

Commission Meeting Agenda



Mayor

Samuel D. Cobb

City Commission

Marshall R. Newman

Christopher R. Mills

Patricia A. Taylor

Joseph D. Calderón

Dwayne Penick

Don R. Gerth

Acting City Manager

Manny Gomez

February 3, 2020



Hobbs City Commission
Regular Meeting
City Hall, City Commission Chamber
200 E. Broadway, 1st Floor Annex, Hobbs, New Mexico

Monday, February 3, 2020 - 6:00 p.m.

Sam D. Cobb, Mayor

Marshall R. Newman
Commissioner - District 1

Christopher R. Mills
Commissioner - District 2

Patricia A. Taylor
Commissioner - District 3

Joseph D. Calderón
Commissioner - District 4

Dwayne Penick
Commissioner - District 5

Don R. Gerth
Commissioner - District 6

A G E N D A

*City Commission Meetings are
Broadcast Live on KHBX FM 99.3 Radio
and Available via Livestream at www.hobbsnm.org*

CALL TO ORDER AND ROLL CALL

INVOCATION AND PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

1. Minutes of the January 21, 2020, Regular Commission Meeting
2. Minutes of the January 21, 2020, Commission Work Session

PROCLAMATIONS AND AWARDS OF MERIT

3. Recognition of Hobbs Fire Department Employees - Fire Academy Graduates and Firefighter Certifications (*Barry Young, Deputy Fire Chief*)
 - ▶ Anthony Alejo
 - ▶ Marcus Ayala
 - ▶ Brandon Pittman
 - ▶ Caitlin Schultze

PUBLIC COMMENTS *(Citizens who wish to speak must sign the Public Comment Registration Form located in the Commission Chamber prior to the beginning of the meeting.)*

CONSENT AGENDA *(The consent agenda is approved by a single motion. Any member of the Commission may request an item to be transferred to the regular agenda from the consent agenda without discussion or vote.)*

4. Resolution No. 6903 - Approving the FY 2020 DFA 2nd Quarter Financial Report *(Toby Spears, Finance Director)*
5. Resolution No. 6904 - Approving the FY 2020 DFA 2nd Quarter Financial Report for Lodgers' Tax *(Toby Spears, Finance Director)*
6. Resolution No. 6905 - Approving the Subdivision of Property Located Northwest of the Intersection of White and Cochran Streets and Affirming a Variance Granted by the Planning Board Allowing a Subdivision of Property Creating Lot(s) Less than the Required Minimum Width *(Kevin Robinson, Development Director)*

DISCUSSION

7. Hobbs Hispano Chamber of Commerce - Update on Census Activities *(Susana Arvizu, Board President of the Hobbs Hispano Chamber of Commerce)*

ACTION ITEMS (Ordinances, Resolutions, Public Hearings)

8. Consideration of Approval to Enter into a New Mexico GSA Contract with WEX for Fleet Gas Card Management Services *(Toby Spears, Finance Director)*
9. Resolution No. 6906 - Approving the Subdivision of Property Located Southwest of the Intersection of Joe Harvey Blvd. and Grimes Street and Affirming a Variance Granted by the Planning Board Allowing a Subdivision of Property Creating Lot(s) Not Accessible from a Public Street *(Kevin Robinson, Development Director)*
10. Resolution No. 6907 - Approving an Affordable Senior Housing Funding Commitment and Letter of Financial Support to Yes Housing, Inc., for a Proposed Affordable Senior Housing Complex to be Located Northeast of the Intersection of Berry and Grimes Streets *(Kevin Robinson, Development Director)*

COMMENTS BY CITY COMMISSIONERS, CITY MANAGER

11. Next Meeting Date:

- ▶ City Commission Regular Meeting
Tuesday, February 18, 2020, at 6:00 p.m.

ADJOURNMENT

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the above meeting, please contact the City Clerk's Office at (575) 397-9207 at least 72 hours prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk's Office if a summary or other type of accessible format is needed.



CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: February 3, 2020

SUBJECT: City Commission Meeting Minutes

DEPT. OF ORIGIN: City Clerk's Office
DATE SUBMITTED: January 30, 2020
SUBMITTED BY: Jan Fletcher, City Clerk

Summary:

The following minutes are submitted for approval:

- ▶ Regular Commission Meeting of January 21, 2020
- ▶ Commission Work Session of January 21, 2020

Fiscal Impact:

Reviewed By: _____
Finance Department

N/A

Attachments:

Minutes as referenced under "Summary".

Legal Review:

Approved As To Form: _____
City Attorney

Recommendation:

Motion to approve the minutes as presented.

Approved For Submittal By:

Department Director

City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____

Ordinance No. _____

Approved _____

Other _____

Continued To: _____

Referred To: _____

Denied _____

File No. _____

Minutes of the regular meeting of the Hobbs City Commission held on Tuesday, January 21, 2020, in the City Commission Chamber, 200 East Broadway, 1st Floor Annex, Hobbs, New Mexico.

Call to Order and Roll Call

Mayor Cobb called the meeting to order at 6:00 p.m. and welcomed everyone in attendance to the meeting. The City Clerk called the roll and the following answered present:

Mayor Sam D. Cobb
Commissioner Marshall R. Newman (*via telephone*)
Commissioner Christopher Mills
Commissioner Patricia A. Taylor
Commissioner Joseph D. Calderón
Commissioner Dwayne Penick
Commissioner Don Gerth

Also present:

Manny Gomez, Acting City Manager/Fire Chief
Efren Cortez, City Attorney
John Ortolano, Police Chief
Barry Young, Deputy Fire Chief
Todd Randall, City Engineer
Kevin Robinson, Development Director
Doug McDaniel, Parks and Recreation Director
Bryan Wagner, Parks and Open Spaces Director
Matt Hughes, Rockwind Community Links Superintendent
Kevin Shearer, Battalion Chief
Nicholas Goulet, Human Resources Director
Tracy South, Assistant Human Resources Director
Toby Spears, Finance Director
Tim Woomer, Utilities Director
Shelia Baker, General Services Director
Raymond Bonilla, Community Services Director
Meghan Mooney, Communications Director
Tanya Sanchez, Tourism Development Coordinator
Sandy Farrell, Library Director
Lyndsey Henderson, CORE Director
Angela Courter, Senior Center Coordinator
Ann Betzen, Risk Manager/Executive Assistant
Mollie Maldonado, Deputy City Clerk
Jan Fletcher, City Clerk
14 citizens

Invocation and Pledge of Allegiance

Commissioner Taylor delivered the invocation and Commissioner Gerth led the Pledge of Allegiance.

Approval of Minutes

Commissioner Calderón moved that the minutes of the regular meeting held on January 6, 2020, be approved as presented. Commissioner Taylor seconded the motion and the vote was recorded as follows: Mills yes, Taylor yes, Newman yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried.

Proclamations and Awards of Merit

Acting City Manager/Fire Chief Manny Gomez recognized the employees who have reached milestone service awards with the City of Hobbs for the month of January, 2020, which total over 95 years of service worked. Acting City Manager/Fire Gomez read their names, job titles and gave a brief summary of the job duties performed by each of the following employees:

- 5 years - Justin Sharp, Water Distribution
- 5 years - Seth Ford, Hobbs Police Department
- 5 years - Jenna Ford, Hobbs Police Department
- 5 years - Douglas Faulkner, Hobbs Police Department
- 5 years - Joshua James, Hobbs Police Department
- 10 years - Chad Wright, Hobbs Police Department
- 10 years - Michael Prudencio, Hobbs Fire Department
- 25 years - Jan Fletcher, City Clerk's Office
- 25 years - Shawn Williams, Hobbs Fire Department

Acting City Manager/Fire Chief Gomez thanked the Commission for recognizing the employees and their service to the City. He stated employees are the most important resource and asset within the organization. Acting City Manager/Fire Chief Gomez expressed thanks and appreciation to the employees and their families.

Mayor Cobb recognized Mr. Fabian Palomar, the interpreter for the City of Hobbs. Mr. Palomar stated he will interpret for anyone in the audience that may need interpreting.

Commissioner Calderón stated he is leaving the meeting to attend the Hobbs Municipal School Board meeting. He thanked Police Chief John Ortolano for meeting with two young men and stated Police Chief Ortolano is doing a great job.

Commissioner Calderón also thanked Ms. Meghan Mooney, Communications Director, for hosting the Statewide Complete Count Committee meeting held on Monday, January 13, 2020, at the Zia Park Casino Hotel & Racetrack.

Commissioner Calderón left the meeting at 6:20 p.m.

Public Comments

There were no public comments.

Consent Agenda

Commissioner Gerth moved for approval of the following Consent Agenda Item(s):

Resolution No. 6894 - Authorizing an Application with the New Mexico Department of Health EMS Fund Act Local Funding Program for FY 2020

Resolution No. 6895 - Authorizing Budgetary Adjustment #2 for FY 2019-2020

Resolution No. 6896 - Determining that Certain Structures are Ruined, Damaged and Dilapidated Requiring Removal from the Municipality (403 West Alston, 620 East Roxana)

Resolution No. 6897 - Authorizing the Transfer of Ownership of the Hobbs Police Department K-9 Named "Bak" to Pacesetter K9, LLC

Resolution No. 6898 - Authorizing the Appointment of Dave Small to the Labor Management Relations Board

Commissioner Penick seconded the motion and the vote was recorded as follows: Newman yes, Mills yes, Taylor yes, Calderón no vote, Gerth yes, Penick yes, Cobb yes. The motion carried. Copies of the resolutions and supporting documentation are attached and made a part of these minutes.

Discussion

Veterans Memorial Park - Presentation by MRWM Landscape Architects.

Acting City Manager/Fire Chief Gomez introduced Mr. Rob Loftis with MRWM Landscape Architects. He stated a 2020 Legislative request in the amount of \$1.2 million has been submitted for funding of the Veterans Memorial Park. He further stated a Veterans Memorial Park Committee was formed in 2018 and members are Commissioners Mills and Penick, Ms. Shelia Baker, General Services Director, and Ms. Angela Courter, Senior Affairs Coordinator, Mr. Robert Lujan, Vietnam Veteran, and

himself. Acting City Manager/Fire Chief Gomez stated Mr. Lujan is the number one advocate for veterans in the community. He further stated the Committee toured several memorials throughout New Mexico and West Texas. Acting City Manager/Fire Chief Gomez stated Commissioner Penick drew preliminary drawings to initiate the Veterans Memorial Park project.

Mr. Loftis presented a PowerPoint to the Commission showing the conceptual plan and plant palette for the Veterans Memorial Park. He reviewed the Plan View and Landscaping Perspective Views. Mr. Loftis stated different areas were considered at the Hobbs Industrial Air Park (HIAP) but some areas have flooding issues. He stated the best location for the Memorial is adjacent to the National Guard Armory on Jack Gomez Blvd. Mr. Loftis stated this area would allow for future expansion of the Memorial, if desired.

Commissioner Penick expressed his appreciation to the Veterans Memorial Park Committee for all the work that has been accomplished on the project.

Action Items

Resolution No. 6899 - PUBLIC HEARING: Concerning the Issuance of a Restaurant Liquor License to Jesus Gamez d/b/a El Senor Taquito Located at 2006 West Marland, Hobbs, New Mexico

Mr. Efren Cortez, City Attorney, was appointed as the Hearing Officer. Mr. Palomar acted as the interpreter for Mr. Jesus Gamez, owner of El Senor Taquito.

Ms. Jan Fletcher, City Clerk, administered the oath to Mr. Palomar as the interpreter and Mr. Gamez as the owner of El Senor Taquito.

Mr. Gamez, through the interpreter, presented testimony, in the hearing regarding the issuance of a restaurant liquor license to El Senor Taquito located at 2006 West Marland, Hobbs, New Mexico.

In response to Mr. Cortez' inquiry, no members of the audience requested to speak in support of the application or against the issuance of a restaurant liquor license to El Senor Taquito.

Mr. Cortez stated the State of New Mexico Alcoholic Beverage Control has granted preliminary approval to the application for the issuance of a restaurant liquor license and location of the restaurant liquor license and a public hearing has to be held within 45 days of receipt of the application on whether or not the issuance of the proposed restaurant liquor license should be granted. He further stated the application can be denied for only three reasons which are as follows: (1) if the location is within 300 feet of a church or school, which is not applicable here; (2) if it is in violation of a zoning or other

ordinance of the governing body, which is not applicable here; and (3) if the issuance would be detrimental to the public health, safety or morals of the residents of the local option district. Mr. Cortez further stated disapproval by the governing body on public health, safety or morals must be based on and supported by substantial evidence pertaining to the specific prospective transferee or locations and a copy of the record must be submitted to the Alcoholic Beverage Control. Mr. Gamez, through the interpreter, testified that all the above statements made by Mr. Cortez are true and correct to his knowledge.

Mayor Cobb acknowledged Commissioner Newman is no longer on the telephone and has left the meeting at 6:40 p.m.

There being no discussion, Commissioner Penick moved that Resolution No. 6899 be approved for the issuance of a restaurant liquor license to Mr. Jesus Gamez d/b/a El Senor Taquito located at 2006 West Marland, Hobbs, New Mexico, as presented. Commissioner Mills seconded the motion and the vote was recorded as follows: Newman no vote, Mills yes, Calderon no vote, Taylor yes, Gerth yes, Penick yes, Cobb yes. The motion carried. Copies of the resolution and application packet are attached and made a part of these minutes.

Mayor Cobb wished Mr. Gamez success with the business in Hobbs.

Resolution No. 6900 - Authorizing Lodgers' Tax Funds in the Amount of \$250,000.00 to Promote Marketing for Oil and Gas Investments and Other Economic Investments

Mr. Toby Spears, Finance Director, stated the Lodgers' Tax Board met on January 8, 2020, and recommended funding to the City of Hobbs for the Marketing Strategy in the amount of \$250,000.00.

Mr. Spears stated the City of Hobbs Commission approved a resolution authorizing acceptance of a work product and deliverables from the J. F Maddox Foundation of a plan for attracting oil and gas investments as well as other economic investments. He explained the request of lodgers' tax funds from the City of Hobbs for funding of a Marketing Strategy in the amount of \$250,000.00 to continue the marketing and branding process through the issuance of an RFP.

Mayor Cobb stated the microsite is live and will be operated separately from the City's website. He stated the microsite web address is <https://choosehobbsnm.com>.

Commissioner Gerth moved to approve Resolution No. 6900 as presented. Commissioner Mills seconded the motion and the vote was recorded as follows: Newman no vote, Mills yes, Taylor yes, Calderón no vote, Penick yes, Gerth yes, Cobb yes. The motion carried. A copy of the resolution is attached and made a part of these minutes.

Consideration of Approval of an Agreement with Lea County for Funding of the Everglade Cemetery Project

Mr. Bryan Wagner, Parks and Open Spaces Director, stated the City of Hobbs is authorized to regulate cemeteries within the planning and platting jurisdiction of the municipality. He stated the City of Hobbs is responsible for the care and maintenance of Everglade Cemetery and it has come to the attention of the Parks and Open Spaces Department that Everglade Cemetery is in need of a perimeter fence. Mr. Wagner stated Mr. Jonathan Sena, Lea County Commissioner for District 4, has proposed a contribution by the Lea County Board of County Commissioners in the amount of \$50,000.00 towards the cost of constructing a perimeter fence at Everglade Cemetery. He stated on December 12, 2019, the Lea County Commissioners adopted a resolution authorizing a grant of \$50,000.00 to the City of Hobbs for the construction of the perimeter fence. Mr. Wagner stated the proposed agreement outlines the obligations of Lea County and the City of Hobbs regarding the use and expenditure of the funds.

Commissioner Taylor moved to approve the agreement with Lea County for Funding of the Everglade Cemetery Project in the amount \$50,000.00. Commissioner Penick seconded the motion and the vote was recorded as follows: Newman no vote, Mills yes, Taylor yes, Calderón no vote, Penick yes, Gerth yes, Cobb yes. The motion carried. A copy of the agreement is attached and made a part of these minutes.

Resolution No. 6901 - Authorizing Approval of a Development Agreement with ALJO, LLC, Concerning the Development of Market Rate Single Family Housing

Mr. Kevin Robinson, Development Coordinator, stated ALJO, LLC, has requested a development agreement concerning the development of single-family housing units located within the municipal boundaries. He stated the developer proposes to produce market rate single-family units located northeast of Ranchland and is requesting infrastructure incentives of \$200,000.00.

Mr. Alberto Caballero of ALJO, LLC, expressed his appreciation to the City for its assistance in the development of market rate single-family units.

Commissioner Taylor moved to approve Resolution No. 6901 as presented. Commissioner Gerth seconded the motion and the vote was recorded as follows: Mills yes, Newman no vote, Taylor yes, Calderón no vote, Penick yes, Gerth yes, Cobb yes.

The motion carried. Copies of the resolution and development agreement are attached and made a part of these minutes.

Resolution No. 6902 - Authorizing Approval of a Development Agreement with Black Gold Estates Concerning the Development of Market Rate Single-Family Housing

Mr. Robinson stated Black Gold Estates has requested a development agreement concerning the development of single-family housing units located within the municipal boundaries. He stated the developer proposes to produce market rate single-family units located at Zia Crossing Unit 6 and is requesting infrastructure incentives of \$200,000.00. Mr. Leon Ivie of Black Gold Estates expressed his appreciation for the working relationship with the City. He stated he started developing in Hobbs in 2014 and has developed 360 homes. Mr. Ivie further stated there will be 99 more lots developed.

Mr. Robinson stated Mr. Ivie has complied with all of the development rules and regulations enforced by the City of Hobbs.

Commissioner Penick moved to approve Resolution No. 6902 as presented. Commissioner Gerth seconded the motion and the vote was recorded as follows: Mills yes, Newman no vote, Taylor yes, Calderón no vote, Penick yes, Gerth yes, Cobb yes. The motion carried. Copies of the resolution and development agreement are attached and made a part of these minutes

Comments by City Commissioners, City Manager

Acting City Manager/Fire Chief Gomez expressed his appreciation for the contributions by staff and Evergreen Solutions, LLC, during the workshop held earlier regarding the Employee Compensation Study.

Acting City Manager/Fire Chief Gomez stated he attended the Dr. Martin Luther King Event and thanked Mr. Joe Cotton with NAACP for the great and well planned event.

Acting City Manager/Fire Chief Gomez stated December, 2019, represents the first full year that the City Manager's report has been created for all City Departments.

Acting City Manager/Fire Chief Gomez stated the 2020 Legislative Session is underway and Mr. Luke Otero, Hobbs' Legislative Lobbyist, is keeping the City informed. He stated he would be attending some of the upcoming Legislative hearings.

Acting City Manager/Fire Chief Gomez agreed with Commissioner Calderón and stated Ms. Mooney is doing a great job hosting the Statewide Complete Count Committee. He stated the City is being utilized as a model city for its work in spearheading the 2020 Census Campaign.

Commissioner Gerth stated the employee compensation study could make working for the City an envious position by others.

Commissioner Mills stated great things are happening in Hobbs such as the Veterans Memorial Park.

Commissioner Mills commented that the outcome of fairness in the compensation study is very important.

Commissioner Taylor stated she was unable to attend the MLK event because she was out-of-town.

Commissioner Taylor thanked the City employees for all they do as they are the backbone of the community.

Commissioner Taylor thanked Commissioners Mills and Penick and Acting City Manager/Fire Chief Gomez for moving forward on the Veterans Memorial Park.

Commissioner Penick stated the 2020 Census is very important for our community and Ms. Mooney is doing an exceptional job. He stated Hobbs is a great model for the State.

Commissioner Penick stated he was honored to attend the MLK event. He stated the NAACP Banquet will be held on February 22, 2020.

Mayor Cobb stated the next Commission meeting will be held on February 3, 2020.

Mayor Cobb stated he will be attending the Legislative Session on February 9, 2020.

Mayor Cobb stated Mr. Cotton is a great advocate in building relationships in the community.

Commissioner Taylor thanked Police Chief Ortolano for his hard work and stated she has noticed police officers are getting out of their vehicles more and interacting with the public.

Mayor Cobb stated Coffee with the Cops will soon be meeting and interacting with students at the Hobbs Municipal Schools.

Adjournment

There being no further business or comments, Commissioner Taylor moved that the meeting adjourn. Commissioner Gerth seconded the motion and the vote was recorded as follows: Newman no vote, Mills yes, Calderón no vote, Penick yes, Gerth yes, Taylor yes, Cobb yes. The motion carried. The meeting adjourned at 7:00 p.m.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

Minutes of the work session of the Hobbs City Commission held on Tuesday, January 21, 2020, in the City Commission Chamber, 200 East Broadway, 1st Floor Annex, Hobbs, New Mexico.

Mayor Cobb called the work session to order at 4:00 p.m. and welcomed everyone in attendance to the meeting. The City Clerk called the roll and the following answered present:

Mayor Sam D. Cobb
Commissioner Marshall R. Newman (*via telephone*)
Commissioner Christopher Mills
Commissioner Patricia A. Taylor
Commissioner Joseph D. Calderón
Commissioner Dwayne Penick
Commissioner Don Gerth

Also present were Manny Gomez, Acting City Manager/Fire Chief; Mr. Efren Cortez, City Attorney; Ms. Jan Fletcher, City Clerk, and Ms. Mollie Maldonado, Deputy City Clerk.

Mayor Cobb stated today's topic for discussion is the employee compensation study performed by Evergreen Solutions, LLC.

Mr. Nicholas Goulet, Human Resources Director, thanked the Mayor and Commission for moving forward with a compensation study for employees. He reviewed the history of the process which began in February of 2019 when Evergreen Solutions was selected to perform a comprehensive compensation and benefit analysis. He stated the focus of today's work session is to review the results of the compensation survey conducted by Evergreen Solutions and discuss the City's compensation philosophy moving forward.

Mr. Goulet stated the City's last compensation study was performed in May of 2006 when the "Oliver System" was implemented. He stated it is a hybrid system that took an outside perspective and used internal equity among position titles. The City's current job classification system was started at that time which includes the following pay groups: Executive; Supervisory and Managerial; Public Safety Supervisory and Managerial; Labor Trade; Office Support Specialist; Police and Fire Union; Professional/Administrative/Technological; and Seasonal. In January of 2007, minimums were increased by 10% for all classifications and maximums were increased by 5%. In July of 2007, adjustments were made to individual pay groups: Office Support Specialist (7% increase to the minimum/maximum); Labor Trade (5% increase to the minimum/maximum); and all other non-union (3.5% increase to the minimum/maximum).

Mr. Goulet continued and stated the current compensation plan has been adjusted throughout the years to assist in retaining long-term employees. In 2014, the maximum levels were raised by 15% as employees began to top-out in the current positions. In 2017, the maximum level was again raised by 5%. Since 2007, there have been four adjustments of 2% to the minimum pay rates. In addition, for the past two years, the City has continued a 2% COLA and up to a 3% merit increase based upon performance.

Mr. Goulet outlined the City's compensation philosophy as follows:

- ▶ To design a forward-looking compensation plan based on relevant market comparisons of current positions.
- ▶ To provide increased opportunities for professional growth within current position.
- ▶ To update the compensation and position management practices to make the City more competitive in the local, regional, and national markets, as appropriate.

At this time, Mr. Goulet introduced Ms. Queenell Fox, Projector Director of Evergreen Solutions, LLC, located in Tallahassee, Florida.

Ms. Fox stated she will review the study process, the compensation philosophy, the results of the compensation review, an implementation recommendation and review some additional recommendations.

Ms. Fox outlined the study process which was used by Evergreen Solutions:

- ✓ Reviewed current conditions of the compensation system.
- ✓ Reviewed the City's compensation philosophy.
- ✓ Conducted a salary and benefits survey to analyze the external competitiveness of the current compensation system.
- ✓ Utilized internal and external equity results to develop a new pay plan, and individually assigned pay grades to classifications.
- ✓ Developed recommended implementation options and estimated annualized salary costs to implement the new pay plan.
- ✓ Provided draft report.

Ms. Fox stated the study results will be finalized and a final report will be provided to the City.

Ms. Fox stated a compensation philosophy impacts employees' salaries. She stated the desired market position needs to be competitive to align with peers; pay practices need to be equitable and flexible; pay plan design needs to be open-range; and pay increase methods can be COLA and/or performance based.

Ms. Fox explained that compensation was evaluated by conducting a salary survey. She stated the survey was sent to the following 16 market areas:

- City of Abilene, TX*
- City of Albuquerque, NM
- City of Amarillo, TX*
- City of Carlsbad, NM

- City of Clovis, NM
 - City of El Paso, TX
 - City of Las Cruces, NM
 - City of Lubbock, TX
 - City of Midland, TX
 - City of Odessa, TX
 - City of Plainview, TX*
 - City of Roswell, NM
 - City of San Angelo, TX*
 - City of Santa Fe, NM
 - City of Fort Stockton, TX*
 - Lea County, NM
- *Did not participate

Out of the 16 surveys, a total of 11 peers responded which allowed Evergreen to analyze external (market) equity for 71 benchmark classifications. Over 500 classification responses were received from the peers that participated.

Salary range data was collected for a total of 50 non-public safety benchmark classifications and data was compared at the average with the following results:

Non-Public Safety Classifications are overall:

- ***Behind the peers at the minimum by 1.2%***
- ***Above peers by 5.0% at the midpoint***
- ***Above the peers by 8.9% at the maximum***

Ms. Fox explained that midpoint is typically considered "market" as employees receiving pay at this point should be proficient and satisfactorily performing the duties of their classification. She also emphasized that results do not indicate that all benchmarks (classifications) were ahead or behind. For these non-public safety classifications, Ms. Fox reviewed a line-graph chart which depicted the City's ranking for general classifications as compared to some of the other peers that responded.

Ms. Fox reviewed the same process for 21 public safety benchmark classifications and data was compared at the average with the following results:

Public Safety Classifications are overall:

- ***Consistent with the peers at the minimum***
- ***Above peers by 10.1% at the midpoint***
- ***Above peers by 17.4% at the maximum***

For these public safety classifications, Ms. Fox reviewed a line-graph chart which depicted the City's ranking for general classifications as compared to some of the other peers that responded.

Ms. Fox explained that based on the compensation survey, Evergreen developed a new, competitive open-range pay plan for non-public safety employees as follows:

- Created 29 pay grades instead of 68 ranges
- Created varying range spreads based on:
 - Current range spreads
 - Market range spreads
 - HR best practices
- New plan is easy to administer
- Also aligns with the City's compensation philosophy

Similarly, Ms. Fox explained that based on the compensation survey, Evergreen developed a new, competitive open-range pay plan for public safety employees as follows:

- Created 26 Public Safety pay grades
- Created varying range spreads based on:
 - Current range spreads
 - Market range spreads
 - HR best practices
- New plan easy to administer
- Also aligns with the City's compensation philosophy

Ms. Fox discussed several options that could be utilized for implementation of the new pay plan:

Option 1: Bring Employees' Salaries to New Proposed Minimums

A calculation is performed to determine if there are any salaries are *below* the proposed minimum of the proposed classification/grade. If there are salaries that are below new proposed minimum these salaries are adjusted and brought to the new proposed pay grade. Salaries that are currently within the proposed pay grade are not adjusted in this recommendation. The total annualized estimated cost would be \$314,985 and 141 employees would be receiving adjustments. Ms. Fox emphasized that the cost estimates of all the plan options are salary only and do not include the cost of benefits.

Option 2: Current Range Penetration

A calculation is performed to determine the position of an employee's salary in the current pay range. The employee's recommended salary calculation will place their salary at the same relative percentage in the proposed range. (EX: If a salary is at the midpoint (50%) of the current range, the salary is brought to the midpoint of (50%) the proposed range.) This calculation includes the cost of bringing salaries currently below the proposed minimum up to the new minimum. The total annualized estimated cost would be **\$782,977** and 320 employees would receive adjustments.

Option 3: Move Toward Midpoint (Market) - 3 Tier (Class Tenure)

Salaries are adjusted based on classification date and Compa-Ratio (Market). (EX: Salary at 75% of the market point (Compa-Ratio) would be brought to 79% of the market point based on longevity of less than 3 years in the classification.) Salary would be moved to **80%** if classification tenure were 3 to 7 years. Salary would be moved to **81%** if classification tenure were greater than 7 years. Increments are designed to give larger adjustments (percentage) for salaries that are currently furthest from the market point and based on tenure in the classification, and also provide greater adjustments for salaries based on more tenure in the classification. Salaries that are currently at or above the proposed midpoint are not changed. The total annualized estimated cost would be **\$627,946** and 359 employees would receive adjustments.

Option 4: Move To Midpoint – Alternate 3 Tier (Class Tenure)

Salaries are adjusted based on hire date and Compa-Ratio (Market). (EX: Salary at 75% of the market point (Compa-Ratio) would be brought to 79% of the market point based on longevity that is less than 3 years in the current classification.) The salary would be moved to **90%** if employee's class tenure is 3 to 7 years. Salary would be moved to **midpoint** if class tenure is greater than 7 years. Increments are designed to give larger adjustments (percentage) for salaries that are currently furthest from the market point and based on tenure in the current classification, and also provide greater adjustments for salaries based on more tenure in the classification. Salaries that are currently at or above the proposed midpoint are not changed. The total annualized estimated cost would be **\$862,515** and 359 employees would receive adjustments.

Ms. Fox reviewed the cost estimates by department for each of the four options. She stated, for clarity, that the cost estimates are for salary only and do not include the cost of benefits. She also stated that all cost options include Option 1 (bring to minimum).

Ms. Fox stated the City offers a generous benefits package:

- ✓ PPO health plan offers 3 levels of premiums based on salary;
- ✓ The City's contribution of health premiums was greater than the peer's PPO average for 2 of the 3 PPO plans offered;
- ✓ Dental (employee and employer paid) and vision (employee paid only) plans also available;
- ✓ Offers Paid Time Off (PTO) while all responding peers offer sick and annual leave.

She stated the City offers longevity pay, holiday pay and incentive pay programs as do most of the other peers, each of which are similar but do vary in percentage and quantity.

Ms. Fox stated Evergreen submits the following recommendations to the City:

- Adopt the compensation and classification plan structure recommended by the Evergreen Solutions' study.
- Communicate study results to the employees.
- Review pay practices and revise as necessary to align with compensation philosophy and be competitive with peers.
- Administer and maintain the new plans to include making pay grade/range adjustments as necessary.
- Conduct a comprehensive study every two to three years.

Mayor Cobb stated the amount of hourly wage paid to an employee is important as are the benefits, such as health insurance. He asked Mr. Goulet and Acting City Manager/Fire Chief Gomez to provide some detailed information to the Commission related to the actual cost of benefits. Mayor Cobb stated an hourly rate can be increased but if an employee is not covered by insurance, a large health claim could have devastating financial results.

Commissioner Mills addressed several questions to Ms. Fox related to the various plans. Ms. Fox responded and stated it depended on where the employees fall in the plan, not by department.

In answer to Commissioner Mills' question, Ms. Fox stated the goal is a holistic solution for the entire organization, not by department.

Acting City Manager/Fire Chief Gomez stated depending on the philosophy chosen, the Commission could choose to be more competitive than the market level.

In response to Commissioner Gerth's inquiry, Acting City Manager/Fire Chief Gomez stated that the Parks and Recreation Department numbers include the newly-created Parks and Open Spaces Department which makes it a higher number.

In reply to Commissioner Taylor's comment, Mr. Goulet stated in the City's market area, pay is only one part and it's the biggest driver. He stated the City struggles to get vacancies filled.

Mayor Cobb stated he would definitely like to see the benefits portion of the compensation plan.

Commissioner Mills commented that the pay range is the basis of everything. In answer to his question, Ms. Fox stated that the data requested from the competitors is range only and not salaries. She added that Mr. Goulet has the data from all of the competitors. In further reply to Commissioner Mills' inquiry, Ms. Fox commented that she has been involved in compensation studies for the past 14 years and she does trust the information received.

Mr. Goulet stated responding to compensation surveys is a very normal process for the Human Resources Department. Out of the City's 350 job descriptions, only 51 were used for the study. If the City had requested all 350, it would never receive responses for that many.

In answer to Mayor Cobb's question, Acting City Manager/Fire Chief Gomez stated 40% is a good number to use for the cost of benefits.

In reply to Commissioner Mills' question, Ms. Fox stated 140 positions are below minimum starting level. Mr. Goulet stated some are stagnant at the bottom of the pay plan and it would be a higher number to get those positions to mid-point.

In response to Commissioner Calderon's question, Mr. Goulet stated each position has a value and some positions will be capped out. Mr. Goulet commented that longevity pay is available to longer-term employees and for retention of employees.

A discussion was held on retirement plans and the current PERA solvency issue.

Commissioner Gerth commented that many young employees are not interested in benefits and retirement. They are looking for higher hourly wages. Mr. Goulet stated that focus tends to shift from generation to generation. Overall, the City needs to look at future growth. The minimum wage will be having an incremental adjustments over the next few years to \$12.00 per hour which can cause some wage compression concerns.

Acting City Manager/Fire Chief Gomez thanked Mr. Goulet and Ms. Fox for the presentation. He also expressed thanks to all of the employees for their patience throughout this process as it does take time to analyze and review. He stated no decisions are being made tonight but staff needs direction to move forward. Acting City Manager/Fire Chief Gomez stated he would like to see the City focus on a fair, equitable, valid pay plan that is steady, flexible and transparent. Those employees that are earning maximum pay proves they are competent in their job duties and earning a competitive wage. He stated staff will continue working on the project and get additional answers for the Commission and make a recommendation on the best way to move forward in the best interest of the overall organization.

Mayor Cobb thanked Acting City Manager/Fire Chief Gomez for working with the Department Heads to make sure the City is right sized to perform services for the citizens.

There being no further discussion or comments, the work session adjourned at 5:20 p.m.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk



CONSENT AGENDA



CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: February 3, 2020

SUBJECT: Resolution approving the FY2020 DFA 2nd Quarter (December 2019) Financial Report
DEPT. OF ORIGIN: Finance Department
DATE SUBMITTED: January 24, 2020
SUBMITTED BY: Deborah Corral, Assistant Finance Director

Summary:

Submitting the FY2020 2nd Quarter DFA Financial Report for the approval of the governing body. The Department of Finance and Administration only requires that the 4th Quarter DFA Report be approved by resolution, however, it **recommends** all quarterly reports be approved by the governing body.

Fiscal Impact:

Reviewed By: 
Finance Department

The ending cash balance represents actual revenue and expenditure activity from 07/01/19-12/31/19.

- Actual Ending Cash Balance at 12/31/2019 is \$140,955,852.72 for all funds (restricted and unrestricted).
- The City of Hobbs year-to-date actual revenues and expenditures for the period are \$73,171,677.93 and \$55,296,407.77 respectively.

Attachments:

- 2nd Quarter DFA Report Recap
- December 31, 2019 City of Hobbs Cash Report
- Resolution approving 2nd Quarter DFA Report

Legal Review:

Approved As To Form: 
City Attorney

Recommendation:

Motion to approve the resolution.

Approved For Submittal By:


Department Director

City Manager

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Resolution No. _____	Continued To: _____
Ordinance No. _____	Referred To: _____
Approved _____	Denied _____
Other _____	File No. _____

CITY OF HOBBS
RESOLUTION NO. 6903

A RESOLUTION APPROVING THE FY2020
DFA 2nd QUARTER FINANCIAL REPORT

WHEREAS, the State of New Mexico only requires the 4TH quarter DFA Financial Report to be approved annually, however, they now recommend that all quarterly financial reports be approved.

WHEREAS, the ending cash balance for the period ended December 31, 2019 was \$140,955,852.72 for all funds; and

WHEREAS, the City of Hobbs actual year-to-date revenue and expenditures for fiscal year 2020 crosswalk the amounts to the DFA 2nd Quarter Financial Report;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the herein referenced 2nd Quarter Financial Report be approved.

