LEGISLATION SUMMARY

TrackingNo. 0049-22

Date: March 8, 2022

Re: **AN ACT RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING $500,000 FROM THE SÍHASIN FUND FOR THE ASSESSMENT, REMOVAL, AND CLEANUP OF OLD RESIDENTIAL UNITS IN THE COMMUNITY OF NAVAJO, NEW MEXICO; APPROVING THE RELATED EXPENDITURE PLAN IN ACCORDANCE WITH 12 N.N.C §2505(A)**

Purpose: to approve $500,000 out of the Sihasin Fund to the Navajo Townsite Community Development Corporation, a Section 501(c)(3) nonprofit entity, for the assessment, demolition, and cleanup of 53 old NFPI employee housing units in Navajo, New Mexico that are vacant, condemned, vandalized, dilapidated, burned, or otherwise damaged; to mitigate blight in the Red Lake Chapter community.

OLC No. 22-077-1

5-DAY BILL HOLD PERIOD: A Johnson
Website Posting Time/Date:
Posting End Date: 03-14-22
Eligible for Action: 03-15-22

Resources & Development Committee
Thence
Budget & Finance Committee
Thence
Naabik'íyáti' Committee
Thence
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
24th NAVAJO NATION COUNCIL - Fourth Year, 2022

Introduced by:

WC Slater

(Prime Sponsor)

Tracking No. 0049-22

AN ACT

RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING $500,000 FROM THE SÍHASIN FUND FOR THE ASSESSMENT, REMOVAL, AND CLEANUP OF OLD RESIDENTIAL UNITS IN THE COMMUNITY OF NAVAJO, NEW MEXICO; APPROVING THE RELATED EXPENDITURE PLAN IN ACCORDANCE WITH 12 N.N.C §2505(A)

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 community development, housing, and chapter matters. 2 N.N.C. §500(C).

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 with authority to review proposed final actions by the Council. 2 N.N.C. §164(A)(9).

D. The Navajo Nation Council is the Navajo Nation's governing body. 2 N.N.C. §102(A). As such, the Council has authority to approve funding from the Navajo Nation's Síhasin Fund.

E. 12 N.N.C. §2502, as amended by CJA-03-18, sets forth 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 that was duly established in 1989 under the laws of the Navajo Nation. **EXHIBIT A.** 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 B.** NTC received a Certificate of

Good Standing under the Navajo Nation Corporation Code on December 7, 2021, issued by the Navajo Nation Business Regulatory Department. **EXHIBIT C.**

B. NTC's purposes, among others, is to address the problems of the Navajo and Red Lake Chapter communities, including the deterioration and vandalism of many structures located in the area, and the resulting blight that negatively affects the entire area. See *www.navajotownsite.org.*

C. NTC manages 53 old residential units in Navajo, pursuant to a Management Agreement between the Navajo Nation and NTC that was entered into in March of 2002. **EXHIBIT D.** These 53 units were once used as employee housing for the employees of the now-defunct Navajo Forest Products Industry, and most are currently unoccupied, condemned, boarded up, or fire-damaged. **EXHIBIT E.**

D. To assist NTC with its goal to significantly improve the Navajo and Red Lake Chapter communities, NTC is requesting $500,000 from the Síhasin Fund for its proposed "Phase I Project" that will consist of the thorough assessment, removal, and cleanup of the 53 dilapidated housing units. **EXHIBIT E.**

E. The NTC Board of Directors adopted Resolution No. NTCDC-21-13 which explains NTC's request for the $500,000. **EXHIBIT F.**

F. To explain and justify its funding request, NTC has prepared a comprehensive white paper titled: "Demolition of Blighted Housing Units within the Community of Navajo, New Mexico" dated April 2021 and revised December 2021. **EXHIBIT G.**

G. NTC has also provided a Budget Breakdown for the $500,000 requested amount, as well as photos showing a few of the old units that NTC will be demolishing. **EXHIBIT H.**

H. The Red Lake Chapter adopted Resolution No. RLC-01-22-02, dated January 19, 2022, wherein the Chapter supports NTC's proposal and requests the Navajo Nation to approve the $500,000 Síhasin funding request. **EXHIBIT I.**

I. Approval of the $500,000 as requested by NTC meets the criteria for Síhasin expenditures as described in 12 N.N.C. §2502(A)(1), because NTC's proposed Project will facilitate economic and community development in the Navajo and Red Lake Chapter communities. In addition, the Project will involve the assessment, removal, remediation, and cleanup of housing and commercial buildings, and appurtenant facilities and infrastructure.

SECTION THREE. APPROVING $500,000 FROM THE SÍHASIN FUND FOR THE ASSESSMENT, DEMOLITION, AND CLEANUP OF OLD RESIDENTIAL UNITS IN NAVAJO, NEW MEXICO

A. In accordance with 12 N.N.C. §2505(A), the Navajo Nation hereby approves $500,000 out of the Síhasin Fund for NTC's proposed Phase I Project that will consist of the assessment, demolition, removal, remediation, and cleanup of 52 old housing units located in Navajo, New Mexico, that are vacated, condemned, vandalized, burned, or otherwise damaged.

B. The total amount of $500,000 in Síhasin funds approved in this Act 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 $500,000 approved herein will be Síhasin Fund Principal or Síhasin Fund Income, or a combination of both.

