials from these units.

Number of Units	Costs to abate burned units (ACM present) \$20/sq. ft.	Costs to demolish burned Units (no ACM) \$11/sq. ft.	Total
6		6,336 sq. ft.	~\$70,000.00
5	4,032 sq. ft.		\$80,640.00
Traditional Ceremony to "Cool" the land			\$5,000.00
Total Cost Phase 1 to remove Burned Units			\$275,080.00

An additional cost to perform a traditional ceremony to “cool” the land where these burned units sit must also be performed by a traditional Medicine Man or practitioner at an estimated fee of \$5,000 for all the burned units throughout the community.

Scattered Vacant/Condemned Units throughout Community: These are:

CURRENT VACANT/BOARDED UNITS		
Unit # by location	Number of Bedroom	Square Footage
Balsam Court 101	3	912
Balsam Court 105	3	912
Balsam Court 107	2	724
Birch Place 305	2	936
Birch Place 311	3	1,134
Mahogany Circle 107	2	724
Maple Court 204	3	1,120
Maple Court 206	3	1,120
Maple Place 203	3	1,080
Maple Place 208	2	936
Maple Place 210	2	936
Maple Place 211	2	936
Mulberry Place 307	3	1,080
Total Square Footage		12,550

These units would need to be tested to determine if ACM is present and if asbestos abatement would be necessary. Sampling these units is estimated near \$25,000. In any case, the cost to abate these vacant homes would be about \$251,000. In total this phase would require \$276,000.00.

Cypress Place Condemned Units: Abate and demolish the 19 condemned (boarded) houses along Cypress Place (see map). Mostly 3- and 4-bedroom houses, the sizes of the houses range from 1,152 sq. ft., 1,296 sq. ft., to 1,792 sq. ft.

VACANT UNITS (Boarded/Condemned)		
Number of Bedrooms	Number of Units	Square Footage Total
3-bedroom	12	13,824
4-bedroom	7	10,064

Total	19	23,888
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Cypress Place Units	Square Footage	Estimated Abatement Cost @ \$20/sq.ft.
Vacant	23,888	\$477,760

Prior to demolition, these homes will need to be sampled and tested for asbestos and lead. An estimated fee of \$32,000 should cover these costs. Total costs for Cypress Place demolition of vacant homes is \$509,760.

Solution 2 Phase 2: There are currently 9 houses on Cypress Place that are occupied by families with long-standing ties to the community. These residents will need to be relocated into other locations. Once the homes on Cypress Place are vacated the homes can be tested for asbestos and abated and/or demolished. They are currently occupied in the units as follows:

OCCUPIED UNITS		
Unit # Cypress Place	Number of bedrooms	Square Footage
101	3	1,152
104	3	1,152
108	3	1,152
118	4	1,296
120	3	1,152
126	3	1,152
128	3	1,152
129	4	1,296
131	4	1,296
Total Square Footage		10,800

Costs to abates and demolish these units that are currently occupied on Cypress Place:

Units	Square Footage	Estimated Abatement Cost @ \$20/sq.ft.
Occupied	10,800	\$216,000

Additional costs to test for asbestos in the remaining homes may range up to \$20,000.00.

Project Budget

Solution 1. Mixed income multi-family housing complex for 15, 20, or 25 new units for a rental program at Red Clay Hill.

Number of Units	Estimated Cost to Construct per # of Units	Estimated Costs-Impact of COVID-19 (20%)
15	\$3.65M	\$4.38M
20	\$4.86M	\$5.83M
25	\$6.10M	\$7.32M

Detailed breakdown of budget for 25-unit multi-family housing complex:

25-unit Multifamily Apartment Complex Budget	
Feasibility and Master Plan	\$50,000.00
1.) Site Investigation/Analysis/Report	
2.) Master Plan	
3.) Utility Feasibility Study	
4.) Update Environmental Assessment	
Design and Engineering	\$500,000.00
1.) 25-unit (1, 2, & 3-bedroom) apartment style complex	
2.) Community Multi-purpose Facility	
3.) Outdoor recreational/landscaped space/fencing	
Site Improvement	450,000.00
1.) Grading/Drainage	
2.) Utility (water, sewer, gas, storm, electric, broadband)	
3.) Driveways	
4.) Retaining walls, concrete walks, etc	
5.) Miscellaneous Costs: Mobilization, dust control, etc.	
Construction	6,000,000.00
1.) 25-unit (1, 2, & 3-bedroom) apartment style complex (at \$240/sq.ft. for average of 1,000 sq.ft units)	
2.) Community Multi-purpose Facility	
3.) Outdoor recreational/hardscape seating, concrete walking/landscapes/fencing	

Other Miscellaneous	
1.) Appliances for 25 units (refrigerators, stoves, water heaters, washers, dryers)	\$100,000.00
Total \$7,100,000.00	

Solution 2. The demolition, remediation, and/or renovation or rebuild of burned out, condemned, vacant, and inhabited old homes (NTCDC Public Rentals) which number about 117 in total.