PASSED, ADOPTED AND APPROVED this 3rd day of February, 2020.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

City of Hobbs
Cash Balance by Fund
12/31/2019

	Ending Cash 06/30/2019	June - July FY2020 Revenues	Actual Cash TRANSFERS	June - July FY2020 Expenditures	FY20 Sheet Adjustments	Balance	Ending Cash 12/31/19
GOVERNMENTAL FUNDS							
11000 001 GENERAL	75,356,708.84	41,456,642.79	(2,791,295.85)	27,763,821.08	(120,198.45)		86,378,433.15
29900 002 LAND ACQUISITION	349,146.16	-			-		349,146.16
	<u>75,705,855.00</u>	<u>41,456,642.79</u>	<u>(2,791,295.85)</u>	<u>27,763,821.08</u>	<u>(120,198.45)</u>		<u>86,727,579.31</u>
SPECIAL REVENUES							
20100 110 LOCAL GOV CORR	701,933.24	111,770.13		25,584.03	(561.63)		788,680.97
21100 120 POLICE PROTECTION	68,969.14	73,200.00		18,048.11	-		124,121.03
29900 130 P D N (parif, drug, narcotics)	1,918.75				-		1,918.75
29900 140 SAFER Grant	-	-			-		-
29900 150 COPS GRANT	1,000.00	43,673.94	154,262.98	197,936.92	-		1,000.00
21700 160 HWLC	150,000.00	3,223,298.30	643,856.27	2,028,613.25	(3,124.88)		1,991,666.20
21900 170 OLDER AMERICAN	1,000.00	99,078.21	361,928.63	470,642.28	(9,635.44)		1,000.00
51800 180 GOLF	1,000.00	424,646.67	1,291,271.56	1,724,808.21	(8,889.98)		1,000.00
50600 190 CEMETERY	1,000.00	82,924.50	57,627.39	140,805.65	(253.76)		1,000.00
50400 200 AIRPORT	289,510.72	21,598.29		34,015.79	-		277,093.22
21400 230 LODGERS' TAX	2,240,394.35	1,046,600.44	(509,529.24)	524,111.65	-		2,253,353.90
29900 270 PUBLIC TRANSPORTATION	1,000.00	215,642.91	306,818.29	522,940.20	(479.00)		1,000.00
20900 280 FIRE PROTECTION	332,137.06	339,033.34		168,611.81	(1,569.96)		504,128.55
20600 290 EMER MEDICAL SERV	184.16	20,000.00		1,506.68	-		18,677.48
30200 370 COMM DEVE CONST	186,193.20	-			-		186,193.20
	<u>3,976,240.62</u>	<u>5,701,466.73</u>	<u>2,306,235.88</u>	<u>5,857,624.58</u>	<u>(24,514.65)</u>		<u>6,150,833.30</u>
CAPITAL PROJECTS FUNDS							
39900 460 BEAUTIFICATION IMPROVEM	1,538,849.89				-		1,538,849.89
21600 480 STREET IMPROVEMENTS	2,729,615.68	492,800.34		102,911.80	-		3,119,504.22
39900 490 CITY COMM. IMPROVEMENT:	3,706,847.88	1,792,665.95		49,412.66	-		5,450,101.17
	<u>7,975,313.45</u>	<u>2,285,466.29</u>	<u>-</u>	<u>152,324.46</u>	<u>-</u>		<u>10,108,455.28</u>
DEBT SERVICE FUNDS							
40400 510 UTILITY BOND	-		29,660.08	29,660.08	-		-
40400 530 2005 WASTEWATER BOND IS	1,989,842.96		1,921,489.12	1,921,489.12	-		1,989,842.96
	<u>1,989,842.96</u>	<u>-</u>	<u>1,951,149.20</u>	<u>1,951,149.20</u>	<u>-</u>		<u>1,989,842.96</u>
TOTAL GOVERNMENTAL FUNDS	<u>89,647,252.03</u>	<u>49,443,575.81</u>	<u>1,466,089.23</u>	<u>35,724,919.32</u>	<u>(144,713.10)</u>		<u>104,976,710.85</u>
ENTERPRISE FUNDS							
50200 100 SOLID WASTE	2,348,193.09	3,572,042.40		3,493,478.78	(557,635.24)		2,984,391.95
39900 440 JOINT UTILITY EXTENSIONS C	257,411.91			1,250.00	-		256,161.91
50100 600 JOINT UTILITY	575,898.75		2,101,025.52	2,680,570.99	(4,646.72)		1,000.00
50100 610 JOINT UTILITY CONST	1,000.00		835,509.31	835,509.31	-		1,000.00
50300 620 WASTE WATER PLANT CONS	7,484,479.09	3,549,831.20		2,550,432.61	-		8,483,877.68
50300 630 JOINT UTILTIY - WASTEWATE	1,000.00		1,471,012.93	1,522,331.22	(51,318.29)		1,000.00
50300 650 JOINT UTILTIY INCOME - WA.	2,719,525.17	4,499,823.77	(3,392,502.05)	24,705.54	-		3,802,141.35
50100 660 JOINT UTILITY INCOME	3,622,799.92	4,384,460.75	(2,966,194.91)		201.54		5,040,864.22
50100 680 METER DEPOSIT RES	1,029,086.27	217,195.74		138,163.09	-		1,108,118.92
TOTAL ENTERPRISE FUNDS	<u>18,039,394.20</u>	<u>16,223,353.86</u>	<u>(1,951,149.20)</u>	<u>11,246,441.54</u>	<u>(613,398.71)</u>		<u>21,678,556.03</u>
INTERNAL SERVICE FUNDS							
69900 640 MEDICAL INSURANCE	4,103,595.96	3,233,729.10		3,292,276.08	(7,651.93)		4,052,700.91
69900 670 WORKERS COMP TRUST	1,104,078.23	255,532.54		230,135.21	-		1,129,475.56
69900 690 INTERNAL SUPPLY	53,727.58	115,641.96		107,598.93	-		61,770.61
69900 740 INSURNACE - RISK	-		485,059.97	484,059.97	-		1,000.00
TOTAL INTERNAL SERVICE FUNDS	<u>5,261,401.77</u>	<u>3,604,903.60</u>	<u>485,059.97</u>	<u>4,114,070.19</u>	<u>(7,651.93)</u>		<u>5,244,947.08</u>
TRUST AND AGENCY FUNDS							
79900 700 MOTOR VEHICLE	20,930.74	3,323,321.53		3,342,983.34	(3,107.35)		4,376.28
79900 710 MUNI JUDGE BOND FUND	105,234.84				(233.00)		105,467.84
79900 720 RETIREE HEALTH INSURANCE	9,000,000.00	505,200.70		825,271.50	2,191.07		8,677,738.13
79900 730 CRIME LAB FUND	71,235.55	42,257.50		40,809.00	-		72,684.05
79900 750 FORECLOSURE TRUST FUND	71.88				-		71.88
79900 770 LIBRARY TRUST	5,809.68	611.90		214.84	-		6,206.74
79900 780 SENIOR CITIZEN TRUST	1,189.94	1,198.00			-		2,387.94
79900 790 PRAIRIE HAVEN MEM	5,757.50	42.45			-		5,799.95
79900 800 COMMUNITY PARK TRUST	1,540.03	11.35			-		1,551.38
79900 820 EVIDENCE TRUST FUND	129,953.84	26,739.92			-		156,693.76
79900 830 HOBBS BEAUTIFUL	19,733.26	145.43			-		19,878.69
79900 860 CITY AGENCY TRUST	3,918.94	315.88		1,698.04	(245.34)		2,782.12
TOTAL TRUST AND AGENCY FUNDS	<u>9,365,376.20</u>	<u>3,899,844.66</u>	<u>-</u>	<u>4,210,976.72</u>	<u>(1,394.62)</u>		<u>9,055,638.76</u>
GRAND TOTAL ALL FUNDS	<u>122,313,424.20</u>	<u>73,171,677.93</u>	<u>(0.00)</u>	<u>55,296,407.77</u>	<u>(767,158.36)</u>		<u>140,955,852.72</u>

51800 Golf Course Enterprise	1,000.00	0.00	424,646.67	1,291,271.56	1,724,808.21	8,889.98	1,000.00	0.00	1,000.00
69900 Other Internal Service	5,261,402.00	0.00	3,604,903.60	485,059.97	4,114,070.19	7,651.93	5,244,947.31	0.00	5,244,947.31
79900 Other Trust & Agency	9,365,377.00	0.00	3,899,844.66	0.00	4,210,976.72	1,394.62	9,055,639.56	0.00	9,055,639.56
Totals	122,313,433.00	0.00	73,171,677.93	0.00	55,296,407.77	767,158.36	140,955,861.52	2,313,651.76	138,642,209.76



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: February 3rd, 2020

SUBJECT: Approving the 2nd quarter fiscal year 2020 DFA Report for Lodgers' Tax.

DEPT. OF ORIGIN: Finance
DATE SUBMITTED: January 28th, 2020
SUBMITTED BY: Toby Spears, Finance Director

Summary:

The NM Department of Finance Administration recommends approving the City of Hobbs quarterly lodgers' tax process. The following attachment is for the 2nd quarter 2020 DFA report.

Fiscal Impact:

Reviewed By: 
Finance Department

The December 31st, 2019 Cash Balance for the Lodgers' Tax Fund is \$2,253,354

Total lodgers' tax revenue for the 1st quarter fiscal year 2020 was \$460,866 and total expenditures were \$453,689.

Attachments:

Resolution
12-31-2019 Financial Report

Legal Review:

Approved As To Form: 
City Attorney

Recommendation:

To be determined by City Commission.

Approved For Submittal By:


Department Director

City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____ Continued To: _____
Ordinance No. _____ Referred To: _____
Approved _____ Denied _____
Other _____ File No. _____

CITY OF HOBBS
RESOLUTION NO. 6904

A RESOLUTION APPROVING THE FY2020
LODGERS' TAX DFA 2nd QUARTER FINANCIAL REPORT

WHEREAS, the State of New Mexico requires the 2nd quarter Lodgers' Tax DFA Financial Report to be approved annually, they now recommend that all quarterly financial reports be approved.

WHEREAS, the ending cash balance for the period ended December 31, 2019 was \$2,253,353.90 for lodgers' tax funds; and

WHEREAS, the City of Hobbs actual quarter-to-date lodgers' tax revenue and expenditures for fiscal year 2020 crosswalk the amounts to the DFA 2nd quarter financial report;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the herein referenced 2nd quarter lodgers' tax financial report be approved.

PASSED, ADOPTED AND APPROVED this 3rd day of February, 2020

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

INSTRUCTIONS

1. Provide quarterly and year-to-date revenue for the quarterly reporting period. Money received through joint powers agreements must be reported separately. Other sources includes private grants, donations, reimbursements, etc.
 2. Allocate revenue to the promotional, non-promotional and general funds based on the percent of tax imposed. Administrative costs may not exceed 10% of the gross pro
 3. Provide a "book cash balance" for both the promotional and non-promotional funds for the quarterly reporting period and year to date amounts.
 4. Provide quarterly and year-to-date transfers-in and transfers - out.
- [Note: The Lodgers' Tax Act does not allow transfers from the Lodgers' Tax Fund to the General Fund or other Funds of the local public body.]
5. Provide quarterly and year-to-date expenditures on the expenditures tab. Contractual service expenditures must comply with the Lodgers' Tax Act, terms of the contract and the Procurement Code 13-1-28 through 13-1-199 NMSA 1978.

REPORTING ENTITY:	<u>City of Hobbs</u>	<u>5</u> (PERCENT IMPOSED)	QUARTER ENDING:	<u>12/31/2019</u>
			MONTH YEAR	
1. REVENUE SUMMARY:	QUARTERLY AMOUNT (THIS REPORTING PERIOD)	YEAR-TO-DATE (Y-T-D) AMOUNT (SUM OF ALL QUARTERS)	2. REVENUE ALLOCATION:	QUARTERLY AMOUNT (THIS REPORTING PERIOD)
				YEAR-TO-DATE (Y-T-D) AMOUNT (SUM OF ALL QUARTERS)
LODGERS' TAX PROCEEDS	\$ <u>460,866</u>	\$ <u>1,029,272</u>	NON-PROMOTIONAL FUND	\$ <u>0</u> \$ <u>0</u>
INVESTMENT INCOME	<u>8,109</u>	<u>17,328</u>	PROMOTIONAL FUND	\$ <u>468,974</u> \$ <u>1,046,600</u>
LATE PENALTIES			ADMINISTRATIVE COST	\$ <u>0</u> \$ <u>0</u>
CONVENTION CENTER FINANCING FEES				
HOSPITALITY FEE ACT FEES				
1. _____			(10% IS THE MAXIMUM OF GROSS TAX PROCEEDS,	
2. _____			ie. 10% OF QUARTERLY AMOUNT FOR THIS REPORTING PERIOD)	
TOTAL REVENUE	\$ <u>468,974</u>	\$ <u>1,046,600</u>		

4. TRANSFERS: IN	
INTERGOVERNMENT, INTERFUND TRANSFERS - IN	
(e.g. JPAs, GRANTS TRANSFERRED TO LODGERS' TAX FUND)	
1. _____	\$ _____
2. _____	\$ _____
	\$ <u>0</u>

3. CASH BALANCES:	
Carryover From Previous Fiscal Year: Non-Promotional	\$ <u>15,511</u>
Carryover From Previous Fiscal Year: Promotional	\$ <u>2,224,883</u>
(Note: 2 years maximum carryover before money must be spent).	
NON-PROMOTIONAL FUND	\$ <u>0</u> \$ <u>0</u>
PROMOTIONAL FUND	\$ _____ \$ <u>28,471</u>
Grand Total (Non-Promo)	\$ _____ \$ _____
Grand Total (Promo)	\$ _____ \$ <u>2,253,354</u>

TRANSFERS:OUT

NON-PROMOTIONAL FUND	
INTERFUND TRANSFERS - (OUT)	
(e.g. FROM NON-PROMOTIONAL TO VENDOR OR PROMOTIONAL)	
1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____
4. _____	\$ _____
	\$ <u>0</u>
INTERGOVERNMENTAL TRANSFERS - (OUT)	
1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____
4. _____	\$ _____
	\$ <u>0</u>

PROMOTIONAL FUND	
INTERFUND TRANSFERS - (OUT)	
(e.g. FROM PROMOTIONAL TO VENDOR OR NON-PROMOTIONAL)	
1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____
4. _____	\$ _____
	\$ <u>0</u>
INTERGOVERNMENTAL TRANSFERS - (OUT)	
1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____
4. _____	\$ _____
	\$ <u>0</u>

**CITY OF HOBBS
EVENT SUMMARIES
12/31/2019**

**TOTAL
AMOUNT**

			TOTAL AMOUNT
19-7	HOBBS USSSA (PERMIAN BASIN MIDLAND)	4/16/2018	5,902.36
	NMJC - NMJCA OUTDOOR TRACK AND FIELD	10/15/2018	7,805.00
20-2	HOBBS CHAMBER OF COMMERCE - HOBBS AUGUST NITES	4/11/2019	73,816.10
20-3	HOBBS CHAMBER OF COMMERCE - HOBBS HOLIDAY TOURNEY	4/11/2019	
20-4	HOBBS CHAMBER OF COMMERCE - FEBREWARY FESTIVAL	4/11/2019	
20-5	CINCO DE MAYO COMMITTEE	4/11/2019	
20-6	JUNETEENTH 2020	4/11/2019	4,900.00
20-7	HOBBS HISPANO CHAMBER OF COMMERCE - MARIACHI CHRISTMAS	4/11/2019	
20-8	HOBBS HISPANO CHAMBER OF COMMERCE - SEPTIEMBRE	4/11/2019	18,804.72
20-9	HOBBS KENNEL CLUB	4/11/2019	
20-10	SOUTHWEST SYMPHONY 2020	4/11/2019	44,012.66
20-11	UNITED WAY - 2ND ANNUAL BENEFIT CONCERT	4/11/2019	10,000.00
20-12	HOBBS USSSA	4/11/2019	36,500.00
20-13	PERMIAN BASIN USSSA	4/11/2019	118,419.02
20-14	WESTERN HERITAGE MUSEUM	4/11/2019	24,072.50
20-17	CYCLE CITY PROMOTIONS - KICKER ARENACROSS/MONSTER	4/11/2019	49,942.81
19-18	CITY OF HOBBS - FIREFIGHTER CHALLENGE	1/9/2019	28,322.48
20-18	ROCKWIND COMMUNITY LINKS - 2020	4/11/2019	32,546.61
20-19	C.O.R.E - 2020 - MARKETING	4/11/2019	27,156.10
20-20	C.O.R.E - 2020 - OPERATING	4/11/2019	250,000.00
20-21	CITY OF HOBBS - NM PARKS ASSOCIATION STATE CONF	4/11/2019	13,420.79
20-26	CITY OF HOBBS - HOBBS TREE LIGHTING	10/9/2019	8,083.26
20-22	LEA COUNTY EVENT CENTER - FAIR AND RODEO - 2020	4/11/2019	107,378.30
	CITY OF HOBBS POLICE, FIRE, SANITATION	4/11/2019	150,000.00
20-23	EDC - 2020 AIRLINE SUBSIDY (Marketing)	4/11/2019	22,558.10
	TOTAL		<u>1,033,640.81</u>

12/31/19

**CITY OF HOBBS LODGERS' TAX PROGRAM
EXPENDITURE REPORT FOR THE 2nd QUARTER OF 2019 - 2020**

		<u>PROMO</u>	<u>NON PROMO</u>	<u>TOTAL</u>
CASH BAL.	6/30/19	2,224,882.81	15,511.46	2,240,394.27
FIRST QUARTER INCOME		568,406.80		568,406.80
FIRST QUARTER INTEREST		9,219.23		9,219.23
TOTAL REVENUE		<u>577,626.03</u>	<u>0.00</u>	<u>577,626.03</u>
FIRST QUARTER EXPENSES		579,951.96		579,951.96
CASH BAL.	9/30/19	2,222,556.88	15,511.46	2,238,068.34
SECOND QUARTER INCOME		460,865.65		460,865.65
SECOND QUARTER INTEREST		8,108.76		8,108.76
TOTAL REVENUE		<u>468,974.41</u>	<u>0.00</u>	<u>468,974.41</u>
SECOND QUARTER EXPENSES		453,688.85		453,688.85
CASH BAL.	12/31/19	2,237,842.44	15,511.46	2,253,353.90
THIRD QUARTER INCOME				0.00
THIRD QUARTER INTEREST				0.00
TOTAL REVENUE		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
THIRD QUARTER EXPENSES				0.00
CASH BAL.	3/31/20	2,237,842.44	15,511.46	2,253,353.90
FOURTH QUARTER INCOME(FORCE EXTRA TO PROMO)				0.00
FOURTH QUARTER INTEREST				0.00
TOTAL REVENUE		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FOURTH QUARTER EXPENSES**				0.00
CASH BAL.	6/30/20	2,237,842.44	15,511.46	2,253,353.90
YEAR TO DATE INCOME		1,029,272.45	0.00	1,029,272.45
YEAR TO DATE INTEREST		17,327.99	0.00	17,327.99
TOTAL REVENUE		<u>1,046,600.44</u>	<u>0.00</u>	<u>1,046,600.44</u>
YEAR TO DATE EXPENSES		1,033,640.81	0.00	1,033,640.81
YEAR TO DATE CASH BALANCES		<u>2,237,842.44</u>	<u>15,511.46</u>	<u>2,253,353.90</u>

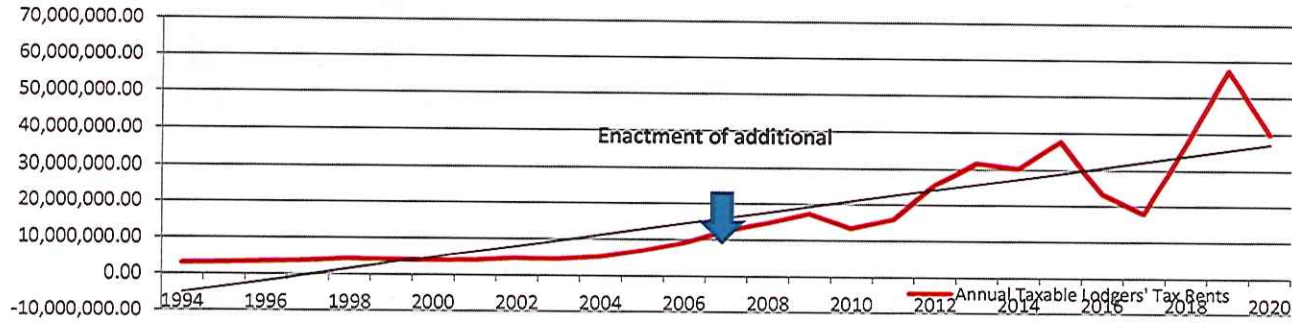
December 31, 2019

CITY OF HOBBS LODGERS' TAX REPORT

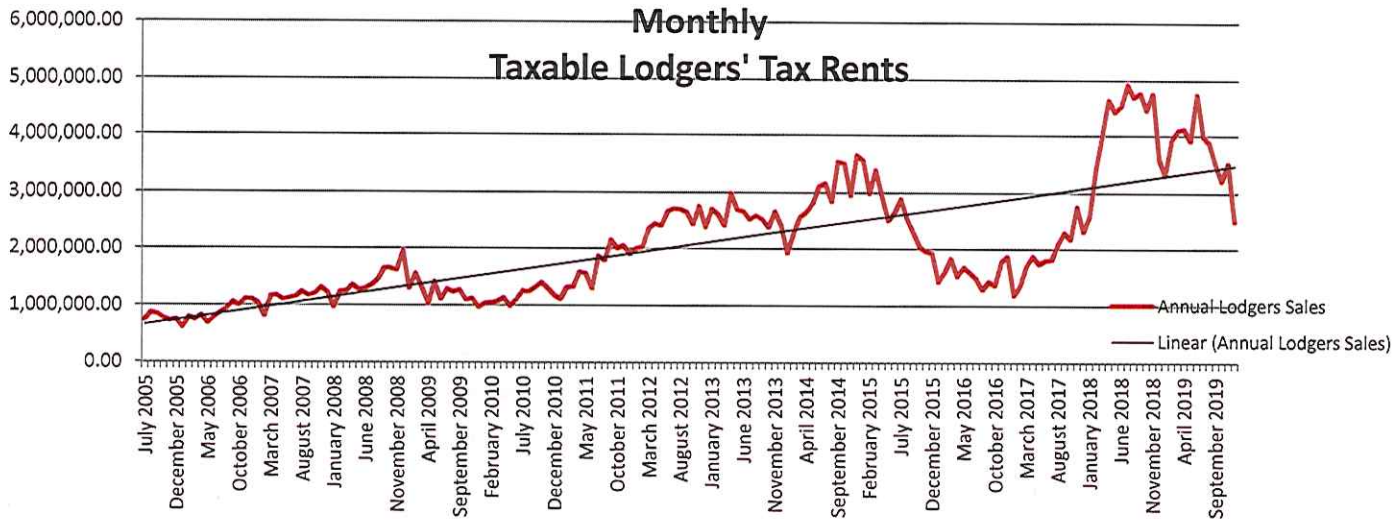
2019

Month	Month	RECEIPTS 239999-			EXPENDITURES			NET CHANGE		Cash Balance
		Gross Taxable Revenue	Lodgers' Tax	Other Income	Contract for Services	Advert & Promotion	TOTAL	For Month	YTD	
SUBTOTAL		15,364,272.60	768,213.63	527.46		768,741.09	0.00	762,619.97	762,619.97	
SUBTOTAL		18,028,844.80	901,442.24	973.44		902,415.68	0.00	1,452,826.32	1,452,826.32	
CASH BALANCE	06/30/15	713,543.86	1,885,088.47	1,769.80		1,886,858.27		2,219,502.38	2,219,502.38	
CASH BALANCE	06/30/16	188,954.74	1,166,403.92	1,637.41		1,168,041.33	0.00	1,692,630.45	1,692,630.45	
CASH BALANCE		267,251.48	944,566.51	7,484.56		873,754.33				
July 2017		1,815,246.20	90,762.31	976.79		91,739.10		1,372.17	1,372.17	90,366.93
August 2017		2,089,782.80	104,489.14	1,216.90		105,706.04		18,130.31	18,130.31	87,575.73
September 2017		2,291,105.80	114,555.29	1,738.91		116,294.20		26,500.00	26,500.00	89,794.20
October 2017		2,170,628.60	108,531.43	3,549.66		112,081.09		59,216.40	59,216.40	52,864.69
November 2017		2,764,121.40	138,206.07	2,979.81		141,185.88		14,757.64	14,757.64	126,428.24
December 2017		2,308,667.00	115,433.35	3,413.63		118,846.98		0.00	0.00	118,846.98
SUBTOTAL		13,439,551.80	671,977.59	13,875.70		685,853.29	0.00	119,976.52	119,976.52	
January 2018		2,580,920.60	129,046.03	3,498.85		132,544.88		229,785.48	229,785.48	-97,240.60
February 2018		3,428,414.60	171,420.73	3,567.45		174,988.18		14,804.51	14,804.51	160,183.67
March 2018		4,035,431.00	201,771.55	629.14		202,400.69		51,663.32	51,663.32	150,737.37
April 2018		4,639,998.60	231,999.93	802.01		232,801.94		10,521.88	10,521.88	222,280.06
May 2018		4,406,434.20	220,321.71	967.59		221,289.30		9,500.00	9,500.00	211,789.30
June 2018		4,525,501.20	226,275.06	1,143.42		227,418.48		325,375.98	325,375.98	-97,957.50
SUBTOTAL		23,616,700.20	1,180,835.01	10,608.46		1,191,443.47	0.00	641,651.17	641,651.17	
CASH BALANCE		1,382,920.55	1,852,812.60	24,484.16		1,877,296.76		761,627.69		
July 2018		4,924,557.60	246,227.88	1,183.55		247,411.43		0.00	0.00	247,411.43
August 2018		4,682,780.80	234,139.04	1,484.86		235,623.90		13,644.20	13,644.20	221,979.70
September 2018		4,769,011.20	238,450.56	1,648.84		240,099.40		257,822.62	257,822.62	-17,723.22
October 2018		4,439,774.00	221,988.70	1,737.41		223,726.11		3,957.73	3,957.73	219,768.38
November 2018		4,759,001.40	237,950.07	2,214.46		240,164.53		73,306.33	73,306.33	166,858.20
December 2018		3,604,288.40	180,214.42	2,697.34		182,911.76		234,378.56	234,378.56	838,294.49
SUBTOTAL		27,179,413.40	1,358,970.67	10,966.46		1,369,937.13	0.00	583,109.44	583,109.44	
January 2019		3,306,211.80	165,310.59	2,693.77		168,004.36		1,014.72	1,014.72	166,989.64
February 2019		3,930,807.80	196,540.39	3,027.42		199,567.81		28,439.97	28,439.97	171,127.84
March 2019		4,093,536.40	204,676.82	2,827.40		207,504.22		645,864.78	645,864.78	-438,360.56
April 2019		4,113,651.00	205,682.55	2,838.40		208,520.95		52,752.50	52,752.50	155,768.45
May 2019		3,917,243.20	195,862.16	3,090.53		198,952.69		63,744.00	63,744.00	135,208.69
June 2019		4,739,244.00	236,962.20	3,469.19		240,431.39		360,519.42	360,519.42	-120,088.03
SUBTOTAL		24,100,694.20	1,205,034.71	17,946.71		1,222,981.42	0.00	1,152,335.39	1,152,335.39	
CASH BALANCE		2,240,394.27	2,564,005.38	28,913.17		2,592,918.55		1,735,444.83		
July 2019		3,999,605.20	199,980.26	3,069.28		203,049.54		115,183.30	115,183.30	87,866.24
August 2019		3,877,290.40	193,864.52	3,228.61		197,093.13		20,802.36	20,802.36	176,290.77
September 2019		3,491,240.40	174,562.02	2,921.34		177,483.36		443,966.30	443,966.30	-266,482.94
October 2019		3,204,691.60	160,234.58	2,587.53		162,822.11		6,512.10	6,512.10	156,310.01
November 2019		3,518,379.60	175,918.98	2,569.68		178,488.66		181,025.21	181,025.21	-2,536.55
December 2019		2,494,241.80	124,712.09	2,951.55		127,663.64		266,151.54	266,151.54	12,959.63
SUBTOTAL		20,585,449.00	1,029,272.45	17,327.99		1,046,600.44	0.00	1,033,640.81	1,033,640.81	
January 2020		0.00	0.00	0.00		0.00		0.00	0.00	0.00
February 2020		0.00	0.00	0.00		0.00		0.00	0.00	0.00
March 2020		0.00	0.00	0.00		0.00		0.00	0.00	0.00
April 2020		0.00	0.00	0.00		0.00		0.00	0.00	0.00
May 2020		0.00	0.00	0.00		0.00		0.00	0.00	0.00
June 2020		0.00	0.00	0.00		0.00		0.00	0.00	0.00
SUBTOTAL		0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00
CASH BALANCE		2,253,353.90	1,029,272.45	17,327.99		1,046,600.44		1,033,640.81		

Annual Taxable Lodgers' Tax Rents



Monthly Taxable Lodgers' Tax Rents



CITY OF HOBBS LODGERS' TAX PROGRAM						
12/31/2019						
	AWARD					
	PROJECT	DATE	AMOUNT	ACTUAL EXPENSE	ACTUAL OUTSTANDING GRANT	CATEGORY
12/31/2019	CASH BALANCE				2,253,353.90	
Proof of Cash:						
Beginning Cash Available for Profit, Non-Profit, and Public Entities (20%)						276,584.11
						NP
19-7	HOBBS USSSA (PERMIAN BASIN MIDLAND)	4/16/2018	80,000.00	80,000.00	0.00	NP
	NMJC - NMJCA OUTDOOR TRACK AND FIELD	10/15/2018	35,000.00	35,000.00	0.00	NP
20-2	HOBBS CHAMBER OF COMMERCE - HOBBS AUGUST NITES	4/11/2019	91,860.00	78,816.10	13,043.90	NP
20-3	HOBBS CHAMBER OF COMMERCE - HOBBS HOLIDAY TOURNEY	4/11/2019	15,618.00	0.00	15,618.00	NP
20-4	HOBBS CHAMBER OF COMMERCE - FEBREWARY FESTIVAL	4/11/2019	12,002.50	0.00	12,002.50	NP
20-5	CINCO DE MAYO COMMITTEE	4/11/2019	15,000.00	6,500.00	8,500.00	NP
20-6	JUNETEENTH 2020	4/11/2019	9,800.00	4,900.00	4,900.00	NP
20-7	HOBBS HISPANO CHAMBER OF COMMERCE - MARIACHI CHRISTM	4/11/2019	20,000.00	0.00	20,000.00	NP
20-8	HOBBS HISPANO CHAMBER OF COMMERCE - SEPTIEMBRE	4/11/2019	25,000.00	18,804.72	6,195.28	NP
20-9	HOBBS KENNEL CLUB	4/11/2019	3,200.00	0.00	3,200.00	NP
20-10	SOUTHWEST SYMPHONY 2020	4/11/2019	70,733.50	44,012.66	26,720.84	NP
20-11	UNITED WAY - 2ND ANNUAL BENEFIT CONCERT	4/11/2019	10,000.00	10,000.00	0.00	NP
20-12	HOBBS USSSA	4/11/2019	36,500.00	36,500.00	0.00	NP
20-13	PERMIAN BASIN USSSA	4/11/2019	162,500.00	118,419.02	44,080.98	NP
20-14	WESTERN HERITAGE MUSEUM	4/11/2019	54,635.00	24,072.50	30,562.50	NP
20-15	HOBBS QUARTERBACK CLUB 2020	4/11/2019	9,800.00	0.00	9,800.00	NP
20-16	TUFF HEDEMAN CHAMPIONSHIP BULL RIDING 2020	4/11/2019	20,000.00	0.00	20,000.00	P
20-17	CYCLE CITY PROMOTIONS - KICKER ARENACROSS/MONSTER	4/11/2019	50,000.00	49,942.81	57.19	P
	TOTAL REMAINING ALLOCATION FOR PROFIT, NON-PROFIT AND PUBLIC ENTITIES		428,549.81	0.00	214,681.19	
Add:	20% Monthly Tax Revenue (starting April 1st, 2013)				518,583.71	
	Cash Available for Allocation				580,486.63	
Beginning Cash Available for Local Government (City and County) (40%)						553,168.22
19-18	CITY OF HOBBS - FIREFIGHTER CHALLENGE	1/9/2019	44,392.43	44,032.48	359.95	LOCAL GOV
20-18	ROCKWIND COMMUNITY LINKS - 2020	4/11/2019	93,975.00	32,546.61	61,428.39	
20-19	C.O.R.E - 2020 - MARKETING	4/11/2019	179,350.00	27,156.10	152,193.90	
20-20	C.O.R.E - 2020 - OPERATING	4/11/2019	500,000.00	250,000.00	250,000.00	
20-21	CITY OF HOBBS - NM PARKS ASSOCIATION STATE CONF	4/11/2019	13,825.00	13,420.79	404.21	
20-22	LEA COUNTY EVENT CENTER - FAIR AND RODEO - 2020	4/11/2019	108,330.00	107,378.30	951.70	
20-25	CITY OF HOBBS - SLAM AND JAM	10/9/2019	25,500.00	0.00	25,500.00	
20-26	CITY OF HOBBS - HOBBS TREE LIGHTING	10/9/2019	18,815.00	8,083.26	10,731.74	
	TOTAL REMAINING ALLOCATION FOR LOCAL GOVERNMENT		984,187.43	482,617.54	501,569.89	
Add:	40% Monthly Tax Revenue (starting April 1st, 2013)				1,037,167.42	
	Cash Available for Allocation				1,088,765.75	
Beginning Cash Available for Fire, EMS, Sanitation (15%)						
	TOTAL REMAINING ALLOCATION FOR CITY OF HOBBS POLICE AND FIRE		388,937.78	150,000.00	238,937.78	
Add:	15% Monthly Tax Revenue (starting April 1st, 2013)		388,937.78	150,000.00	388,937.78	
	Cash Available for Allocation				150,000.00	
Beginning Cash Available for Airline subsidy (25%)						54,559.75
20-23	EDC - 2020 AIRLINE SUBSIDY (Marketing)		500,000.00	22,558.10	477,441.90	
20-24	EDC - 2020 AIRLINE SUBSIDY (Marketing) - DENVER PROMO	10/9/2019	99,160.00	0.00	99,160.00	
Add:	25% Monthly Tax Revenue (starting April 1st, 2013)			648,229.64	648,229.64	
	TOTAL REMAINING ALLOCATION FOR AIRLINE SUBSIDY			670,787.74		
	Cash Available for Allocation				581,149.89	



FINANCE DEPARTMENT

200 E. Broadway
Hobbs, NM 88240

575-397-9235 bus
575-397-9450 fax

January 28th, 2020

Jolene Gonzales, Special Projects Analyst
Department of Finance & Administration
Local Government Division
407 Galistero
Santa Fe, NM 87501

Re: 2nd quarter lodgers' tax quarterly report

Enclosed is the following:

2nd quarter lodgers' tax report for fiscal year 2020

Sincerely,

A handwritten signature in blue ink, appearing to read "Toby Spears", is written over a horizontal line.

Toby Spears, CPA, CFE
Finance Director
CITY OF HOBBS



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: February 3, 2020

SUBJECT: RESOLUTION TO APPROVE THE SUBDIVISION OF PROPERTY LOCATED NORTHWEST OF THE INTERSECTION OF WHITE AND COCHRAN AND AFFIRM A VARIANCE GRANTED BY THE CITY OF HOBBS PLANNING BOARD OF MUNICIPAL CODE 16.16.050(B-1) ALLOWING A SUBDIVISION OF PROPERTY CREATING LOT(S) LESS THAN THE REQUIRED MINIMUM WIDTH.

DEPT. OF ORIGIN: Planning Department
DATE SUBMITTED: January 27, 2020
SUBMITTED BY: Kevin Robinson - Planning Department

Summary: The Replat of Lots 18, 19, 20, 21, 22, 23 and 24, Block 54 of the Original Hobbs, is submitted by property owner Ruben Valdez. The proposed Replat is located northwest of the intersection of White and Cochran. The Planning Board reviewed this Subdivision on January 21, 2020 and voted 6 to 0 to recommend approval with a variance from MC 16.16.050(B-1) allowing a subdivision of property creating lot(s) less than the required 35' minimum width (Lots 20A, 20B, 20C and 20D will have a width of 34.6'which is 4/10 of a foot short of the required minimum).

Variations from Municipal Code Title 16 are allowed providing the finding that compliance will result in an extraordinary hardship as stated in MC 16.04.020(A) below:

A. Hardships. Where the Planning Board finds that extraordinary hardships may result from strict compliance with this title, it may vary the regulations contained in this title, so that substantial justice may be done and the public interest secured; provided that such variation will not have the effect of nullifying the intent and purpose of such regulations.

Options for the City Commission to consider are 1) Vote YES to Approve the Resolution and affirm the Planning Boards variance decision; 2) Vote NO on the Resolution and rescind the Planning Boards variance decision

Fiscal Impact:

Reviewed By:

[Signature]
Finance Department

Attachments: Resolution, Draft Planning Board packet, excerpts from Municipal Code Title 16 and Proposed Subdivision.

Legal Review:

[Signature]

Approved As To Form:

City Attorney

Recommendation:

Study the issues and render a decision on the information presented.

Approved For Submittal By:

[Signature]
Department Director

[Signature]
City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____ Continued To: _____
Ordinance No. _____ Referred To: _____
Approved _____ Denied _____
Other _____ File No. _____

CITY OF HOBBS

RESOLUTION NO. 6905

A RESOLUTION TO APPROVE THE SUBDIVISION OF PROPERTY LOCATED NORTHWEST OF THE INTERSECTION OF WHITE AND COCHRAN AND AFFIRM A VARIANCE GRANTED BY THE CITY OF HOBBS PLANNING BOARD OF MUNICIPAL CODE 16.16.050(B-1) ALLOWING A SUBDIVISION OF PROPERTY CREATING LOT(S) LESS THAN THE REQUIRED MINIMUM WIDTH.

WHEREAS, Ruben Valdez, property owner, did submit a subdivision for approval under the Alternate Summary Procedure MC 16.12; and

WHEREAS, upon review Staff notified the subdivider that the subdivision as submitted did not conform to MC Title 16, specifically MC 16.16.050(B-1) requiring each lot created to contain a detached structure to be at least 35' in width; and

WHEREAS, due to unusual circumstances that exist the subdivider chose to have the subdivision reviewed under the standard procedures as per MC 16.12.030(B); and

WHEREAS, the City of Hobbs Planning Board reviewed this subdivision on January 21, 2020 and voted 6 to 0 to recommend approval with a variance from MC 16.16.050(B-1) allowing a subdivision of property creating lot(s) less than the required minimum width; and

WHEREAS, upon sufficient findings it has been determined that granting this variance from Municipal Code 16.16.050(B-1) does not "have the effect of nullifying the intent and purpose of such regulations".

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that

A. The City of Hobbs hereby affirms a variance granted by the City Of Hobbs Planning Board of municipal code 16.16.050(B-1) allowing a subdivision of property creating lot(s) less than the required minimum width.

B. The City officials and staff are directed to do any and all acts necessary to carry out the intent of this Resolution.

PASSED, ADOPTED AND APPROVED this 3rd day of February, 2020.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

responsible for all the shaded areas. He said Horizon asked if instead of having lot C7 as a flag pole lot assessable from Grimes the way it was originally platted if they could have it as an easement instead. He said the Planning Board and the Commission are signatories staff could not approve that so it had to come back before the Board today.

Mr. Kesner asked if they were going to now do an easement which will allow access through tract C and C7 and C8? Mr. Robinson said yes. He said it is another access that the developer will be maintaining.

Mr. Ramirez made a motion, seconded by Mr. Ingram to recommend approval for the change from a flag lot to an easement. The vote on the motion was 6-0 and the motion carried.

- 6) **Review and Consider Subdivision Approval of property located northwest of the intersection of White and Cochran, as submitted by property owner, Ruben Valdez.**

Mr. Robinson said it is required to have a 35 foot access adjacent to a public right-of-way. He said this plat is 34.7 feet and it is noncompliant. He said it will have to be approved by the Planning Board and the Commission.

Mr. Ingram made a motion, seconded by Mr. Drennan to recommend approval of the subdivision with a lot being 34.7 feet. The vote on the motion was 6-0 and the motion carried.

- 7) **Review and Consider Subdivision Approval of property located south east of the intersection of Kansas and Davis Lane within the ETJ, as submitted by property owner(s), Amy and Ben Donahue.**

- 9) **Review and Consider Planning Board Calendar for Calendar Year 2020.**

- 10) **Adjournment.**

- 7) **Adjournment.**

With nothing further to discuss Mr. Ramirez made a motion, seconded by Mr. Drennan to adjourn the meeting at 11:05 am. The vote on the motion was 6-0 and the motion carried.

Guy Kesner, Vice Chairman

Excerpts from MC Title 16

Chapter 16.12 ALTERNATE SUMMARY PROCEDURE

16.12.010 Eligible subdivisions.

B. The land shall abut on a public street or streets of adequate width and is so situated that no additional streets, alleys, easements for utilities or other public property are required; or if required to conform to other public streets, alleys or other public ways and such additional property is shown on the plat as "Herein Dedicated", or if within the extraterritorial jurisdiction those public ways required being conveyed as a surface and sub-surface easement.

16.12.030 Approval procedure.

A. The City Manager's designated representative is authorized to approve subdivisions meeting the conditions of this section and conforming to the provisions of this chapter and shall, within ten (10) days of final submittal of all requested information, accept the proposed subdivision or send a written rejection detailing the reason for the rejection. Any municipal infrastructures serving the subdivision shall be completed or adequate surety provided prior to receiving final approval.

B. The subdivider or the City Manager's designated representative may choose to have the subdivision reviewed by the Planning Board under the standard procedures if difficulties or unusual circumstances exist.