D. 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 its proposed Phase I Project are completed, or upon the reversion deadline in Section Three (E) below.

E. The $500,000 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.

F. The Síhasin Fund shall be reimbursed the $500,000 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. APPROVING THE RELATED EXPENDITURE PLAN AND ADMINISTRATION OF THE EXPENDITURE PLAN

A. The Navajo Nation hereby approves the Expenditure Plan for NTC's proposed Phase I

Project as described in the attached EXHIBITS E, G, and H.

B. Starting thirty (30) business days after the effective date of this Act, the Controller shall begin releasing the Síhasin funds approved herein 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.

C. The $500,000 in Síhasin funds shall be used by NTC strictly for its Phase I Project as described in in the attached EXHIBITS E, G, and H. NTC shall be responsible for complying with the Expenditure Plan detailed therein and with all provisions of the agreement described in Section Four (B) above.

D. As a condition of the $500,000 in Síhasin funds, NTC shall allow the Navajo Nation full access to its financial records related to the Síhasin funds NTC has received, for the purpose of the Navajo Nation's review and audit of NTC's expenditures of the Síhasin funds.

E. The NTC Executive Director shall submit a written report, and a verbal report if so requested, explaining the ongoing status of NTC's Phase I Project and its expenditures of Síhasin funds, to the Resources and Development Committee, the Budget and Finance Committee, and the Naabik'íyáti' Committee. Said reports shall be provided by the end of each Fiscal Year Quarter until the entire $500,000 in Síhasin funds is exhausted.

SECTION FIVE. EFFECTIVE DATE

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

SECTION SIX. 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.

EXHIBIT A

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, 1989, 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, 1989 A.D.

Mic C Sanderson

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

EXHIBIT B

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

DEPARTMENT OF THE TREASURY

Date: [illegible]

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

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

Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

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.

Print or type. See Specific Instructions on page 3.

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

Requester's name and address (optional)

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

7 List account number(s) here (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
[ ][ ][ ] - [ ][ ] - [ ][ ][ ][ ]

or

Employer identification number
8 5 - 0 3 8 4 0 5 3

Part II Certification

Under penalties of perjury, I certify that:

1. 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
2. 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
3. I am a U.S. citizen or other U.S. person (defined below); and
4. 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 ▶ [signature] 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.*

EXHIBIT C

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 Capital of the Navajo Nation, this 7th day of December, 2021 A.D.

Notah A. Silversmith
Director, Business Regulatory
Division of Economic Development

EXHIBIT D

MANAGEMENT AGREEMENT
BETWEEN
THE NAVAJO NATION

THE NAVAJO TOWNSITE COMMUNITY DEVELOPMENT CORPORATION

THIS AGREEMENT is made and entered into the 6th day of March, 2002 by and between THE NAVAJO NATION, hereinafter referred to as the "Owner", and the NAVAJO TOWNSITE COMMUNITY DEVELOPMENT CORPORATION, a nonprofit corporation, incorporated under the laws of the Navajo Nation, hereinafter referred to as "Manager", whose address is P.O. Box 876, Navajo, Navajo Nation (New Mexico) 87328.

RECITALS

A. Owner holds an interest in 118 single-family homes, a 68-space trailer park and a community recreation center located within the boundaries of Navajo, Navajo Nation (New Mexico), more particularly described on attached Exhibit "A", and hereinafter referred to as the "Improvements"

B. Manager pursuant to designation and authorization by the Navajo Forest Products Industries (NFPI), a duly owned enterprise of the Navajo Nation (now defunct), has managed and operated the Improvements and served as the agent for NFPI.

C. Owner desires to engage the services of Manager to manage and operate the Improvements and Manager desires to provide such services on the terms and conditions described herein.

D. Manager warrants that it is experienced in the business of operating and managing residential rental property and the community recreation center similar to that situated upon the above-described property.

E. Manager has an approved Master Lease, Lease No. FD-99-702, from the Owner for an area specified in the Lease. This agreement is not intended to cover the Master Lease area.

F. The NFPI assets outside of the NFPI withdrawn industrial area has been managed by the Manager for six years (1989-1995) prior to 1995 Navajo Nation

Council's discharge of NFPI's Board of Directors, management, and employees and has served as an agent ofNFPI under the direction of the NFPI Board of Directors.

G. Since 1995, Manager continued to manage and control the NFPI assets outside the industrial area. By Resolution EDCD-126-95, the Economic Development Committee of the Navajo Nation Council confirmed Manager's management and control of the assets and Manager has reported regularly to the Committee.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. EMPLOYMENT OF MANAGER. Manager shall act as the exclusive agent of Owner to manage, operate, lease and maintain the Improvements including collection of fees, rental and receipts for use, rental or lease of the Improvements.

2. INITIAL INSPECTION OF MANAGER. on assuming the management and operation of the Improvements, Manager shall thoroughly inspect the Improvements and submit a written report to Owner. The written report shall contain the opinion of Manager with regard to the renovation of the Improvements and any other matters, which will serve to improve the management of the Improvements. After conferring with Owner and obtaining approval to renovate, demolish and/or make any necessary changes to the Improvements, Manager shall undertake completion of the renovation, demolition and/or any other necessary changes. The Navajo Nation does not warrant any condition or quality of the improvements on the subject property. Manger has examined the improvements and accepts them AS-IS.