Phase	Estimated Cost Per Phase
Phase 1 (burned & some condemned units)	\$500,000
Phase 2 (vacant, condemned units)	\$513,920
Phase 3 (relocation of tenants in occupied units)	\$1,500,000
Total (all combined phases)	\$2,513,920.00

Sustainability of NTCDC and Community of Navajo, NM

Phase 1: Potential Revenue of Mixed income multi-family housing complex for 15, 20, or 25 new units for a rental program (Red Clay Hill Apartments—Master Lease Tract B):

	15 Unit Multifamily Complex		20 Unit Multifamily Complex		25 Unit Multi-family Complex	
	Monthly Revenue	Annual Revenue	Monthly Revenue	Annual Revenue	Monthly Revenue	Annual Revenue
100% Open Income (Market)	\$9,300	\$111,600	\$12,400	\$148,800	\$12,400	\$148,800
80% Open Income	\$8,480	\$101,760	\$11,350	\$136,200	\$8,947	\$107,364
50% Open Income	\$7,610	\$91,320	\$10,325	\$123,900	\$12,790	\$153,480
20% Open Income	\$6,970	\$83,640	\$9,250	\$111,000	\$11,125	\$133,500
0% Open Income (100% NAHASDA)	\$6,150	\$73,800	\$8,200	\$98,400	\$10,100	\$121,200

Appendix

NTCDC RENTALS CURRENTLY OCCUPIED UNITS		
Unit #	Number of Bedroom	Square Footage
Balsam Court		
100	2	724
102	3	912
103	2	724
104	2	724
108	2	724
109	3	912
Birch Place		
307	3	1,296
309	3	1,296
313	2	1,134
Lone Pine Drive		
103	3	912
105	2	724
201	3	912
203	2	724
205	3	912
207	2	724
209	3	912
301	2	724
302	3	912
304	2	724
305	2	724
307	3	912
308	2	724
309	2	724
310	3	912
311	3	912
312	2	724
313	2	724

Mahogany Circle		
100	2	724
101	3	912
102	3	912
103	2	724
104	2	724
105	3	912
106	3	912
108	2	724
109	3	912
South Mahogany		
200A	2	520
200B	2	520
201A	2	620
201B	2	600
202A	2	520
202B	2	520
203A	2	520
203B	2	520
204A	2	520
204B	2	520
205A	2	520
205B	2	520
206A	2	520
206B	2	520
207A	2	520
207B	2	520
208A	2	520
208B	2	520
Maple Court		
202	2	936
205	2	936
Maple Place		
200	3	1080

201	2	936
202	2	936
204	3	1,080
205	2	936
206	2	936
209	2	936
Mulberry Place		
301	3	2,112
303	3	1,676
305	3	1,676
Shepard Springs Boulevard		
NTCDC Guest House	2	1,200
Total Square Footage		55,354
Table Updated: April 30, 2021		

VACANT UNITS (Boarded/Condemned)		
Unit # Cypress Place	Number of Bedroom	Square Footage
103	3	1,152
105	3	1,152
106	3	1,152
107	3	1,152
109	3	1,152
114	4	1,296
115	3	1,152
116	3	1,152
117	4	1,296
121	3	1,152
122	4	1,296
123	3	1,152

124	4	1,296
125	3	1,152
127	4	1,296
132	4	1,792
133	3	1,152
135	4	1,792
136	3	1,152
Total Square Footage		23,888

Arval T. McCabe
PRESIDENT

Roger L. James
VICE-PRESIDENT

Roberta Redhouse
SECRETARY/TREASURER

Wilson Stewart, Jr.
COUNCIL DELEGATE



EXHIBIT H

RESOLUTION OF THE RED LAKE CHAPTER #18

RLC-01-22-01

Requesting The Budget & Finance Committee, The Resources & Development Committee, The 24th Navajo Nation Council, And The Capital Projects Management Department Of The Navajo Nation Division Of Community Development And The Navajo Nation Division Of Economic Development To Appropriate \$4,100,000.00 (\$4.1 Million) From The Navajo Nation Sihasin Funds For The Planning, Design, And Construction Of A 25-Unit Multi-Family, Mixed-Income Apartment Complex In Navajo, New Mexico

WHEREAS:

1. Pursuant to 26 N. N. C, Section 3 (A) the Red Lake Chapter #18 is a duly recognized Chapter of the Navajo Nation Government, as listed at II N. N. C., part 1, Section 10; and
2. Pursuant to 26 N.N.C. Section 1(b) the Red Lake Chapter #18 is delegated the governmental authority to make decisions over local matters consistent with the Navajo laws, customs, and tradition; and
3. The Budget & Finance Committee of the Navajo Nation Council is empowered to review and recommend to the Navajo Nation Council the budgeting, appropriation, investment, and management of all funds pursuant to 2 N.N.C. Section 301(B)(2); and
4. The Resources & Development Committee of the Navajo Nation Council is empowered to provide oversight over chapter activities, as well as oversight over community and economic development on the Navajo Nation pursuant to 2 N.N.C. Section 501(C)(2); and
5. The Navajo Nation Code provides that the purpose of the Navajo Nation Sihasin funds is as follows: "A. The purpose of this fund is to provide financial support and/or financing for:
1. The planning and development of economic development and regional infrastructure supporting economic development and community development including such infrastructure as, but not limited to, housing, commercial and government buildings, waterlines, solid waste management development, powerline projects, and transportation and communication systems within the Navajo Nation."; and
6. The Navajo Townsite Community Development Corporation (NTCDC) is a duly chartered non-profit community development organization incorporated on January 24, 1989, under the laws of the Navajo Nation; and
7. NTCDC recognizes there is a dire need for safe, affordable, and available housing for the Navajo people, particularly during these extraordinary COVID-19 pandemic times; and
8. NTCDC is the current holder of a 14.969-acre lease known as Tract B under lease agreement FD-99-702 where 3+ acres are currently undeveloped with existing utility infrastructure in place (Exhibit A: Master Lease FD-99-702); and
9. NTCDC desires to plan, design, and develop (construct) a 25-unit multi-family apartment/multi-purpose facility complex consisting of 1, 2, and 3-bedroom units and a

multi-purpose facility within the available, undeveloped parcel of land on existing Master land lease FD-99-702 (Exhibit A); and

10. The Red Lake Chapter faces a shortage of quality and safe housing for individuals and families of varying incomes and sizes; and
11. The Red Lake Chapter pursuant to chapter resolution RLC-05-21-22 (Exhibit B) approved to support the NTCDC in seeking funding to new housing within the community of Navajo, NM on the undeveloped parcel of land on existing Master land lease FD-99-702; and
12. Honorable Council Delegate, Wilson C. Stewart Jr., represents the Fort Defiance, Red Lake #18, Sawmill and Crystal Chapters, where the community of Navajo lies within Red Lake Chapter boundaries and within Honorable Delegate Stewart's representative area; and
13. Honorable Council Delegate, Wilson C. Stewart Jr. has received NTCDC's proposal for funding of a project that benefits 25 Navajo families within the community of Navajo, New Mexico with new housing infrastructure.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Red Lake Chapter hereby supports and approves the request to the Budget & Finance Committee, Resources & Development Committee, the 24th Navajo Nation Council to appropriate Navajo Nation Sihasin Funds in the amount of \$4,100,000 (\$4.1 Million) for the Planning, Design, and Construction of a 25-Unit Multi-family, Mixed-Income Apartment/Multi-Purpose Complex in Navajo, New Mexico; and
2. The Red Lake Chapter requests the Capital Projects Management Department and the Division of Community Development, and the Navajo Nation Division of Economic Development to provide technical assistance in the requirements needed to request such funds through the Navajo Nation Sihasin Funds.

C E R T I F I C A T I O N

We, hereby certify that the foregoing resolution was duly considered by the Red Lake Chapter at a duly called meeting in Navajo, New Mexico (Navajo Nation) at which a quorum was present and that same was passed by a vote of 44 in favor 0 opposed and 01 abstained this 19th day of January, 2022.

Motioned: Dondi Begay

Seconded: Chrysynthia McCabe


Arval T. McCabe, Chapter President

24th Navajo Nation Council
Special Session
Tuesday, July 26, 2022

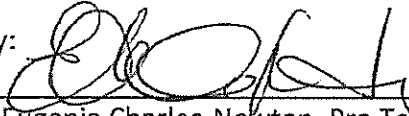
Legislation 0067-22: Allocating \$4,100,000 from the Sihasin Fund for a Proposed..

Motion: Hon. Nathaniel Brown

Second: Hon. Herman M. Daniels, Jr.

		YEA	NAY
1	Elmer P. Begay	1	
2	Kee Allen Begay, Jr.	1	
3	Paul Begay, Jr.	1	
4	Nathaniel Brown	1	
5	Amber Kanazbah Crotty	1	
6	Eugenia Charles-Newton	Pro Tem Speaker Not Voting	
7	Seth Damon	1	
8	Herman M. Daniels, Jr.	1	
9	Mark Freeland	1	
10	Pernell Halona	1	
11	Jaime Henio	1	
12	Vince James	1	
13	Rickie Nez	1	
14	Carl R. Slater	1	
15	Raymond Smith, Jr.	1	
16	Wilson Stewart, Jr.	1	
17	Charlaine Tso	1	
18	Daniel Tso	1	
19	Eugene Tso	1	
20	Otto Tso	1	
21	Thomas Walker, Jr.		
22	Edison Wauneka	1	
23	Edmund Yazzie	Excused	Excused
24	Jimmy Yellowhair	1	
	TOTAL	21	0
	Tie Vote		

Certified by:


Honorable Eugenia Charles-Newton, Pro Tem Speaker
24th Navajo Nation Council