16.16.050 Lots.

(E) Access to Existing Public Streets. The subdividing of the land shall be such as to provide, by means of a public street, and each lot shall be provided with a thirty-five (35) feet minimum access to an existing public street. Minimum access width for each lot fronting a cul-de-sac shall be thirty (30) feet minimum measured on the property line to the curb line, and a thirty-five (35) feet minimum width measured at the building setback line. Each "flag" lot, defined herein as a parcel of land accessible only by an extension of land connecting a public access street to the building site area of the parcel, shall have a minimum continuous access width of thirty-five (35) feet. Access shall mean a contiguous and continuous direct property boundary connecting to the public street.

16.04.020 Variances and modifications.

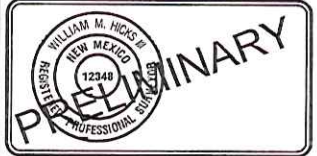
A. Hardships. Where the Planning Board finds that extraordinary hardships may result from strict compliance with this title, it may vary the regulations contained in this title, so that substantial justice may be done and the public interest secured; provided that such variation will not have the effect of nullifying the intent and purpose of such regulations.

WHITE STREET SURVEY

OF LOTS 18, 19, 20, 21, 22, 23, AND 24, ALL IN BLOCK 54, ORIGINAL TOWN, NOW CITY, OF HOBBS SUBDIVISION,
LOCATED IN THE SW1/4 OF SECTION 34, T18S, R38E, N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO

PETTIGREW & ASSOCIATES PA
ENGINEERING | SURVEYING | TESTING
DEFINING QUALITY SINCE 1965
100 E. Navajo - Suite 100, Hobbs New Mexico 88240
T 575 393 9827 F 575 393 1543
Pettigrew.us

PROJECT SURVEYOR: D. Chafar
DRAWN BY:



INDEXING INFORMATION FOR COUNTY CLERK
OWNER: Ruben Valdez
LOCATION: SW1/4 OF SECTION 34, T18S, R38E, N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO

REVISIONS

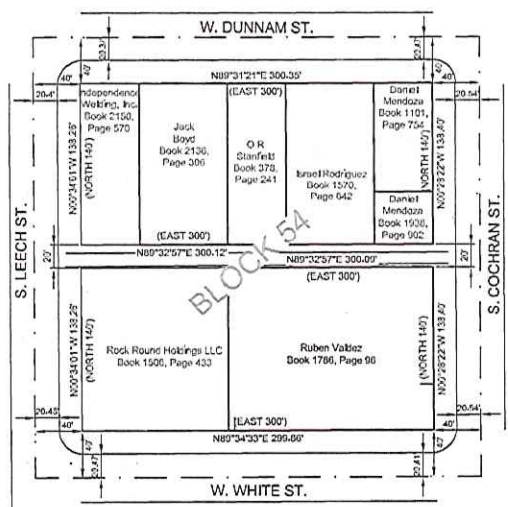
No.	DATE	DESCRIPTION

State of New Mexico, County of _____
I hereby certify that this instrument was filed for record on:
The _____ Day of _____
20____ A.D.
At _____ O'Clock _____ M.
Cabinet _____ Slide _____
Book _____ Page _____
By _____
County Clerk
By _____
Deputy

Summary Plat
OF
White Street Survey
FOR
Ruben Valdez

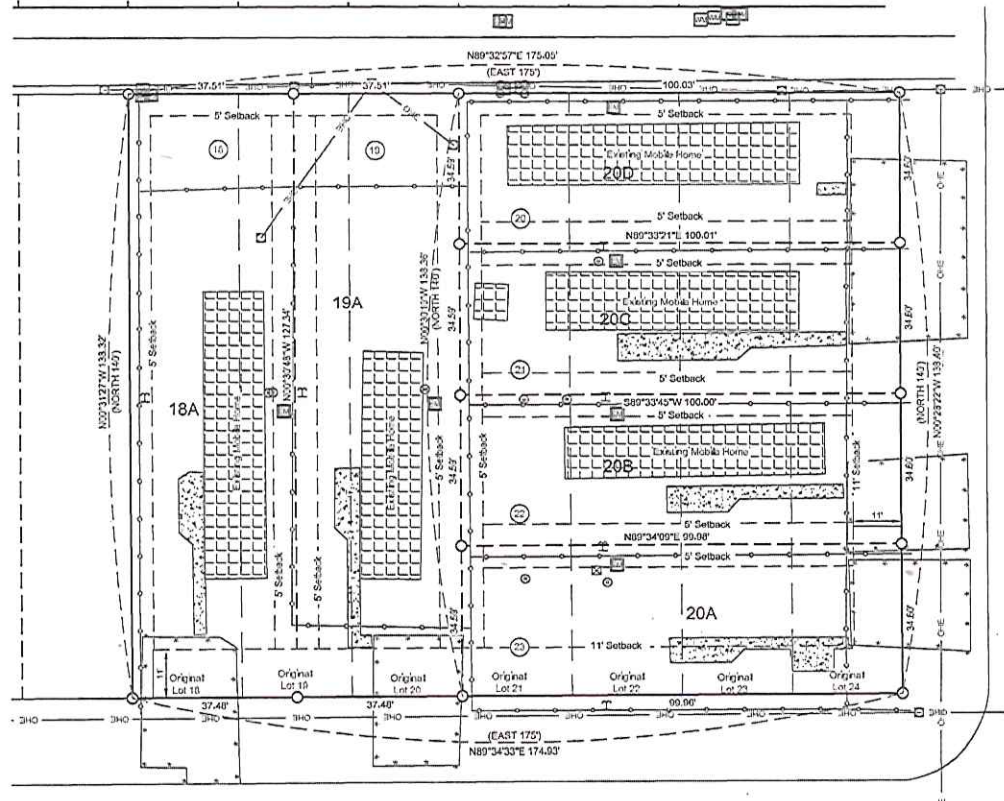
PROJECT NUMBER:
2019.1313

SHEET: 1 of 2
SU - 101



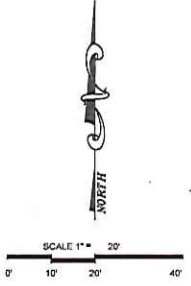
BLOCK 54

OVERVIEW
N.T.S.



LEGEND

- Set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"
- ⊕ Water faucet
- ⊖ Cleanout
- ⊞ Power pole
- ⊞ Gas meter
- ⊞ Electric meter
- ⊞ Water meter
- ⊞ DoBird
- Setback line
- - - Existing lot line
- - - New lot line
- Overhead electric
- Property line
- Chainlink fence
- ▨ Concrete
- XX'XXX'XX' Measured bearing and distance
- (XX'XXX'XX' Record bearing and distance



BASIS OF BEARING

The basis of bearing for this survey is Grid North based on the New Mexico State Plane Coordinate System, East Zone, as derived by GPS/GNSS observations. Ground coordinates were obtained from the State Plane Coordinate System by scaling about a control point located at N30°59'18.40371", W100°03'38.98730" by a combined scale factor of 0.9998927128. True north can be obtained by applying a convergence angle of 0°38'34" at the Point of Beginning.

BUILDING SETBACK LINES PER MAJOR THOROUGHFARE PLAN

TYPE OF STREET	MIN. FRONT YARD DIMENSION FROM FRONT PROPERTY LINE	MIN. SIDE YARD DIMENSION FROM SIDE PROPERTY LINE
Minor Residential Street		
Main Building	11'	5'
Attached Garage	11'	5'
Detached Accessory Bldg	11'	0'
Fence	0'-11"	0'-11"
Landscaping	0'	0'
Parking/ Drive	0'	0'

RECORD DESCRIPTION - PER DEED BOOK1786, PAGE 96

THE SURFACE TITLE ONLY TO:

Lots Eighteen (18) through twenty-four (24), both Inclusive, block 54, Original Town, now City of Hobbs,

Subject to reservations, restrictions, and easements of record, with Warranty Covenants.

CERTIFICATE OF SURVEY

I, William M. Hicks, III New Mexico Professional Surveyor, hereby certify that this Summary Subdivision Plat was prepared from an actual ground survey performed by me or under my direct supervision, that this survey is true and correct to the best of my knowledge and belief. That this Summary Subdivision Plat and the field survey upon which it is based meet the Minimum Standards for Surveying in New Mexico.

William M. Hicks, III NMPS #12348

Date

**CERTIFICATE OF APPROVAL
CITY PLANNING BOARD**

The Plat, Restrictions and Dedication reviewed and discussed the ____ day of
, 20____, by the city planning board of Hobbs, New Mexico.

Chairman

ACKNOWLEDGMENT

State of New Mexico:
County of Lea:

On this ____ day of _____, 20____, before me,
_____, to me known to be the person described in and who
executed the foregoing instrument and acknowledged that they executed the
same as their free act and deed.

Witness my hand and official seal the day and year last above written.

My Commission Expires: _____

Notary Public

OWNERS STATEMENT AND AFFIDAVIT

State of New Mexico: _____
County of Lea: _____

The undersigned first duly sworn on oath, state: On behalf of the owners and proprietors we have of our own free will and consent caused this plat with its tracts to be platted. The property described on this plat lies within the plating jurisdiction of City of Hobbs.

By _____
Ruben Valdez

ACKNOWLEDGMENT

State of New Mexico:
County of Lea:

On this ____ day of _____, 20____, before me, Ruben
Valdez, to me known to be the person(s) described in and who executed the
foregoing instrument and acknowledged that they executed the same as their
free act and deed.

Witness my hand and official seal the day and year last above written.

My Commission Expires: _____

Notary Public

CERTIFICATE OF MUNICIPAL APPROVAL

I, Kevin Robinson, Lead Project Manager for the City of Hobbs, Lea County, New Mexico, do hereby certify that the foregoing plat in the City of Hobbs, Lea County, New Mexico, was reviewed and deemed compliant with the Municipal Summary Process Regulations on this ____ day of _____, 20____.

Kevin Robinson, Lead Project Manager

Jan Fletcher, City Clerk

ACKNOWLEDGMENT

State of New Mexico:
County of Lea:

On this ____ day of _____, 20____, before me, Kevin
Robinson and Jan Fletcher to me known to be the persons described in and who
executed the foregoing instrument and acknowledged that they executed the
same as their free act and deed.

Witness my hand and official seal the day and year last above written.

My Commission Expires: _____

Notary Public

PETTIGREW & ASSOCIATES PA
ENGINEERING | SURVEYING | TESTING
DEFINING QUALITY SINCE 1965
100 E. Navajo - Suite 100, Hobbs New Mexico 88240
T 575 393 8827 F 575 393 1543
Pettigrew.us

PROJECT SURVEYOR: B. Shafer
DRAWN BY:



**INDEXING INFORMATION
FOR COUNTY CLERK**
OWNER:
Ruben Valdez
LOCATION:
SW1/4 OF SECTION 34,
T18S, R38E, N.M.P.M.,
CITY OF HOBBS,
LEA COUNTY, NEW MEXICO

REVISIONS

No.	DATE	DESCRIPTION

State of New Mexico, County of _____,
I here by certify that this instrument was filed for
record on:
The ____ Day of _____
20____ A.D.
At _____ O'Clock _____ M.
Cabinet _____ Side _____
Book _____ Page _____
By _____
County Clerk
By _____
Deputy

Summary Plat
OF
E White Street Survey
FOR
Ruben Valdez

PROJECT NUMBER:
2019.1313

SHEET:
2 of 2
SU - 102

PLANNING BOARD MEETING

MINUTES

January 21, 2020

The Hobbs Planning Board met on January 21, 2020 at 10:00 a.m. at City of Hobbs Annex Building, First Floor Commission Chambers, located at 200 E. Broadway, Hobbs, NM 88240 with Mr. Guy Kesner Vice Chairman presiding.

Members Present:

**Guy Kesner, Vice Chairman
Bill Ramirez
Larry Sanderson
Phillip Ingram
Ben Donahue
Brett Drennan**

Members Absent

Tres Hicks, Chairman

Also present were members of the public and City staff as follows:

**Kevin Robinson, Development Director
Julie Nymeyer, Staff Secretary
Bruce Reid, County Planner**

**Sam Cobb, Mayor
Shawn Williams, Fire Marshal
Joe Ortega, Yes Housing**

1) Call To Order.

Vice Chairman Kesner called the meeting to order at 10:02 am.

2) Review and Consider Approval of Agenda.

The first item of business was to review and approve the Agenda for the January 21, 2020 meeting. Mr. Kesner asked if there were any changes to the agenda? Mr. Robinson said there were no changes. Mr. Kesner suggested moving item 8 to item number 5 since there was someone here to speak. Mr. Ramirez made a motion, seconded by Mr. Ingram to approve the agenda as amended. The vote on the motion was 5-0 and the motion carried.

3) Review and Consider Approval of Minutes.

December 17, 2020 – Regular Meeting

Mr. Kesner asked if everyone has had a chance to read the Regular Meeting Minutes from December 21, 2020. Mr. Drennan made a motion, seconded by Mr. Ramirez to approve the Regular Meeting Minutes as presented. The vote on the motion was 5-0 and the motion carried as presented.

Mr. Sanderson arrived at the meeting at 10:04.

4) Communications from Citizens.

Mr. Kesner asked if there was any communications from citizens who wished to speak on a non-agenda item? Mr. Kesner said he has spoken to some people who have had problems with getting electrical services? Mr. Kesner said that him and Mr. Randall met with Xcel last week about getting electrical services for developments. Mr. Randall said a specific developer was having trouble with their subdivisions. He said they could not get their design complete and nothing installed. He said this Board approved the subdivision preliminary plans and they went forward with water and sewer and it was still months out for the electricity to get there. He said Xcel is making changes and they have lost a lot of Design Engineers. He said staff was requesting them to outsource or supplement to get it moving faster.

Mr. Randall said staff has asked for a meeting with someone from Lubbock or Amarillo office about getting better service as far as design. Mr. Kesner said it stipends growth. He said the wait is 6 months. He said that he would like this to go on record that he has heard from citizens about this issue and he would like Commission to be aware of this situation. He said maybe something within the franchise agreement can be done or if the PRC needs to be addressed. Mr. Ramirez asked if they were new customers? Mr. Kesner said yes.

8) Review and Consider recommending approval of an Affordable Housing Funding Commitment and Letter of Financial Support to Yes Housing for a proposed Senior Affordable Housing Complex located north east of the intersection of Berry and Grimes.

Mr. Robinson said Mr. Joe Ortega with YES Housing is here and they are requesting a low income housing tax credit funding from the Municipality. He said this will allow us to participate in affordable housing projects. He said three years ago this Board passed a recommendation to approve this site, however this site was not funded by the NM Mortgage Finance Authority so there were no low income tax credits issued. He said this is located on the NE corner of Berry and Grimes. He said this will be a senior housing project. He said at least one member of the household has to be 55 years old or above. He said each of these units are income and rent restricted. Mr. Robinson said the November time frame will be the Development Agreement for the municipality.

Mr. Kesner asked if staff has reviewed all the documents and does staff recommend approval? Mr. Robinson said yes. Mr. Ortega said if this is funded by the NMFA which will be voted on in the June meeting they will have until November 15th to close on the land and the partnership.

5) Review and Consider Subdivision Approval (2nd submittal) of property located south west of the intersection of Joe Harvey Boulevard and Grimes Street, as submitted by property owner, Horizon Partners, LLC.

Mr. Robinson said in September the Planning Board saw this subdivision approval and because there were lots that were not adjacent to a public right-of-way the Planning Board made recommendations. He said the Board said as long as there was a single entity responsibility for all of the easement areas. He said they would grant a variance and that documentation was submitted by the developer. He said Horizon Partners LLC is



ACTION ITEMS



CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: February 3, 2020

SUBJECT: Authorizing the City of Hobbs to enter into a NM GSA contract (#60-000-15-00033) with WEX for fleet gas card management services.
DEPT. OF ORIGIN: Finance Department
DATE SUBMITTED: February 3, 2020
SUBMITTED BY: Toby Spears, Finance Director

Summary:

The City of Hobbs is currently implementing an Enterprise Asset Management system to better track and account for assets. The WEX fleet card system has the ability to push data into readable formats for uploading into the EAM system. The WEX system also exempts the City of federal excise taxes for various types of fuel. (eg: 18.3 cents per gallon for unleaded fuel). The City of Hobbs implemented this system in May of 2019 for the Hobbs Express program.

Fiscal Impact:

Reviewed By: [Signature]
Finance Department

Current budgeted 2020 gasoline is \$750,000. In FY 2019, actual expenditures were \$672,491

Attachments: WEX GSA pricing contract with the State of NM

Legal Review:

Approved As To Form: [Signature]
City Attorney

Recommendation:

Authorize the City of Hobbs to enter into a NM GSA Contract (60-000-15-00033) with WEX

Approved For Submittal By:

[Signature]
Department Director
[Signature]
City Manager

CITY CLERK=S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____ Continued To: _____
Ordinance No. _____ Referred To: _____
Approved _____ Denied _____
Other _____ File No. _____



State of New Mexico
General Services Department
Purchasing Division

Contract Amendment

Awarded Vendor:
0000045609
WEX Bank dba Wright Express FSC
7090 South Union Park
Suite 350
Midvale, UT 84047

Telephone No. 952-922-1104

Contract Number: 60-000-15-00033

Contract Amendment No.: One

Term: July 15, 2016 - July 14, 2020

Ship to:
All State of New Mexico agencies, commissions,
institutions, political subdivisions and local public bodies
allowed by law.

Procurement Specialist: Travis Dutton-Leyda

Telephone No.: 505-827-0477

Email: travis.dutton-leyda@state.nm.us

Invoice:
All State of New Mexico agencies, commissions,
institutions, political subdivisions and local public bodies
allowed by law.

Title: **Electronic Fuel Card Services**

This Contract Amendment is to be attached to the respective Contract and become a part thereof.

In accordance with Contract provisions, and by mutual agreement of all parties, this Contract is extended from July 15, 2018 thru July 14, 2020 at the same price, terms and conditions.

Except as modified by this amendment, the provisions of the Contract shall remain in full force and effect.

Accepted for the State of New Mexico

New Mexico State Purchasing Agent

Date: 6.21.18

Amendment One - STATEWIDE PRICE AGREEMENT NO. 60-000-15-00033

STATE OF NEW MEXICO
FOR
Electronic Fuel Card Services

THIS AGREEMENT is made and entered into by and between the State Purchasing Division, State of New Mexico, herein after referred to as the "agency" and WEX Bank dba Wright Express FSC herein after referred to as the "Contractor."

IT IS MUTUALLY AGREED BETWEEN THE PARTIES THAT THE FOLLOWING PROVISIONS OF THE ABOVE-REFERENCED CONTRACT ARE AMENDED AS FOLLOWS:

4 - TERM

THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED IN WRITING BY THE STATE PURCHASING AGENT, IF REQUIRED. This Agreement shall begin on date approved by the State Purchasing Agent and end on July 14, 2020. The agency reserves the right to renew the contract on an annual biennial basis by mutual Agreement not exceed a total of six (6) years in accordance with NMSA 1978 §13-1-150.

All other articles of the original contract remain the same.

IN WITNESS WHEREOF, the parties have executed this Agreement amendment as of the date of execution by:

STATE OF NEW MEXICO
General Services Department

WEX Bank dba Wright Express FSC

BY: [Signature]
Strategic Services
TITLE: Bureau Chief

BY: [Signature]
TITLE: President/CEO

APPROVED
By Eleanor Duffus at 3:51 pm, Jun 20, 2018

The records of the Taxation and Revenue Department reflect that the Contractor is registered with the Taxation and Revenue Department of the State of New Mexico to pay gross receipts and compensating taxes.

TAXATION AND REVENUE DEPARTMENT

ID NO.: (02-384105-002)

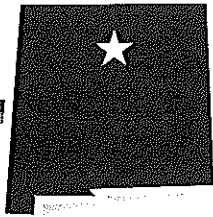
Taxation and Revenue is only verifying the registration and will not confirm or deny taxability statements contained in this contract.

BY: [Signature]
DATE: 6/21/18

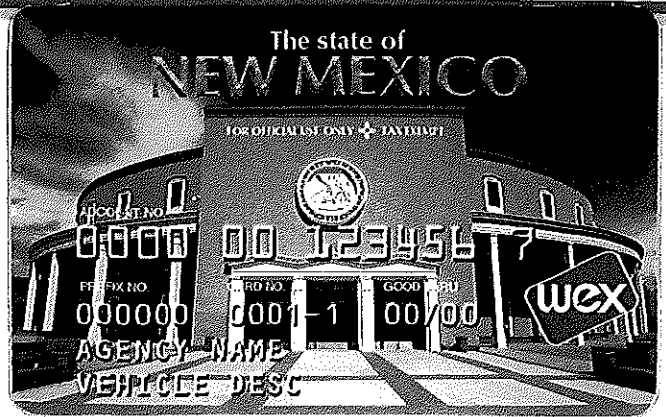
This Agreement has been approved by the State Purchasing Agent of New Mexico:

By: [Signature] Date: 6/21/2018
Lawrence O. Maxwell,
Purchasing Agent for the State of New Mexico

STATE OF NEW MEXICO
FLEET CARD PROGRAM



Jan Fletcher
HOBBS MAYOR AND CITY COMMISSION
200 E Broadway Street
Hobbs, NM 88240



Re: Contract No. 60-000-15-00033

Fuel Card Services Agreement Between
WEX and the State of New Mexico

Dear Jan Fletcher:

New Mexico has contracted with WEX to offer a fuel card program designed to help state organizations like yours control fueling and vehicle costs. **The WEX Government Fleet Card Program** simplifies fueling with purchase controls, spending limits, powerful online management tools and **acceptance at 95% of fueling stations.**

In addition to expense reduction, the WEX Government Fleet Card Program provides:

- **Better savings.**
Get monthly rebates and reduce your overall administrative costs.
- **Better security.**
Use custom spending controls and driver IDs at the pump to help prevent fraud and misuse.
- **Better accounting.**
Track spending online and download detailed reports. Tax exemption and reporting is available for qualified fleets.
- **And a better experience.**
Use at any major fuel station in your state — and throughout the U.S. Plus, all cardholders enjoy U.S.-based customer service, 24/7.

Participation is **FREE**, with no enrollment, setup, or card fees.
Just fax the enclosed Participating Addendum to 1-866-527-8873.

Sincerely,

Bernie Kavanagh
Sr. Vice President and General Manager, WEX Large Fleet

Participation is FREE.

No enrollment, setup, or card fees.

STATE OF NEW MEXICO
Contract No. 60-000-15-00033

It's easy to apply —
the RFP, vetting, and
paperwork are already done.

Just **FAX** the enclosed
addendum to
1-866-527-8873

FOR MORE INFORMATION

CALL
1-866-527-8870

VISIT
www.wexinc.com/NewMexico/V88



FUEL ANYWHERE. SAVE EVERY DAY.

Accepted at 95% of fuel stations nationwide.

ACCEPTING FUEL SITES

- | | | |
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| AC & T | Halley's | Quality Oil |
| Aloha | Handy Andy's | Quick Mart |
| Aviation | Huck's | Road Ranger |
| Bell Gas | ICO | Robinson Oil |
| Bigfoot | Ideal | Rotten Robbie |
| Capital City | Inter City | Royal Farms |
| Carousel | Johnson & Dixon | Rutters |
| Certified | Kenyon | Rymes 24 |
| City Garage | King Soopers | SC Fuels |
| Cogos | Koch | Smokers Express |
| Crystal Flash | Kramer | Sprint |
| Cumberland Farms | Krause | Stewarts Shops |
| D & D Oil | Kum & Go | Taylor Foods |
| Dairy Mart | Kwik Pantry | TCI |
| Depot | Lil Champ | Thorntons |
| Drivers Traveler | Lucky Stop | TOTAL |
| Dynamic Mart | M & H | Town&Country |
| Economy | Mac's Stores | Trade Mart |
| Eddins Walcher | McClure Oil | Trade Oil |
| Enmark | MFA Oil | Tripar Oil |
| Express Stop | Mr. Cut Rate | US Oil |
| Family Express | Multi Serv | USCO |
| Farstad | NAPA | Valley Dairy |
| Fast Track | Novus | Weigel Store |
| Fauser Oil | NU-Way | Wesco |
| FFP | Oasis | Williams Travel |
| Flash Foods | O'Connor | Xtra Fuels |
| Food Chief | OK Petroleum | Zip Mart |
| Fuel Mart | Pantry | |
| Gas America | Petro King | |
| Giant | Petro Stop | |
| Git-n-Go | PRIDE | |
| Global | Pure | |
| Grow Mark | Qik NEZ | |

Card acceptance is subject to independent owner/operator participation and subject to change without notice.



ACCEPTING SERVICE SITES

- | | | |
|----------------------------|---|--|
| American LubeFast | Dodge BusinessLink™ (limited participation) | Netcost Auto Glass |
| Big O Tires | | Tire Centers Inc |
| Daimler/Chrysler | GM Goodwrench (limited participation) | Wash Depot |
| Diamond/Triumph Auto Glass | Harmon Glass | ...and many regional and independent locations nationwide. |



FOR MORE INFORMATION,
visit our website at www.wexinc.com/NewMexico/V88





CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: February 3, 2020

SUBJECT: RESOLUTION TO APPROVE THE SUBDIVISION OF PROPERTY LOCATED SOUTHWEST OF THE INTERSECTION OF JOE HARVEY AND GRIMES AND AFFIRM A VARIANCE GRANTED BY THE CITY OF HOBBS PLANNING BOARD OF MUNICIPAL CODE 16.16.050(E) ALLOWING A SUBDIVISION OF PROPERTY CREATING LOT(S) NOT ACCESSIBLE FROM A PUBLIC STREET.

DEPT. OF ORIGIN: Planning Department
DATE SUBMITTED: January 27, 2020
SUBMITTED BY: Kevin Robinson - Planning Department

Summary: Prior to Execution and Recordation of the previously approved Subdivision the Developer has decided to reconfigure the Tracts being created. Whereas the previously approved Subdivision created 2 Tracts not accessible from a public street the newly proposed Subdivision will create 3 Tracts without access from a public street. The Planning Board reviewed the previous Subdivision on September 17, 2019 and voted 5 to 0 to recommend approval with a variance from MC 16.16.050(E) allowing a subdivision of property creating lot(s) not accessible from a public street, contingent upon documentation assigning maintenance responsibilities for the "Mutual Access" areas, the Commission approved the subdivision on October 7, 2019. The Planning Board reviewed the current Subdivision on January 21, 2021 and voted 6 to 0 to recommend approval with a variance from MC 16.16.050(E) allowing a subdivision of property creating lot(s) not accessible from a public street

Variances from Municipal Code Title 16 are allowed providing the finding that compliance will result in an extraordinary hardship as stated in MC 16.04.020(A) below:

A. Hardships. Where the Planning Board finds that extraordinary hardships may result from strict compliance with this title, it may vary the regulations contained in this title, so that substantial justice may be done and the public interest secured; provided that such variation will not have the effect of nullifying the intent and purpose of such regulations.

Options for the City Commission to consider are 1) Vote YES to Approve the Resolution and affirm the Planning Boards variance decision; 2) Vote NO on the Resolution and rescind the Planning Boards variance decision

Fiscal Impact:

Reviewed By:

[Signature]
Finance Department

Attachments: Resolution, Draft Planning Board packet, excerpts from Municipal Code Title 16, Covenants & Restrictions and Proposed Subdivision.

Legal Review:

[Signature]

Approved As To Form:

City Attorney

Recommendation:

Study the issues and render a decision on the information presented.

Approved For Submittal By:

[Signature]
Department Director

[Signature]
City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____ Continued To: _____
Ordinance No. _____ Referred To: _____
Approved _____ Denied _____
Other _____ File No. _____

CITY OF HOBBS

RESOLUTION NO. 6906

A RESOLUTION TO APPROVE THE SUBDIVISION OF PROPERTY LOCATED SOUTHWEST OF THE INTERSECTION OF JOE HARVEY AND GRIMES AND AFFIRM A VARIANCE GRANTED BY THE CITY OF HOBBS PLANNING BOARD OF MUNICIPAL CODE 16.16.050(E) ALLOWING A SUBDIVISION OF PROPERTY CREATING LOT(S) NOT ACCESSIBLE FROM A PUBLIC STREET.

WHEREAS, Horizon Partners, LLC, property owner, did submit a subdivision for approval under the Alternate Summary Procedure MC 16.12; and

WHEREAS, upon review Staff notified the subdivider that the subdivision as submitted did not conform to MC Title 16, specifically MC 16.16.050(E) requiring each lot created to be accessible from a public street; and

WHEREAS, due to unusual circumstances that exist the subdivider chose to have the subdivision reviewed under the standard procedures as per MC 16.12.030(B); and

WHEREAS, the City of Hobbs Planning Board reviewed this subdivision on January 21, 2020 and voted 6 to 0 to recommend approval with a variance from MC 16.16.050(E) allowing a subdivision of property creating lot(s) not accessible from a public street, contingent upon documentation assigning maintenance responsibilities for the "Mutual Access" areas; and

WHEREAS, upon sufficient findings it has been determined that granting this variance from Municipal Code 16.16.050(E) does not "have the effect of nullifying the intent and purpose of such regulations".

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that

A. The City of Hobbs hereby affirms a variance granted by the City Of Hobbs Planning Board of municipal code 16.16.050(E) allowing a subdivision of property creating lot(s) not accessible from a public street.

B. The City officials and staff are directed to do any and all acts necessary to carry out the intent of this Resolution.

PASSED, ADOPTED AND APPROVED this 3rd day of February, 2020.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

**PLANNING BOARD MEETING
MINUTES
January 21, 2020**

The Hobbs Planning Board met on January 21, 2020 at 10:00 a.m. at City of Hobbs Annex Building, First Floor Commission Chambers, located at 200 E. Broadway, Hobbs, NM 88240 with Mr. Guy Kesner Vice Chairman presiding.

Members Present:

Guy Kesner, Vice Chairman
Bill Ramirez
Larry Sanderson
Phillip Ingram
Ben Donahue
Brett Drennan

Members Absent

Tres Hicks, Chairman

Also present were members of the public and City staff as follows:

Kevin Robinson, Development Director
Julie Nymeyer, Staff Secretary
Bruce Reid, County Planner

Sam Cobb, Mayor
Shawn Williams, Fire Marshal
Joe Ortega, Yes Housing

1) **Call To Order.**

Vice Chairman Kesner called the meeting to order at 10:02 am.

2) **Review and Consider Approval of Agenda.**

The first item of business was to review and approve the Agenda for the January 21, 2020 meeting. Mr. Kesner asked if there were any changes to the agenda? Mr. Robinson said there were no changes. Mr. Kesner suggested moving item 8 to item number 5 since there was someone here to speak. Mr. Ramirez made a motion, seconded by Mr. Ingram to approve the agenda as amended. The vote on the motion was 5-0 and the motion carried.

3) **Review and Consider Approval of Minutes.**

December 17, 2020 – Regular Meeting

Mr. Kesner asked if everyone has had a chance to read the Regular Meeting Minutes from December 21, 2020. Mr. Drennan made a motion, seconded by Mr. Ramirez to approve the Regular Meeting Minutes as presented. The vote on the motion was 5-0 and the motion carried as presented.

Mr. Sanderson arrived at the meeting at 10:04.

4) **Communications from Citizens.**

Mr. Kesner asked if there was any communications from citizens who wished to speak on a non-agenda item? Mr. Kesner said he has spoken to some people who have had problems with getting electrical services? Mr. Kesner said that him and Mr. Randall met with Xcel last week about getting electrical services for developments. Mr. Randall said a specific developer was having trouble with their subdivisions. He said they could not get their design complete and nothing installed. He said this Board approved the subdivision preliminary plans and they went forward with water and sewer and it was still months out for the electricity to get there. He said Xcel is making changes and they have lost a lot of Design Engineers. He said staff was requesting them to outsource or supplement to get it moving faster.

Mr. Randall said staff has asked for a meeting with someone from Lubbock or Amarillo office about getting better service as far as design. Mr. Kesner said it stipends growth. He said the wait is 6 months. He said that he would like this to go on record that he has heard from citizens about this issue and he would like Commission to be aware of this situation. He said maybe something within the franchise agreement can be done or if the PRC needs to be addressed. Mr. Ramirez asked if they were new customers? Mr. Kesner said yes.

8) **Review and Consider recommending approval of an Affordable Housing Funding Commitment and Letter of Financial Support to Yes Housing for a proposed Senior Affordable Housing Complex located north east of the intersection of Berry and Grimes.**

Mr. Robinson said Mr. Joe Ortega with YES Housing is here and they are requesting a low income housing tax credit funding from the Municipality. He said this will allow us to participate in affordable housing projects. He said three years ago this Board passed a recommendation to approve this site, however this site was not funded by the NM Mortgage Finance Authority so there were no low income tax credits issued. He said this is located on the NE corner of Berry and Grimes. He said this will be a senior housing project. He said at least one member of the household has to be 55 years old or above. He said each of these units are income and rent restricted. Mr. Robinson said the November time frame will be the Development Agreement for the municipality.

Mr. Kesner asked if staff has reviewed all the documents and does staff recommend approval? Mr. Robinson said yes. Mr. Ortega said if this is funded by the NMFA which will be voted on in the June meeting they will have until November 15th to close on the land and the partnership.

5) **Review and Consider Subdivision Approval (2nd submittal) of property located south west of the intersection of Joe Harvey Boulevard and Grimes Street, as submitted by property owner, Horizon Partners, LLC.**

Mr. Robinson said in September the Planning Board saw this subdivision approval and because there were lots that were not adjacent to a public right-of-way the Planning Board made recommendations. He said the Board said as long as there was a single entity responsibility for all of the easement areas. He said they would grant a variance and that documentation was submitted by the developer. He said Horizon Partners LLC is

responsible for all the shaded areas. He said Horizon asked if instead of having lot C7 as a flag pole lot assessable from Grimes the way it was originally platted if they could have it as an easement instead. He said the Planning Board and the Commission are signatories staff could not approve that so it had to come back before the Board today.

Mr. Kesner asked if they were going to now do an easement which will allow access through tract C and C7 and C8? Mr. Robinson said yes. He said it is another access that the developer will be maintaining.

Mr. Ramirez made a motion, seconded by Mr. Ingram to recommend approval for the change from a flag lot to an easement. The vote on the motion was 6-0 and the motion carried.

- 6) Review and Consider Subdivision Approval of property located northwest of the intersection of White and Cochran, as submitted by property owner, Ruben Valdez.

Mr. Robinson said it is required to have a 35 foot access adjacent to a public right-of-way. He said this plat is 34.7 feet and it is noncompliant. He said it will have to be approved by the Planning Board and the Commission.

Mr. Ingram made a motion, seconded by Mr. Drennan to recommend approval of the subdivision with a lot being 34.7 feet. The vote on the motion was 6-0 and the motion carried.

- 7) Review and Consider Subdivision Approval of property located south east of the intersection of Kansas and Davis Lane within the ETJ, as submitted by property owner(s), Amy and Ben Donahue.

- 9) Review and Consider Planning Board Calendar for Calendar Year 2020.

- 10) Adjournment.

- 7) Adjournment.

With nothing further to discuss Mr. Ramirez made a motion, seconded by Mr. Drennan to adjourn the meeting at 11:05 am. The vote on the motion was 6-0 and the motion carried.

Guy Kesner, Vice Chairman

Excerpts from MC Title 16

Chapter 16.12 ALTERNATE SUMMARY PROCEDURE

16.12.010 Eligible subdivisions.

B. The land shall abut on a public street or streets of adequate width and is so situated that no additional streets, alleys, easements for utilities or other public property are required; or if required to conform to other public streets, alleys or other public ways and such additional property is shown on the plat as "Herein Dedicated", or if within the extraterritorial jurisdiction those public ways required being conveyed as a surface and sub-surface easement.

16.12.030 Approval procedure.

A. The City Manager's designated representative is authorized to approve subdivisions meeting the conditions of this section and conforming to the provisions of this chapter and shall, within ten (10) days of final submittal of all requested information, accept the proposed subdivision or send a written rejection detailing the reason for the rejection. Any municipal infrastructures serving the subdivision shall be completed or adequate surety provided prior to receiving final approval.

B. The subdivider or the City Manager's designated representative may choose to have the subdivision reviewed by the Planning Board under the standard procedures if difficulties or unusual circumstances exist.

16.16.050 Lots.

(E) Access to Existing Public Streets. The subdividing of the land shall be such as to provide, by means of a public street, and each lot shall be provided with a thirty-five (35) feet minimum access to an existing public street. Minimum access width for each lot fronting a cul-de-sac shall be thirty (30) feet minimum measured on the property line to the curb line, and a thirty-five (35) feet minimum width measured at the building setback line. Each "flag" lot, defined herein as a parcel of land accessible only by an extension of land connecting a public access street to the building site area of the parcel, shall have a minimum continuous access width of thirty-five (35) feet. Access shall mean a contiguous and continuous direct property boundary connecting to the public street.

16.04.020 Variances and modifications.

A. Hardships. Where the Planning Board finds that extraordinary hardships may result from strict compliance with this title, it may vary the regulations contained in this title, so that substantial justice may be done and the public interest secured; provided that such variation will not have the effect of nullifying the intent and purpose of such regulations.

AGREEMENT REGARDING EASEMENT,

COVENANTS AND RESTRICTIONS

THIS AGREEMENT REGARDING EASEMENT, COVENANTS AND RESTRICTIONS (“Agreement”) is made as of this _____ day of _____, 2019 by and between Janak VI, Inc., a New Mexico Corporation (hereinafter referred to as “Janak”), Horizon Partners, LLC, a New Mexico Limited Liability Company (hereinafter referred to as “Horizon”), Japanese Restaurant, Church Chicken, and Walgreens Pharmacy (hereinafter collectively referred to as “OWNERS.”)

I. RECITALS

1. **WHEREAS** there exists eight (8) lots of property located at the corner of Joe Harvey Blvd and Grimes Street in Hobbs, New Mexico as shown on Exhibit “A” attached and incorporated herein by reference.
2. Janak is purchasing from Horizon the lots labeled C-6 and C-7.
3. Japanese Restaurant owns Lot C-4.
4. Churches Chicken owns Lot C-5.
5. Horizon owns Lots C- _____ and intends to sell the property to Acute Care.
6. Horizon owns Lot C-3 and leases it to Cotton Patch Restaurant.
7. Walgreens Pharmacy owns Lot C-_____.
8. Horizon owns Lot C-_____.
9. Horizon owns the 10.22+/- acre lot labeled as Lot C-_____.
10. Owners desire to enter into the herein Agreement regarding Easement, Covenants, and Restrictions for the purpose of creating an easement as diagramed and shaded in Exhibit “A”

11. All Owners have executed this agreement and agree to be bound by the terms of this agreement.

12. This Agreement shall be filed against the land and shall follow the land with all future ownership of the lots above.