3. MAINTENANCE AND REPAIRS.

3.1. Manager shall use reasonable efforts to insure that the Improvements are maintained in an attractive condition and in a good state of repair.

3.2. Manager shall make or cause to be made and supervise necessary repairs to the Improvements. Expenditures for repairs or alterations in excess of Five Thousand and 00/100 dollars ($5,000.00) shall not be made without prior consent of Owner, except in the case of emergency, or if Manager in good faith, determines that such expenditures are necessary to protect the Improvements from damage, or to prevent injury to persons or loss of life.

4. EMPLOYEES.

4.1. Manager shall employ, discharge and supervise all onsite administrative staff, maintenance employees and contractors required for the efficient operation and maintenance of the Improvements. All onsite personnel, except independent contractors and employees of independent contractors, shall be employees of Manager. Manager shall pay the salaries of such onsite employees and, to the extent there are revenues from the Improvements available, pay all charges for services rendered by independent contractors and the employees of independent contractors.

4.2. Salaries and employment benefits (including all contributions of employer not listed on the paycheck) of onsite employees shall be charged to Owner and shall be paid from the Trust Account referred to in Section Seven of this Agreement. Manager shall not be responsible or liable to Owner for any act, default or negligence of onsite personnel, or for any error of judgement or mistake of law or fact in connection with their employment, conduct or discharge except that Manager shall be responsible for any such act, default, or negligence that is due directly or indirectly to its own negligent act or omission in the hiring or supervision of any such onsite personnel.

4.3. Onsite personnel shall include, but not necessarily be limited to, a General Manager, administrative staff, maintenance staff and all other individuals rendering services or performing activities in or around the Improvements.

5. GOVERNMENT REGULATIONS. Manager shall manage and operate the Improvements in full compliance with all applicable laws and regulations of any federal, state, county, municipal or tribal authority having jurisdiction over the Improvements.

6. INSURANCE, Manager shall obtain the following insurance at the expense of Owner, and such insurance and bonding shall be maintained in force during the term of this Agreement:

6.1. Comprehensive general liability insurance for bodily injury, death and property damage, which meets the requirements of the Navajo Nation.

6.2. Workers' compensations and employer liability insurance to cover the Manager and employees of Manager.

6.3. All of insurance policies shall name Manager and Owner as co-insured as their respective interests may appear. Manager shall deliver certificates evidencing such insurance coverage to Owner within thirty (30) days from the issuance and renewal of the policies. Owner shall cooperate with Manager and any insurer in the making and delivery of all reports, notices, and other items required in connection with any of the insurance policies.

6.4. Manager shall defend, indemnify and hold harmless Owner from any claims resulting from bodily injury, death and/or property damage unless such claims are due to the negligence of Owner.

6.5. Manager may at its option participate in the insurance programs offered by the Owner for its employees, liability and property.

7. BANK ACCOUNTS. Manager shall deposit all revenues from the Improvements into a management trustee account of Manager for the Owner's benefit, hereinafter referred to as the "Trust Account". The Trust Account shall be maintained at all times in a national or state bank that is a member of the Federal Deposit Insurance Corporation. Manager shall not commingle any of the above-described revenues with any separate funds or property of Manager. From the revenues deposited in the Trust Account, Manager shall pay all items with respect to the Improvements for which payment is provided in this Agreement, including the compensation of Manager and Manager's employees.

8. RESERVE ACCOUNT.

8.1. Manager shall establish a Reserve Account for the following items: taxes, assessments, debt service, insurance premiums, repairs (other than normal maintenance), replacement of personal property, and refundable deposits. Owner shall pay the above items without incurring late payment charges, interest fees, cancellations or forfeitures. The Reserve Account shall be maintained in an interest-bearing savings account in a national or state bank that is a member of the Federal Deposit Insurance Corporation.

8.2. Anything in this Agreement to the contrary notwithstanding, Manager shall not be responsible for any failure or bankruptcy of any bank used as a depository of any funds maintained in the Reserve Account.

9. RECORDS AND REPORTS.

9.1. Manager will keep books, accounts and records that reflect all revenues and expenditures incurred in connection with the management of the Improvements. The books, accounts, and records shall be maintained at the principal place of business of Manager. Manager shall, during regular business hours, make the books, accounts and records required to be maintained hereunder available to Owner or the representative of Owner for examination and audit by appointment on no less than ten (10) business days prior notice. All such audits shall be performed at the expense of Owner.

9.2. Manager shall furnish to Owner, no later than the end of the next succeeding month following the close of a quarter of the fiscal year, a detailed statement of all revenues and expenditures for the preceding quarter. Manager will make available to Owner for inspection and/or copying all invoices, statements, purchase orders and billings received and paid during such preceding quarter, as well as other information relating to the management of the Improvements that, in the opinion of Manager, required the attention of Owner. Manager shall, for the benefit of Owner, retain for safekeeping and store all original invoices, statements, purchase orders, billings and other documents related to the management of the improvements.

9.3. Within one hundred twenty (120) days after the close of each fiscal year, Manager shall prepare and deliver to Owner a detailed financial statement, audited by an independent certified public accountant, of revenues received and expenditures incurred and paid during the fiscal year that result from the management of the Improvements. Within thirty (30) days following the expiration or termination of this Agreement, Manager shall deliver to Owner all books, accounts, and records pertaining to the Improvements.

