

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0049-22_

SPONSOR: Wilson C. Stewart, Jr.

TITLE: An Act Relating to the Resources and Development, Budget and Finance, and Naabik'iyáti' 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 a Accordance with 12 N.N.C. § 2505(A)

Date posted: March 09, 2022 at 5:48PM

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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.

5-DAY BILL HOLD PERIOD: 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'iyáti' Committee
Thence
Navajo Nation Council

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION
2 24th NAVAJO NATION COUNCIL - Fourth Year, 2022

3 Introduced by:

4 
5 _____
6 (Prime Sponsor)

7
8 Tracking No. 0049-22
9

10 AN ACT

11 RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND
12 FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO
13 NATION COUNCIL; APPROVING \$500,000 FROM THE SÍHASIN FUND FOR
14 THE ASSESSMENT, REMOVAL, AND CLEANUP OF OLD RESIDENTIAL
15 UNITS IN THE COMMUNITY OF NAVAJO, NEW MEXICO; APPROVING THE
16 RELATED EXPENDITURE PLAN IN ACCORDANCE WITH 12 N.N.C §2505(A)
17

18 BE IT ENACTED:

19
20 SECTION ONE. AUTHORITY

- 21 A. The Resources and Development Committee is a standing committee of the Navajo Nation
22 Council with oversight authority over community development, housing, and chapter
23 matters. 2 N.N.C. §500(C).
24 B. The Budget and Finance Committee is a standing committee of the Navajo Nation Council
25 with the responsibility to “review and recommend to the Navajo Nation Council the
26 budgeting, appropriation, investment and management of all funds.” 2 N.N.C. §301(B)(2).
27 C. The Naabik'iyáti' Committee is a standing committee of the Navajo Nation Council with
28 authority to review proposed final actions by the Council. 2 N.N.C. §164(A)(9).
29 D. The Navajo Nation Council is the Navajo Nation's governing body. 2 N.N.C. §102(A). As
30 such, the Council has authority to approve funding from the Navajo Nation's Síhasin Fund.

1 E. 12 N.N.C. §2502, as amended by CJA-03-18, sets forth the purpose of the Navajo Nation
2 Síhasin Fund (“Síhasin Fund”) as follows:

3 §2502 Purpose

4 A. The purposes of this Fund are to provide financial support and/or financing for:

5 1. The planning and development of economic development and regional
6 infrastructure supporting economic development and community development,
7 including such infrastructure as, but not limited to, housing, commercial and
8 government buildings, waterline, solid waste management development,
9 powerline projects, and transportation and communication systems, within the
10 Navajo Nation; . . .

11 B. For the Purpose in §2502(A)(1), Fund expenditures for infrastructure shall not be
12 limited by 12 N.N.C. §1310(F) or TCDCJY-77-99.

13 C. Leveraging the Fund by way of guaranteeing loans, match funding, direct funding
14 in part, and other weighted uses of the Fund, including loan financing from the Fund,
15 for the purposes in §2502(A)(1), shall be favored over direct funding in whole.

16 F. The Síhasin Fund provides that “Fund Principal” shall consist of all deposits made to the
17 Síhasin Fund and that “Fund Income” shall consist of all earnings (interest, dividends, etc.)
18 generated and realized by the Fund Principal, and that Síhasin Fund Income shall be
19 deposited in, and added to, the Fund Principal until such time as a Fund Expenditure Plan is
20 duly approved. 12 N.N.C. §2504 and §2505(C).

21 G. The Síhasin Fund provides that “Fund Principal and Income shall not be expended except
22 pursuant to a Fund Expenditure Plan consistent with the purposes set forth in §2502 of this
23 Chapter and adopted by a two-thirds (2/3) vote of all members of the Navajo Nation
24 Council.” 12 N.N.C. §2505(A).

25
26 **SECTION TWO. FINDINGS**

27 A. The Navajo Townsite Community Development Corporation (“NTC”) is a nonprofit
28 corporation that was duly established in 1989 under the laws of the Navajo Nation.

29 **EXHIBIT A.** The U.S. Internal Revenue Service has verified that NTC is exempt from
30 federal income tax under 26 U.S.C. §501(c)(3). **EXHIBIT B.** NTC received a Certificate of

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

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

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

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

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

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

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

23 H. The Red Lake Chapter adopted Resolution No. RLC-01-22-02, dated January 19, 2022,
24 wherein the Chapter supports NTC's proposal and requests the Navajo Nation to approve the
25 \$500,000 Síhasin funding request. **EXHIBIT I.**

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

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

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

8 B. The total amount of \$500,000 in Síhasin funds approved in this Act may be further leveraged
9 by bond or loan financing pursuant to the Navajo Nation Bond Financing Act (12 N.N.C.
10 §1300 *et seq.*, as amended), using Síhasin Fund earnings for repayment and financing costs,
11 upon approval of the Budget and Finance Committee and upon further approval by a two-
12 thirds (2/3) vote of the full membership of the Navajo Nation Council.

13 C. The Controller shall determine whether the source of the \$500,000 approved herein will be
14 Síhasin Fund Principal or Síhasin Fund Income, or a combination of both.

15 D. Any and all savings or unused amounts of the Síhasin funds approved herein shall be
16 immediately returned to the Síhasin Fund Principal once NTC's expenditures for its proposed
17 Phase I Project are completed, or upon the reversion deadline in Section Three (E) below.

18 E. The \$500,000 shall not lapse on an annual basis, which would otherwise occur pursuant to
19 12 N.N.C. §820(N). However, any Síhasin funds not spent or encumbered within twenty-
20 four (24) months of the effective date of this Act shall then revert to the Síhasin Fund
21 Principal, unless otherwise approved by the Navajo Nation Council.

22 F. The Síhasin Fund shall be reimbursed the \$500,000 amount approved herein, from funds
23 available to the Navajo Nation from any and all state and federal sources, including
24 Congressional appropriations under the American Rescue Plan Act of 2021 or other COVID-
25 19-related relief, so long as NTC's expenditures described herein are deemed eligible under
26 such COVID-19-related or other funding sources.

27
28 **SECTION FOUR. APPROVING THE RELATED EXPENDITURE PLAN AND**
29 **ADMINISTRATION OF THE EXPENDITURE PLAN**

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

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

2 B. Starting thirty (30) business days after the effective date of this Act, the Controller shall begin
3 releasing the Síhasin funds approved herein to NTC, provided that an appropriate grant
4 agreement, memorandum of agreement, or other legal document establishing a project
5 schedule, payment or drawdown plan, fund management plan, or other relevant procedures,
6 has been agreed to by the Controller and is executed by NTC and the Navajo Nation.

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

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

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

19
20 **SECTION FIVE. EFFECTIVE DATE**

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

23
24 **SECTION SIX. SAVING CLAUSE**

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