NOW THEREFORE, as a term of the purchase of Lots C6 and C7 by Janak, the mutual promises and covenants of the parties contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

II. AGREEMENT

1. Recitals: All of the terms, conditions and provisions set forth in the foregoing recital are hereby restated and affirmed to part of this Agreement.

2. Definitions: Unless otherwise indicated to the contrary, the following terms shall have the meanings set forth herein.

2.1. Common Areas: The Common Areas as identified as a shared easement on Exhibit "A" are for common use by the Owners, their tenants, customers, or business invitees. Repair and maintenance of the Common Area is described in paragraph 6 below.

2.2. Property: Shown on Exhibit "A".

3. Exhibits: All exhibits attached hereto are incorporated herein as if set forth in full herein.

4. Creation of New Roads: Horizon will develop and create roads on the shaded areas labeled New Road on Exhibit "A". Payment for the development and creation of the roads will be handled by Horizon. Janak will not be responsible for contributing any sums towards the development or creation of the roads.

5. Grant of Access Easements: Each Owner does hereby establish for the benefit of and grants and conveys to the other Owner from time to time of the Common Area and such Owner's successors in title, assigns, tenants, customers, invitees and employees, as an appurtenance to each Lot a permanent non-exclusive easement for pedestrian and vehicular ingress and egress, across and upon the Common Area from time to time located on each Lot for access to and from adjacent public property. There shall be no obstructions to the easement by any Owner at any time, including no gates or doors that swing open from any trash bins that might obstruct or hinder travel along the easement. The easement is to be kept open and accessible at all times.

6. Maintenance and Operation: Horizon shall supervise, operate, manage, repair, replace and maintain the Common Area in good repair and in a sightly, safe, sound, and functional condition, free from refuse, rubbish and dirt and in conformity with all governmental regulations.

6.1 Paving and Marking: Horizon shall repave, restripe and replace markings on the surface on such Common Area from time to time so as to provide for the orderly flow of automobiles and shall place and maintain adequate exit and entrance and other traffic control signs to direct traffic in and out of said Common Area.

Each of the owners of the eight (8) lots shall equally share all costs one-eighth (1/8th) each incurred by Horizon in the maintenance and operation of Common Area. Horizon shall give the Owners ten (10) days Notice to approve maintenance needed. In the event approval is not received Horizon will do the maintenance and invoice the Owners.

Upon being invoiced by Horizon at the address set forth below for each Owner, the Owners will pay one-eighth (1/8th) of all costs and expenses incurred by Horizon within two (2) weeks of receipt of the invoice. If any Owner fails to timely pay Horizon, Horizon is entitled to collect from such Owner all fees and expenses (including legal fees) incurred in collecting the balance owed. Interest shall accrue at one and a half percent (1½ %) per month on any past due sum.

7. Public Liability Insurance: Horizon shall obtain and maintain at all times public liability insurance insuring against claims on account of death, bodily injury or property damage that may arise from or be occasioned by the condition or use of the Common Area. Said insurance shall be obtained and maintained in a reputable insurance company or companies qualified to do business in the State of New Mexico and having limits for bodily injury or death in the amount of not less than \$1,000,000 for injury to or death of one person, \$2,000,000 for injury or death of more than one person in one accident and property damage insurance in an amount of not less than \$100,000 (or, as an alternative, single limit coverage in the amount of \$2,000,000).

8. Common Area Restoration: In the event any Common Areas of the Property are damaged or destroyed, Horizon shall promptly cause the repair, restoration or rebuilding of the

Common Area so damaged or destroyed so that the restored portions of the Common Area shall comply with the applicable requirements of this Agreement.

9. Remedies: Horizon shall have all of the remedies available to it under the prevailing circumstances at law or in equity, and all remedies shall be cumulative, to the extent permitted by law. In addition the general remedies available at law or in equity, Horizon shall have the specific remedies set out in the below paragraphs.

Owners shall have all of the remedies available to it under the prevailing circumstances at law or in equity, and all remedies shall be cumulative, to the extent permitted by law. In addition the general remedies available at law or in equity, Owners shall have the shall have the specific remedies set out in the below paragraphs.

9.1 Default: In addition to the remedies set forth above, if any Owners shall default in the performance of its obligations hereunder, in addition to its claim for reimbursement The Owner may file a lien therefor which shall attach to defaulting Owners' Lot and improvements thereon effective upon recording of a notice thereof in the Registry. Such lien shall be subordinate to all matters appearing of record in the Registry at the time of recording of such lien.

9.2 Effect of Delay and Waiver: No delay or omission of Horizon in the exercise of any right accruing upon any default of Horizon shall impair any such right or be construed as a waiver thereof, and every such right may be exercised at any time during the continuance of such default. A waiver by Horizon of a breach of, or a default in, any of the terms and conditions of this Agreement by the other Owner shall not be construed to be a waiver of any subsequent breach of, or default in, the same or any other provision of this Agreement.

Except as otherwise specifically provided in this Agreement, no remedy provided in this Agreement shall be exclusive but shall be cumulative with all other remedies provided in this Agreement or at law or in equity.

9.3 Breach not a Termination: No breach of this Agreement shall entitle Horizon to cancel, rescind or otherwise terminate this Agreement. Such limitation shall not affect, in any manner, any other rights or remedies that Horizon may have hereunder by reason of any breach of this Agreement. No breach of this Agreement shall affect or render invalid the lien of any mortgage or deed of trust made in good faith and for value covering any part of the Property and any improvements thereon. This Agreement shall be binding upon and effective against Horizon and any successors whose title is acquired by foreclosure or trustee's sale or any grantee by deed in lieu of foreclosure.

10. Compliance: Owners without cost or expense to Horizon, shall promptly comply with all laws, ordinances, rules and regulations of any governmental authority having jurisdiction that may at any time be applicable to the Common Area.

11. Successor to Horizon: In the event Horizon decides to resign as the administrator as set forth in the herein Agreement Regarding Easements, Covenants and Restrictions it will give ninety (90) days notice to all of the land owners of its desire to resign. After ninety (90) days Janak shall become the administrator of all obligations of Horizon to oversee and maintain the property as set forth in this Agreement.

12. Term: The provisions of this Agreement shall commence on the date hereof and shall be perpetual and not terminate, absent a written agreement signed by all of the then-owners of the Property. No party shall have the right to terminate this Agreement as a result of any default or alleged default of the other party.

13. Modification: This Agreement may not be modified in any respect except with the written consent of all parties. No modification or termination of this Agreement shall affect the rights of any lienholder unless the lienholder consents in writing to the modification or termination.

14. General:

14.1 Invalidity: If any provision of this Agreement, or portion thereof, or the application thereof to any person or circumstances shall to any extent be held invalid, inoperative or unenforceable, the remainder of this Agreement or the application of such provision or portion thereof to any other persons or circumstances shall not be affected thereby.

14.2 Applicable Law: This Agreement shall be construed in accordance of the laws of the State of New Mexico.

14.3 Headings: The article headings in this Agreement are for convenience only. They shall in no way define or limit the scope or content of this Agreement and shall not be considered in any construction or interpretation of this Agreement.

14.4 Counterparts: This Agreement may be executed in multiple counterparts, each of which shall constitute an original and all of which, together, shall constitute one and the same instrument.

15. Binding Effect: This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.

15.1 Covenants Run with the Land: Unless expressly stated otherwise herein, the covenants herein are to be construed as covenants running with the land and the same shall run with the land and shall bind each person having any fee, leasehold or other interest in any part of the Property at any time.

15.2 No Easements to Benefit Outside Parties: No party shall grant an easement with respect to the Common Area to any person for the benefit of property not within the Property, or otherwise so burden the easements granted herein, without the prior written consent of the all parties, which consent shall not unreasonably be withheld.

15.3 Additional Documents for Implementation: Each party shall execute such documents in recordable form as may be necessary to effectuate this Agreement from time to time including, without limitation, any documents granting easements, licenses and similar rights to utility companies and governmental bodies or agencies thereof.

15.4 Addresses: The addresses of Owners for notice purposes are as follows:

Janak: 6108 Homestead Blvd, Midland Texas 79707

Horizon: 1000 N. Dal Paso, Hobbs, New Mexico 88240

Japanese Restaurant: _____

Churches Chicken: _____

Walgreens Pharmacy: _____

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed effective the year and day first above written.

Janak VI, Inc., a New Mexico Corporation
Limited Liability Corporation

Horizon Partners, LLC., a New Mexico

by: _____
_____ (Title)

by: _____
_____ (Title)

_____, a New Mexico Limited
Liability Corporation / Corporation

_____, a New Mexico Limited
Liability Corporation / Corporation

By: _____
_____ (Title)

By: _____
_____ (Title)

_____, a New Mexico Limited
Liability Corporation / Corporation

By: _____
_____ (Title)

VERIFICATION

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged, subscribed, and sworn to before me this
_____ day of _____, 2019, by _____, whose
title is _____ of _____.

My commission expires:

Notary Public
For the State of _____

VERIFICATION

STATE OF _____)

)

COUNTY OF _____)

The foregoing instrument was acknowledged, subscribed, and sworn to before me this _____ day of _____, 2019, by _____, whose title is of the _____, a _____, on behalf the _____.

My commission expires:

Notary Public
For the State of _____

VERIFICATION

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged, subscribed, and sworn to before me this _____ day of _____, 2019, by _____, whose title is of the _____, a _____, on behalf the _____.

My commission expires:

Notary Public
For the State of _____

VERIFICATION

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged, subscribed, and sworn to before me this _____ day of _____, 2019, by _____, whose title is _____ of Janak VI, a New Mexico corporation, on behalf of the corporation.

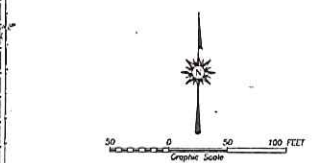
My commission expires:

Notary Public
For the State of _____

JANUARY 7, 2020

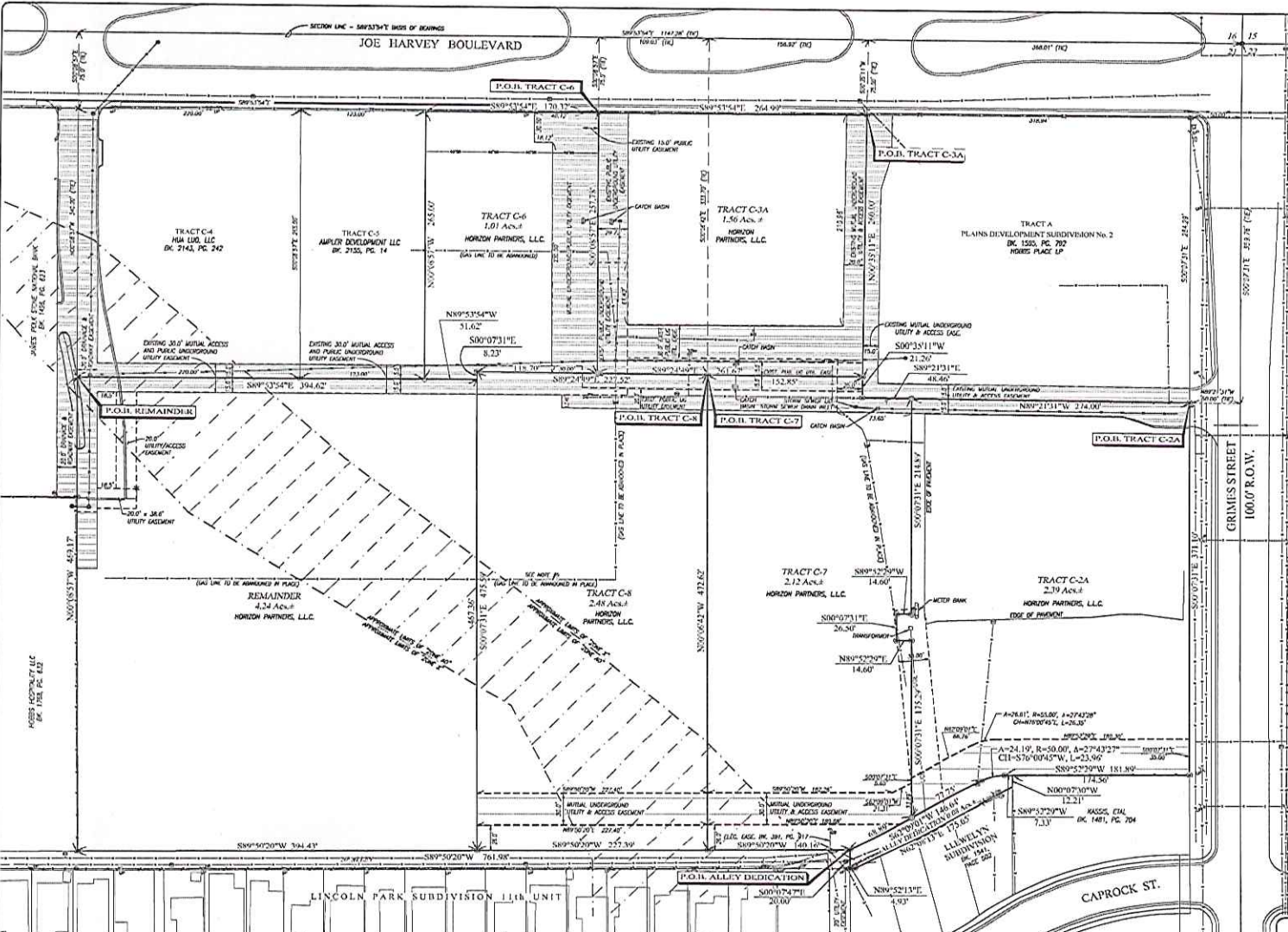
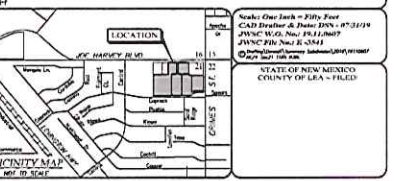
HORIZON PARTNERS
 SUMMARY SUBDIVISION TO CREATE TRACTS C-6, C-7 AND
 C-8 AND SUMMARY REPLAT OF TRACTS C-2 AND C-3
 SITUATED WITHIN THE NORTHEAST QUARTER OF
 SECTION 21, TOWNSHIP 18 SOUTH, RANGE 38 EAST,
 N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO

THE FOREGOING SUMMARY SUBDIVISION OF THE "REMAINDER" TRACT
 AS SHOWN ON THAT CERTAIN PLAT RECORDED IN SURVEY BOOK 2 ON PAGE
 583 AND PLAT CABINET F, SLIDE 123, FILED ON AUGUST 5, 2019, IN THE
 OFFICIAL RECORDS OF LEA COUNTY, NEW MEXICO.



- LEGEND:
- - DONOTS SET 1/2" STEEL ROD 1/2" DIA MARKED "2019 1/2 12841"
 - - DONOTS FORM 1/2" STEEL ROD 1/2" DIA MARKED "2019 1/2 12841"
 - - DONOTS FORM 1/2" STEEL ROD 1/2" DIA MARKED "2019 1/2 21400"
 - - DONOTS FORM BRASS CAP IN CONCRETE
 - X - DONOTS SET "3" CONCRETE IN CONCRETE
 - — — — — DONOTS GAS LINE 1/2" DIA
 - — — — — DONOTS SERVICE LINE 1/2" DIA
 - — — — — DONOTS SERVICE LINE 1/2" DIA
 - — — — — DONOTS STORM DRAIN LINE 1/2" DIA
 - — — — — DONOTS WATER LINE 1/2" DIA
 - — — — — DONOTS FINE HOSE
 - — — — — DONOTS ELECTRIC LINE
 - — — — — DONOTS LIGHT POLE
 - — — — — DONOTS OUT/ANCHOR BITE
 - — — — — DONOTS ELECTRIC PANEL BOX
 - — — — — DONOTS FENCE LINE
 - — — — — DONOTS 4" BUILDING SETBACK LINE
 - — — — — DONOTS COMMON AREA

- NOTES:
- 1) BOUNDARIES SHOWN HEREON ARE BASED UPON RECORD BOUNDARIES SHOWN ON THAT CERTAIN PLAT BEING SUMMARY SUBDIVISION OF A TRACT IN THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO AND THE RELOCATION OF LOT 1, AND LOT 2, TRACT B, PLAINS DEVELOPMENT SUBDIVISION No. 2, TO THE CITY OF HOBBS, LEA COUNTY, NEW MEXICO, FILED IN SURVEY BOOK 2, PAGE 433, AND PLAT CABINET F, SLIDE 60, ON OCTOBER 27, 2019, IN THE OFFICIAL RECORDS OF LEA COUNTY, NEW MEXICO.
 - 2) UTILITY LOCATIONS SHOWN ON THIS PLAT ARE PLOTTED FROM INFORMATION OBTAINED FROM THE CITY OF HOBBS AND CHECKED SURFACE DITCHES AND MAY NOT BE SHOWN IN THEIR TRUE LOCATION. ACTUAL LOCATIONS SHOULD BE VERIFIED.
 - 3) WITH REFERENCE TO THE FLOOD INSURANCE RATE MAP FOR LEA COUNTY, NEW MEXICO AND RECOMBINATION AREA, PANEL 133B OF FIRM MAP NO. 33062C0203, DIVISION 3, DECEMBER 16, 2006, A PORTION OF TRACTS C-7 AND C-8 ARE LOCATED WITHIN "ZONE A2", DEFINED AS AREAS OF FLOOD DEPTHS OF 1 TO 3 FEET USUALLY SHEET FLOOD ON SLIGHTLY STANDING WINDS. WINDS OBTAINED FOR AREAS OF ALLUVAL FAN FLOODING VELOCITIES ALSO DETERMINED. THE PERIMETER OF THIS TRACT IS WITHIN "ZONE A2", DEFINED AS AREAS DETERMINED TO BE OUTSIDE OF THE 500-YEAR FLOOD PLAIN. THE APPROXIMATE BOUNDARIES AS SHOWN HEREON.
 - 4) ADJACENT OWNERSHIP OBTAINED FROM LEA COUNTY ASSESSOR'S OFFICE.
 - 5) 15.0 FT. MUTUAL UNDERGROUND UTILITY EASEMENT, 30.0 FT. PUBLIC UTILITY EASEMENT AND 30.0 FT. PUBLIC UNDERGROUND UTILITY EASEMENT WERE CREATED BY SUMMARY SUBDIVISION THAT FILED FOR RECORD ON OCTOBER 27, 2019, IN SURVEY BOOK 2, PAGE 433 AND PLAT CABINET F, SLIDE 60.
 - 6) AGREEMENT REGARDING EASEMENTS, COVENANTS AND RESTRICTIONS FILED 2009 A.D. IN BOOK _____ PAGE _____ LEA COUNTY RECORDS, LEA COUNTY, NEW MEXICO.



SURVEYOR'S CERTIFICATE:
 I, GARY C. EDSON, NEW MEXICO PROFESSIONAL SURVEYOR NO. 12641, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACCURACY THEREON IS THE RESULT OF MY PERSONAL OR DIRECT SUPERVISION OF THE SURVEY WORK PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION THAT I AM RESPONSIBLE FOR THIS SURVEY. THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

GARY C. EDSON DATE: _____
 PROVIDING SURVEYING SERVICES SINCE 1986
JOHN WEST SURVEYING COMPANY
 412 N. GALL BLVD. HOBBS, N.M. 88240
 (715) 293-2117 www.jwsurvey.com
 SURVEY 10000000

JANUARY 7, 2020

HORIZON PARTNERS
SUMMARY SUBDIVISION TO CREATE TRACTS C-6, C-7 AND C-8 AND SUMMARY REPLAT OF TRACTS C-2 AND C-3
SITUATED WITHIN THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M.,
CITY OF HOBBS, LEA COUNTY, NEW MEXICO.

THE FOREGOING SUMMARY SUBDIVISION OF THE "REMAINDER" TRACT AS SHOWN ON THAT
CERTAIN PLAT RECORDED IN SURVEY BOOK 2 ON PAGE 383 AND PLAT CABINET P, SLIDE 123,
FILED ON AUGUST 5, 2019, IN THE OFFICIAL RECORDS OF LEA COUNTY, NEW MEXICO.

TRACT C-6:

A TRACT OF LAND SITUATED IN THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF JOE HANNEY ROADWARD FROM THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT, WHICH LIES N89°57'14"W ALONG THE NORTH LINE OF SAID SECTION 21 A DISTANCE OF 833.98 FEET AND S00°07'17"E A DISTANCE OF 75.00 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 21, THEN S00°07'17"E A DISTANCE OF 257.78 FEET TO THE SOUTHWEST CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 118.33 FEET TO A CORNER OF THIS TRACT, THEN S00°07'17"E A DISTANCE OF 82.1 FEET TO A CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 51.82 FEET TO THE SOUTHWEST CORNER OF TRACT C-5, SHOWN ON THAT CERTAIN SUMMARY SUBDIVISION PLAT RECORDED AUGUST 1, 2019 IN PLAT CABINET P, SLIDE 123, LEA COUNTY RECORDS, TO THE SOUTHWEST CORNER OF THIS TRACT, THEN N00°07'17"E ALONG THE EAST LINE OF SAID TRACT C-5 A DISTANCE OF 258.66 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF JOE HANNEY ROADWARD TO THE NORTHEAST CORNER OF THIS TRACT, THEN S89°57'14" ALONG SAID RIGHT-OF-WAY A DISTANCE OF 178.23 FEET TO THE POINT OF BEGINNING, SAID TRACT CONTAINING 1.50 ACRES MORE OR LESS.

TRACT C-7:

A TRACT OF LAND SITUATED IN THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF TRACT C-1, AS SHOWN ON THAT CERTAIN SUMMARY SUBDIVISION PLAT RECORDED DECEMBER 27, 2016 IN SURVEY BOOK 2, ON PAGE 438, AND PLAT CABINET F, SLIDE 88, LEA COUNTY RECORDS, FOR THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT OF LAND, WHICH LIES N89°57'14"W ALONG THE NORTH LINE OF SAID SECTION 21, THEN S00°07'17"E A DISTANCE OF 524.83 FEET AND S00°07'17"E A DISTANCE OF 333.70 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 21, THEN S00°07'17"E ALONG THE SOUTH LINE OF SAID TRACT C-3 A DISTANCE OF 132.83 FEET TO A POINT ON THE WEST LINE OF TRACT 31, PLANS DEVELOPMENT SUBDIVISION NO. 3 TO A CORNER OF THIS TRACT, THEN S00°07'17"E ALONG THE WEST LINE OF SAID TRACT 31, A DISTANCE OF 71.26 FEET TO A CORNER OF THIS TRACT, THEN S00°07'17"E ALONG PLANS DEVELOPMENT SUBDIVISION NO. 3 TO A CORNER OF THIS TRACT, THEN S00°07'17"E A DISTANCE OF 44.66 FEET TO A CORNER OF THIS TRACT, THEN S00°07'17"E A DISTANCE OF 214.49 FEET TO A CORNER OF THIS TRACT, THEN S00°07'17"E A DISTANCE OF 14.80 FEET TO A CORNER OF THIS TRACT, THEN S00°07'17"E A DISTANCE OF 26.50 FEET TO A CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 14.80 FEET TO A CORNER OF THIS TRACT, THEN S00°07'17"E A DISTANCE OF 179.75 FEET TO THE MOST NORTHERLY SOUTHWEST CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 94.96 FEET TO A CORNER OF THIS TRACT, THEN S00°07'17"E A DISTANCE OF 146.18 FEET TO THE SOUTHWEST CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 472.63 FEET TO THE POINT OF BEGINNING, CONTAINING 2.12 ACRES MORE OR LESS.

TRACT C-8:

A TRACT OF LAND SITUATED IN THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT OF LAND, WHICH LIES N89°57'14"W ALONG THE NORTH LINE OF SAID SECTION 21 A DISTANCE OF 824.83 FEET AND S00°07'17"E A DISTANCE OF 333.70 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 21, THEN S00°07'17"E A DISTANCE OF 472.63 FEET TO A POINT ON THE NORTH LINE OF THE ELDRON UNIT, LINCOLN PLAIN SUBDIVISION TO THE CITY OF HOBBS, TO THE SOUTHWEST CORNER OF THIS TRACT, THEN N00°07'17"E ALONG SAID NORTH LINE A DISTANCE OF 272.26 FEET TO THE SOUTHWEST CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 475.99 FEET TO THE NORTHEAST CORNER OF THIS TRACT, THEN S89°57'14"E A DISTANCE OF 272.33 FEET TO THE POINT OF BEGINNING, CONTAINING 2.48 ACRES MORE OR LESS.

REMAINDER:

A TRACT OF LAND SITUATED IN THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT OF LAND, WHICH LIES N89°57'14"W ALONG THE NORTH LINE OF SAID SECTION 21 A DISTANCE OF 1147.28 FEET AND S00°07'17"E A DISTANCE OF 348.00 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 21 AND BEING A POINT ON THE EAST LINE OF A TRACT CONVEYED TO JAMES PEARCE NATIONAL BANK AND THE SOUTHWEST CORNER OF TRACT C-4, SHOWN ON THAT CERTAIN SUMMARY SUBDIVISION PLAT FILED ON NOVEMBER 15, 2016, IN SURVEY BOOK 3, PAGE 241, OF THE OFFICIAL RECORDS OF LEA COUNTY, NEW MEXICO, THEN S00°07'17"E ALONG THE SOUTH LINE OF TRACT C-4, C-3 AND C-8 A DISTANCE OF 384.43 FEET TO THE NORTHEAST CORNER OF THIS TRACT, THEN S00°07'17"E A DISTANCE OF 462.88 FEET TO A POINT ON THE NORTH LINE OF THE ELDRON UNIT, LINCOLN PLAIN SUBDIVISION TO THE CITY OF HOBBS, TO THE SOUTHWEST CORNER OF THIS TRACT, THEN S00°07'17"E ALONG THE NORTH LINE OF SAID ELDRON UNIT A DISTANCE OF 384.43 FEET TO A POINT ON THE EAST LINE OF A TRACT CONVEYED TO HOBBS HOSPITALITY LLC TO THE SOUTHWEST CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 498.17 FEET TO THE POINT OF BEGINNING, SAID TRACT CONTAINING 4.28 ACRES MORE OR LESS.

ALLEY DEDICATION:

A TRACT OF LAND SITUATED IN THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT OF LAND AND BEING THE NORTHEAST CORNER OF THE 110' WIDE, LINCOLN PLAIN SUBDIVISION TO THE CITY OF HOBBS, THEN S00°07'17"E A DISTANCE OF 384.43 FEET TO THE SOUTHWEST CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 4.82 FEET TO A CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 174.88 FEET TO THE SOUTHWEST CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 12.71 FEET TO THE NORTHEAST CORNER OF THIS TRACT, THEN S00°07'17"E A DISTANCE OF 462.88 FEET TO A POINT ON THE NORTH LINE OF THE ELDRON UNIT, LINCOLN PLAIN SUBDIVISION TO THE CITY OF HOBBS, TO THE SOUTHWEST CORNER OF THIS TRACT, THEN S00°07'17"E ALONG SAID CORNER A DISTANCE OF 384.43 FEET TO A POINT ON THE EAST LINE OF A TRACT CONVEYED TO HOBBS HOSPITALITY LLC TO THE SOUTHWEST CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 498.17 FEET TO THE POINT OF BEGINNING, CONTAINING 0.58 ACRES MORE OR LESS.

SAID TRACT BEING SUBDIVIDED WITH THE FREE CONSENT AND IN ACCORDANCE WITH THE DESIRES OF THE UNDISPOSED OWNER THEREOF SURVIVED AND SUBDIVIDED ACCORDING TO THE TRACTS AS THEY APPEAR ON THE PLAT ATTACHED HERETO.

IN WITNESS WHEREOF, THE UNDISPOSED OWNERS OF SAID LAND, HAVE HERETOBY SET THEIR HANDS THIS _____ DAY OF _____, 2020 A.D.

RODGER GHY
HORIZON PARTNERS, L.L.C.

ACKNOWLEDGMENT:
STATE OF NEW MEXICO
COUNTY OF LEA

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS _____ DAY OF _____, 2020 A.D., BY RODGER GHY, HORIZON PARTNERS, L.L.C.

RODGER GHY
BY COMMISSION EXPRES

REPLAT OF TRACT C-2 TO TRACT C-3:

A TRACT OF LAND SITUATED IN THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO KNOWN AS TRACT C-2 AS SHOWN ON THAT CERTAIN SUMMARY SUBDIVISION PLAT RECORDED DECEMBER 27, 2016 IN SURVEY BOOK 2, ON PAGE 438, AND PLAT CABINET F, SLIDE 88, LEA COUNTY RECORDS, BEING REPLATED INTO TRACT C-3 AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST RIGHT-OF-WAY LINE OF DINAKS STREET, FROM THE SOUTHWEST CORNER OF TRACT 31, PLANS DEVELOPMENT SUBDIVISION NO. 3 AND THE NORTHEAST CORNER OF THIS TRACT, WHICH LIES S00°07'17"E ALONG THE EAST LINE OF SAID SECTION 21 A DISTANCE OF 328.78 FEET AND N00°07'17"E A DISTANCE OF 50.00 FEET FROM THE NORTHEAST CORNER OF THIS TRACT, WEST RIGHT-OF-WAY LINE OF DINAKS STREET A DISTANCE OF 371.10 FEET TO THE SOUTHWEST CORNER OF THIS TRACT, THEN S00°07'17"E A DISTANCE OF 14.80 FEET TO A CORNER OF THIS TRACT AND THE BEGINNING POINT OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 36.00 FEET AND A CENTRAL ANGLE OF 27°42'27", THEN ALONG THE ARC OF SAID CURVE A DISTANCE OF 9.19 FEET TO A CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 37.75 FEET TO THE SOUTHWEST CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 174.88 FEET TO A CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 14.80 FEET TO A CORNER OF THIS TRACT, THEN S00°07'17"E A DISTANCE OF 26.50 FEET TO A CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 14.80 FEET TO A CORNER OF THIS TRACT, THEN S00°07'17"E A DISTANCE OF 214.49 FEET TO A POINT ON THE SOUTH LINE OF SAID TRACT 31 AND THE NORTHEAST CORNER OF THIS TRACT, THEN S00°07'17"E ALONG THE SOUTH LINE OF SAID TRACT 31 A DISTANCE OF 214.49 FEET TO THE POINT OF BEGINNING, CONTAINING 2.48 ACRES MORE OR LESS, THE SOUTH 25.00 FEET BEING RESERVED AS UTILITY UNDISPOSED UTILITY AND ACCESS EASEMENT.

REPLAT OF TRACT C-3 TO TRACT C-1A:

A TRACT OF LAND SITUATED IN THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO KNOWN AS TRACT C-3 AS SHOWN ON THAT CERTAIN SUMMARY SUBDIVISION PLAT RECORDED DECEMBER 27, 2016 IN SURVEY BOOK 2, ON PAGE 438, AND PLAT CABINET F, SLIDE 88, LEA COUNTY RECORDS, BEING REPLATED INTO TRACT C-1A AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF JOE HANNEY ROADWARD, FOR THE NORTHEAST CORNER OF TRACT 31, PLANS DEVELOPMENT SUBDIVISION NO. 3 AND THE NORTHEAST CORNER OF THIS TRACT, WHICH LIES N89°57'14"W ALONG THE NORTH LINE OF SAID SECTION 21, THEN S00°07'17"E A DISTANCE OF 75.00 FEET FROM THE NORTHEAST CORNER OF SECTION 21, THEN S00°07'17"E ALONG THE WEST LINE OF SAID TRACT 31 A DISTANCE OF 200.00 FEET TO THE SOUTHWEST CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 261.87 FEET TO THE SOUTHWEST CORNER OF THIS TRACT, THEN N00°07'17"E A DISTANCE OF 257.78 FEET TO A POINT ON SAID SOUTH RIGHT-OF-WAY LINE TO THE NORTHEAST CORNER OF THIS TRACT, THEN S00°07'17"E ALONG SAID SOUTH RIGHT-OF-WAY LINE A DISTANCE OF 204.99 FEET TO THE POINT OF BEGINNING, CONTAINING 1.56 ACRES MORE OR LESS.

SAID TRACTS ARE BEING REPLATED WITH THE FREE CONSENT AND IN ACCORDANCE WITH THE DESIRES OF THE UNDISPOSED OWNER THEREOF SURVIVED AND REPLATED AS THE SAME APPEARS HERETO.

IN WITNESS WHEREOF, THE UNDISPOSED OWNERS OF SAID LAND, HAVE HERETOBY SET THEIR HANDS THIS _____ DAY OF _____, 2020.

RODGER GHY
HORIZON PARTNERS, L.L.C.

ACKNOWLEDGMENT:
STATE OF NEW MEXICO
COUNTY OF LEA

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS _____ DAY OF _____, 2020 A.D., BY RODGER GHY, HORIZON PARTNERS, L.L.C.

RODGER GHY
BY COMMISSION EXPRES

CERTIFICATE OF APPROVAL BY THE CITY PLANNING BOARD:
THE PLAT, RESTRICTIONS AND DESIGNATION REVIEWED AND APPROVED ON THE _____ DAY OF _____, 2020 A.D., BY THE CITY PLANNING BOARD OF HOBBS, NEW MEXICO.

WILLIAM M. HICKS II
CITY OF HOBBS

ACKNOWLEDGMENT:
STATE OF NEW MEXICO
COUNTY OF LEA

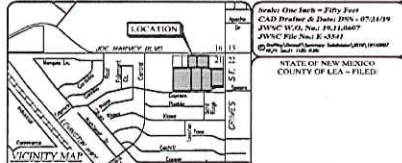
THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS _____ DAY OF _____, 2020 A.D., BY WILLIAM M. HICKS II.

WILLIAM M. HICKS II
BY COMMISSION EXPRES

CERTIFICATE OF MUNICIPAL APPROVAL BY RESOLUTION:
COUNTY OF LEA

I, JIM FLEISHER, THE ONLY APPOINTED AND ACTING CITY CLERK OF THE CITY OF HOBBS, LEA COUNTY, NEW MEXICO, DO HEREBY CERTIFY THAT THE FOREGOING PLAT OF HORIZON PARTNERS, SUMMARY SUBDIVISION TO CREATE TRACTS C-6, C-7 AND C-8 AND SUMMARY REPLAT OF TRACTS C-2 AND C-3 WAS APPROVED BY THE COMMISSION OF THE CITY OF HOBBS BY RESOLUTION NO. _____ ON THE _____ DAY OF _____, 2020 A.D.

JIM FLEISHER, CITY CLERK



SURVEYOR'S CERTIFICATE:
I, GARY S. DODSON, NEW MEXICO PROFESSIONAL SURVEYOR NO. 10241, DO HEREBY CERTIFY THAT THE SURVEY PLAT AND THE ACTUAL SURVEY ORIGIN OF THE ORIGINAL SURVEY IF IT SHOULD BE INTERFERED BY ME OR UNDER MY DIRECT SUPERVISION THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
GARY S. DODSON DATE: _____
PROVIDING SURVEYING SERVICES TO:
JOHN WEST SURVEYING COMPANY
401 N. DALL PARKWAY HOBBBS, NEW MEXICO 88240
505.793.2111 www.johnwest.com



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: February 3, 2020

SUBJECT: RESOLUTION TO APPROVE AN AFFORDABLE SENIOR HOUSING FUNDING COMMITMENT AND LETTER OF FINANCIAL SUPPORT TO YES HOUSING, INC. FOR A PROPOSED AFFORDABLE SENIOR HOUSING COMPLEX TO BE LOCATED NORTHEAST OF THE INTERSECTION OF BERRY AND GRIMES.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: January 27, 2020
SUBMITTED BY: Kevin Robinson - Planning Department

Summary: YES Housing, Inc. has proposed to finance and develop a 56 unit affordable senior housing complex on developer controlled property located northeast of the corner of Berry and Grimes. The project will be restricted to seniors with all of the proposed units income and rent restricted to 60% or below area median income.

The projects Total Development Cost is anticipated to be +/- \$13,250,000.00 so a local contribution of 10% of TDC would earn the Developer 10 points in scoring toward LIHTC funding. Municipal Code Chapter 3.14 allows the City to extend financial incentives to stimulate the development and construction of Affordable Senior Housing projects for multi-family housing. In order to qualify, the project must be considered as an Affordable Housing Project according to the City's Affordable Housing Plan. The Project must also be approved and funded by the NMMFA and comply with State MFA rules.

The Resolution proposes that the City make a conditional offer of financial assistance in an amount not to exceed \$1,325,000, to include waiver of development fees to YES Housing, Inc. if the proposed project is funded by the state and developed. The Letter of Financial Support gives approval to the Project and commits the funding, contingent on the Developer receiving an allocation of LIHTC's during the 2020 cycle.

Fiscal Impact: Reviewed By: Finance Department

Total unencumbered Affordable Housing Budget is \$1,200,000.00. A budget adjustment of \$125,000.00 would need to be made in Bar #3 and submitted to DFA for approval in April 2020.

This resolution will cause the City to incur a maximum expense as reflected above for the development of this Affordable Senior Housing project in fund 01-0100-44901-00169, if the application is funded by NMMFA.

Attachments: Resolution, Draft Planning Board Minutes, Draft Letter of Commitment, Funding Request from YES Housing, Inc.

Legal Review: Approved As To Form: City Attorney

Recommendation: Staff recommends consideration of the Resolution to approve the commitment to YES Housing, Inc.

Approved For Submittal By: Department Director, City Manager
CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN
Resolution No., Ordinance No., Approved, Other, Continued To, Referred To, Denied, File No.

CITY OF HOBBS

RESOLUTION NO. 6907

RESOLUTION TO APPROVE AN AFFORDABLE SENIOR HOUSING FUNDING COMMITMENT AND LETTER OF FINANCIAL SUPPORT TO YES HOUSING, INC. FOR A PROPOSED AFFORDABLE SENIOR HOUSING COMPLEX TO BE LOCATED NORTHEAST OF THE INTERSECTION OF BERRY AND GRIMES.

WHEREAS, the City Commission has previously approved YES Housing, Inc. as a qualified housing developer of affordable multi-family housing and certified this company as a "Pre-Qualifying Grantee"; and

WHEREAS, YES Housing, Inc. intends to submit an application to the NMMFA for an affordable senior housing development, to include 56 units of affordable senior housing units located NE of the intersection of Berry and Grimes; and

WHEREAS, a proposed letter of financial support is attached to this resolution, along with the local contribution funding request to the City from YES Housing, Inc.

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that

1. The City of Hobbs hereby approves the Letter of Financial Support for the proposed Affordable Senior Housing Project, and the Mayor is hereby authorized to sign the letter, a copy of which is attached hereto as Exhibit "A" and made a part of this Resolution.

2. The City of Hobbs hereby approves a commitment of financial support in an amount not to exceed \$1,325,000.00 as a contribution to YES Housing, Inc., under the City of Hobbs Affordable Housing Funding Programs, subject to NMMFA funding.