10. COMPENSATION OF MANAGER. Manager shall receive a management fee equal to thirty-five percent (35%) of the gross receipts collected from the operation of the Improvements. Gross receipts are defined as all revenues collected from the lease and/or building utilization payments from the management on the Improvements. Any management fee due Manager hereunder shall be paid from the Trust Account to Manager on a quarterly basis.

11. ADDITIONAL DUTIES AND RIGHTS OF MANAGER. In addition to the foregoing, Manager shall perform all services that are necessary and proper for the management and operation of the Improvements and shall report to Owner promptly any conditions concerning the property that, in the opinion of Manager, require the attention of Owner.

12. TERMINATION AND RENEWAL. This Agreement shall be for a term that is co-terminous with the Master Lease between Owner and Manager, Lease No. FD99-702. This Agreement may be terminated by Owner or Manager, prior to the expiration of the above referenced term, with not less than ninety (90) days written notice to the other party. At the expiration of this Agreement, it shall be automatically renewed on a month-to-month basis that may be terminated by either party by giving not less than ninety (90) days written notice to the other party.

13. NO PROPERTY INTEREST CREATED. Nothing contained this Agreement shall be deemed to create or shall be construed as creating in Manager any property interest in or to the Improvements.

14. MANAGER AS INDEPENDENT CONTRACTOR. Manager is an independent contractor and not an employee of Owner.

15. COVENANTS AND CONDITIONS. The terms and conditions of this Agreement are expressly intended to be construed as covenants as well as conditions.

16. NOTICE. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered in person, or within five (5) days after deposited in the United States mail, postage prepaid, certified with return receipt requested, or otherwise actually delivered to Owner at the Office of the President, The Navajo Nation, Post Office Box 1000, Window Rock, Arizona 86515, with a copy to The Attorney General, The Navajo Nation, Post Office Box 2010, Window Rock, Arizona 86515, or to Manager at Post Office Box 876 or 100 Shepherd Springs Drive, Navajo, Navajo Nation, New Mexico, 87328, Attention:

Leonard Teller. Either party hereto may change the address at which it receives written notices by so notifying the other party hereto in writing.

17. PARTIES BOUND; ASSIGNMENT. This Agreement shall be binding on and inure to the benefit of the successors and assigns of the parties hereto, and their respective successors and assigns; provided, however, that this Agreement may not be assigned by Manager without prior written consent of Owner, or by Owner without prior written consent of Manager. Anything in the foregoing to the contrary notwithstanding, Manager may, without the consent of Owner, delegate the performance of (but not responsibility for) any duties and obligations of Manager to any independent contractor or entity.

18. EFFECT OF PARTIAL INVALIDITY. Should any section or any part of any section of this Agreement be rendered void, invalid or unenforceable for any reasons by any court of competent jurisdiction, such a determination shall not render void, invalid or unenforceable any other section or any part of any section in this Agreement.

19. INTEGRATION. The drafting, execution and delivery of this Agreement by the parties have not been induced by representations, statements, warranties or agreements other than those expressed in this Agreement. This Agreement embodies the entire understanding of the parties, and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof unless expressly made a part of this Agreement.

20. ATTORNEY'S FEES. Should either party bring suit to enforce any of the terms of this Agreement, all attorney's fees and costs and expenses of litigation shall be borne by the parties herein.

21. MODIFICATION. This Agreement may not be amended or modified unless it is in writing and signed by both parties to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Management Agreement at Window Rock, Navajo Nation (Arizona) on the day and year first given above.

For Owner
THE NAVAJO NATION:

By: President, The Navajo Nation

For Manager
NAVAJO TOWNSITE COMMUNITY DEVELOPMENT CORPORATION:

By: Leonard Teller, Executive Director

EXHIBIT E

Sihasin Funding

Purpose: Assess, remove, abate, and/or demolish blighted, condemned, burned units

Amount Requested: $500,000

Background: There are 53 units are currently uninhabited, condemned, boarded, and/or burned units scattered throughout the community of Navajo. These units are part of the original 118 units which were built by the former Navajo Forest Products Industries (NFPI) for employee housing. Under a Management Agreement, the Navajo Townsite Community Development Corporation (NTCDC) now manages these units for the Navajo Nation. NTCDC is requesting to use ARPA funds to assess 85% of the units (15% have been assessed already) to determine if units need to be abated for asbestos or lead and demolished or just directly demolished. The removal of these units will be in phases. This first phase (the funds requested in this application) includes removal of all burned units (11 units—noted in black within green boundary) and units along Cypress (highlighted in orange). Phase 2 and Phase 3 will target other units at a later date (but referenced here just for fuller understanding of the overall project).

Location: Phase I (removal of burned units and Cypress Place units)

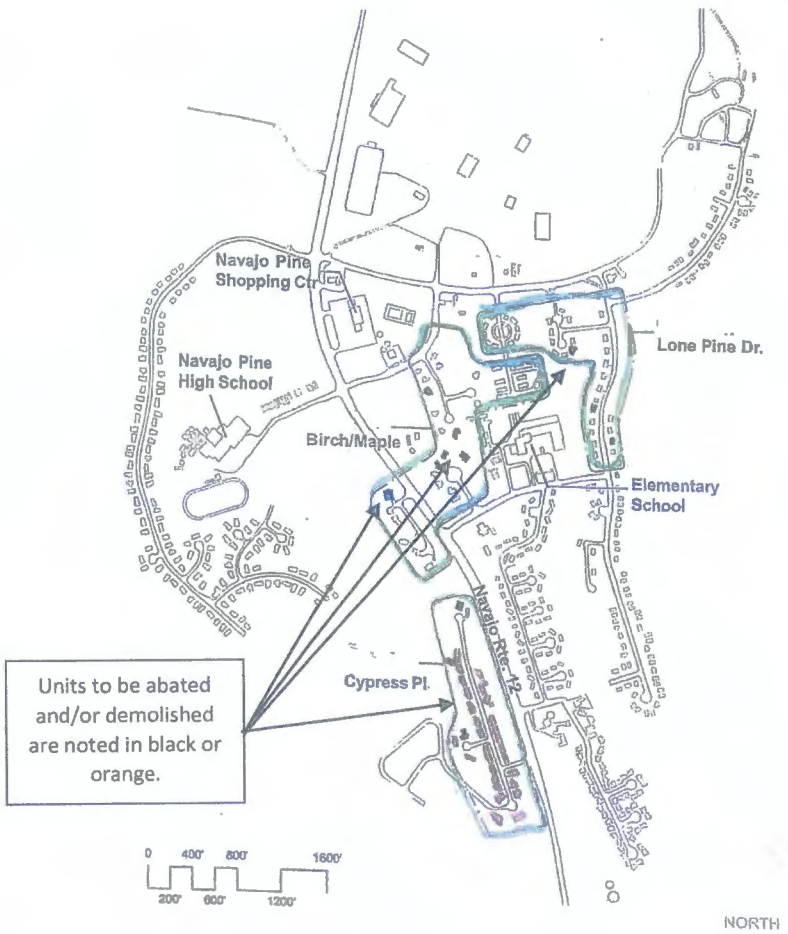


EXHIBIT F

Resolution No. NTCDC 21-13

RESOLUTION OF THE BOARD OF DIRECTORS
OF
THE NAVAJO TOWNSITE COMMUNITY DEVELOMENT 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 $500,000.00 from the Navajo Nation Sihasin Funds for the Removal of Blighted, Vacant and Condemned Public Rental Units Managed for the Navajo Nation by Navajo Townsite Community Development Corporation

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, by authority of the Management Agreement, manages 118 public rental units currently owned by the Navajo Nation (Exhibit A: Management Agreement); and
3. The Board of Directors of NTCDC recognizes that 53 of those 118 public rental units have been vacant, have fallen into severe disrepair, condemned, vandalized, or burned (Exhibit B: Photos of blighted units); and
4. The Board of Directors of NTCDC recognizes that such physical blight can invite more crime like burglary, home invasions, arson, assaults, the manufacture and sales of illegal substances, and other illegal activities; and
5. NTCDC recognizes and acknowledges the community of Navajo, New Mexico which lies within Red Lake #18 Chapter currently experiences overall community deterioration that contributes to the job losses, closure of small businesses, and abandonment of other facilities (Exhibit C); and
6. The Red Lake #18 Chapter pursuant to chapter resolution RLC-05-21-23 (Exhibit D) approved to support the NTCDC in seeking funding to remove the blighted, vacant, and condemned houses it manages within the community of Navajo, New Mexico; and
7. 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
8. 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
9. 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."

10. NTCDC seeks support from the Navajo Nation to assess, abate, and demolish the 39 of the 53 condemned/burned units with Phase I: Demolition of burned units, demolition of units along Cypress Street, and the relocation of 8 families in the amount of $500,000.00 from the Navajo Nation Sihasin Funds.
11. NTCDC further seeks support from the Navajo Nation to assess, abate, and demolish 22 of 53 condemned units with Phase II in the amount of $1,000,000 from the Navajo Nation Sihasin Funds at a future date (FY2023).

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board of Directors of the NTCDC approves the Resolution NTCDC 21-13 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 $500,000 for the removal of 39 or 53 blighted, vacant and condemned public rental units (Phase I) managed by NTCDC for the Navajo Nation; 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 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 21-13.

CERTIFICATION

I hereby certify that the foregoing Resolution NTCDC 21-13 was duly considered by the Board of Directors of NTCDC at its duly called special 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: Charlotte Rieck

Second by: Delmar Blackhorse

Jonathan Hale

Jonathan Hale, Chairman
Board of Directors of NTCDC

EXHIBIT G

Demolition of Blighted Housing Units within the Community of Navajo, New Mexico

April 2021

Revised December 2021

Navajo Townsite Community Development Corporation
Contact: Prestene Garnenez, Executive Director
P.O. Box 876
Navajo, New Mexico 87328
(505)777-2245
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 though 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 multi-family 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. A phased approach to remove the blighted, condemned, and dilapidated homes will cost nearly $2.52M in total.

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 manages 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 117 NTCDC public rentals 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, 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 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.