PASSED, ADOPTED AND APPROVED this 3rd day of February, 2020

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

4) **Communications from Citizens.**

Mr. Kesner asked if there was any communications from citizens who wished to speak on a non-agenda item? Mr. Kesner said he has spoken to some people who have had problems with getting electrical services? Mr. Kesner said that him and Mr. Randall met with Xcel last week about getting electrical services for developments. Mr. Randall said a specific developer was having trouble with their subdivisions. He said they could not get their design complete and nothing installed. He said this Board approved the subdivision preliminary plans and they went forward with water and sewer and it was still months out for the electricity to get there. He said Xcel is making changes and they have lost a lot of Design Engineers. He said staff was requesting them to outsource or supplement to get it moving faster.

Mr. Randall said staff has asked for a meeting with someone from Lubbock or Amarillo office about getting better service as far as design. Mr. Kesner said it stipends growth. He said the wait is 6 months. He said that he would like this to go on record that he has heard from citizens about this issue and he would like Commission to be aware of this situation. He said maybe something within the franchise agreement can be done or if the PRC needs to be addressed. Mr. Ramirez asked if they were new customers? Mr. Kesner said yes.

8) **Review and Consider recommending approval of an Affordable Housing Funding Commitment and Letter of Financial Support to Yes Housing for a proposed Senior Affordable Housing Complex located north east of the intersection of Berry and Grimes.**

Mr. Robinson said Mr. Joe Ortega with YES Housing is here and they are requesting a low income housing tax credit funding from the Municipality. He said this will allow us to participate in affordable housing projects. He said three years ago this Board passed a recommendation to approve this site, however this site was not funded by the NM Mortgage Finance Authority so there were no low income tax credits issued. He said this is located on the NE corner of Berry and Grimes. He said this will be a senior housing project. He said at least one member of the household has to be 55 years old or above. He said each of these units are income and rent restricted. Mr. Robinson said the November time frame will be the Development Agreement for the municipality.

Mr. Kesner asked if staff has reviewed all the documents and does staff recommend approval? Mr. Robinson said yes. Mr. Ortega said if this is funded by the NMFA which will be voted on in the June meeting they will have until November 15th to close on the land and the partnership. He said the process is extremely competitive. He said the City of Hobbs has the ability and the willingness to give up to a 10% match which really helps. He said this will help people who are between 30% and 60% of area median income. He said this is one of the grading factors. He said it is intended for ambulatory seniors.

Mr. Ingram made a motion, seconded by Mr. Ramirez to recommend approval to City Commission for the letter of commitment for the 1.3 million dollar loan if YES Housing is successful in getting the project approved. The vote on the motion was 6-0 and the motion carried.



Office of the Mayor

200 E. Broadway St.
Hobbs, NM 88240

575-397-9206 bus
575-397-9227 fax

City of Hobbs, New Mexico

February 3, 2020

Ms. Michelle DenBleyker
YES Housing, Inc.
104 Roma NW
Albuquerque, NM 87102

RE: City of Hobbs issuance of a Letter of Financial Support and Conditional Approval of YES Housing, Inc.'s Application for Affordable Housing Incentive Funding.

Dear Ms. DenBleyker:

This letter is an affirmation that the City of Hobbs welcomes and supports YES Housing, Inc.'s proposed 56 unit affordable senior housing development, to be located northeast of the intersection of Berry and Grimes, in the City of Hobbs.

The City Commission has approved a commitment of financial support in an amount of 10% of TDC not to exceed \$1,325,000.00 as Gap Financing to YES Housing, Inc.'s proposed affordable senior housing complex, under the City of Hobbs Affordable Housing Funding Programs, and subject to the conditions as stated in the attached Resolution. Also, the City shall waive all applicable City development fees including building permit fees and utility connection fees on the project. These commitments are subject to approval and funding of your project by NMMFA, City governmental appropriations and/or referendum. This offer will expire on December 31, 2020.

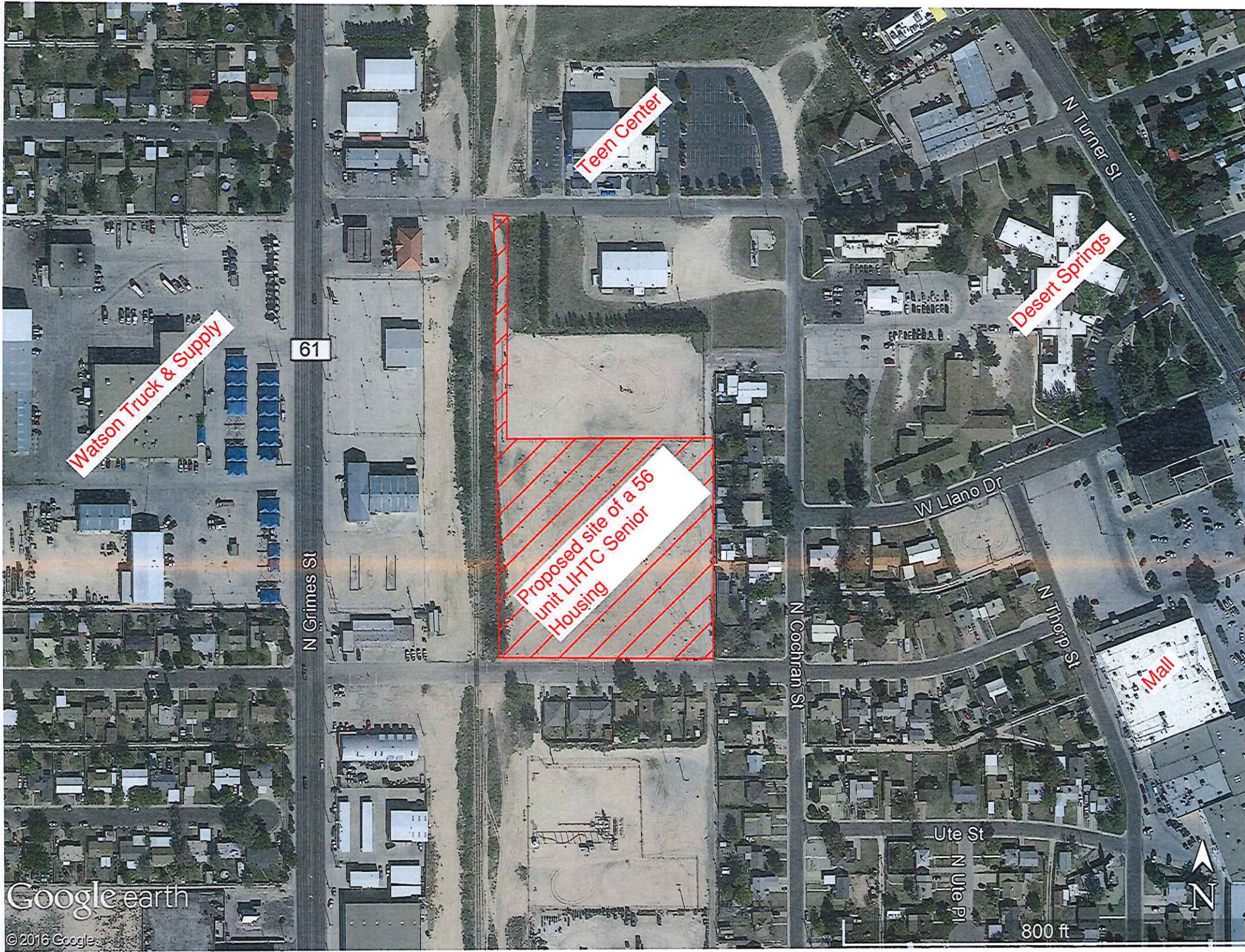
The proposed senior housing development will be subject to all rules, regulations and requirements as promulgated within the City of Hobbs Municipal Code, Major Thoroughfare Plan, Building Codes and Fire Codes. This project will require full buffering from adjacent properties, drainage improvements that reduce post development off site discharge and a security system tied into the Hobbs Public Security System. Additionally, the property will be subject to a long term maintenance agreement to maintain the exterior in an "as new" condition to include building facades, landscaping, lighting and any public hardscape.

If we can be of any assistance during the development process please feel free to call us. Should you or your staff have any questions please contact Manny Gomez, City Manager at (575) 397-9206. We look forward to working with you.

Sincerely,

CITY OF HOBBS, NEW MEXICO

Sam D. Cobb – Mayor



Watson Truck & Supply

Teen Center

Desert Springs

Proposed site of a 56 Unit LIHTC Senior Housing

Mall

61

N Grimes St

N Cochran St

N Turner St

W Llano Dr

N Thorp St

Ute St

N Ute Pl

800 ft



Google earth

© 2016 Google



January 6, 2019

Kevin Robinson
Planning Department
200 E. Broadway
Hobbs, NM 88240

RE: West Berry Senior Apartments
616 West Berry Dr., Hobbs, NM 88240 – 56 units
Affordable Housing Funding – Resolution No. 1050

Dear Mr. Robinson:

The enclosed is a request for Affordable Housing Funds, for the new construction of the above-mentioned community. We are requesting **\$1,325,000**, as a forgivable, zero percent (0%), due on sale loan, as well as a waiver of the City of Hobbs Permit Fees.

Please feel free to contact me if you have any questions.

Thank you for your consideration.

Sincerely,

Michelle Den Bleyker
Vice President of Real Estate Development
(432) 530-7978

mdenbleyker@yeshousing.org

Request for Funds – West Berry Senior Apartments
City of Hobbs Ordinance No. 1050

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West Berry Senior Apartments (to be named)

Narrative Description of Project

Location:	616 West Berry Hobbs, NM 88240
Unit Mix:	44 one-bedroom units 12 two-bedroom units
Rent/Income Mix:	3 units at or below 30% of median income 11 units at or below 50% of median income 42 units at or below 60% of median income

YES Housing, Inc. is pleased to submit the West Berry Senior Apartments (to be named in the future) application for consideration, to the New Mexico Mortgage Finance Authority's Low Income Housing Tax Credit program.

This application provides for the new construction of West Berry Senior Apartments, a two-story, 56-unit, senior, affordable development. YES will provide social services appropriate to the Senior residents of West Berry, utilizing an on-site service coordinator.

This new walkable community will consist of 44 one-bedroom units, and 12 two-bedroom/2 bath units totaling 56 units and will include community spaces for resident activities, provision of services, management office, and laundry room.

The NM Mortgage Finance Authority design standards will be followed – including the requirement that the units be meet a Home Energy Rating System (HERS) rating of 55 or less. This high level of efficiency shall help keep the monthly utility costs low for the residents.

We believe that the new construction of West Berry Senior Apartments will enhance the City of Hobbs with additional safe, affordable, energy efficient, beautiful housing, while satisfying the MFA's criteria and standards, and furthering YES' mission in the state of New Mexico.

YES Housing, Inc.
Unaudited Financial Statements
For the Month Ending
October 31, 2019

Prepared by: Kathleen Burge Accounting Manager
Kathleen Burge

Approved by: Holly Barela Senior Vice President/CFO
Holly Barela

YES Housing, Inc.
Consolidated Balance Sheet
As of 10/31/2019
(In Whole Numbers)

	Current Year
Assets	
Current Assets	
Cash and Cash Equivalents	3,285,321
Earnest Deposits	80,000
Grants Receivable	11,217
Rents and Miscellaneous Receivables	451,113
Construction Receivables	11,941
Prepaid Expenses	8,352
Total Current Assets	3,847,944
Property, Furniture and Equipment, net	9,325,516
Other Assets	
Debt-issue Costs, net of Accumulated Amortization	231,397
Predevelopment Costs	777,348
Notes Receivable	22,715,417
Investments in Limited Partnerships	(1,111,391)
Investments in Marketable Securities	7,991,564
Development Fees Receivable	2,763,253
Restricted Cash and Cash Equivalents	655,452
Total Other Assets	34,023,040
Total Assets	47,196,500
Liabilities	
Current Liabilities	
Accounts Payable	74,444
Accrued Salaries and Payroll Taxes	78,959
Other Accrued Expenses	38,055
Prepaid Rent	24,057
Security Deposits	46,088
Long-term Debt- Current Maturities	62,054
Accrued Interest Payable	114,222
Total Current Liabilities	437,879
Long-term Liabilities	
Long-term debt, less current maturities	22,017,170
Pension Plan Liability	655,452
Total Long-term Liabilities	22,672,622
Total Liabilities	23,110,501
Net Assets	
Net Assets	24,388,161
Current YTD Net Income	(302,162)
Total Net Assets	24,085,998
Total Liabilities and Net Assets	47,196,500

YES Housing, Inc.
Consolidated Statement of Revenues and Expenditures
From 1/1/2019 Through 10/31/2019
(In Whole Numbers)

	Current Year	YTD Budget - Original	YTD Budget Variance - Original	Total Budget - Original
Revenue				
Development Fees	530,400	530,400	0	980,400
Management Fees	186,419	81,283	105,136	236,565
Rent	108,755	70,495	38,260	73,575
Rent Revenue- Fee Managed Properties	864,007	853,766	10,241	1,033,458
Grants/Contributions	346,945	241,400	105,545	294,682
Interest	61,229	24,886	36,343	26,601
Other Revenue	17,774	0	17,774	0
Total Revenue	<u>2,115,528</u>	<u>1,802,230</u>	<u>313,298</u>	<u>2,645,281</u>
Operating Expenses				
Salaries and Wages	1,247,422	1,276,613	29,191	1,627,057
Employee Benefits	409,636	413,937	4,301	540,167
Payroll Taxes	99,197	102,996	3,799	131,268
Office Operations and Supplies	55,844	52,600	(3,244)	61,700
Rent	4,000	4,000	0	4,800
Membership Fees and Licenses	6,236	7,080	844	8,500
Printing, Duplication and Advertising	1,850	6,670	4,820	8,000
Property Taxes and Insurance	49,179	45,674	(3,505)	53,695
Conferences, Business Meetings, Travel & Training	52,018	50,510	(1,508)	60,620
Vehicles	14,459	15,840	1,381	19,000
Donations/Sponsorships	10,450	6,670	(3,780)	8,000
Professional & Tax Fees	122,530	167,683	45,153	191,627
Property Operations and Maintenance	784,668	768,606	(16,062)	920,084
Grant Expense	73,235	78,640	5,405	94,368
Pre-development & Development Costs	29,542	125,000	95,458	150,000
Interest	158,833	144,769	(14,064)	167,672
Other Expenses	3,870	1,000	(2,870)	1,200
Total Operating Expenses	<u>3,122,969</u>	<u>3,268,288</u>	<u>145,319</u>	<u>4,047,758</u>
Net Operating Income (Loss)	<u>(1,007,441)</u>	<u>(1,466,058)</u>	<u>458,617</u>	<u>(1,402,477)</u>
Other Revenue and Expenses				
Dividends and Interest on Investments	1,156,172	284,233	871,939	341,151
Gain/(Loss) on Disposal of Assets	1,113	403,218	(402,105)	405,718
Depreciation and Amortization	(452,006)	(467,990)	15,984	(561,588)
Total Other Revenue and Expenses	<u>705,279</u>	<u>219,461</u>	<u>485,818</u>	<u>185,281</u>
Net Income (Loss)	<u>(302,162)</u>	<u>(1,246,597)</u>	<u>944,435</u>	<u>(1,217,196)</u>

West Berry Senior Housing
Financial Projections
6-Jan-20

Development Budget:		
Land	\$	405,140
Construction		9,105,708
Contingency		393,789
Professional Fees		562,600
Const/Perm Financing		672,448
Legal/Acct/Consultants		144,500
Reserves		223,400
Developer Fee		1,176,000
TOTAL	\$	12,683,585

Funding Sources:			
Tax Credit Proceeds @ \$0.935	\$	8,415,467	66%
1st Mortgage Loan		1,175,000	9%
MFA HOME Loan		600,000	5%
MFA Housing Trust Fund Loan		500,000	4%
City of Hobbs Contribution		1,325,000	10%
Deferred Developer Fee		668,118	5%
TOTAL	\$	12,683,585	

NOTE: City contribution sized to maximize MFA LIHTC scoring.

Income:		
2 1 BR @ 30%	284	\$ 6,816
9 1 BR @ 50%	531	\$ 57,348
33 1 BR @ 60%	655	\$ 259,380
1 2 BR @ 30%	333	\$ 3,996
2 2 BR @ 50%	630	\$ 15,120
9 2 BR @ 60%	779	\$ 84,132
<hr/>		
56 units	annual rent =	\$ 426,792

Expenses:		
Management Fees	\$	25,848
Administration		20,300
Maintenance		13,500
Salaries and Benefits		64,545
Social Services		10,000
Utilities		36,575
Insurance/Taxes		64,500
Compliance Fees		2,800
Replacement Reserves		16,800
<hr/>		
TOTAL	\$	254,868
Per unit/per year	\$	4,551



MISSION STATEMENT

Our mission is to build and revitalize communities with quality, affordable housing, accessible social services and a dedication to being positive agents for change within the community.



YES Housing, Inc. BOARD OF DIRECTORS

Dr. Beverlee McClure
Board Chair

Member Since 2012
Indian Culture Center
1105 Matthew Ave. NW
Albuquerque, NM 87107
452-6745 (m)

Kevin Caudill
Secretary/Treasurer

Member Since 2013
Bank of Albuquerque
848 Camino Vista Rio
Bernalillo, NM 87004
610-6512 (m)
855-7242(w)

Garrett Hennessy
Board Member

Member Since 2015
Evergreen Contractors LLC
2208 Dietz Farm NW
Albuquerque, NM 87107
505-273-7608 (w)
505-730-0700 (m)

Jeff Apodaca
Board Member

Member Since 2016
47 LLC
8912 Oak Ridge NE
Albuquerque, NM 87122
310-488-9115 (m)

Robert J. Avila, Attorney *
Vice Chair

Member Since 1998
1309 Valle Lane NW
Albuquerque, NM 87107
PO Box 1966, 87103 (US Mail)
247-4321 (w)
247-4441 (f)
980-3456 (m)

Lawrence Chavez
Board Member

Member Since 2013
Clearing House CDFI
434 Richmond Pl. NE
Albuquerque, NM 87106
220-8763 (m)
369-8763 (f)

(Martin) Andrew Garrison *
Board Member

Member Since 2016
Body Facts Wellness Services
8719 Trotter Rd. SW
Albuquerque, NM 87121
505-818-2149 (m)

Non-Voting Board Member:

Augustine C. Baca *
901 Field SW
Albuquerque, NM 87121
505-923-9608



Section 1

Overview

**1.1.0 General Accounting
Policies**



**1.2.0 Management's
Commitment & Policy**



**1.3.0 Accounting Management
System & Controls**

OVERVIEW

1.1.0 GENERAL ACCOUNTING POLICIES

1.1.1 PURPOSE

The purpose of this Accounting Manual is to document the principles and policies governing our organization's accounting practices.

The principles and policies provide:

- A foundation for a system of internal controls
- Guidance in current financial activities
- Criteria for decisions on appropriate accounting treatment
- Direction and guidance in connection with the accounting transactions, procedures and reports that should be uniform throughout the organization

When consistently applied, these principles and policies assure that the financial statements accurately reflect the results of the organization's operations.

1.1.2 INTERNAL CONTROLS

Internal controls provide a system of checks and balances intended to identify irregularities, prevent waste, fraud and abuse from occurring, and assist in resolving discrepancies that are accidentally introduced in the operations of the business. Within the limitation of personnel constraint, segregation of duties should be maintained so that no one person will handle all aspects of a transaction from beginning to end.

1.1.3 SCOPE

The Accounting Manual is an official directive of the Board of Directors and the Chief Financial Officer. It is published and maintained by the Chief Financial Officer.

1.1.4 RESPONSIBILITY

The policies stated in this manual apply to all financial operations and activities within our organization. It is the responsibility of all department managers to help implement and maintain the procedures required by this manual and to ensure all processes conform to these requirements.

1.1.5 BUSINESS CONDUCT

Unethical business conduct, actions or even the appearance of unethical behavior is unacceptable under any conditions. The reputation of the organization depends on each employee applying common sense in situations where specific rules of conduct are insufficient to provide clear direction. A strong sense of personal ethics, which should extend beyond compliance with applicable laws, is necessary to guide the behavior of all employees.

All employees authorized to act on behalf of the organization should be bonded to provide protection against possible loss.

1.1.6 BASIS OF ACCOUNTING

The organization requires the use of "Accrual Basis" accounting for financial transactions. Accrual basis accounting records revenues when earned and expenses the cost associated with the revenue earned when incurred.

1.1.7 FISCAL YEAR

The fiscal year of the organization is January 1 through December 31.

The organization should comply with the fiscal years of the other entities of which it has an interest.

1.2.0 MANAGEMENT'S COMMITMENT & POLICY

1.2.1 MANAGEMENT'S COMMITMENT

Senior Management shows its commitment to the Accounting Management System through the development and implementation of this Accounting Manual. Additionally, management's commitment is demonstrated by providing the resources required to meet our objectives for continually improving the effectiveness of our operations and accounting system.

1.2.2 MANAGEMENT'S ACCOUNTING POLICY

Our organization has established an Accounting Manual that is appropriate for the organization and meets the practices set forth in Generally Accepted Accounting Principles (GAAP). This policy is communicated throughout the organization. Department managers and supervisors are responsible for ensuring all employees understand the policy. To ensure our policy remains appropriate, it is reviewed at least annually.

It is the organization's Accounting Policy to design and produce financial statements in keeping up with GAAP, Financial Accounting Standards Board (FASB) Statements of Financial Accounting Concepts and comply with all statutory and regulatory requirements. This is accomplished by adhering to our Accounting Management System and using operational methods as documented in the Accounting Manual.

Senior Management strives to continually improve the effectiveness of our Accounting Management System by monitoring our performance against our established objectives and through leadership that promotes employee involvement. This concept represents our organization's commitment to quality accounting and the increasing need to better serve our business relationships, partnerships, investors and employees.

1.3.0 ACCOUNTING MANAGEMENT SYSTEM & CONTROLS

1.3.1 ACCOUNTING MANAGEMENT SYSTEM

Through this manual and associated procedures and documents, our organization has established, documented and implemented an Accounting Management System. The system is designed to improve the effectiveness of our accounting operations and our ability to satisfy auditor requirements. The organization utilizes Abila MIP Fund Accounting Software (MIP) for processing transactions and reporting.

The maintenance of the Accounting Management System is the responsibility of the Chief Financial Officer in conjunction with the Accounting Manager.

Internal controls, procedures and practices should be utilized to ensure that:

- Obligations and costs comply with applicable laws
- All assets are safeguarded against waste, fraud, loss, unauthorized use and misappropriation
- Revenues and expenditures applicable to the organization are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained
- Programs are efficiently and effectively carried out in accordance with applicable laws and management policy

Whenever possible, restrictions will be established within MIP to further regulate internal controls.

1.3.2 AUDIT FINDINGS

Management should promptly evaluate any audit findings and recommendations reported by auditors and determine proper actions in response to audit findings and recommendations (e.g., develop corrective actions). The audit evaluation process begins when the results of the audit are reported to management and is completed only after actions have been taken that correct identified deficiencies, produce improvements, or demonstrate the audit findings and recommendations are either invalid or do not warrant management action.

All audit findings and recommendations reported by auditors should be sent directly to the Audit Committee appointed by the Board of Directors.

1.3.3 TRANSACTIONS

All transactions recorded or posted into MIP should be properly authorized and accurately represent the activity being documented. Both the timing and amount of the transaction should be in accordance with the accounting policies defined in this manual.

Transactions and other significant events are to be authorized and executed only by persons acting within the scope of their authority. It is the principal means of assuring that only valid transactions and other events are entered into.

All transaction dates recorded in MIP should accurately reflect the date the transaction occurred. Revenues should be recognized when earned and expenses when incurred.

Amount of posted transactions should be checked against source documents when applicable (e.g. match invoice to purchase order). Balances with third parties should be verified as appropriate (i.e. debtors, creditors or custodians of investments). Transactions should be recorded in conformity with documented policies in this manual.

Transactions should be recorded accurately. An approved set of general ledger accounts is maintained for assets, liabilities, equities, revenues and expenses. An approved set of fund and department codes is also maintained to be utilized in conjunction with the general ledger codes when posting transactions. These accounts and codes allow the organization to produce more detailed financial data. All transactions should be supported by documentary evidence, which

becomes part of the accounting records. Error transactions should be reviewed, resolved, and cleared in a timely fashion.

The organization utilizes standard forms and provides control and accountability over these forms. The Accounting Manager should review all transactions before they are posted into the system with source and processing documents.

1.3.4 DOCUMENTATION

This Accounting Manual and the associated procedures are intended to satisfy the documentation requirements for the Accounting Management System. The Chief Financial Officer and Accounting Manager are responsible for identifying any additional documents needed to ensure the effective planning, operation and control of processes.

Procedures may vary in detail based on the type of activity being performed. When developing procedures and documentation requirements, the complexity of the processes should be evaluated.

All documents required by the Accounting Management System should be controlled. The policies and procedures within this manual define the controls to ensure that adequate documentation is maintained and managed.

Procedures define appropriate records to be maintained for the effective operation for the Accounting Management System, including evidence of conformity to requirements. Records should remain legible, readily identifiable and retrievable. The *"Files and Records Management"* policy located in section 2.2.0 of this manual defines the controls needed for the identification, storage, protection, retrieval time and disposition of records.

All transactions and other significant events should be clearly documented, properly classified and readily available for examination. This standard applies to:

- The entire process or life cycle of a transaction or event and includes the initiation and authorization
- All aspects of the transaction while in process
- Its final classification in summary records

1.3.5 SECURITY

Access to resources and records should be limited to authorized employees only. Accountability for the custody and use of resources should be assigned and maintained as well. Periodic comparisons should be made of the resources with the recorded accountability to determine whether the two agree. The frequency of the comparison should be a function of the vulnerability of the asset. Restrictions of access to resources should also depend upon the vulnerability of the resource as well as the perceived risk of loss, both of which should be periodically assessed.

Only authorized employees should be able to utilize the MIP system. MIP must be installed on a user's workstation before they are able to utilize it. Usernames and passwords should be established and administered by the Chief Financial Officer.

Physical security measures should be adopted to protect the assets and employees of the organization from abuse, fraud, theft or damage.

Disaster security should be adopted to protect the organization in the event a disaster occurs and to enable the organization to continue the operations of the Accounting Management System with limited interruption. Disaster procedures for operations recovery are addressed in the organizations "*Disaster Recovery Policies and Procedures.*" A copy of the policy can be located at Exhibit P-C in the "*Other Policies*" section of this manual.

Information security measures should be adopted to protect the organization's information assets from unauthorized access, abuse, tampering, theft, or use. Information security procedures for the protection and authorized use of computer and network assets are addressed in the "*Computer and Network Policies and Procedures.*" A copy of the policy can be located at Exhibit P-D in the "*Other Policies*" section of this manual.

Revision History

Revision #	Date	Description of Changes	Requested By:
0	07/01/09	Initial Release	
1	12/12/18	Update Manual	CFO

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APPLICANT CERTIFICATION
NO DEFAULT ON STATE, LOCAL, GOVERNMENT FUNDING

YES Housing, Inc. certifies that:

I. No mortgage on a project as shown on the attached project list, has ever been in default, assigned to the United States government or foreclosed, nor has any mortgage relief by the mortgagee been given;

- See attached -

II. there has not been a suspension or termination of payments under any HUD assistance contract in which the Applicant has had a legal or beneficial interest;

III. Applicant has not been suspended, debarred or otherwise restricted by any department or agency of the federal government or any state government from doing business with such department or agency because of misconduct or alleged misconduct; and

IV. the Applicant has not defaulted on an obligation covered by a surety or performance bond.

By: Holly Barela

Signature

Holly Barela

Printed Name

Senior Vice President/CFO

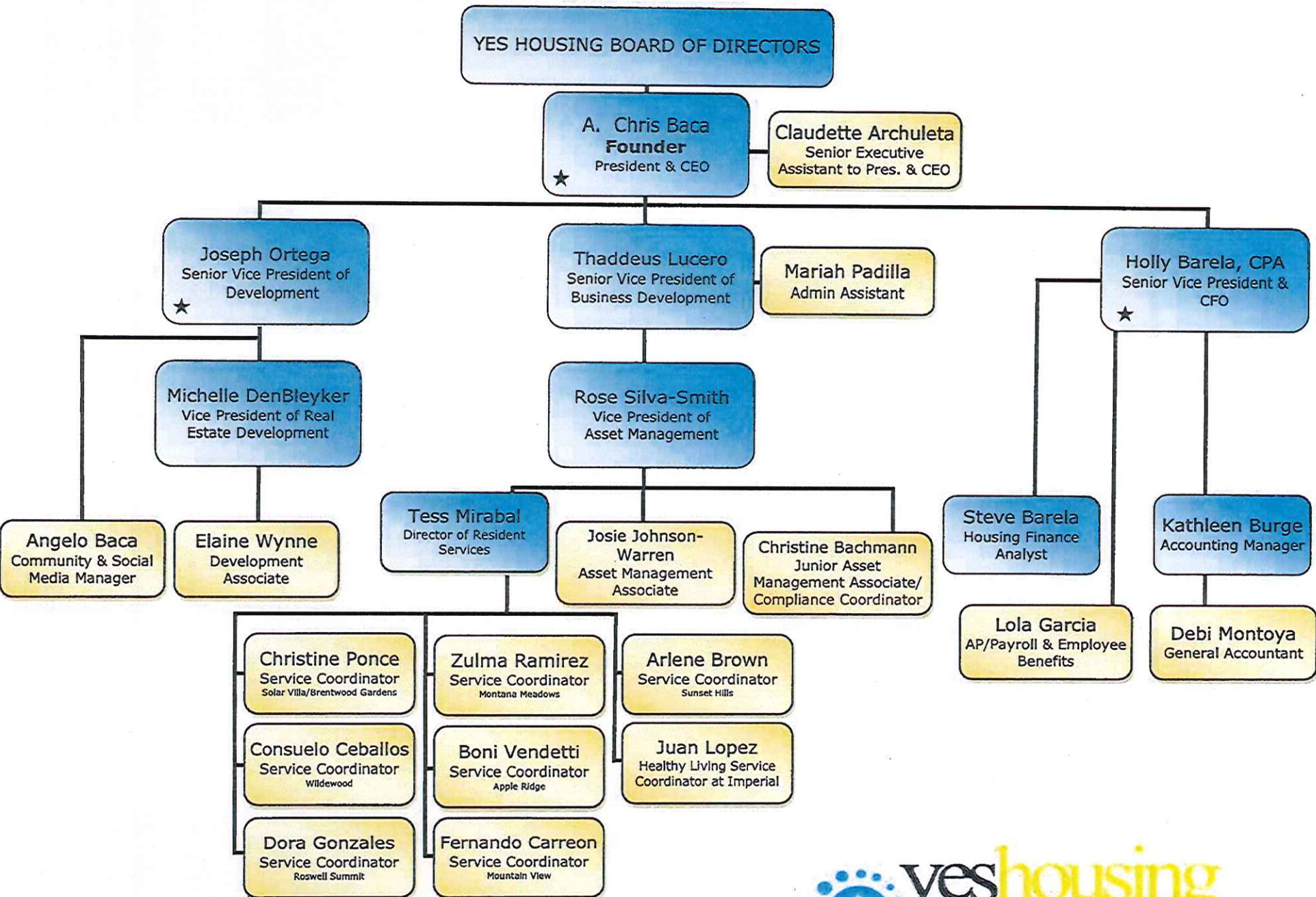
Title

Date: 12/17/19

Certification Exception

Mortgage Relief

The Applicant is the general partner and sponsor of a tax credit project called Vista Grande Apartments (the "Project"). The Project's FHA insured first mortgage loan was restructured under a workout procedure called a "Partial Payment of Claims" ("PPC"). Under the PPC procedure, the existing debt was recast into two separate mortgage loans, with the second mortgage loan to be payable only out of excess cash flow from the Project. The PPC procedure was necessary in order to make the Project financially viable.



★ Officers of the Organization



**OFFICE OF THE SECRETARY OF STATE
NEW MEXICO**

Certificate of Good Standing and Compliance

IT IS HEREBY CERTIFIED THAT:

**YES HOUSING, INC.
1490101**

the above named entity, a Corporation incorporated under the laws of New Mexico, is duly authorized to transact business in New Mexico as a Domestic Nonprofit Corporation, under the

Nonprofit Corporation Act

53-8-1 to 53-8-99 NMSA 1978

having filed its Articles of Incorporation on August 6, 1990, and Certificate of Incorporation issued as of said date.

It is further certified that the fees due to the Office of the Secretary of State which have been assessed against the above named entity have been paid to date and the entity is in good standing and duly authorized to transact business as its existence has not been revoked in New Mexico. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's financial condition or business activities and practices.

Certificate Issued: **December 3, 2019**

In testimony whereof, the Office of the Secretary of State has caused this certificate to be signed on this day in the City of Santa Fe, and the seal of said office to be affixed hereto.



Maggie Toulouse Oliver

**Maggie Toulouse Oliver
Secretary of State**

Certificate Validation #: 0033827

A certificate issued electronically from the New Mexico Secretary of State's office is immediately valid and effective. The validity of a certificate may be established by viewing the Certificate Validation option on the Business Filing System at <https://portal.sos.state.nm.us/bfs/online> and following the instructions displayed under Certificate Validation.

FINANCIAL AND MANAGEMENT STABILITY

YES has a highly skilled, well trained team lead by senior management who has over 95 years combined experience in affordable housing, community development, financing, personal management, operations, real estate, and vast experience with various federal, state and private loan programs, grants, and tax credit equity.

The YES team has the capacity to meet multiple deadlines, with multiple projects in different developmental phases. During 2011 – 2019, there were 253 new construction units completed and 548 units rehabilitated. All of which, having complex funding sources and requirements. All relocation is done in-house and according to the Uniform Relocation Act.

Currently in process to add 270 more total new units in New Mexico and Arizona.

YES has been a successful non-profit, well-known and respected in the community for nearly 30 years. Please see attached financial audit.