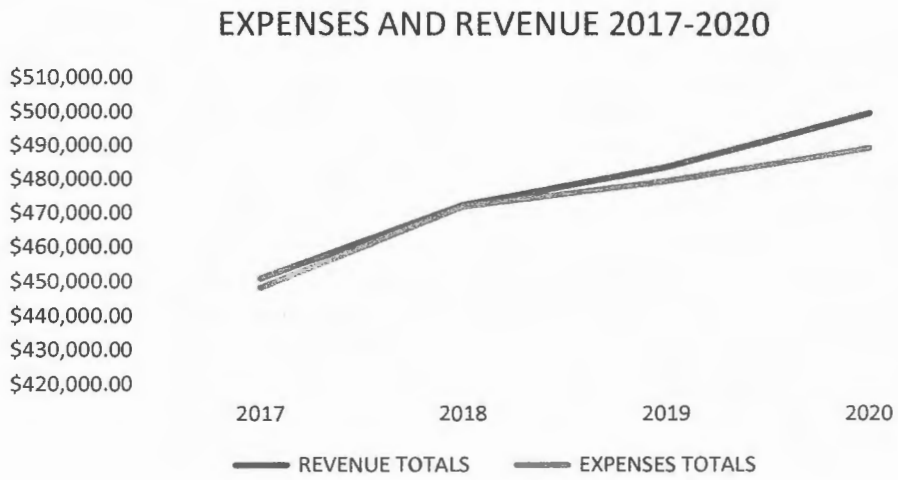
It is widely known "an estimated 34,000 homes are needed to address the Navajo Nation's chronic housing shortage" (Navajo Housing Authority). Certainly, the community of Navajo is not immune to this chronic issue. There is an estimated 400+ homes in the community of Navajo with 73.1% occupied as either 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 a unit 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 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 30+ 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

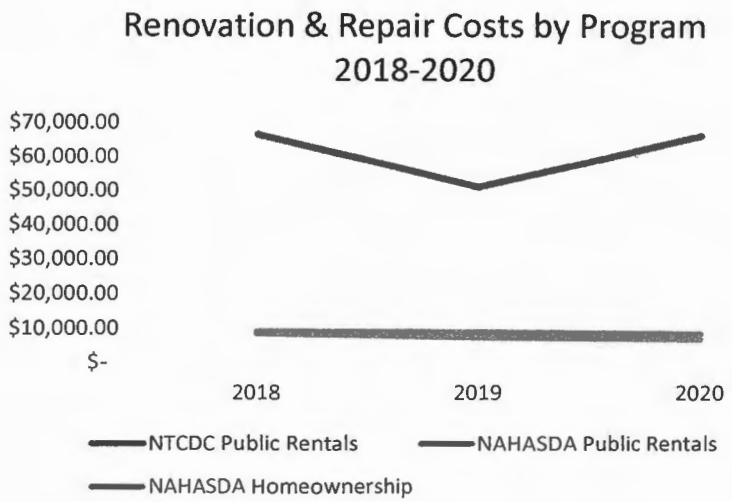
improving community health." Further, residents informed that they were afraid to exercise outdoors (walking, jogging, biking, etc.), "the barriers include stray dogs, rattle snakes, gangs, drunken individuals, and unsafe drivers." And exercising beside the road is not a safe place to exercise especially 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



Solutions to address housing in Navajo, NM

Navajo Townsite Community Development Corporation is seeking funding for:

Solution. 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! Additional fees apply 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 remainder of condemned, vacated houses (13 units) that are located throughout the community of Navajo, NM. 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, 13 vacant condemned unit scattered throughout the community and 19 condemned units along Cypress Place for a total of 43 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.	~$40,000.00
5	4,032 sq. ft.		$50,000.00
Total Cost Phase 1 to remove Burned Units			**$90,000.00**

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 united throughout the community.

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

Cypress Place Units	Square Footage	Estimated Abatement Cost @ $17/sq.ft.
Vacant	23,888	$410,000.00

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: *Scattered Vacant/Condemned Units throughout Community*: These are:

CURRENT VACANT 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.

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.

Once the occupied houses are vacated and all units along Cypress Place are demolished and cleared; NTCDC will pursue acquisition of land leases and funding to build more housing and other community and/or economic development opportunities including the assessment and upgrade of existing utilities. The location may be ideal for mixed-use development (residential, commercial, office, and possibly even light industrial/manufacturing). Currently, NTCDC is pursuing assistance for a Market Analysis of Navajo Route 12 that runs from Lupton, Arizona through Round Rock, Arizona and meanders between New Mexico and Arizona. The Market Analysis would examine the potential for tourism-related economic development and other opportunities along Route 12. Navajo Route 12 is the main thoroughfare in Navajo, NM. Additionally, Route 12 that runs through Navajo, NM is part of the Arizona Department of Transportation's "Dinetah Among the People Scenic Road" and was proposed to be part of New Mexico's "Trail of the Ancients Scenic Byway" at one time. Navajo, New Mexico is situated in a visually stunning location surrounded by sandstone bluffs, igneous rock formations, a lake, and mountains. The potential is there.

Solution 2 Phase 3: The remainder of the NTCDC managed public rentals are currently occupied where many of these residents are long-time community members or are second generation community members. Thus, NTCDC believes it is important to consider how we work with these tenants in relocation alternatives, if any.

There are 64 units (mostly 2- and 3-bedroom units) and one Guest House (hogan). The units and sizes are listed in the Appendix. These units, once vacant, will need to be tested for ACM and Lead to determine if proper abatement, demolition, and disposal is necessary on the units. There are 43 2-bedroom units and 22 3-bedroom units in total. The estimated cost to sample and analyze these homes for asbestos and lead could range as high as $115,000. If these units are found to contain asbestos, then the costs to abate would run as high as $1,107,080. Potential additional demolition and disposal costs could take costs even higher. However, this phase estimates are approximately $1,222,080.

Project Budget

Solution. 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	$500,000
Phase 2	$236,000
Phase 3	$1,222,080
Total (all combined phases)	$1,958,080

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

EXHIBIT H

Budget Breakdown:

Burned Units (11 total) 1.) 6 without Asbestos Containing Material (ACM); demolition only 2.) 5 with ACM; requires abatement	$90,000.00
Boarded/Vacant Units on Cypress Place 1.) Boarded Units that will require sampling for asbestos/lead 2.) Boarded Units that will require abatement/demolition	$ 410,000.00
Total	**$500,000.00**

Photos:

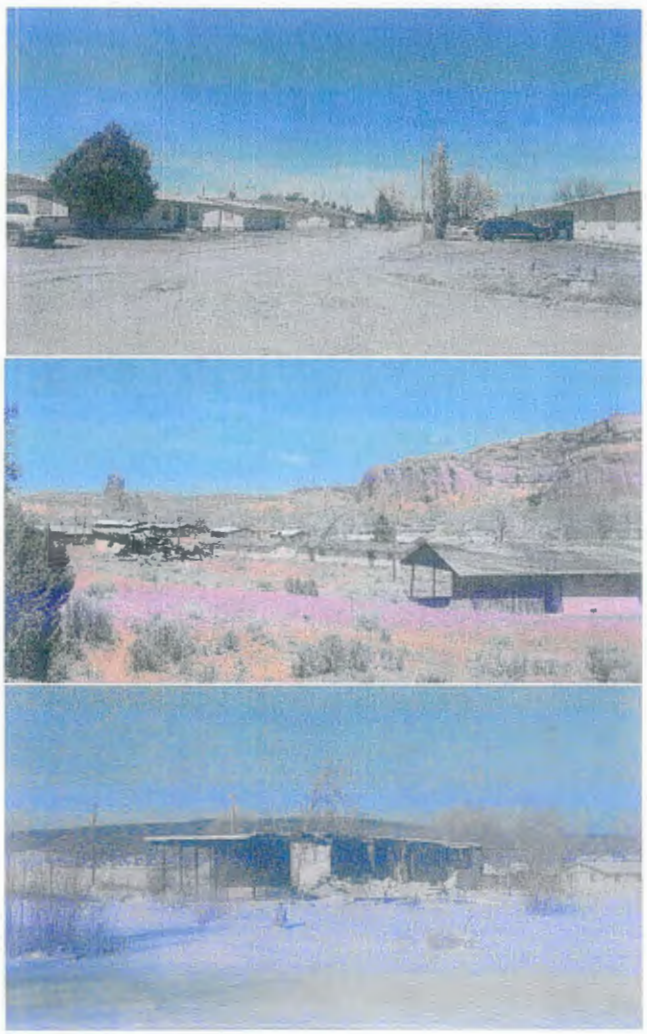


Exhibit A: Blighted Units

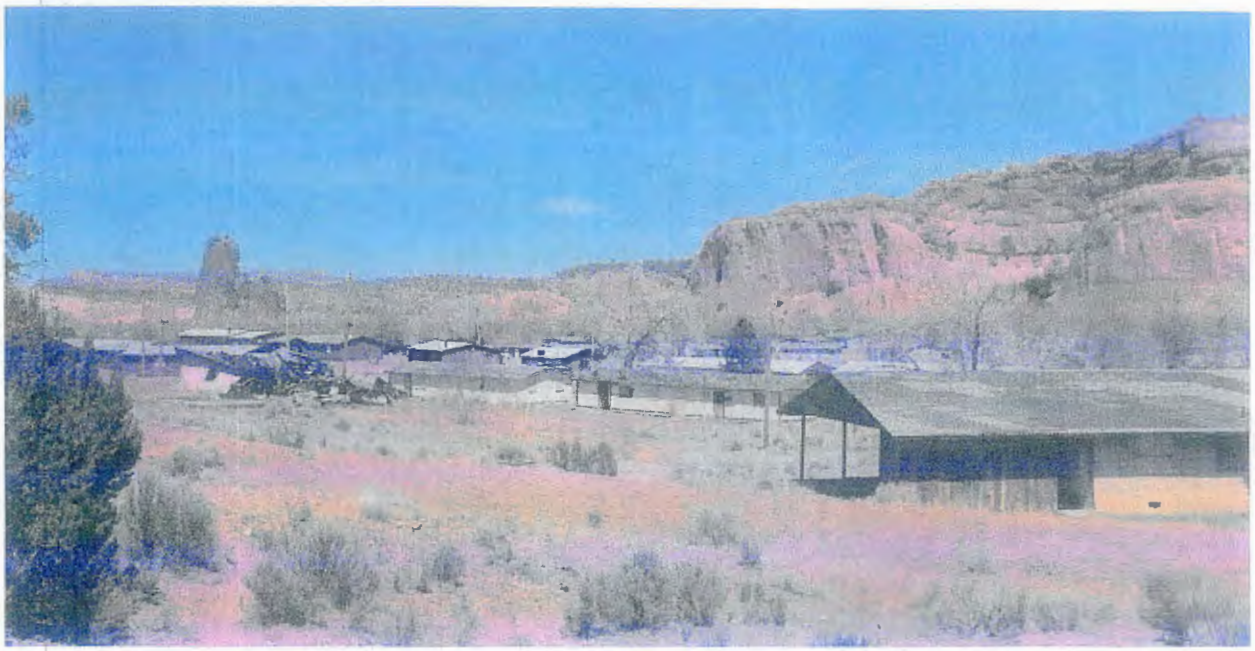


Figure 1 Photo of Burned and Blighted Units along Cypress Place



Figure 2 Boarded Units on Cypress Place



Figure 3 Burned Unit; 11 burned units total

Exhibit B: Closed Businesses and Other Abandoned Buildings in Navajo, NM



Figure 4 Navajo Pine Market closed since 2018; remains closed to date (Dec. 2021)



Figure 5 Closed Navajo Pine Supermarket--Lobby

Arval T. McCabe
PRESIDENT
Roger L James
VICE-PRESIDENT
Loberta Redhouse
SECRETARY/TREASURER
Allison Stewart, Jr.
COUNCIL DELEGATE

Kathleen Shurley
CHAPTER COORDINATOR
Florina Howard
GRAZING COMMITTEE
MEMBER

EXHIBIT I

RESOLUTION OF
THE RED LAKE CHAPTER #18

RLC-01-22-02

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 $500,000.00 From The Navajo Nation Sihasin Funds For The Removal Of Blighted, Vacant And Condemned Public Rental Units Managed For The Navajo Nation By Navajo Townsite Community Development Corporation

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 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
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 currently manages 118 public rental units owned by the Navajo Nation; and
7. NTCDC recognizes that 53 of those 118 public rental units have been vacant, have fallen into severe disrepair, condemned, vandalized, and/or burned (Exhibit A: Photos of blighted units); and
8. The Red Lake Chapter and NTCDC acknowledge that such physical blight can invite more crime like burglary, home invasions, arson, assaults, the manufacture and sales of illegal substances, and other illegal activities; and

9. NTCDC recognizes and acknowledges the community of Navajo, New Mexico which lies within Red Lake Chapter currently experiences overall community deterioration that contributes to the job losses, closure of small businesses, and abandonment of other facilities (Exhibit B); and
10. The Red Lake Chapter pursuant to chapter Resolution RLC-05-21-23 (Exhibit C) approved to support the NTCDC in seeking funding to remove the blighted, vacant, and condemned houses it manages within the community of Navajo, New Mexico; and