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REPORT OF INDEPENDENT AUDITORS
AND CONSOLIDATED FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION

YES HOUSING, INC. AND AFFILIATES

December 31, 2018 and 2017

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**YES HOUSING, INC. AND AFFILIATES
OFFICIAL ROSTER (UNAUDITED)
DECEMBER 31, 2018**

Board of Directors

Dr. Beverlee McClure, Chair

Robert J. Avila, Vice Chairman

Kevin Caudill, Secretary/Treasurer

Lawrence Chavez, Member

Garrett Hennessy, Member

Jeff Apodaca, Member

Martin Andrew Garrison, Member

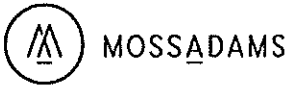
Augustine C. Baca, Nonvoting Member

Executive Staff

Augustine C. Baca, YES President/CEO

Joseph R. Ortega, Senior Vice President of Development

Holly M. Barela, Senior Vice President/CFO



Report of Independent Auditors

To the Board of Directors
YES Housing, Inc. and Affiliates

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of YES Housing, Inc. and Affiliates (the Organization), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities, changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of New Leaf Community LLLP, UR 205 Silver LLC (Imperial), Wildewood Apartments LP, Brentwood Gardens Apartments LP, Montana Meadows Apartments LP, Los Tres Apartments LP, Gallup Sunset Hills Apartments LLLP, Apple Ridge Apartments LP, Bella Vista Townhomes LP, Mesa Del Norte Apartments LP, YES Deming Mountain View Apartments LLLP, Roswell Summit Apartments LP and Solar Villa Apartments Limited Partnership LLLP (the Partnerships). These are limited partnerships in which YES Housing, Inc. is the General Partner with ownership interest of .01% or less for the year ended December 31, 2018 and 2017. The Partnerships' statements reflect total assets of \$113,762,754 and \$94,993,944 as of December 31, 2018 and 2017 and revenues of \$10,672,227 and \$8,965,231 for the years ended December 31, 2018 and 2017, respectively. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Partnerships, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, based on our audits and the audits of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of YES Housing, Inc. and Affiliates as of December 31, 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter— Adoption of New Accounting Standard

As described in Note 1 to the consolidated financial statements, YES Housing, Inc. and Affiliates adopted ASU 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the consolidated financial statements that collectively comprise the Organization's basic financial statements. The consolidating financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The consolidating financial statements listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating financial statements listed in the table of contents is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2019, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Mess Adams LLP

Albuquerque, New Mexico
July 23, 2019

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YES Housing, Inc. and Affiliates
Consolidated Statements of Financial Position

ASSETS

	December 31,	
	2018	2017
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,637,124	\$ 3,380,727
Restricted cash and cash equivalents	1,545,342	2,382,075
Construction costs receivable	-	30,917
Rents and miscellaneous receivables	150,408	143,722
Prepaid expenses and deposit	339,235	329,089
Total current assets	<u>4,672,109</u>	<u>6,266,530</u>
WORK IN PROGRESS	<u>51,607</u>	<u>877,775</u>
PROPERTY, FURNITURE AND EQUIPMENT, NET	<u>100,685,174</u>	<u>91,565,790</u>
OTHER ASSETS		
Tax credit monitoring fees, net of accumulated amortization	408,881	308,143
Predevelopment costs	846,119	73,215
Receivables - affiliates	380,801	338,390
Notes receivable - affiliates	3,000,000	3,000,000
Notes receivable	1,027,034	1,095,940
Investments in limited partnerships	351,408	351,448
Investments in marketable securities	9,485,857	10,542,137
Restricted cash and cash equivalents	5,216,082	5,072,971
Restricted investments (457(b) Plan)	602,728	591,760
Total other assets	<u>21,318,910</u>	<u>21,374,004</u>
Total assets	<u>\$ 126,727,800</u>	<u>\$ 120,084,099</u>

YES Housing, Inc. and Affiliates
Consolidated Statements of Financial Position (continued)

LIABILITIES AND NET ASSETS

	December 31,	
	2018	2017
CURRENT LIABILITIES		
Long-term debt - current maturities and net of unamortized debt issuance costs	\$ 11,370,874	\$ 4,930,591
Accrued interest payable	284,352	165,659
Accounts payable	292,633	151,547
Accrued salaries and payroll taxes	173,551	121,252
Tenant prepaid rent	83,570	40,503
Other accrued expenses	1,578,208	507,451
Security deposits	316,645	310,834
Deferred revenue	110,574	-
Total current liabilities	14,210,407	6,227,837
LONG-TERM LIABILITIES		
Due to affiliates	8,392	-
Deferred AHP revenue	-	14,020
Development fee payable	712,816	712,816
Asset management fee payable	20,732	82,892
Accrued interest payable - long-term	534,683	744,644
Pension plan liability	602,728	591,760
Long-term debt, less current maturities and net of unamortized debt issuance costs	57,107,995	56,300,237
Total long-term liabilities	58,987,346	58,446,369
Total liabilities	73,197,753	64,674,206
NET ASSETS		
Without donor restrictions	14,070,563	15,087,560
Net assets attributable to YES Housing, Inc. and Affiliates	14,070,563	15,087,560
Noncontrolling interest	39,459,484	40,322,333
Total net assets	53,530,047	55,409,893
Total liabilities and net assets	\$ 126,727,800	\$ 120,084,099

YES Housing, Inc. and Affiliates
Consolidated Statements of Activities

	Years Ended December 31,	
	2018	2017
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and Revenue:		
Rent, net	\$ 10,645,357	\$ 10,096,166
Contribution revenue	610,495	5,792
Grant revenue	400,062	977,093
Development fees	-	13,818
Interest	918,058	418,009
Net unrealized/realized (loss) gain on investments	(249,268)	372,320
Net realized (loss) gain on capital investments	(538,653)	6,813,866
Other revenue	193,822	269,340
Total revenue	<u>11,979,873</u>	<u>18,966,404</u>
Expenses:		
Program	14,058,587	14,234,356
General and administrative	820,352	713,677
Total expenses	<u>14,878,939</u>	<u>14,948,033</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(2,899,066)	4,018,371
CHANGE IN NET ASSETS ATTRIBUTABLE TO NON-CONTROLLING INTEREST	<u>(1,882,069)</u>	<u>(1,967,923)</u>
CHANGE IN NET ASSETS ATTRIBUTABLE TO YES HOUSING, INC.	<u>\$ (1,016,997)</u>	<u>\$ 5,986,294</u>

YES Housing, Inc. and Affiliates
Consolidated Statements of Changes in Net Assets

	<u>Without Donor Restrictions</u>	<u>Non-Controlling Interest</u>	<u>Total</u>
BALANCE, December 31, 2016	\$ 9,101,266	\$ 39,189,160	\$ 48,290,426
Capital Contributions	-	11,109,040	11,109,040
Distributions	-	(8,007,944)	(8,007,944)
Change in Net Assets	<u>5,986,294</u>	<u>(1,967,923)</u>	<u>4,018,371</u>
BALANCE, December 31, 2017	15,087,560	40,322,333	55,409,893
Capital Contributions	-	1,566,173	1,566,173
Distributions	-	(546,953)	(546,953)
Change in Net Assets	<u>(1,016,997)</u>	<u>(1,882,069)</u>	<u>(2,899,066)</u>
BALANCE, December 31, 2018	<u>\$ 14,070,563</u>	<u>\$ 39,459,484</u>	<u>\$ 53,530,047</u>

YES Housing, Inc. and Affiliates
Consolidated Statements of Cash Flows

	Years Ended December 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from rents	\$ 10,688,424	\$ 10,100,095
Cash received from grantors	400,062	977,093
Interest received	1,927,260	123,370
Cash (paid) received from development fees	(772,904)	45,530
Cash received from contributions	71,842	6,819,658
Cash received (paid) for management fees	30,917	(28,309)
Other cash receipts	139,097	290,498
Interest paid	(2,427,860)	(2,267,963)
Cash paid to suppliers and employees	(8,294,462)	(9,783,778)
	<u>1,762,376</u>	<u>6,276,194</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances on notes receivable	(62,160)	(397,119)
Payments received on notes receivable	68,906	-
Proceeds from sales of investments	(17,262,444)	1,503,665
Purchases of investments	17,060,294	(9,568,197)
Reductions to restricted cash	693,622	-
Additions to restricted cash	-	(1,373,835)
Payment on development fee	-	(1,784)
Purchases of property and equipment	(11,271,458)	(1,975,163)
	<u>(10,773,240)</u>	<u>(11,812,433)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	8,012,605	21,298,934
Payment on loans	(764,564)	(17,264,213)
Capital contribution	1,566,173	11,109,040
Distribution	(546,953)	(8,007,944)
	<u>8,267,261</u>	<u>7,135,817</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(743,603)	1,599,578
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,380,727</u>	<u>1,781,149</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,637,124</u>	<u>\$ 3,380,727</u>

YES Housing, Inc. and Affiliates
Consolidated Statements of Cash Flows (continued)

	Years Ended December 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,016,997)	\$ 5,986,294
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Loss (Gain) on disposal of assets	41,022	(919,842)
Depreciation and amortization	2,990,092	3,905,207
Net realized and unrealized gain on investments	249,268	(372,320)
Reinvested dividends and interest	1,009,202	(294,639)
Non-controlling interest	(1,882,069)	(1,967,923)
Changes in assets and liabilities		
Receivable - affiliates	(42,411)	(71,999)
Construction costs receivable	30,917	(28,309)
Rents and miscellaneous receivables	(6,686)	93,157
Prepaid expenses and deposit	(10,146)	27,867
Tax credit monitoring fees	(153,610)	89,868
Predevelopment costs	(772,904)	31,712
Due to affiliates	8,392	-
Accrued interest payable	(91,268)	130,365
Accounts payable	141,086	(164,310)
Accrued salaries and payroll taxes	52,299	26,041
Tenant prepaid rent	43,067	3,929
Other accrued expenses	1,070,757	(230,985)
Deferred revenue	96,554	14,020
Security deposits	5,811	18,061
	2,779,373	289,900
Total adjustments		
Net cash provided (used) by operating activities	\$ 1,762,376	\$ 6,276,194

YES Housing, Inc. and Affiliates
Consolidated Statement of Functional Expenses

	Year Ended December 31, 2018		
	Program	Management and General	Total
Salaries and wages	\$ 2,613,613	\$ 372,326	\$ 2,985,939
Payroll taxes	437,582	27,053	464,635
Employee benefits	447,484	132,975	580,459
Total personnel expenses	<u>3,498,679</u>	<u>532,354</u>	<u>4,031,033</u>
Depreciation and amortization	2,880,779	109,313	2,990,092
Donations expense	-	21,072	21,072
Duplication and publishing	1,250	340	1,590
Equipment	13,120	997	14,117
Insurance	359,579	7,906	367,485
Interest	2,328,592	8,000	2,336,592
Loss on disposal of assets	41,022	-	41,022
Other expenses	587,229	94,523	681,752
Professional fees	435,712	35,371	471,083
Property management	672,240	162	672,402
Property taxes	468,768	(900)	467,868
Rent	4,800	-	4,800
Repairs and maintenance	1,108,404	4,466	1,112,870
Social services	335,481	-	335,481
Telephone and utilities	1,272,783	4,981	1,277,764
Training	22,078	1,605	23,683
Travel	28,071	162	28,233
Total other expenses	<u>10,559,908</u>	<u>287,998</u>	<u>10,847,906</u>
Total expenses	<u>\$ 14,058,587</u>	<u>\$ 820,352</u>	<u>\$ 14,878,939</u>

YES Housing, Inc. and Affiliates
Consolidated Statement of Functional Expenses (continued)

	Year Ended December 31, 2017		
	Program	Management and General	Total
Salaries and wages	\$ 2,516,293	\$ 338,715	\$ 2,855,008
Payroll taxes	543,627	24,718	568,345
Employee benefits	392,591	132,805	525,396
Total personnel expenses	<u>3,452,511</u>	<u>496,238</u>	<u>3,948,749</u>
Depreciation and amortization	3,834,590	70,617	3,905,207
Donations expense	-	6,306	6,306
Duplication and publishing	2,898	654	3,552
Equipment	33,006	539	33,545
Insurance	336,500	6,539	343,039
Interest	2,389,672	8,656	2,398,328
Gain on disposal of assets	(942,458)	22,616	(919,842)
Other expenses	551,725	17,645	569,370
Predevelopment costs	144,538	-	144,538
Professional fees	323,191	63,011	386,202
Property management	710,241	-	710,241
Property taxes	467,986	4,309	472,295
Rent	59,333	-	59,333
Repairs and maintenance	982,420	11,751	994,171
Social services	421,672	-	421,672
Telephone and utilities	1,359,690	4,165	1,363,855
Training	58,227	570	58,797
Travel	48,614	61	48,675
Total other expenses	<u>10,781,845</u>	<u>217,439</u>	<u>10,999,284</u>
Total expenses	<u>\$ 14,234,356</u>	<u>\$ 713,677</u>	<u>\$ 14,948,033</u>

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies

Definition of Reporting Entity

YES Housing, Inc. (YES) was incorporated in the State of New Mexico in 1990. The purpose of YES is to provide housing; housing counseling; economic development; and opportunities for youth, families and the elderly nationwide; and to participate in such activities, ventures, sales, leases, loans and investments as may be expected to provide capital or other benefits in furtherance of the above-mentioned activities. YES develops, owns and manages multi-family communities to provide a better quality of life to those served.

On August 20, 2002, YES Housing of Arizona, Inc. (a wholly owned subsidiary) incorporated under the Arizona Nonprofit Corporation Act in order to relieve the burdens on the poor, distressed, elderly and handicapped through the provision of affordable housing.

Principles of Consolidation

The consolidated financial statements include the accounts of YES and YES Housing of Arizona, Inc., and its 100% owned entities: Yes 6900 Gonzales, LLC; YES La Hacienda LLC; YES NSP LLC; Otero Village Apartments LP and Nuevo Atrisco Apartments LP, LLLP. Additionally, YES owns limited liability companies whose sole activity consists of General Partner ownership interests ranging from 10% to .01% or less of various limited partnerships, which are also consolidated as they meet the consolidation requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810-20-25. These GP investments are: New Leaf Community LLLP, UR 205 Silver LLC, Wildewood Apartments LP, Brentwood Gardens Apartments LP, Montana Meadows Apartments LP, Los Tres Apartments LP, Gallup Sunset Hills Apartments LLLP, Vista Grande Apartments LP, Apple Ridge Apartments LP, Bella Vista Townhomes LP, Mesa Del Norte Apartments LLLP, YES Deming Mountain View Apartments LLLP, Roswell Summit Apartments LP, and Solar Villa Apartments LP LLLP. All material intercompany transactions have been eliminated.

Use of Estimates in Preparing Financial Statements

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the methods and lives used to compute depreciation expense, amortization of debt issuance costs and the allowance for uncollectible accounts. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation

Financial statement presentation follows the recommendations of ASC 958, Not-for-Profit Entities. Under ASC 958, YES is required to report information regarding its consolidated financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions. In addition, YES is required to present a consolidated statement of cash flows. No donor restricted assets were held during the years ended December 31, 2018 and 2017 and, accordingly, these consolidated financial statements do not reflect any activity related to this class of net assets.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Basis of Accounting

The accompanying consolidated financial statements have been prepared using the accrual method of accounting. Under the accrual method of accounting, revenues are recognized when earned rather than received, and expenses are recognized when the related liability is incurred rather than when paid.

Cash and Cash Equivalents

For purposes of preparing the consolidated statement of cash flows, YES considers all undesignated interest-bearing accounts and debt instruments with an original maturity date of three months or less to be cash equivalents. Cash and cash equivalents may be held in separate accounts for purposes related to notes, for the purchase of various apartment complexes or board designation.

Construction Cost, Rent and Miscellaneous Receivables

Construction cost, rent and miscellaneous receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At December 31, 2018 and 2017, there were no amounts recorded in the allowance for doubtful accounts. Historical uncollectible receivables have not been material to the consolidated financial statements.

YES participates in a Neighborhood Stabilization Program (NSP) with other non-profit organizations for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Under the NSP, organizations are provided grants with the intention to purchase, redevelop, and sell residential properties. Any organization in violation or noncompliance of the grant agreement is required to repay the grant amounts in full. YES participates in the NSP as YES NSP LLC, which was created for the renovation and sale of homes under the NSP. As a participant of the NSP, YES loaned amounts to YES NSP LLC from the NSP grant awards and recorded such loans as notes receivable from YES NSP LLC. As YES has fully met all obligations and compliance matters under the NSP grant and expect the remaining members of the consortium to comply with the grant agreement, YES recorded an allowance against the entirety of the notes receivable from YES NSP LLC for \$287,994, resulting in a net balance of zero.

Property, Furniture and Equipment

Property, furniture and equipment is stated at cost or, if donated, at the approximate fair value at the date of donation. Assets costing \$500 or more are capitalized. Depreciation is provided utilizing the straight-line method over the estimated useful lives of the respective assets, as follows:

Furniture and equipment	3 – 12 years
Buildings and improvements	10 – 40 years

Assets purchased with funds from grant sources are expensed in the year of purchase as title to these assets remains with the grant sources.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Tax Credit Monitoring Fees

Costs related to the monitoring of tax credits are being amortized over the term of the related tax credit life using the effective interest method.

Predevelopment Costs and Work in Progress

YES capitalizes all costs associated with the predevelopment and work in progress of a project. Any cost reimbursed as part of closing will be included as part of the initial building cost. Amounts not reimbursed are expensed at that time.

Impairment of Long-lived Assets

YES reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of, if any, are reported at the lower of the carrying amount or the fair value less costs to sell. There was no impairment of long-lived assets at December 31, 2018 and 2017.

Investments in Limited Partnerships

Investments in limited partnerships are carried at cost, adjusted for the company's proportionate share of the undistributed earnings and losses.

Investments in Marketable Securities

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Investment income or loss (including gain or losses on investment, interest and dividends) is included in the consolidated statement of activities as an increase or decrease in net assets without donor restrictions unless income or loss is restricted by donor or law.

Investments consist principally of marketable debt and equity securities. Fair value of investments in securities is based on the last reported sales price as of December 31, 2018 and 2017.

Debt Issuance Costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using the effective interest method.

Donated Services and Materials

YES recognizes contributions of services if the services create or enhance financial assets, require specialized skills, and would have been purchased had they not been provided as a contribution. Recognized contributed services are recorded at the fair value of the services on the date of donation. Significant donations of materials are recorded at their fair value on the date of donation.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Support

YES reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets without donor restrictions.

Income Tax Status

With the exceptions of the Partnerships, all entities of YES and YES Housing of Arizona are non-profit corporations and qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (IRC) and are classified as other than private foundations. As such, their normal activities do not result in any income tax liability. YES did not incur any unrelated business taxable income for the years ended December 31, 2018 and 2017. As a result, YES did not recognize federal and state income tax for the years ended December 31, 2018 and 2017.

New Leaf Community LLLP, UR 205 Silver LLC, Wildewood Apartments LP, Brentwood Gardens Apartments LP, Montana Meadows Apartments LP, Los Tres Apartments LP, Gallup Sunset Hills LLLP, Vista Grande Apartments LP, Apple Ridge Apartments LP, Bella Vista Townhomes LP, Mesa Del Norte Apartments LLLP, YES Deming Mountain View Apartments LLLP, Roswell Summit Apartments LP, Solar Villa Apartments LP LLLP, YES La Hacienda LLC, Otero Village Apartments LP and Nuevo Atrisco Apartments LP LLLP as Partnerships, are not subject to federal income tax. The partners separately account for their pro-rata share of the Partnerships' items of income, deductions, losses, and credits. Therefore, no provision is made in the accompanying consolidated financial statements for liabilities for federal, state or local income taxes since such liabilities are the responsibility of the individual partners.

YES would recognize accrued interest related to unrecognized tax benefits in interest expense and penalties in operating expenses. There was no such interest or penalties recorded for the years ended December 31, 2018 and 2017.

YES files informational tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, YES is subject to examination by federal, state, local and foreign jurisdictions, where applicable.

Functional Allocation of Expense

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and the consolidated statements of functional expenses. Program expenses are allocated costs related to the development, operation, maintenance, leasing and management of the various consolidated properties owned by YES as listed above. Accordingly, all other costs related to the general oversight and administration of the properties and partnerships by YES are allocated to management and general expenses.

Revenue Recognition

Revenues are recognized when earned.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncement

ASU 2016-14 – The FASB issued Accounting Standards Update 2016-14, *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14) during August 2016. ASU 2016-14 revises the current net asset classification requirements and information presented in financial statements and notes about a non-for-profit entity's liquidity, financial performance, and cash flows. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017. Management has adopted this new pronouncement as of January 1, 2018.

ASU 2016-18 – The FASB issued Accounting Standards Update 2016-18, *Restricted Cash* (ASU 2016-18) during November 2017. ASU 2016-18 revises ASC 230 to add or clarify guidance on the classification and presentation of restricted cash in the statement of cash flows. ASU 2016-18 is effective for fiscal years beginning after December 15, 2018 and early adoption is permitted. Management is evaluating the effect that implementation of ASU 2016-18 will have on the consolidated financial statements of YES.

ASU 2018-08 – The FASB issued Accounting Standards Update 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08) during June 2018. ASU 2018-08 is to clarify and improve the scope and the accounting guidance for contributions received and contributions made. ASU 2018-08 is effective for fiscal years beginning after December 15, 2018 and early adoption is permitted. Management is evaluating the effect that implementation of ASU 2018-08 will have on the consolidated financial statements of YES.

ASU 2018-13 – In August 2018, FASB issued Accounting Standards Update 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU modifies the disclosure requirements on fair value measurements in Topic 820. The amendments in ASU 2018-13 are effective for all entities for fiscal years beginning after December 15, 2019. Changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. Management is in the process of determining the impact of this pronouncement.

ASU 2016-02, Leases (Topic 842) requires that an asset for the right of use and lease liability be recognized on the consolidated statement of financial position date for all leases extending more than 12 months, and allows the election of recognizing an asset and a liability for leases for the period fewer than 12 months. This amendment is effective for fiscal years beginning after December 15, 2019; however, early adoption is permitted. Management is currently considering the impact of this on the consolidated financial statements.

Reclassifications

Certain amounts in the prior year consolidated financial statements have been reclassified to conform to the presentation in the current year consolidated financial statements. The previously reported change in net position and ending net position are unaffected by these reclassifications.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Subsequent Events

Subsequent events are events or transactions that occur after the consolidated statement of financial position date but before the consolidated financial statements are available to be issued. YES recognized in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including estimates inherent in the process of preparing the consolidated financial statements. YES's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of financial position but arose after the balance sheet date and before consolidated financial statements are available to be issued. YES has evaluated subsequent events for recognition and disclosure through July 23, 2019, which is the date the consolidated financial statements were available to be issued.

The Nuevo Atrisco Apartments LP, LLLP ("Nuevo Atrisco") was formed as a limited liability limited partnership under the laws of the State of New Mexico for the purpose of owning, developing, managing and leasing residential housing projects in New Mexico on July 24, 2018 by and among YES Nuevo Atrisco, LLC, a New Mexico limited liability company, as sole general partner. On May 2, 2019, the limited partnership agreement was amended by and among YES Nuevo Atrisco, LLC, a New Mexico limited liability company, as general partner, YES Housing, Inc., a New Mexico nonprofit corporation, as the withdrawing limited partner and sole member of the general partner, Wells Fargo Affordable Housing Community Development Corporation, a North Carolina corporation, as the investor limited partner and a designated corporation as the special limited partner. The partnership's formation included the plans to construct an apartment complex eligible for low-income housing tax credits (LIHTC). As part of the amended agreement, YES Nuevo Atrisco, LLC, contributed \$600,010 (\$10 of which is a cash contribution and \$600,000 of which is a land contribution) for a 0.01% interest. Additionally, the investor limited partner will contribute \$10,005,190 for a 99.99% interest throughout the construction and loan conversion phase of the project. YES Nuevo Atrisco, LLC, will be paid an asset management fee of \$30,000 per year beginning in 2020 and increasing 3% each year thereafter.

YES Live Work LLC was formed as a limited liability company under the laws of the State of New Mexico for the purpose of purchasing, owning, holding, trading, developing, improving, managing, mortgaging, leasing or selling of real and personal property on July 20, 2018 by and among YES Housing, Inc. Six live work units, located in the same building as the Nuevo Atrisco Apartments LP, LLLP LIHTC project, will be constructed and operate separately from the LIHTC project. On May 2, 2019, the transaction closed and a notice to proceed with construction was issued.

A second phase of the development is slated to begin in 2020 which will consist of a retail phase of the project. On January 7, 2019 the Albuquerque City Council unanimously approved a resolution authorizing \$2,000,000 to plan, design, acquire property, construct and otherwise make improvements related to the Nuevo Atrisco retail portion of the development, including but not limited to street improvements, underground utilities, and buildout of a public plaza for the site.

On July 17, 2019, the EQ2 Loan maturity date was extended by 2 years with a new maturity date of June 22, 2021.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

YES was awarded LIHTCS of approximately \$1,157,000 in April 2019 for the development and construction of a 72 unit property in Hobbs, New Mexico. Additionally, YES formed YES Skyview Terrace, LLC, with YES being the sole member of the company for the purpose to serve as the sole general partner of Skyview Terrace LP, LLLP. Skyview Terrace LP, LLLP, was formed to acquire, hold, invest in, construct, rehabilitate, develop, improve, maintain, operate, lease and otherwise deal with the multifamily housing project to be known as Skyview Terrace Apartments in Hobbs, New Mexico.

On June 13, 2018, Yes Housing, Inc. entered into a letter of intent with an unrelated party to sell the Gonzales Properties owned by Yes 6900 Gonzales LLC, which is 100% owned by YES. Management expects to finalize the sale by the close of fiscal year 2019.

Note 2 – Designated and Restricted Cash and Cash Equivalents

YES maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. YES has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on cash or cash equivalents.

Amounts included in restricted cash and cash equivalents that are designated and restricted consist of the following at December 31:

	<u>2018</u>	<u>2017</u>
Replacement Reserve	\$ 3,572,623	\$ 3,383,683
Operating Deficit Reserve	1,119,275	1,119,199
Debt Service Reserve	59,301	59,200
Construction Funds	-	184,227
Escrow Deposits	233,998	386,441
Other	1,130,000	402,521
Security Deposits	306,193	309,378
Money Market Fund	90,526	1,500,951
Interest Reserve	34,970	14,788
OCS Grant	172,780	94,658
Repair Reserve	41,758	-
Total	<u>\$ 6,761,424</u>	<u>\$ 7,455,046</u>
Current Restricted Cash and Cash Equivalents	\$ 1,545,342	\$ 2,382,075
Long-Term Restricted Cash and Cash Equivalents	5,216,082	5,072,971
	<u>\$ 6,761,424</u>	<u>\$ 7,455,046</u>

The money market fund in the amount of \$90,526 and \$1,500,951 as of December 31, 2018 and 2017, respectively, was established during the fiscal year ended June 30, 2008. The use of the funds is subject to the Board of Directors' approval.

Restricted funds are held in bank accounts and money market accounts, some of which invest in federal treasury obligations which market value approximates cost.

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 3 – Property, Furniture and Equipment

Property, furniture and equipment consisted of the following at December 31:

	2018	2017
Buildings	\$ 116,280,394	\$ 104,294,157
Buildings/Land Improvements	16,817,990	16,642,700
Furniture and Equipment	6,037,481	5,301,418
	139,135,865	126,238,275
Less: Accumulated Depreciation	(47,483,487)	(43,128,134)
	91,652,378	83,110,141
Land	9,032,796	8,455,649
Property, Furniture and Equipment, Net	\$ 100,685,174	\$ 91,565,790

Depreciation expense for the years ended December 31, 2018 and 2017 totaled \$2,937,220 and \$3,872,950, respectively.

Note 4 – Notes Receivable

Notes receivable consist of the following at December 31:

	2018	2017
<i>Notes Receivable -Affiliate:</i>		
Note receivable from Casitas de Colores, LLC (see Note 12). The note accrues interest at 2.4%. Payment of interest and principal will be made from net cash flow after obligations of higher priority have been paid. This note is due January 1, 2045. The accrued interest at December 31, 2018 and 2017 was \$380,801 and \$338,390, respectively.	\$ 3,000,000	\$ 3,000,000
<i>Notes Receivable:</i>		
Note receivable from ROKO, LLC to YES with an annual interest rate of 1.5% accruing from March 1, 2016 until maturity on October 1, 2026. Principal and interest payments are due monthly. The note is secured by property.	577,034	645,940
Note receivable from Youth Development, Inc. (YDI). The note was executed on December 29, 2017, for \$450,000 secured by deed of trust. The note bears interest at a fixed annual rate of 8%. Interest-only payments are due monthly beginning January 15, 2018. The unpaid principal amount, together with accrued but unpaid interest, are due in full on the extended maturity date of June 30, 2021.	450,000	450,000
	\$ 1,027,034	\$ 1,095,940

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 5 – Tax Credit Monitoring Fees

Costs related to tax credit monitoring are being amortized over the term of the related tax credits. Tax credit monitoring fees and related accumulated amortization as of December 31 are as follows:

	<u>2018</u>	<u>2017</u>
Tax Credit Monitoring Fees	\$ 624,089	\$ 484,510
Less: Accumulated Amortization	<u>(215,208)</u>	<u>(176,367)</u>
Total	<u>\$ 408,881</u>	<u>\$ 308,143</u>

Amortization expense for the years ended December 31, 2018 and 2017 totaled \$52,872 and \$32,257, respectively.

Note 6 – Fair Value of Financial Instruments

In determining fair value, YES uses various valuation approaches within the ASC 820 fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. ASC 820 defines levels within the hierarchy based on the reliability of inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets.

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Except for certificates of deposit, investments are measured at fair value using Level 1 inputs. The fair values are based on quoted market prices at the reporting date. Certificates of Deposit are carried at cost, which in management's opinion approximates fair market value.

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 6 – Fair Value of Financial Instruments (continued)

The following tables present assets and liabilities measured at fair value by classification within the fair value hierarchy as of December 31:

	2018			Total
	Fair Value Measurement Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments in Marketable Securities:				
Mutual Funds:				
Growth Funds	\$ 1,225,416	\$ -	\$ -	\$ 1,225,416
Bond Funds	4,008,337	-	-	4,008,337
Value Funds	3,363,975	-	-	3,363,975
Emerging Markets	888,129	-	-	888,129
Subtotal	<u>9,485,857</u>	<u>-</u>	<u>-</u>	<u>9,485,857</u>
Restricted Investments (457(b) Plan):				
Mutual Funds:				
Growth Funds	71,646	-	-	71,646
Bond Funds	16,007	-	-	16,007
Value Funds	-	-	-	-
Fixed Income	466,444	-	-	466,444
Growth & Value Funds	48,631	-	-	48,631
Subtotal	<u>602,728</u>	<u>-</u>	<u>-</u>	<u>602,728</u>
Total	<u>\$ 10,088,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,088,585</u>

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 6 – Fair Value of Financial Instruments (continued)

	2017			Total
	Fair Value Measurement Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments in Marketable Securities:				
Mutual Funds:				
Growth Funds	\$ 381,767	\$ -	\$ -	\$ 381,767
Bond Funds	6,222,754	-	-	6,222,754
Value Funds	2,948,130	-	-	2,948,130
Emerging Markets	989,486	-	-	989,486
Subtotal	<u>10,542,137</u>	<u>-</u>	<u>-</u>	<u>10,542,137</u>
Restricted Investments (457(b) Plan):				
Mutual Funds:				
Growth Funds	88,201	-	-	88,201
Bond Funds	24,758	-	-	24,758
Value Funds	20,978	-	-	20,978
Fixed Income	442,153	-	-	442,153
Growth & Value Funds	15,670	-	-	15,670
Subtotal	<u>591,760</u>	<u>-</u>	<u>-</u>	<u>591,760</u>
Total	<u>\$ 11,133,897</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,133,897</u>

A summary of return on investments consists of the following for the years ended December 31, 2018 and 2017:

	2018	2017
Net Realized Income	\$ 93,086	\$ 42,577
Net Unrealized (Loss) Gain	(919,235)	329,743
Total	<u>\$ (826,149)</u>	<u>\$ 372,320</u>

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt

	2018	2017
Solar Villa - Construction loan to Wells Fargo, bearing interest at 1.90% plus the One-Month-LIBOR. Interest rate is adjusted every month. Loan matures on August 13, 2019. Effective interest rate was 5.37%.	\$ 9,624,241	\$ 4,023,934
Los Tres - Note payable to Walker & Dunlop, LLC, assigned to Federal Home Loan Mortgage Corporation, bearing interest at LIBOR plus 2.31% with a 30 year amortization. Monthly principal and interest payments, matures on May 1, 2022, upon which a balloon payment for the remaining mortgage balance will be due.	7,258,138	7,400,554
Brentwood Gardens - On February 8, 2017, loan issued by Hunt Mortgage Partners, LLC (Hunt, First Mortgage) in the original amount of \$7,400,000, bears interest at 4.63 percent and requires monthly payments of principal and interest of \$42,606 until maturity on March 1, 2027, upon which a balloon payment for the remaining mortgage balance will be due.	7,102,937	7,276,349
Apple Ridge - On February 8, 2017, loan issued by Hunt Mortgage Partners, LLC (Hunt, First Mortgage) in the original amount of \$4,600,000, bears interest at 4.63 percent and requires monthly payments of principal and interest of \$25,909 until maturity on March 1, 2027, upon which a balloon payment for the remaining mortgage balance will be due.	4,427,919	4,528,401
Montana Meadows - On February 8, 2017, loan issued by Hunt Mortgage Partners, LLC (Hunt, First Mortgage) in the original amount of \$3,760,000, bears interest at 4.90 percent and requires monthly payments of principal and interest of \$22,737 until maturity on March 1, 2029, upon which a balloon payment for the remaining mortgage balance will be due.	3,603,693	3,695,037
YES UR 205 Silver, LLC - City of Albuquerque Workforce Housing Trust Funds note payable bearing interest at 3.5% per annum, secured by the property, matures on January 1, 2072.	3,375,000	3,375,000
YES Casitas De Colores - City of Albuquerque Workforce Housing Trust Funds note payable bearing interest at 0% per annum, secured by the property, matures on January 1, 2045.	3,000,000	3,000,000

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

	2018	2017
Wildewood - Loan payable to Hunt Mortgage Partners, LLC, monthly principal and interest payments of \$15,359 until maturity on May 1, 2026, at 4.12%, upon which a balloon payment for the remaining mortgage balance will be due.	\$ 2,839,765	\$ 2,903,995
YES Solar Villa - Loan payable to the City of Albuquerque related to the rehabilitation and restoration of the Solar Villa Apartments, to be repaid from excess cash flows. The loan is secured by the property, bears no interest, and the unpaid principal balance matures in December 2058.	2,400,000	-
YES La Hacienda - New Mexico Mortgage Finance Authority, 0% interest, maturity date March 2031. Repayments are made from excess cash flows and remaining balance to be forgiven upon satisfactory completion of affordability period.	2,312,352	2,318,214
Vista Grande - Note payable to Wells Fargo Multi-Family Capital, bearing interest at 2.81% per annum, monthly payments due of \$8,460, matures in March 2045. The note is secured by first deed of trust.	1,883,475	1,931,336
Vista Grande - Note payable to Secretary of Housing and Urban Development, bearing interest at 2.27%, annual payments of principal due from available cash after payments to Wells Fargo mortgage and replacement reserve, secured by the mortgaged and matures in March 2045.	1,902,887	1,902,887
Los Tres - Notes payable to City of Phoenix, Arizona, bearing interest at 0% until December 15, 2015 and a rate of 4% simple interest thereafter; annual payments of interest and principal due from available cash flow, secured by a subordinate deed of trust, matures on June 30, 2046.	1,796,255	1,796,255
Sunset Hills - Loan Payable to USDA, Rural Development, bearing interest at 3.75%; however, a subsidy agreement entered into with RD which effectively lowers interest rate to 1%, secured by the apartment project, matures December 18, 2043.	1,575,997	1,589,185
New Leaf - Permanent note payable to New Mexico Mortgage Finance Authority, bearing interest at 5% per annum and payable on the first day of each month, secured by the project, and maturing December 1, 2056.	1,420,105	1,432,378

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

	2018	2017
YES New Leaf - City of Hobbs Development Funds promissory note, non-interest bearing, secured by the property, matures on January 1, 2030.	\$ 1,300,000	\$ 1,300,000
Imperial-On June 10, 2017, the construction loan converted to a permanent loan to JPMorgan Chase Bank, N.A. in the amount of \$1,188,000, bearing interest at 5.9% per annum and matures on June 28, 2035. Effective interest rate for 2017 was 6.59%. Interest and principal payments due at the beginning of each month. Loan secured by project.	1,167,124	1,182,170
Gonzales/Charter School - Raza Development Fund, Inc., monthly principal and interest payments of \$9,455 through February 1, 2022, with interest at 6.50%, secured by real estate.	1,002,054	1,048,716
Solar Villa - Loan payable to MFA commencing 11/13/2017 bearing 3%. Loan matures in 384 months. Consists of two portions. Construction loan is 24 months, on the last day of this portion, Partnership will pay down to \$250,000. Permanent loan commences after this for 360 months.	1,000,000	1,000,000
Roswell Summit - Mortgage payable to New Mexico Mortgage Finance Authority in monthly installments, bearing interest at 6%, matures on December 1, 2043.	752,228	764,840
YES Mountain View Deming - Loan Payable to USDA, Rural Development (RD), bearing interest at 3.5%; however, a subsidy agreement entered into with RD which effectively lowers interest rate to 1%, secured by the apartment project, matures December 1, 2041.	633,145	639,406
Bella Vista - Mortgage loan payable to Pacific Life Insurance Company, bearing interest at 7.93%, monthly payments due until maturity on August 1, 2027.	608,505	619,725
Sunset Hills - Note payable to New Mexico Mortgage Finance Authority HTF in monthly installments of \$4,834, commencing June 1, 2015, bearing interest at 3%, secured by deed of trust, matures on May 1, 2030.	560,179	600,721

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

	<u>2018</u>	<u>2017</u>
Otero Village - Note payable to New Mexico Mortgage Finance Authority in monthly installments of \$4,535, bearing interest at 7.89%, secured by deed of trust, matures on November 1, 2041.	\$ 575,932	\$ 584,535
Solar Villa - Loan payable to NM Mortgage Finance Authority in the amount not to exceed \$600,000. Loan matures in 384 months. Consists of two portions. Construction loan is 24 months 0% interest, permanent loan commences after this is paid off at 0% as well. Monthly payments of \$1,500 ending November 1, 2049.	540,000	515,000
Los Tres - Note payable to State of Arizona, Arizona Department of Housing, bearing interest at 0% until May 31, 2020 and 4% thereafter; annual payments of interest and principal due from available cash flow, secured by a subordinate deed of trust, matures on June 30, 2050.	500,000	500,000
Imperial - Note payable to New Mexico Mortgage Finance Authority HTF, bearing interest at 3% per annum and payable on the first day of each month, beginning January 1, 2015 with \$1,000,000 maturing February 28, 2017 and the remainder matures February 1, 2045.	485,119	495,688
New Leaf - Permanent note payable to New Mexico Mortgage Finance Authority HTF, bearing interest at 3% per annum, monthly principal and interest payments are due beginning January 1, 2017, maturing December 1, 2046.	478,805	489,561
Roswell Summit - Mortgage loan payable to the New Mexico Mortgage Finance Authority through a HOME agreement, bearing interest at 4.63%, non-amortizing loan with a 420 month term due at the earlier of sale or refinance of the Project or until maturity at December 12, 2042.	490,000	490,000
Mesa Del Norte - Mortgage loan payable to the New Mexico Mortgage Finance Authority through a HOME agreement, non-interest bearing for the first 18 months, monthly payments to begin on June 1, 2014, secured by the mortgage encumbering the Project, matures on May 1, 2054.	471,354	477,604

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

	2018	2017
Mesa Del Norte - Housing Trust Fund Loan payable to the New Mexico Mortgage Finance Authority, bearing interest at 3%, interest only payments until May 1, 2014, principal and interest payments thereafter, secured by a third mortgage and a Land Use Restriction Agreement against the Project, matures on May 1, 2044.	\$ 445,526	\$ 457,265
YES Mountain View Deming - Housing Trust Fund Loan payable to the New Mexico Mortgage Finance Authority, bearing interest at 3%, monthly payments of principal and interest are due, any outstanding principal and interest are due on February 1, 2043.	437,484	449,479
New Leaf - Note payable to New Mexico Mortgage Finance Authority, non-interest bearing note. Principal payments made monthly, beginning January 1, 2017; matures December 1, 2056.	427,500	438,750
Mesa del Norte - Mortgage payable to Pacific Life Insurance Company, bearing interest of 5.83%, principal and interest payments of \$2,649 due monthly, secured by the project, matures on June 1, 2032.	421,505	428,497
Otero Village - Note payable to the New Mexico Mortgage Finance Authority, interest only payments due monthly at 1%, secured by deed of trust, matures on January 10, 2041.	400,000	400,000
YES - Wells Fargo Community Development Corporation, quarterly interest only payments equal to 2% on outstanding principal through June 22, 2019, with option to extend loan for two years. Upon extension, quarterly interest payments equal to 2% on outstanding principal plus eight equal principal installments, maturing June 22, 2021.	400,000	400,000
YES UR 205 Silver, LLC - Promissory note payable assigned through the Federal Home Loan Bank bearing interest at 3.5% per annum. Residual Receipts payments due annually effective May 1, 2016. Principal and all accrued and unpaid interest due at maturity, January 1, 2072. Secured by a Mortgage and Security Agreement.	378,000	378,000
YES Mountain View Deming - Mortgage loan payable to the New Mexico Mortgage Finance Authority through a HOME agreement, bearing interest at 3%, amortizing loan with a 378 month term due at the earlier of sale or refinance of the Project or on maturity at May 1, 2043.	374,305	393,124

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

	2018	2017
Sunset Hills - Note payable to New Mexico Mortgage Finance Authority in monthly installments of \$2,693, bearing interest at 1%, secured by deed of trust, matures on May 1, 2030.	\$ 348,546	\$ 377,230
Bella Vista - Mortgage loan payable to the New Mexico Mortgage Finance Authority through a HOME agreement, bearing interest at 4.37%, non-amortizing loan with a 480 month term due at the earlier of sale or refinance of the Project or until maturity at January 1, 2048.	366,000	366,000
YES Mesa Del Norte - Promissory note payable to YES, assigned through the Federal Home Loan Bank, bearing interest at 1%, compounded annually. Matures on December 31, 2032.	252,000	252,000
Roswell Summit - Promissory note payable to the investor limited partner, bearing interest at 3.5% per annum, maturity date December 2022. Annual payments are due from available cash flows.	159,527	176,710
Imperial - Loan payable to Albuquerque Bernalillo County Water Utility Authority, bearing interest only in the event of default at an annual rate of the lesser of 7% or the applicable rate imposed under Section 1-1-8(A)(2) of the Albuquerque Code of Ordinances. The unpaid principal balance and interest are due only in the event of default or December 31, 2066.	50,125	50,125
Total Long-Term Debt	69,547,727	62,448,671
Less: Unamortized Debt Issuance Costs	(1,068,858)	(1,217,843)
Total Long-Term Debt, Net of Unamortized Debt Issuance Costs	68,478,869	61,230,828
Less: Current Maturities	(11,370,874)	(4,930,591)
Total Long-Term Debt, Net of Current Maturities	\$ 57,107,995	\$ 56,300,237

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

Aggregate maturities of long-term debt as of December 31, 2018 are as follows:

Year Ending December 31,	Amount
2019	\$ 11,410,236
2020	1,182,741
2021	1,138,424
2022	8,704,206
2023	904,095
Thereafter	46,208,025
Total	<u>\$ 69,547,727</u>

Interest expense incurred related to these notes for the years ended December 31, 2018 and 2017 totaled \$2,336,592 and \$2,398,328, respectively. Accrued interest related to these notes for the years ended December 31, 2018 and 2017 totaled \$819,035 and \$910,303, respectively.