11. NTCDC seeks monetary support from the Navajo Nation to assess, abate, and demolish the 39 of the 53 condemned/burned units with Phase I: Demolition of all burned units, the demolition of units along Cypress Street, and the relocation of 8 families in the amount of $500,000.00 from the Navajo Nation Sihasin Funds; and
12. NTCDC further seeks support from the Navajo Nation to assess, abate, and demolish 22 of 53 condemned units with Phase II in the amount of $1,000,000 from the Navajo Nation Sihasin Funds at a future date (FY2023); and
13. 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.

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 $500,000.00 for the removal of 39 or 53 blighted, vacant and condemned public rental units (Phase I) managed by NTCDC for the Navajo Nation; and

2. The Red Lake Chapter 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.

CERTIFICATION

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:
Seconded:

Arval T. McCabe, Chapter President

Office of Legislative Counsel
Phone: (928) 871-7166
Fax: (928) 871-7576

Hon. Seth Damon, Speaker
24th Navajo Nation Council
2019 - 2023

MEMORANDUM

To: Hon. Wilson Stewart, Jr., Member
Resources and Development Committee
24th Navajo Nation Council

From: Luralene D. Tapahe
Luralene D. Tapahe, Principal Advocate
Office of Legislative Counsel

Date: March 8, 2022

Subject: **AN ACT RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING $500,000 FROM THE SÍHASIN FUND FOR THE ASSESSMENT, REMOVAL, AND CLEANUP OF OLD RESIDENTIAL UNITS IN THE COMMUNITY OF NAVAJO, NEW MEXICO; APPROVING THE RELATED EXPENDITURE PLAN IN ACCORDANCE WITH 12 N.N.C §2505(A)**

Per your request, the Office of Legislative Counsel has prepared the above-referenced proposed legislation and related summary sheet. Based on existing Navajo Nation law and other applicable laws, and upon review of all supporting documents regarding your request that were submitted to OLC, this legislation as drafted is legally sufficient. However, as with any action of government, this legislation may be subject to judicial review in the event of a legal challenge.

Please review this legislation to make sure it is drafted to your satisfaction, and that all necessary and appropriate supporting documents have been provided and all attached Exhibits are correct.

OLC has reviewed the appropriate standing committees' authorities to consider this legislation, based on the standing committees' powers and responsibilities set forth in Title 2 of the Navajo Nation Code. Based on its review, OLC has listed those committees in the title of this legislation. However, the Speaker may assign this legislation to any committee(s) other than those shown in the title, pursuant to his authority under 2 N.N.C. §164(A)(5).

If you find anything unacceptable, please let me know immediately and advise me of your desired changes. I can be reached at phone no. (928)871-**7166** or by email at: LuraleneTapahe@navajo-nsn.gov

Thank you for your cooperation.