Note 8 – Rental Revenue

In June 2013, YES entered into an agreement to lease one of its buildings. In May 2017, the lease was extended through June 2018, with monthly rent of \$8,943. In May 2018, the lease was extended through June 2019, with monthly rent of \$9,190. In May 2019, the lease was extended through June 2020, with monthly rent of \$9,340. Rental revenue related to this lease for the years ended December 31, 2018 and 2017 was \$109,398 and \$103,962, respectively.

In September 2000, YES entered into an agreement to lease one of its buildings which terminated early in June 2017. Rental revenue related to this lease for the years ended December 31, 2018 and 2017 was \$0 and \$59,208, respectively.

In January 2008, YES entered into an agreement to lease another of its buildings. The agreement terminated early in May 2017. Rental revenue related to this lease for the years ended December 31, 2018 and 2017 was \$0 and \$6,750, respectively.

In February 2018, YES entered into an agreement to lease one of its buildings which expires in January 2021, with an average monthly rent of \$1,540. Rental revenue related to this lease for the years ended December 31, 2018 and 2017 was \$15,747 and \$0, respectively.

Future expected rent revenue at December 31, 2018 is as follows:

Year Ending December 31,	Amount
2019	\$ 130,515
2020	75,026
2021	1,586
Total	<u>\$ 207,127</u>

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 9 – Retirement Plan

Full-time regular employees of YES can participate in a retirement plan designed to comply with the requirements of Section 403(b) of the Internal Revenue Code. This plan is classified as a defined contribution plan. The employee contributions to the plan are considered a reduction of salary for federal income tax purposes.

All full-time regular employees are eligible to participate in this plan on their first day of employment. After six months of service, YES makes a 10% (effective July 1, 2007) matching contribution of the employee's gross salary to the plan, if the employee contributes at least 3% of their bi-weekly gross salary. YES contributed \$162,626 and \$151,323 to the retirement plan during the years ended December 31, 2018 and 2017, respectively.

During fiscal year 2007, YES adopted a 457(b) Retirement Plan wherein the employer contributes 10% of eligible participants' bi-weekly gross pay, which is accrued on YES' consolidated statement of financial position until the employee is eligible for retirement. Designated members of Senior Management (Chief Executive Officer, Senior Vice President of Development and Senior Vice President/Chief Financial Officer) are eligible employees for participation in this plan. This plan is subject to credit risk. YES contributed \$50,372 and \$48,684 to the retirement plan during the years ended December 31, 2018 and 2017, respectively. The related 457(b) Retirement Plan assets included in restricted investments as of December 31, 2018 and 2017 totaled \$602,728 and \$591,760, respectively (Note 6).

Note 10 – Commitment and Contingencies

Rent Increases

Under U.S. Department of Housing and Urban Development (HUD) agreements, YES may not increase rents charged to tenants residing in Housing Assistance Payment Program properties without prior approval.

Operating Leases

YES leased equipment and office space under operating leases that expired at various dates through December 2018. YES entered into a five year lease for equipment in November 2018.

Lease payments related to all leases for the years ended December 31, 2018 and 2017 totaled \$4,800 and \$59,333, respectively.

Future lease obligations are \$5,548 for years 2019 through 2022 and \$4,624 for year 2023.

Economic Dependence

YES receives support from federal grants. During the year ended December 31, 2018, revenues earned from federal grants amounted to \$71,468 and represented 0.6% of total revenues and other support (net of unrealized and realized gain on investments) for the year ended December 31, 2018. During the year ended December 31, 2017, revenues earned from grants amounted to \$661,746 and represented 5.6% of total revenues and other support (net of unrealized and realized gain on investments) for year ended December 31, 2017.

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 10 – Commitment and Contingencies (continued)

Property Management

On December 28, 2018, YES entered into a new property management agreement with Monarch Properties, Inc., an unrelated party, for services rendered in connection with the leasing and operation of the following partnerships: Apple Ridge Apartments LP, Brentwood Gardens Apartments LP, Mesa Del Norte Apartments LLP, Solar Villa Apartments LP LLLP, and Vista Grande Apartments LP.

Note 11 – Consolidation

The consolidated presentation of YES Housing, Inc. and Affiliates arises due to YES's position as general partner in limited partnerships which hold real estate. As a result, certain income items earned by YES and paid to YES by the limited partnerships have been eliminated.

For the year ended December 31, 2018, net unrealized/realized gain of \$587,549, development fees of \$1,100,000, contribution revenue of \$250,000, property management fees of \$197,745 and additional smaller amounts have been eliminated.

Additionally, for the year ended December 31, 2018, YES's notes receivable from these partnerships \$15,234,054, development fees receivable \$2,975,357 and other receivables \$2,255,546 have also been eliminated. Additionally, equity investments of \$1,826,557; property, furniture and equipment of \$11,137,968; and various expense amounts attributable to the partnerships have been eliminated.

For the year ended December 31, 2017, net unrealized/realized gain of (\$1,737,163), development fees of \$400,000, partnership fees of \$458,026 and additional smaller amounts have been eliminated.

Additionally, for the year ended December 31, 2017, YES's notes receivable from these partnerships (\$15,821,850), development fees receivable (\$2,470,109) and other receivables (\$1,245,378) have also been eliminated. Additionally, equity investments of \$3,014,138; property, furniture and equipment of \$10,845,113; and various expense amounts attributable to the partnerships have been eliminated.

Note 12 – Investment in Casitas de Colores

Casitas De Colores, LLC ("CDC") is a New Mexico limited liability company, which was formed on November 2, 2010 to develop and operate a multi-family community located in downtown Albuquerque, New Mexico, known as Casitas (the Development). The Development consists of 71 mixed income, low income housing tax credit units. The Development was, effectively, placed in service on December 20, 2013. Yes Housing, Inc., the sole member of Yes Casitas, LLC is the .0051% member of the Company. Casitas De Colores Manager, LLC is the designated manager with .0049% ownership. The Investor Member, Bank of America, N.A. owns the remaining 99.9900% of CDC.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 12 – Investment in Casitas de Colores (continued)

YES Housing, Inc., the sole member of Yes Casitas, LLC the .0051% member of CDC, made available its Workforce Housing Trust Funds Grant and HOME Investment Trust Funds Grant for construction of the project in exchange for a note payable from the Company to YES. As of December 31, 2017 and 2016, the outstanding balance on the loan due to YES from CDC was \$3,000,000 (Note 4). The note accrues interest at 2.4% beginning December 20, 2012. Payment of interest and principal will be made out of net cash flow after obligations of higher priority have been paid. This note is due January 1, 2045. The accrued interest at December 31, 2018 and 2017 was \$380,801 and \$338,390, respectively.

Note 13 – Limited Partnership Purchases

YES-CDT JV, LLC

The Apple Ridge Apartments LP, Brentwood Apartments LP, Montana Meadows Apartments LP and Wildewood Apartments LP (the "Partnerships") were, respectively, formed as limited partnerships under the laws of the State of New Mexico for the purpose of owning, developing, managing and leasing residential housing projects in New Mexico.

The Partnerships originally qualified for and were allocated federal low-income housing tax credits pursuant to Internal Revenue Code Section 42 ("Section 42"), which regulates the use of the Project as to occupant eligibility and unit gross rent, among other requirements. Each building of the Project was required to meet the provisions of these regulations during each of 15 consecutive years in order to remain qualified to receive the tax credits (compliance period). The compliance period ended December 31, 2016 for Apple Ridge Apartments LP, Brentwood Apartments LP, and Montana Meadows Apartments LP and December 31, 2015 for Wildewood Apartments LP. Per the Option Agreement, on January 1, 2017, the Limited Partners for Apple Ridge Apartments LP, Brentwood Apartments LP, and Montana Meadows Apartments LP (Withdrawing Limited Partners) offered to sell their interest in the Project to YES Housing, Inc., an affiliate of the General Partner. In fiscal year 2016, YES Housing, Inc. gave notice to the Withdrawing Limited Partners of its intent to exercise the option. Per the Option Agreement, on January 1, 2016, the Limited Partners for Wildewood Apartments LP (Withdrawing Limited Partners) offered to sell their interest in the Project to YES Housing, Inc., an affiliate of the General Partner. In fiscal year 2015, YES Housing, Inc. gave notice to the Withdrawing Limited Partners of its intent to exercise the option.

On March 23, 2016, YES exercised its right to purchase the limited partnership interest for Wildewood Apartments LP under the Partnership agreement option agreements. A "Redemption, Assignment and Assumption Agreement" was executed and the Withdrawing Limited Partners' interests were respectively redeemed by the Partnerships and simultaneously re-issued to YES Housing, Inc., sole member of the respective General Partners as described below. YES-CDT JV, LLC was formed to acquire the Partnerships interests of the property and the membership interest of the Manager Member of the General Partners. A new operating agreement was executed on April 12, 2016 that takes precedent over some of the language in the partnership agreement. On January 1, 2017, YES exercised its right to purchase the limited partnership interest for Apple Ridge Apartments LP, Brentwood Apartments LP, and Montana Meadows Apartments LP under the Partnership agreement option agreements.

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 13 – Limited Partnership Purchases (continued)

A "Redemption, Assignment and Assumption Agreement" was executed and the Withdrawing Limited Partners' interests were respectively redeemed by the Partnerships and simultaneously re-issued to YES Housing, Inc., sole member of the respective General Partners. The operating agreement was amended on February 2, 2017 for Apple Ridge Apartments LP, Brentwood Apartments LP, and Montana Meadows Apartments LP.

Effective April 12, 2016 and February 8, 2017, YES Housing Inc. executed an "Assignment and Assumption Agreement" and transferred 100 percent of its limited partner interest and membership interest of the Projects into YES-CDT JV, LLC for a purchase price of \$3,300,000 for Wildewood, \$6,200,000 for Apple Ridge, \$8,550,000 for Brentwood Gardens, and \$5,150,000 for Montana Meadows. The partnership agreement was amended to admit a new limited partner (Successor Limited Partner), YES-CDT JV, LLC. YES-CDT JV, LLC is comprised of the following for all Projects:

YES Housing, Inc. - Manager Member	10%
AH Equity Limited Partnership - CDT Investor Member	90%
	100%
	100%

The General Partner of Apple Ridge Apartments Limited Partnership is YES Apple Ridge, LLC. The General Partner of Brentwood Gardens Apartments Limited Partnership is YES Brentwood Gardens, LLC. The General Partner of Montana Meadows Apartments Limited Partnership is YES Montana Meadows, LLC. The General Partner of Wildewood Apartments Limited Partnership is YES Wildewood, LLC.

The allocation of profits and losses of the Partnership for all Projects are as follows:

General Partner	0.01%
Limited Partner	99.99% *
Total Allocation	100.00%
	100.00%

*9.999% further allocated to the Manager Member and 89.991% to the CDT Investor Member, on a pro rata basis in accordance with their member interests.

The Partnerships shall be dissolved upon the first to occur of December 31, 2099 or the unanimous vote of all the partners, in accordance with section 7.2 of the partnership agreement.

The major activities of the Partnerships are governed by the limited partnership agreements and Internal Revenue Code Section 42 (Section 42). While the Section 42 fifteen-year compliance period ended December 31, 2016 for Apple Ridge, Brentwood Gardens and Montana Meadows and ended December 31, 2015 for Wildewood, the Partnerships also executed an extended use regulatory agreement and declaration of restrictive covenants (LURA) which requires the utilization of the project pursuant to Section 42 requirements for a minimum of an additional 30 years after the end of the Section 42 compliance period, even if the Partnerships dispose of the projects. Each building of the project qualified for and was allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42, which regulates the use of the project as to occupant eligibility and unit gross rent, among other requirements.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 13 – Limited Partnership Purchases (continued)

Each building of the project must meet the provisions of these regulations during each of 15 consecutive years of the Section 42 compliance period as well as the additional 30 years required by the LURA. Failure to comply with occupant eligibility and/or unit gross rent or to correct noncompliance within a specified time period could result in recapture of previously taken low-income housing tax credits plus interest. Such potential noncompliance may require an adjustment to the contributed capital by the respective partners.

Solar Villa Apartments LP, LLLP

The Solar Villa Apartments LP, LLLP ("Solar Villa") was formed as a limited liability limited partnership under the laws of the State of New Mexico for the purpose of owning, developing, managing and leasing residential housing projects in New Mexico on November 13, 2017 by and among YES Solar Villa Apartments, LLC, a New Mexico limited liability company, as General Partner, Yes Housing, Inc., a New Mexico nonprofit corporation, as the Withdrawing Limited Partner, Wells Fargo Affordable Housing Community Development Corporation, a North Carolina corporation, as the Investor Limited Partner, and a designated corporation as the Special Limited Partner.

The Investor Limited Partner is obligated to make installments of contributions to the Partnership including an initial installment of \$400,000, a 50% construction completion installment of \$1,176,611, a 75% construction completion installment of \$671,688, a construction completion installment of \$300,000, a performance installment of \$8,520,140 as subject to the agreement, and an 8609 Installment of \$495,400 and a final installment of \$50,000.

The partnership interests and capital contributions are as follows:

<u>Partner</u>	<u>Capital Contribution</u>	<u>Interest</u>
YES - General Partner	\$10	0.01%
Wells Fargo AHCDC - Investor Limited Partner	\$11,613,839 *	99.99%
Total Contribution	<u>\$11,613,849</u>	<u>100.00%</u>

*Subject to all of the terms and conditions of the agreement including installments of contributions.

The allocation of profits and losses of the Partnership for all Projects are as follows:

YES - General Partner	0.01%
Wells Fargo AHCDC - Investor Limited Partner	99.99%
Total Allocation	<u>100.00%</u>

The Partnership shall continue in existence until December 31, 2107.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 13 – Limited Partnership Purchases (continued)

Vista Grande Apartments LP

Vista Grande Apartments Limited Partnership, (Partnership) is a New Mexico Limited Partnership, which was formed on December 2, 2003 to acquire, construct, own, finance, lease and operate an apartment complex in Albuquerque, New Mexico. The Project consists of 96 units that are qualified as low-income housing units within the meaning of Section 42 of the Internal Revenue Code of 1986 (Code), as amended. The Partnership also complies with the Department of Housing and Urban Development's (HUD) reporting standards due to the Housing and Urban Development acting as a guarantor under Section 221(d)(4) of the National Housing Act for the mortgage due to Wells Fargo Multi-Family Capital.

The .01% general partner of Vista Grande Apartments Limited Partnership was YES Vista Grande, LLC (General Partner) and the 99.99% limited partner was NDC Corporate Equity Fund V, L.P. (Limited Partner). YES Vista Grande, LLC is owned by YES Housing, Inc. and is the sole member.

On December 31, 2018, YES Housing, Inc. exercised its right to acquire the limited partnership interest under the Partnership Agreement. An "Assignment and Assumption Agreement" was executed and the Withdrawing Limited Partner's (NDC) interest was redeemed by the Partnership and simultaneously reissued to YES Housing, Inc., sole member of the General Partner.

Nuevo Atrisco Apartments LP, LLLP

The Nuevo Atrisco Apartments LP, LLLP ("Nuevo Atrisco") was formed as a limited liability limited partnership under the laws of the State of New Mexico for the purpose of owning, developing, managing and leasing residential housing projects in New Mexico on July 24, 2018 by and among YES Nuevo Atrisco, LLC, a New Mexico limited liability company, as sole general partner. On November 8, 2018, the City of Albuquerque deeded a piece of land to YES for Nuevo Atrisco Apartments LP, LLLP as part of a Development Agreement. YES contributed its interest in the land to Nuevo Atrisco Apartments LP, LLLP on November 13, 2018 for the purpose of building an eighty unity LIHTC multifamily apartment complex to include six live work units. At the time of the contribution, the land was valued by a third-party appraiser at \$600,000. In addition, YES Live Work LLC was formed as a limited liability company under the laws of the State of New Mexico for the purpose of purchasing, owning, holding, trading, developing, improving, managing, mortgaging, leasing or selling of real and personal property, on July 20, 2018, by and among YES Housing, Inc. This entity will own and operate six live work units. The project as a whole formed a condominium association to operate the project.

Note 14 – Net Assets Without Donor Restrictions

The Board of Directors has established a permanent fund with the objective of setting funds aside to be drawn down in the event of financial distress or an immediate liquidity need. They established a permanent fund investment policy that affects the presentation of board designation on net assets. Endowments without donor restrictions are designated for long-term investment (quasi-endowment). The quasi-endowment fund balance totaled \$2,945,360 and \$2,751,078 at December 31, 2018 and 2017, respectively.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 15 – Liquidity and Funds Available

The following table reflects YES's financial assets as of December 31, 2018, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, restricted trust assets, perpetual trusts held by others, endowments and accumulated earnings net of appropriations within one year, or because the governing board has set aside the funds for a specific contingency reserve. These board designations could be drawn upon if the board approves that action.

	<u>2018</u>
Financial assets:	
Cash and cash equivalents	\$ 9,398,548
Accounts and contributions receivable	6,152,478
Investments	<u>9,485,857</u>
Total financial assets	<u>25,036,883</u>
Less those unavailable for general expenditure within one year, due to:	
Restricted cash and cash equivalents	(5,306,608)
Contributions and accounts receivable collectible beyond one year	(5,662,835)
Board designated reserves for future contingencies	<u>(3,035,886)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,031,554</u>

Supplementary Information

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2018

	General Fund	Payroll	Development Services	Asset Management	Social Services	Solar Villas Brentwood Gardens Grant	Charter School
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 77,858	\$ 40,405	\$ 2,058	\$ -	\$ -	\$ -	\$ -
Restricted Cash and Cash Equivalents	807,401	-	-	-	172,270	-	-
Accounts Receivable - Affiliates	-	-	-	427,956	-	-	-
Construction Costs Receivable	-	-	42,580	-	-	-	-
Rents and Miscellaneous Receivables	513	-	465	6,951	-	6,675	-
Prepaid Expenses and Deposits	3,591	-	14,631	2,749	4,475	-	1,899
Interfund Receivables	5,186	59,815	152	-	-	-	-
Total Current Assets	894,549	100,220	59,886	437,656	176,745	6,675	1,899
WORK IN PROGRESS	-	-	-	-	-	-	-
PROPERTY, FURNITURE AND EQUIPMENT, NET	1,157,566	-	1,120,061	-	-	-	1,142,371
OTHER ASSETS							
Tax Credit Monitoring Fees, Net	-	-	-	-	-	-	-
Predevelopment Costs	-	-	846,119	-	-	-	-
Receivables - Affiliates	1,291,446	-	-	6,771	37,524	-	-
Notes Receivable - Affiliates	17,650,532	-	-	-	-	-	-
Notes Receivable	450,000	-	-	-	577,034	-	-
Investments in Limited Partnerships	388,924	-	-	-	-	-	-
Investments in Marketable Securities	9,485,857	-	-	-	-	-	-
Development Fees Receivable	1,875,357	-	1,100,000	-	-	-	-
Restricted Cash and Cash Equivalents	-	-	-	-	-	-	-
Restricted Investments (457(b) Plan)	602,728	-	-	-	-	-	-
Total Other Assets	31,744,844	-	1,946,119	6,771	614,558	-	-
Total Assets	\$ 33,796,959	\$ 100,220	\$ 3,126,066	\$ 444,427	\$ 791,303	\$ 6,675	\$ 1,144,270

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2018

	General Fund	Payroll	Development Services	Asset Management	Social Services	Solar Villas Brentwood Gardens Grant	Charter School
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ 100,000	\$ -	\$ 20,318	\$ -	\$ -	\$ -	\$ 25,197
Accrued Interest Payable	2,000	-	2,545	-	-	-	3,156
Accounts Payable	21,859	751	101,867	6,874	2,961	-	3,355
Accrued Salaries and Payroll Taxes	14,255	99,317	24,152	18,003	17,824	-	-
Tenant Prepaid Rent	-	-	-	-	-	-	9,340
Other Accrued Expenses	906	-	4,716	2,010	483	-	-
Security Deposits	1,495	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Interfund Payables	11,608	152	19,092	15,187	12,439	6,675	-
Total Current Liabilities	152,123	100,220	172,690	42,074	33,707	6,675	41,048
LONG-TERM LIABILITIES							
Due to Affiliates	-	-	-	-	-	-	-
Deferred AHP Revenue	-	-	-	-	-	-	-
Development Fee Payable	-	-	-	-	-	-	-
Asset Management Fee Payable	-	-	-	-	-	-	-
Accrued Interest Payable - Long-Term	-	-	-	-	-	-	-
Pension Plan Liability	602,728	-	-	-	-	-	-
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	11,005,000	-	422,472	-	-	-	523,925
Total Long-Term Liabilities	11,607,728	-	422,472	-	-	-	523,925
Total Liabilities	11,759,851	100,220	595,162	42,074	33,707	6,675	564,973
NET ASSETS							
Net assets without donor restrictions	22,037,108	-	2,530,904	402,353	757,596	-	579,297
Capital Contribution	-	-	-	-	-	-	-
Partners' Capital (Deficit)	-	-	-	-	-	-	-
Net Assets Attributable to YES Housing, Inc. and Affiliates	22,037,108	-	2,530,904	402,353	757,596	-	579,297
Noncontrolling Interest	-	-	-	-	-	-	-
Total Net Assets	22,037,108	-	2,530,904	402,353	757,596	-	579,297
Total Liabilities and Net Assets	\$ 33,796,959	\$ 100,220	\$ 3,126,066	\$ 444,427	\$ 791,303	\$ 6,675	\$ 1,144,270

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2018

	La Hacienda LLC	Solar Villa Apartments	YES of Arizona, Inc.	Otero Village Apartments Limited Partnership	New Leaf Community Limited Partnership	UR 205 Silver LLC (Imperial)	Wildewood Apartments Limited Partnership
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 34,180	\$ -	\$ 307	\$ 4,686	\$ 62,386	\$ 30,839	\$ 118,669
Restricted Cash and Cash Equivalents	10,546	-	-	14,719	35,568	30,562	22,370
Accounts Receivable - Affiliates	-	-	-	-	-	-	-
Construction Costs Receivable	-	-	-	-	-	-	-
Rents and Miscellaneous Receivables	4,847	-	-	25,987	3,464	4,341	5,179
Prepaid Expenses and Deposits	11,947	-	-	12,169	31,326	16,713	10,608
Interfund Receivables	-	-	-	-	-	-	-
Total Current Assets	61,520	-	307	57,561	132,744	82,455	156,826
WORK IN PROGRESS	-	-	-	-	-	-	-
PROPERTY, FURNITURE AND EQUIPMENT, NET	1,333,235	-	-	1,420,375	11,790,817	16,546,685	2,066,953
OTHER ASSETS							
Tax Credit Monitoring Fees, Net	-	-	-	-	58,775	114,582	-
Predevelopment Costs	-	-	180,451	-	-	-	-
Receivables - Affiliates	-	-	649,619	-	-	-	-
Notes Receivable - Affiliates	-	-	583,522	-	-	-	-
Notes Receivable	-	-	-	-	-	-	-
Investments in Limited Partnerships	-	-	(1,864,073)	-	-	-	-
Investments in Marketable Securities	-	-	-	-	-	-	-
Development Fees Receivable	-	-	-	-	-	-	-
Restricted Cash and Cash Equivalents	289,536	-	-	84,594	337,547	267,721	212,788
Restricted Investments (457(b) Plan)	-	-	-	-	-	-	-
Total Other Assets	289,536	-	(450,481)	84,594	396,322	382,303	212,788
Total Assets	\$ 1,684,291	\$ -	\$ (450,174)	\$ 1,562,530	\$ 12,319,883	\$ 17,011,443	\$ 2,436,567

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2018

	La Hacienda LLC	Solar Villa Apartments	YES of Arizona, Inc.	Otero Village Apartments Limited Partnership	New Leaf Community Limited Partnership	UR 205 Silver LLC (Imperial)	Wildewood Apartments Limited Partnership
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ -	\$ -	\$ -	\$ 9,307	\$ 35,234	\$ 26,863	\$ 66,965
Accrued Interest Payable	-	-	-	4,120	7,114	7,142	10,075
Accounts Payable	3,443	-	-	27,278	8,838	1,889	14,183
Accrued Salaries and Payroll Taxes	-	-	-	-	-	-	-
Tenant Prepaid Rent	6,677	-	-	5,057	7,781	5,379	2,111
Other Accrued Expenses	1,811	-	-	5,385	40,197	28,447	9,940
Security Deposits	8,561	-	-	12,483	19,873	17,065	15,316
Deferred revenue	-	-	-	-	-	-	-
Interfund Payables	-	-	-	-	-	-	-
Total Current Liabilities	20,492	-	-	63,630	119,037	86,785	118,590
LONG-TERM LIABILITIES							
Due to Affiliates	-	-	-	-	1,442,219	3,583,019	4,027
Deferred AHP Revenue	-	-	-	-	-	378,000	-
Development Fee Payable	-	-	-	-	22,532	185,425	-
Asset Management Fee Payable	-	-	-	-	-	34,977	-
Accrued Interest Payable - Long-Term	-	-	-	-	-	490,944	-
Pension Plan Liability	-	-	-	-	-	-	-
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	2,312,352	-	-	943,772	2,238,960	1,628,548	2,624,775
Total Long-Term Liabilities	2,312,352	-	-	943,772	3,703,711	6,300,913	2,628,802
Total Liabilities	2,332,844	-	-	1,007,402	3,822,748	6,387,698	2,747,392
NET ASSETS							
Net assets without donor restrictions	-	-	(450,174)	555,128	-	-	-
Capital Contribution	-	-	-	-	-	-	-
Partners' Capital (Deficit)	(648,553)	-	-	-	8,497,135	10,623,745	(310,825)
Net Assets Attributable to YES Housing, Inc. and Affiliates	(648,553)	-	(450,174)	555,128	8,497,135	10,623,745	(310,825)
Noncontrolling Interest	-	-	-	-	-	-	-
Total Net Assets	(648,553)	-	(450,174)	555,128	8,497,135	10,623,745	(310,825)
Total Liabilities and Net Assets	\$ 1,684,291	\$ -	\$ (450,174)	\$ 1,562,530	\$ 12,319,883	\$ 17,011,443	\$ 2,436,567

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2018

	Brentwood Gardens Apartments Limited Partnership	Montana Meadows Apartments Limited Partnership	Los Tres Apartments L.P.	Gallup Sunset Hills Apartments Limited Partnership	Vista Grande Apartments Limited Partnership	Apple Ridge Apartments Limited Partnership	Bella Vista Townhomes L.P.
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 117,665	\$ 130,941	\$ 425,195	\$ 629,904	\$ 8,553	\$ 116,988	\$ 76,234
Restricted Cash and Cash Equivalents	71,780	43,178	145,302	23,538	45,868	28,617	26,866
Accounts Receivable - Affiliates	-	-	-	-	-	-	-
Construction Costs Receivable	-	-	-	-	-	-	-
Rents and Miscellaneous Receivables	1,910	7,870	21,618	9,377	15,569	4,494	6,836
Prepaid Expenses and Deposits	-	2,022	83,902	16,573	24,496	17,214	21,613
Interfund Receivables	-	-	-	-	-	-	-
Total Current Assets	191,355	184,011	676,017	679,392	94,486	167,313	131,549
WORK IN PROGRESS	-	-	-	51,607	-	-	-
PROPERTY, FURNITURE AND EQUIPMENT, NET	4,396,646	2,743,068	15,449,560	9,132,697	3,539,507	3,205,816	6,413,824
OTHER ASSETS							
Tax Credit Monitoring Fees, Net	-	-	13,403	55,344	3,876	-	21,370
Predevelopment Costs	-	-	-	-	-	-	-
Receivables - Affiliates	-	-	-	-	-	-	-
Notes Receivable - Affiliates	-	-	-	-	-	-	-
Notes Receivable	-	-	-	-	-	-	-
Investments in Limited Partnerships	-	-	-	-	-	-	-
Investments in Marketable Securities	-	-	-	-	-	-	-
Development Fees Receivable	-	-	-	-	-	-	-
Restricted Cash and Cash Equivalents	585,643	490,297	387,271	800,545	223,288	390,685	113,872
Restricted Investments (457(b) Plan)	-	-	-	-	-	-	-
Total Other Assets	585,643	490,297	400,674	855,889	227,164	390,685	135,242
Total Assets	\$ 5,173,644	\$ 3,417,376	\$ 16,526,251	\$ 10,719,585	\$ 3,861,157	\$ 3,763,814	\$ 6,680,615

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2018

	Brentwood Gardens Apartments Limited Partnership	Montana Meadows Apartments Limited Partnership	Los Tres Apartments L.P.	Gallup Sunset Hills Apartments Limited Partnership	Vista Grande Apartments Limited Partnership	Apple Ridge Apartments Limited Partnership	Bella Vista Townhomes L.P.
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ 181,730	\$ 95,987	\$ 135,151	\$ 84,432	\$ 49,224	\$ 105,302	\$ 12,143
Accrued Interest Payable	28,319	15,206	126,743	6,615	4,410	17,654	4,461
Accounts Payable	323	3,452	3,297	3,629	57,778	56	5,034
Accrued Salaries and Payroll Taxes	-	-	-	-	-	-	-
Tenant Prepaid Rent	2,876	9,308	12,387	2,662	4,239	805	3,931
Other Accrued Expenses	46,872	35,681	157,029	22,375	33,027	25,284	20,664
Security Deposits	31,714	16,974	59,062	12,593	27,854	20,437	18,534
Deferred revenue	-	110,574	-	-	-	-	-
Interfund Payables	-	-	-	-	-	-	-
Total Current Liabilities	291,834	287,182	493,669	132,306	176,532	169,538	64,767
LONG-TERM LIABILITIES							
Due to Affiliates	-	4,209	6,149,746	-	1,045,005	4,505	6,709
Deferred AHP Revenue	-	-	-	-	-	-	-
Development Fee Payable	-	-	2,380,216	-	-	-	-
Asset Management Fee Payable	-	-	212,463	26,131	-	-	5,000
Accrued Interest Payable - Long-Term	-	-	649,619	-	457,356	-	163,954
Pension Plan Liability	-	-	-	-	-	-	-
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	6,786,315	3,414,965	9,304,390	2,399,921	3,531,650	4,222,376	951,153
Total Long-Term Liabilities	6,786,315	3,419,174	18,696,434	2,426,052	5,034,011	4,226,881	1,126,816
Total Liabilities	7,078,149	3,706,356	19,190,103	2,558,358	5,210,543	4,396,419	1,191,583
NET ASSETS							
Net assets without donor restrictions	-	-	-	-	(1,349,386)	-	-
Capital Contribution	-	-	-	-	-	-	-
Partners' Capital (Deficit)	(1,904,505)	(288,980)	(2,663,852)	8,161,227	-	(632,605)	5,489,032
Net Assets Attributable to YES Housing, Inc. and Affiliates	(1,904,505)	(288,980)	(2,663,852)	8,161,227	(1,349,386)	(632,605)	5,489,032
Noncontrolling Interest	-	-	-	-	-	-	-
Total Net Assets	(1,904,505)	(288,980)	(2,663,852)	8,161,227	(1,349,386)	(632,605)	5,489,032
Total Liabilities and Net Assets	\$ 5,173,644	\$ 3,417,376	\$ 16,526,251	\$ 10,719,585	\$ 3,861,157	\$ 3,763,814	\$ 6,680,615

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2018

	Mesa Del Norte Apartments Limited Partnership	YES Deming Mountain View Apartments, LLLP	Roswell Summit Apartments L.P.	Solar Villa Apartments L.P., LLLP	Nuevo Atrisco Apartments L.P., LLLP	Eliminations	Total
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 64,280	\$ 62,699	\$ 55,798	\$ 577,479	\$ -	\$ -	2,637,124
Restricted Cash and Cash Equivalents	15,731	17,574	10,306	23,146	-	-	1,545,342
Accounts Receivable - Affiliates	-	-	-	-	-	(427,956)	-
Construction Costs Receivable	-	-	-	-	-	(42,580)	-
Rents and Miscellaneous Receivables	822	9,048	4,465	9,977	-	-	150,408
Prepaid Expenses and Deposits	9,427	17,521	19,893	16,466	-	-	339,235
Interfund Receivables	-	-	-	-	-	(65,153)	-
Total Current Assets	90,260	106,842	90,462	627,068	-	(535,689)	4,672,109
WORK IN PROGRESS	-	-	-	-	-	-	51,607
PROPERTY, FURNITURE AND EQUIPMENT, NET	4,829,270	4,727,220	3,287,788	16,919,683	600,000	(11,137,968)	100,685,174
OTHER ASSETS							
Tax Credit Monitoring Fees, Net	25,160	22,801	6,820	86,750	-	-	408,881
Predevelopment Costs	-	-	-	-	-	(180,451)	846,119
Receivables - Affiliates	-	-	-	-	-	(1,604,559)	380,801
Notes Receivable - Affiliates	-	-	-	-	-	(15,234,054)	3,000,000
Notes Receivable	-	-	-	-	-	-	1,027,034
Investments in Limited Partnerships	-	-	-	-	-	1,826,557	351,408
Investments in Marketable Securities	-	-	-	-	-	-	9,485,857
Development Fees Receivable	-	-	-	-	-	(2,975,357)	-
Restricted Cash and Cash Equivalents	196,957	750,078	85,260	-	-	-	5,216,082
Restricted Investments (457(b) Plan)	-	-	-	-	-	-	602,728
Total Other Assets	222,117	772,879	92,080	86,750	-	(18,167,864)	21,318,910
Total Assets	\$ 5,141,647	\$ 5,606,941	\$ 3,470,330	\$ 17,633,501	\$ 600,000	\$ (29,841,521)	\$ 126,727,800

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2018

	Mesa Del Norte Apartments Limited Partnership	YES Deming Mountain View Apartments, LLLP	Roswell Summit Apartments L.P.	Solar Villa Apartments L.P., LLLP	Nuevo Atrisco Apartments L.P., LLLP	Eliminations	Total
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ 25,756	\$ 38,215	\$ 13,390	\$ 10,345,660	\$ -	\$ -	\$ 11,370,874
Accrued Interest Payable	3,162	2,926	4,378	34,326	-	-	284,352
Accounts Payable	27,138	1,186	2,931	307	-	(5,796)	292,633
Accrued Salaries and Payroll Taxes	-	-	-	-	-	-	173,551
Tenant Prepaid Rent	1,093	2,679	2,151	5,094	-	-	83,570
Other Accrued Expenses	-	38,022	27,820	1,188,809	-	(111,270)	1,578,208
Security Deposits	12,100	9,651	9,787	23,146	-	-	316,645
Deferred revenue	-	-	-	-	-	-	110,574
Interfund Payables	-	-	-	-	-	(65,153)	-
Total Current Liabilities	69,249	92,679	60,457	11,597,342	-	(182,219)	14,210,407
LONG-TERM LIABILITIES							
Due to Affiliates	10,796	-	164,515	2,400,000	-	(14,806,358)	8,392
Deferred AHP Revenue	252,000	-	-	-	-	(630,000)	-
Development Fee Payable	-	-	-	1,100,000	-	(2,975,357)	712,816
Asset Management Fee Payable	-	-	150,670	-	-	(408,509)	20,732
Accrued Interest Payable - Long-Term	15,456	-	285,030	-	-	(1,527,676)	534,683
Pension Plan Liability	-	-	-	-	-	-	602,728
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	1,279,981	1,367,522	1,359,918	790,000	-	-	57,107,995
Total Long-Term Liabilities	1,558,233	1,367,522	1,960,133	4,290,000	-	(20,347,900)	58,987,346
Total Liabilities	1,627,482	1,460,201	2,020,590	15,887,342	-	(20,530,119)	73,197,753
NET ASSETS							
Net assets without donor restrictions	-	-	-	-	-	(9,311,413)	15,751,413
Capital Contribution	-	-	-	1,496,285	600,000	(1,496,285)	600,000
Partners' Capital (Deficit)	3,514,165	4,146,740	1,449,740	249,874	-	(37,963,188)	(2,280,850)
Net Assets Attributable to YES Housing, Inc. and Affiliates	3,514,165	4,146,740	1,449,740	1,746,159	600,000	(48,770,886)	14,070,563
Noncontrolling Interest	-	-	-	-	-	39,459,484	39,459,484
Total Net Assets	3,514,165	4,146,740	1,449,740	1,746,159	600,000	(9,311,402)	53,530,047
Total Liabilities and Net Assets	\$ 5,141,647	\$ 5,606,941	\$ 3,470,330	\$ 17,633,501	\$ 600,000	\$ (29,841,521)	\$ 126,727,800

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2017

	General Fund	Payroll	Development Services	Asset Management	Social Services	Solar Villa Brentwood Gardens Grant
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 1,959,433	\$ 11,795	\$ 57	\$ -	\$ -	\$ -
Restricted Cash and Cash Equivalents	1,500,951	-	-	-	94,148	-
Accounts Receivable - Affiliates	-	-	-	380,405	60,019	-
Construction Costs Receivable	-	-	30,917	-	-	-
Rents and Miscellaneous Receivables	2,391	-	804	10,306	15	12,980
Prepaid Expenses and Deposits	3,652	18,584	4,222	2,540	4,168	-
Interfund Receivables	11,743	50,942	-	10,668	-	-
Total Current Assets	3,478,170	81,321	36,000	403,919	158,350	12,980
WORK IN PROGRESS	-	-	-	-	-	-
PROPERTY, FURNITURE AND EQUIPMENT, NET	1,183,005	-	1,120,189	-	-	-
OTHER ASSETS						
Tax Credit Monitoring Fees, Net	-	-	-	-	-	-
Predevelopment Costs	-	-	73,215	-	-	-
Receivables - Affiliates	934,149	-	-	-	-	-
Notes Receivable - Affiliates	15,668,597	-	-	-	-	-
Notes Receivable	450,000	-	-	-	645,940	-
Investments in Limited Partnerships	(900,474)	-	-	-	-	-
Investments in Marketable Securities	10,542,137	-	-	-	-	-
Development Fees Receivable	2,041,558	-	428,551	-	-	-
Restricted Cash and Cash Equivalents	-	-	-	-	-	-
Restricted Investments (457(b) Plan)	591,760	-	-	-	-	-
Total Other Assets	29,327,727	-	501,766	-	645,940	-
Total Assets	\$ 33,988,902	\$ 81,321	\$ 1,657,955	\$ 403,919	\$ 804,290	\$ 12,980

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2017

	General Fund	Payroll	Development Services	Asset Management	Social Services	Solar Villa Brentwood Gardens Grant
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Long-Term Debt - Current Maturities and Net of Unamortized Debt Issuance Costs	\$ -	\$ -	\$ 19,042	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	2,545	-	-	-
Accounts Payable	30,806	18,586	12,756	8,377	2,076	-
Accrued Salaries and Payroll Taxes	18,474	47,379	24,136	14,777	16,486	-
Tenant Prepaid Rent	-	-	-	-	-	-
Other Accrued Expenses	3,579	15,356	3,633	-	-	-
Security Deposits	-	-	-	-	-	-
Short-Term Promissory Notes Payable	-	-	-	-	-	-
Deferred AHP Revenue	-	-	-	-	-	-
Interfund Payables	11,252	-	15,830	13,078	9,545	12,980
Total Current Liabilities	64,111	81,321	77,942	36,232	28,107	12,980
LONG-TERM LIABILITIES						
Due to Affiliates	-	-	-	-	-	-
Deferred AHP Revenue	-	-	-	-	-	-
Development Fee Payable	-	-	-	-	-	-
Asset Management Fee Payable	-	-	-	-	-	-
Accrued Interest Payable - Long-Term	-	-	-	-	-	-
Pension Plan Liability	591,760	-	-	-	-	-
Long-Term Debt, Less Current Maturities and Net of Unamortized Debt Issuance Costs	8,705,000	-	443,109	-	-	-
Total Long-Term Liabilities	9,296,760	-	443,109	-	-	-
Total Liabilities	9,360,871	81,321	521,051	36,232	28,107	12,980
NET ASSETS						
Net assets without donor restrictions	24,628,031	-	1,136,904	367,687	776,183	-
Capital Contribution	-	-	-	-	-	-
Partners' Capital (Deficit)	-	-	-	-	-	-
Net Assets Attributable to YES Housing, Inc. and Affiliates	24,628,031	-	1,136,904	367,687	776,183	-
Noncontrolling Interest	-	-	-	-	-	-
Total Net Assets	24,628,031	-	1,136,904	367,687	776,183	-
Total Liabilities and Net Assets	\$ 33,988,902	\$ 81,321	\$ 1,657,955	\$ 403,919	\$ 804,290	\$ 12,980

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2017

	Charter School	901 Pennsylvania	La Hacienda LLC	Solar Villa Apartments	Transitional Living	YES of Arizona, Inc.
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ 22,562	\$ 2,835	\$ -	\$ 307
Restricted Cash and Cash Equivalents	-	-	15,265	-	-	-
Accounts Receivable - Affiliates	-	-	-	-	-	-
Construction Costs Receivable	-	-	-	-	-	-
Rents and Miscellaneous Receivables	-	-	1,949	-	-	106
Prepaid Expenses and Deposits	1,655	-	9,952	-	-	-
Interfund Receivables	-	-	-	-	-	-
Total Current Assets	1,655	-	49,728	2,835	-	413
WORK IN PROGRESS	-	-	-	-	-	-
PROPERTY, FURNITURE AND EQUIPMENT, NET	1,181,899	-	1,425,757	-	-	-
OTHER ASSETS						
Tax Credit Monitoring Fees, Net	-	-	-	-	-	-
Predevelopment Costs	-	-	-	-	-	180,451
Receivables - Affiliates	-	-	-	-	-	649,619
Notes Receivable - Affiliates	-	-	-	-	-	3,153,253
Notes Receivable	-	-	-	-	-	-
Investments in Limited Partnerships	-	-	-	-	-	(1,762,216)
Investments in Marketable Securities	-	-	-	-	-	-
Development Fees Receivable	-	-	-	-	-	-
Restricted Cash and Cash Equivalents	-	-	284,696	-	-	-
Restricted Investments (457(b) Plan)	-	-	-	-	-	-
Total Other Assets	-	-	284,696	-	-	2,221,107
Total Assets	\$ 1,183,554	\$ -	\$ 1,760,181	\$ 2,835	\$ -	\$ 2,221,520

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2017

	Charter School	901 Pennsylvania	La Hacienda LLC	Solar Villa Apartments	Transitional Living	YES of Arizona, Inc.
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Long-Term Debt - Current Maturities and Net of Unamortized Debt Issuance Costs	\$ 23,615	\$ -	-	\$ -	\$ -	\$ -
Accrued Interest Payable	3,156	-	-	-	-	-
Accounts Payable	3,355	-	1,715	782	-	-
Accrued Salaries and Payroll Taxes	-	-	-	-	-	-
Tenant Prepaid Rent	-	-	86	-	-	-
Other Accrued Expenses	-	-	4,157	2,053	-	-
Security Deposits	-	-	9,937	-	-	-
Short-Term Promissory Notes Payable	-	-	-	-	-	-
Deferred AHP Revenue	-	-	-	-	-	-
Interfund Payables	-	-	-	10,668	-	-
Total Current Liabilities	30,126	-	15,895	13,503	-	-
LONG-TERM LIABILITIES						
Due to Affiliates	-	-	-	-	-	2,819,731
Deferred AHP Revenue	-	-	-	-	-	-
Development Fee Payable	-	-	-	-	-	-
Asset Management Fee Payable	-	-	-	-	-	-
Accrued Interest Payable - Long-Term	-	-	-	-	-	-
Pension Plan Liability	-	-	-	-	-	-
Long-Term Debt, Less Current Maturities and Net of Unamortized Debt Issuance Costs	549,518	-	2,315,448	-	-	-
Total Long-Term Liabilities	549,518	-	2,315,448	-	-	2,819,731
Total Liabilities	579,644	-	2,331,343	13,503	-	2,819,731
NET ASSETS						
Net assets without donor restrictions	603,910	-	-	(10,668)	-	(598,211)
Capital Contribution	-	-	-	-	-	-
Partners' Capital (Deficit)	-	-	(571,162)	-	-	-
Net Assets Attributable to YES Housing, Inc. and Affiliates	603,910	-	(571,162)	(10,668)	-	(598,211)
Noncontrolling Interest	-	-	-	-	-	-
Total Net Assets	603,910	-	(571,162)	(10,668)	-	(598,211)
Total Liabilities and Net Assets	\$ 1,183,554	\$ -	\$ 1,760,181	\$ 2,835	\$ -	\$ 2,221,520

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2017

	Otero Village Apartments Limited Partnership	New Leaf Community Limited Partnership	UR 205 Silver LLC (Imperial)	Wildewood Apartments Limited Partnership	Brentwood Gardens Apartments Limited Partnership	Montana Meadows Apartments Limited Partnership
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 7,654	\$ 4,538	\$ 78,347	\$ 36,096	\$ 106,948	\$ 117,150
Restricted Cash and Cash Equivalents	22,722	80,548	46,973	47,960	142,037	68,171
Accounts Receivable - Affiliates	-	-	-	-	-	-
Construction Costs Receivable	-	-	-	-	-	-
Rents and Miscellaneous Receivables	3,156	2,093	4,240	8,788	3,221	12,856
Prepaid Expenses and Deposits	10,712	28,560	13,826	9,325	18,099	14,263
Interfund Receivables	-	-	-	-	-	-
Total Current Assets	44,244	115,739	143,386	102,169	270,305	212,440
WORK IN PROGRESS	-	-	-	-	-	-
PROPERTY, FURNITURE AND EQUIPMENT, NET	1,411,397	12,206,274	17,022,544	2,157,899	4,527,847	2,836,832
OTHER ASSETS						
Tax Credit Monitoring Fees, Net	-	63,639	78,075	-	-	-
Predevelopment Costs	-	-	-	-	-	-
Receivables - Affiliates	-	-	-	-	-	-
Notes Receivable - Affiliates	-	-	-	-	-	-
Notes Receivable	-	-	-	-	-	-
Investments in Limited Partnerships	-	-	-	-	-	-
Investments in Marketable Securities	-	-	-	-	-	-
Development Fees Receivable	-	-	-	-	-	-
Restricted Cash and Cash Equivalents	34,750	314,977	428,826	235,934	558,467	390,867
Restricted Investments (457(b) Plan)	-	-	-	-	-	-
Total Other Assets	34,750	378,616	506,901	235,934	558,467	390,867
Total Assets	\$ 1,490,391	\$ 12,700,629	\$ 17,672,831	\$ 2,496,002	\$ 5,356,619	\$ 3,440,139

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2017

	Otero Village Apartments Limited Partnership	New Leaf Community Limited Partnership	UR 205 Silver LLC (Imperial)	Wildewood Apartments Limited Partnership	Brentwood Gardens Apartments Limited Partnership	Montana Meadows Apartments Limited Partnership
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Long-Term Debt - Current Maturities and Net of Unamortized Debt Issuance Costs	8,603	\$ 34,229	\$ 26,638	\$ 64,230	\$ 173,412	\$ 91,344
Accrued Interest Payable	4,176	7,192	-	10,303	29,010	15,591
Accounts Payable	1,668	35,297	965	3,466	512	2,819
Accrued Salaries and Payroll Taxes	-	-	-	-	-	-
Tenant Prepaid Rent	1,391	1,415	5,068	-	3,322	2,412
Other Accrued Expenses	5,939	41,801	22,341	28,558	48,907	38,033
Security Deposits	17,186	16,260	17,865	14,272	30,106	18,142
Short-Term Promissory Notes Payable	-	-	-	-	-	-
Deferred AHP Revenue	-	-	-	-	-	-
Interfund Payables	-	-	-	-	-	-
Total Current Liabilities	38,963	136,194	72,877	120,829	285,269	168,341
LONG-TERM LIABILITIES						
Due to Affiliates	-	1,442,219	3,603,674	-	-	-
Deferred AHP Revenue	-	-	378,000	-	-	-
Development Fee Payable	-	22,532	406,019	-	-	-
Asset Management Fee Payable	-	-	-	-	-	-
Accrued Interest Payable - Long-Term	-	-	352,136	-	-	-
Pension Plan Liability	-	-	-	-	-	-
Long-Term Debt, Less Current Maturities and Net of Unamortized Debt Issuance Costs	951,478	2,272,861	1,607,630	2,671,323	6,951,357	3,499,479
Total Long-Term Liabilities	951,478	3,737,612	6,347,459	2,671,323	6,951,357	3,499,479
Total Liabilities	990,441	3,873,806	6,420,336	2,792,152	7,236,626	3,667,820
NET ASSETS						
Net assets without donor restrictions	-	-	-	-	-	-
Capital Contribution	-	9,778,615	12,569,500	860,941	2,019,099	1,968,913
Partners' Capital (Deficit)	499,950	(951,792)	(1,317,005)	(1,157,091)	(3,899,106)	(2,196,594)
Net Assets Attributable to YES Housing, Inc. and Affiliates	499,950	8,826,823	11,252,495	(296,150)	(1,880,007)	(227,681)
Noncontrolling Interest	-	-	-	-	-	-
Total Net Assets	499,950	8,826,823	11,252,495	(296,150)	(1,880,007)	(227,681)
Total Liabilities and Net Assets	\$ 1,490,391	\$ 12,700,629	\$ 17,672,831	\$ 2,496,002	\$ 5,356,619	\$ 3,440,139

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2017

	Los Tres Apartments L.P.	Gallup Sunset Hills Apartments Limited Partnership	Vista Grande Apartments Limited Partnership	Apple Ridge Apartments Limited Partnership	Bella Vista Townhomes L.P.
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 128,571	\$ 533,678	\$ 8,571	\$ 77,827	\$ 64,022
Restricted Cash and Cash Equivalents	104,572	35,064	45,948	57,233	30,075
Accounts Receivable - Affiliates	-	-	-	-	-
Construction Costs Receivable	-	-	-	-	-
Rents and Miscellaneous Receivables	13,037	8,565	9,417	10,581	5,553
Prepaid Expenses and Deposits	73,091	13,612	24,554	16,448	18,477
Interfund Receivables	-	-	-	-	-
Total Current Assets	<u>319,271</u>	<u>590,919</u>	<u>88,490</u>	<u>162,089</u>	<u>118,127</u>
WORK IN PROGRESS	-	26,283	-	19,026	-
PROPERTY, FURNITURE AND EQUIPMENT, NET	15,986,854	9,553,191	3,649,783	3,342,870	6,733,072
OTHER ASSETS					
Tax Credit Monitoring Fees, Net	18,343	60,375	-	-	25,803
Predevelopment Costs	-	-	-	-	-
Receivables - Affiliates	-	-	-	-	-
Notes Receivable - Affiliates	-	-	-	-	-
Notes Receivable	-	-	-	-	-
Investments in Limited Partnerships	-	-	-	-	-
Investments in Marketable Securities	-	-	-	-	-
Development Fees Receivable	-	-	-	-	-
Restricted Cash and Cash Equivalents	337,032	782,607	164,718	405,749	121,274
Restricted Investments (457(b) Plan)	-	-	-	-	-
Total Other Assets	<u>355,375</u>	<u>842,982</u>	<u>164,718</u>	<u>405,749</u>	<u>147,077</u>
Total Assets	<u>\$ 16,661,500</u>	<u>\$ 11,013,375</u>	<u>\$ 3,902,991</u>	<u>\$ 3,929,734</u>	<u>\$ 6,998,276</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2017

	Los Tres Apartments L.P.	Gallup Sunset Hills Apartments Limited Partnership	Vista Grande Apartments Limited Partnership	Apple Ridge Apartments Limited Partnership	Bella Vista Townhomes L.P.
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ 155,478	\$ 82,408	\$ 47,861	\$ 100,482	\$ 11,220
Accrued Interest Payable	48,189	6,782	4,523	18,054	4,521
Accounts Payable	5,585	1,475	6,222	934	570
Accrued Salaries and Payroll Taxes	-	-	-	-	-
Tenant Prepaid Rent	11,979	1,046	6,227	985	770
Other Accrued Expenses	142,424	20,463	34,433	42,326	47,908
Security Deposits	53,209	13,271	25,848	19,776	20,480
Short-Term Promissory Notes Payable	-	-	-	-	-
Deferred AHP Revenue	-	-	-	14,020	-
Interfund Payables	-	-	-	-	-
Total Current Liabilities	<u>416,864</u>	<u>125,445</u>	<u>125,114</u>	<u>196,577</u>	<u>85,469</u>
LONG-TERM LIABILITIES					
Due to Affiliates	6,149,746	28,059	1,186,726	-	-
Deferred AHP Revenue	-	-	-	-	-
Development Fee Payable	2,380,216	-	374,158	-	-
Asset Management Fee Payable	191,359	-	64,896	-	-
Accrued interest Payable - Long-Term	649,619	-	582,321	-	146,416
Pension Plan Liability	-	-	-	-	-
Long-Term Debt, Less Current Maturities and Net of Unamortized Debt Issuance Costs	9,392,023	2,484,728	3,568,736	4,315,278	962,176
Total Long-Term Liabilities	<u>18,762,963</u>	<u>2,512,787</u>	<u>5,776,837</u>	<u>4,315,278</u>	<u>1,108,592</u>
Total Liabilities	19,179,827	2,638,232	5,901,951	4,511,855	1,194,061
NET ASSETS					
Net assets without donor restrictions	-	-	-	-	-
Capital Contribution	-	500,689	-	2,181,349	-
Partners' Capital (Deficit)	<u>(2,518,327)</u>	<u>7,874,454</u>	<u>(1,998,960)</u>	<u>(2,763,470)</u>	<u>5,804,215</u>
Net Assets Attributable to YES Housing, Inc. and Affiliates	(2,518,327)	8,375,143	(1,998,960)	(582,121)	5,804,215
Noncontrolling Interest	-	-	-	-	-
Total Net Assets	<u>(2,518,327)</u>	<u>8,375,143</u>	<u>(1,998,960)</u>	<u>(582,121)</u>	<u>5,804,215</u>
Total Liabilities and Net Assets	<u>\$ 16,661,500</u>	<u>\$ 11,013,375</u>	<u>\$ 3,902,991</u>	<u>\$ 3,929,734</u>	<u>\$ 6,998,276</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2017

	Mesa Del Norte Apartments Limited Partnership	YES Deming Mountain View Apartments, LLLP	Roswell Summit Apartments L.P.	Solar Villa Apartments L.P.	Eliminations	Total
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 51,056	\$ 94,867	\$ 3,011	\$ 71,402	\$ -	\$ 3,380,727
Restricted Cash and Cash Equivalents	16,292	18,614	32,002	23,500	-	2,382,075
Accounts Receivable - Affiliates	-	-	-	-	(440,424)	-
Construction Costs Receivable	-	-	-	-	-	30,917
Rents and Miscellaneous Receivables	318	13,530	7,730	12,086	-	143,722
Prepaid Expenses and Deposits	8,438	14,183	18,326	2,402	-	329,089
Interfund Receivables	-	-	-	-	(73,353)	-
Total Current Assets	76,104	141,194	61,069	109,390	(513,777)	6,266,530
WORK IN PROGRESS	-	-	-	1,232,466	(400,000)	877,775
PROPERTY, FURNITURE AND EQUIPMENT, NET	5,046,425	4,917,830	3,407,235	4,700,000	(10,845,113)	91,565,790
OTHER ASSETS						
Tax Credit Monitoring Fees, Net	27,761	25,651	8,496	-	-	308,143
Predevelopment Costs	-	-	-	-	(180,451)	73,215
Receivables - Affiliates	-	-	-	-	(1,245,378)	338,390
Notes Receivable - Affiliates	-	-	-	-	(15,821,850)	3,000,000
Notes Receivable	-	-	-	-	-	1,095,940
Investments in Limited Partnerships	-	-	-	-	3,014,138	351,448
Investments in Marketable Securities	-	-	-	-	-	10,542,137
Development Fees Receivable	-	-	-	-	(2,470,109)	-
Restricted Cash and Cash Equivalents	184,243	719,118	109,713	-	-	5,072,971
Restricted Investments (457(b) Plan)	-	-	-	-	-	591,760
Total Other Assets	212,004	744,769	118,209	-	(16,703,650)	21,374,004
Total Assets	\$ 5,334,533	\$ 5,803,793	\$ 3,586,513	\$ 6,041,856	\$ (28,462,540)	\$ 120,084,099

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2017

	Mesa Del Norte Apartments Limited Partnership	YES Deming Mountain View Apartments, LLLP	Roswell Summit Apartments L.P.	Solar Villa Apartments L.P.	Eliminations	Total
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ 24,895	\$ 37,056	\$ 12,612	\$ 4,017,466	\$ -	\$ 4,930,591
Accrued Interest Payable	3,225	3,972	4,420	-	-	165,659
Accounts Payable	1,587	930	9,202	1,862	-	151,547
Accrued Salaries and Payroll Taxes	-	-	-	-	-	121,252
Tenant Prepaid Rent	1,638	145	668	3,351	-	40,503
Other Accrued Expenses	38,203	39,588	28,700	4,550	(105,501)	507,451
Security Deposits	11,742	9,551	9,689	23,500	-	310,834
Short-Term Promissory Notes Payable	-	-	-	-	-	-
Deferred AHP Revenue	-	-	-	-	-	14,020
Interfund Payables	-	-	-	-	(73,353)	-
Total Current Liabilities	81,290	91,242	65,291	4,050,729	(178,854)	6,241,857
LONG-TERM LIABILITIES						
Due to Affiliates	-	-	303,706	-	(15,533,861)	-
Deferred AHP Revenue	252,000	-	-	-	(630,000)	-
Development Fee Payable	-	-	-	-	(2,470,109)	712,816
Asset Management Fee Payable	-	-	-	-	(173,363)	82,892
Accrued Interest Payable - Long-Term	12,936	-	246,594	-	(1,245,378)	744,644
Pension Plan Liability	-	-	-	-	-	591,760
Long-Term Debt, Less Current Maturities and Net of Unamortized Debt Issuance Costs	1,303,097	1,403,511	1,388,485	1,515,000	-	56,300,237
Total Long-Term Liabilities	1,568,033	1,403,511	1,938,785	1,515,000	(20,052,711)	58,432,349
Total Liabilities	1,649,323	1,494,753	2,004,076	5,565,729	(20,231,565)	64,674,206
NET ASSETS						
Net assets without donor restrictions	-	-	-	-	(8,280,975)	18,622,861
Capital Contribution	-	73,574	-	400,000	(29,035,844)	1,316,836
Partners' Capital (Deficit)	3,685,210	4,235,466	1,582,437	76,127	(11,236,489)	(4,852,137)
Net Assets Attributable to YES Housing, Inc. and Affiliates	3,685,210	4,309,040	1,582,437	476,127	(48,553,308)	15,087,560
Noncontrolling Interest	-	-	-	-	40,322,333	40,322,333
Total Net Assets	3,685,210	4,309,040	1,582,437	476,127	(8,230,975)	55,409,893
Total Liabilities and Net Assets	\$ 5,334,533	\$ 5,803,793	\$ 3,586,513	\$ 6,041,856	\$ (28,462,540)	\$ 120,084,099

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities
December 31, 2018

	General Fund	Payroll	Development Services	Asset Management	Social Services
REVENUES AND OTHER SUPPORT					
Rent	\$ 15,747	\$ -	\$ -	\$ -	\$ -
Contribution Revenue	-	-	600,000	-	10,495
Grant Revenue	-	-	-	-	-
Development Fees	-	-	1,100,000	-	-
Interest	1,145,110	-	18	-	9,217
Net Unrealized/Realized Gain (Loss) on Investments	(147,411)	-	-	-	-
Net realized gain on capital investments	-	-	-	-	-
Other Revenue	12,375	-	-	-	46,568
Property Management Fees	-	-	-	197,745	-
Construction Management Fees	-	-	65,000	-	-
Operating Transfers, Net	7,255	-	1,233,814	673,851	247,509
Total Revenue and Other Support	<u>1,033,076</u>	<u>-</u>	<u>2,998,832</u>	<u>871,596</u>	<u>313,789</u>
PERSONNEL EXPENSES					
Salaries and Wages	372,326	-	606,767	450,663	157,303
Payroll Taxes	27,053	-	43,252	34,688	12,090
Employee Benefits	132,975	-	184,173	185,582	55,629
Total Personnel Expenses	<u>532,354</u>	<u>-</u>	<u>834,192</u>	<u>670,933</u>	<u>225,022</u>
OTHER EXPENSES					
Depreciation and Amortization	109,313	-	1,596	-	-
Donations Expense	271,072	-	-	-	-
Duplication and Publishing	340	-	338	391	521
Equipment	997	-	4,829	6,354	1,937
Insurance	7,906	-	11,042	6,378	5,668
Interest	8,000	-	29,816	-	-
Loss on Disposal of Assets	-	-	-	21,336	-
Other Expenses	94,523	-	97,052	31,471	31,232
Predevelopment/Development Costs	-	-	-	-	-
Professional Fees	35,371	-	68,024	55,402	29,363
Property Management	162	-	4,114	7,534	1,892
Property Taxes	(900)	-	11,322	5,095	1,583
Rent	-	-	4,800	-	-
Repairs and Maintenance	4,466	-	13,738	6,264	1,020
Social Services	-	-	-	-	-
Telephone and Utilities	4,981	-	14,727	19,575	4,396
Training	1,605	-	2,904	2,103	1,679
Travel	162	-	12,754	4,094	1,869
Operating Transfers, Net	1,640,927	-	493,584	-	26,194
Total Other Expenses	<u>2,178,925</u>	<u>-</u>	<u>770,640</u>	<u>165,997</u>	<u>107,354</u>
Total Expenses	<u>2,711,279</u>	<u>-</u>	<u>1,604,832</u>	<u>836,930</u>	<u>332,376</u>
CHANGE IN NET ASSETS	(1,678,203)	-	1,394,000	34,666	(18,587)
Net Assets and Partners' Capital - Beginning of Year	24,628,031	-	1,136,904	367,687	776,183
Capital Contributions	(912,720)	-	-	-	-
Distributions	-	-	-	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ 22,037,108</u>	<u>\$ -</u>	<u>\$ 2,530,904</u>	<u>\$ 402,353</u>	<u>\$ 757,596</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2018

	Solar Villas Brentwood Gardens Grant	Charter School	La Hacienda LLC	Solar Villa Apartments	YES of Arizona, Inc.	Otero Village Apartments Limited Partnership
REVENUES AND OTHER SUPPORT						
Rent	\$ -	\$ 109,398	\$ 131,976	\$ -	\$ -	\$ 211,937
Contribution Revenue	-	-	-	-	250,000	-
Grant Revenue	71,468	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Interest	-	-	447	-	-	70
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	(101,857)	-
Net realized gain on capital investments	-	-	-	10,668	-	38,228
Other Revenue	-	-	1,281	-	-	5,716
Property Management Fees	-	-	-	-	-	-
Construction Management Fees	-	-	-	-	-	-
Operating Transfers, Net	-	-	-	243	38,157	-
Total Revenue and Other Support	71,468	109,398	133,704	10,911	186,300	255,951
PERSONNEL EXPENSES						
Salaries and Wages	47,639	-	30,262	-	-	55,297
Payroll Taxes	-	-	2,615	-	-	6,343
Employee Benefits	17,254	-	1,888	-	-	-
Total Personnel Expenses	64,893	-	34,765	-	-	61,640
OTHER EXPENSES						
Depreciation and Amortization	-	46,139	98,678	-	-	108,214
Donations Expense	-	-	-	-	-	-
Duplication and Publishing	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Insurance	-	2,035	12,308	-	-	10,224
Interest	-	38,797	-	-	-	49,756
Loss on Disposal of Assets	-	-	707	-	-	-
Other Expenses	4,524	10	8,817	-	2,628	22,239
Predevelopment/Development Costs	-	-	-	-	-	-
Professional Fees	-	436	4,345	-	32,143	3,559
Property Management	-	-	19,500	-	-	14,529
Property Taxes	-	6,713	3,622	-	-	10,770
Rent	-	-	-	-	-	-
Repairs and Maintenance	-	-	12,994	-	-	27,363
Social Services	-	-	-	-	-	-
Telephone and Utilities	-	-	15,359	-	-	28,411
Training	755	-	-	-	1,283	435
Travel	1,296	-	-	-	2,209	-
Operating Transfers, Net	-	39,881	-	243	-	-
Total Other Expenses	6,575	134,011	176,330	243	38,263	275,500
Total Expenses	71,468	134,011	211,095	243	38,263	337,140
CHANGE IN NET ASSETS	-	(24,613)	(77,391)	10,668	148,037	(81,189)
Net Assets and Partners' Capital - Beginning of Year	-	603,910	(571,162)	(10,668)	(598,211)	499,950
Capital Contributions	-	-	-	-	-	136,367
Distributions	-	-	-	-	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	\$ -	\$ 579,297	\$ (648,553)	\$ -	\$ (450,174)	\$ 555,128

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2018

	New Leaf Community Limited Partnership	UR 205 Silver LLC (Imperial)	Wildewood Apartments Limited Partnership	Brentwood Gardens Apartments Limited Partnership	Montana Meadows Apartments Limited Partnership
REVENUES AND OTHER SUPPORT					
Rent	\$ 510,227	\$ 454,460	\$ 543,704	\$ 1,155,487	\$ 740,361
Contribution Revenue	-	-	-	-	-
Grant Revenue	-	-	50,564	-	58,535
Development Fees	-	-	-	-	-
Interest	336	256	278	-	335
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	-
Net realized gain on capital investments	-	-	-	-	-
Other Revenue	17,159	16,920	1,391	5,061	4,503
Property Management Fees	-	-	-	-	-
Construction Management Fees	-	-	-	-	-
Operating Transfers, Net	-	-	-	-	-
Total Revenue and Other Support	<u>527,722</u>	<u>471,636</u>	<u>595,937</u>	<u>1,160,548</u>	<u>803,734</u>
PERSONNEL EXPENSES					
Salaries and Wages	77,661	42,787	48,509	86,389	50,382
Payroll Taxes	21,899	30,554	14,340	27,817	15,180
Employee Benefits	-	-	-	-	-
Total Personnel Expenses	<u>99,560</u>	<u>73,341</u>	<u>62,849</u>	<u>114,206</u>	<u>65,562</u>
OTHER EXPENSES					
Depreciation and Amortization	431,770	495,367	110,747	222,545	146,090
Donations Expense	-	-	-	-	-
Duplication and Publishing	-	-	-	-	-
Equipment	-	-	-	-	-
Insurance	25,693	38,194	11,447	19,484	18,647
Interest	95,498	234,269	140,270	353,857	192,590
Loss on Disposal of Assets	-	-	496	1,175	-
Other Expenses	27,448	23,087	9,749	30,007	19,400
Predevelopment/Development Costs	-	-	-	-	-
Professional Fees	23,046	18,899	10,064	14,981	9,822
Property Management	28,973	39,963	33,475	93,408	44,086
Property Taxes	27,694	12,276	17,928	55,423	27,982
Rent	-	-	-	-	-
Repairs and Maintenance	58,141	104,674	27,425	81,480	45,703
Social Services	1,106	-	50,564	6,053	64,982
Telephone and Utilities	37,528	60,135	32,315	56,188	43,014
Training	617	181	721	1,058	1,138
Travel	336	-	-	378	-
Operating Transfers, Net	-	-	-	-	-
Total Other Expenses	<u>757,850</u>	<u>1,027,045</u>	<u>445,201</u>	<u>936,037</u>	<u>613,454</u>
Total Expenses	<u>857,410</u>	<u>1,100,386</u>	<u>508,050</u>	<u>1,050,243</u>	<u>679,016</u>
CHANGE IN NET ASSETS	(329,688)	(628,750)	87,887	110,305	124,718
Net Assets and Partners' Capital - Beginning of Year	8,826,823	11,252,495	(296,150)	(1,880,007)	(227,681)
Capital Contributions	-	-	-	-	-
Distributions	-	-	(102,562)	(134,803)	(186,017)
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ 8,497,135</u>	<u>\$ 10,623,745</u>	<u>\$ (310,825)</u>	<u>\$ (1,904,505)</u>	<u>\$ (288,980)</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2018

	Los Tres Apartments L.P.	Gallup Sunset Hills Apartments Limited Partnership	Vista Grande Limited Limited Partnership	Apple Ridge Apartments Limited Partnership	Bella Vista Townhomes L.P.	Mesa Del Norte Apartments Limited Partnership
REVENUES AND OTHER SUPPORT						
Rent	\$ 2,744,786	\$ 498,653	\$ 737,583	\$ 803,179	\$ 401,045	\$ 293,078
Contribution Revenue	-	-	-	-	-	-
Grant Revenue	-	52,455	-	59,379	-	-
Development Fees	-	-	-	-	-	-
Interest	22	725	59	-	183	114
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	-	-
Net realized gain on capital investments	-	-	-	-	-	-
Other Revenue	66,681	5,737	10,592	4,876	10,037	6,066
Property Management Fees	-	-	-	-	-	-
Construction Management Fees	-	-	-	-	-	-
Operating Transfers, Net	-	-	-	-	-	-
Total Revenue and Other Support	2,811,489	557,570	748,234	867,434	411,265	299,258
PERSONNEL EXPENSES						
Salaries and Wages	364,699	58,434	111,001	65,241	72,371	59,367
Payroll Taxes	111,405	1,175	36,150	20,896	11,062	19,519
Employee Benefits	-	2,958	-	-	-	-
Total Personnel Expenses	476,104	62,567	147,151	86,137	83,433	78,886
OTHER EXPENSES						
Depreciation and Amortization	674,683	426,922	185,952	181,272	338,490	223,251
Donations Expense	-	-	-	-	-	-
Duplication and Publishing	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Insurance	55,287	16,227	24,248	17,969	22,799	9,458
Interest	426,180	52,904	183,578	222,424	72,530	43,535
Loss on Disposal of Assets	13,172	-	2,980	537	619	-
Other Expenses	95,602	19,120	50,342	17,352	26,171	7,370
Predevelopment/Development Costs	-	-	-	-	-	-
Professional Fees	19,315	11,254	17,667	9,034	16,453	11,915
Property Management	152,090	57,610	50,115	43,407	38,702	26,393
Property Taxes	152,670	28,208	25,384	20,554	15,031	18,614
Rent	-	-	-	-	-	-
Repairs and Maintenance	358,449	20,304	100,404	62,432	49,258	12,723
Social Services	-	52,455	-	65,431	6,000	5,570
Telephone and Utilities	531,503	21,728	154,446	44,438	55,512	31,457
Training	1,952	-	2,615	903	-	606
Travel	7	2,187	22	326	1,125	525
Operating Transfers, Net	-	-	-	-	-	-
Total Other Expenses	2,480,910	708,919	797,753	686,079	642,690	391,417
Total Expenses	2,957,014	771,486	944,904	772,216	726,123	470,303
CHANGE IN NET ASSETS						
	(145,525)	(213,916)	(196,670)	95,218	(314,858)	(171,045)
Net Assets and Partners' Capital - Beginning of Year	(2,518,327)	8,375,143	(1,998,960)	(582,121)	5,804,215	3,685,210
Capital Contributions	-	-	846,244	-	-	-
Distributions	-	-	-	(145,702)	(325)	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ (2,663,852)</u>	<u>\$ 8,161,227</u>	<u>\$ (1,349,386)</u>	<u>\$ (632,605)</u>	<u>\$ 5,489,032</u>	<u>\$ 3,514,165</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2018

	YES Deming Mountain View Apartments, LLLP	Roswell Summit Apartments L.P.	Solar Villa Apartments L.P., LLLP	Nuevo Atrisco Apartments L.P., LLLP	Eliminations	Total
REVENUES AND OTHER SUPPORT						
Rent	\$ 345,784	\$ 359,304	\$ 588,648	\$ -	\$ -	\$ 10,645,357
Contribution Revenue	-	-	-	-	(250,000)	610,495
Grant Revenue	73,490	34,171	-	-	-	400,062
Development Fees	-	-	-	-	(1,100,000)	-
Interest	1,019	125	-	-	(240,256)	918,058
Net Unrealized/Realized Gain (Loss)						
on Investments	-	-	-	-	-	(249,268)
Net realized gain on capital investments	-	-	-	-	(587,549)	(538,653)
Other Revenue	241	2,929	11,689	-	(36,000)	193,822
Property Management Fees	-	-	-	-	(197,745)	-
Construction Management Fees	-	-	-	-	(65,000)	-
Operating Transfers, Net	-	-	-	-	(2,200,829)	-
Total Revenue and Other Support	420,534	396,529	600,337	-	(4,677,379)	11,979,873
PERSONNEL EXPENSES						
Salaries and Wages	58,658	48,680	121,503	-	-	2,985,939
Payroll Taxes	18,421	10,176	-	-	-	464,635
Employee Benefits	-	-	-	-	-	580,459
Total Personnel Expenses	77,079	58,856	121,503	-	-	4,031,033
OTHER EXPENSES						
Depreciation and Amortization	201,945	149,015	110,255	-	(1,272,152)	2,990,092
Donations Expense	-	-	-	-	(250,000)	21,072
Duplication and Publishing	-	-	-	-	-	1,590
Equipment	-	-	-	-	-	14,117
Insurance	17,608	19,461	15,402	-	-	367,485
Interest	38,328	93,214	301,302	-	(240,256)	2,336,592
Loss on Disposal of Assets	-	-	-	-	-	41,022
Other Expenses	26,330	15,918	21,360	-	-	681,752
Predevelopment/Development Costs	-	-	-	-	-	-
Professional Fees	11,673	11,392	56,925	-	-	471,083
Property Management	45,583	65,768	45,915	-	(140,817)	672,402
Property Taxes	13,206	14,693	-	-	-	467,868
Rent	-	-	-	-	-	4,800
Repairs and Maintenance	31,295	38,188	56,549	-	-	1,112,870
Social Services	73,490	40,171	5,659	-	(36,000)	335,481
Telephone and Utilities	10,714	20,379	90,958	-	-	1,277,764
Training	1,138	1,228	762	-	-	23,683
Travel	-	943	-	-	-	28,233
Operating Transfers, Net	-	-	-	-	(2,200,829)	-
Total Other Expenses	471,310	470,370	705,087	-	(4,140,054)	10,847,906
Total Expenses	548,389	529,226	826,590	-	(4,140,054)	14,878,939
CHANGE IN NET ASSETS						
	(127,855)	(132,697)	(226,253)	-	(537,325)	(2,899,066)
Net Assets and Partners' Capital - Beginning of Year	4,309,040	1,582,437	476,127	-	(8,230,975)	55,409,893
Capital Contributions	-	-	1,496,285	600,000	(600,003)	1,566,173
Distributions	(34,445)	-	-	-	56,901	(546,953)
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ 4,146,740</u>	<u>\$ 1,449,740</u>	<u>\$ 1,746,159</u>	<u>\$ 600,000</u>	<u>\$ (9,311,402)</u>	<u>\$ 53,530,047</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2017

	General Fund	Payroll	Development Services	Asset Management	Social Services	Solar Villas Brentwood Gardens Grant
REVENUES AND OTHER SUPPORT						
Rent, Net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution Revenue	-	-	-	-	5,792	-
Grant Revenue	(1,981)	-	-	-	100,000	69,793
Development Fees	-	-	400,000	13,818	-	-
Interest	544,514	-	6,205	-	10,242	-
Net Unrealized/Realized Gain (Loss) on Investments	363,813	-	-	-	-	-
Net Realized Gain on Capital Investments	7,028,187	-	-	1,707,740	-	-
Other Revenue	550	-	-	191,823	43,500	-
Property Management Fees	20,000	-	-	3,552	-	-
Construction Management Fees	-	-	-	-	-	-
Operating Transfers, Net	1,287,898	-	1,494,876	-	232,737	43
Total Revenue and Other Support	9,242,981	-	1,901,081	1,916,933	392,271	69,836
PERSONNEL EXPENSES						
Salaries and Wages	338,715	-	573,883	420,566	150,621	45,982
Payroll Taxes	24,718	-	45,786	35,291	12,616	14,099
Employee Benefits	132,805	-	169,095	159,673	45,960	-
Total Personnel Expenses	496,238	-	788,764	615,530	209,197	60,081
OTHER EXPENSES						
Depreciation and Amortization	70,617	-	1,541	-	-	-
Donations Expense	6,306	-	-	-	-	-
Duplication and Publishing	654	-	867	799	1,232	-
Equipment	539	-	17,235	10,476	5,295	-
Insurance	6,539	-	10,237	5,856	4,636	-
Interest	8,656	-	32,617	-	-	-
(Gain) Loss on Disposal of Assets	22,616	-	11,827	-	-	-
Other Expenses	17,645	-	23,976	36,881	14,154	6,449
Predevelopment/Development Costs	-	-	28,449	-	-	-
Professional Fees	63,011	-	30,225	43,863	25,659	-
Property Management	-	-	-	-	-	-
Property Taxes	4,309	-	7,267	-	-	-
Rent	-	-	33,572	15,494	10,267	-
Repairs and Maintenance	11,751	-	15,697	10,957	2,435	-
Social Services	-	-	47	-	94,127	-
Telephone and Utilities	4,165	-	11,925	10,141	3,598	-
Training	570	-	6,018	4,951	276	1,192
Travel	61	-	10,797	3,019	5,261	2,156
Operating Transfers, Net	-	-	1,684,181	1,187,806	2,050	43
Total Other Expenses	217,439	-	1,926,478	1,330,243	168,990	9,840
Total Expenses	713,677	-	2,715,242	1,945,773	378,187	69,921
CHANGE IN NET ASSETS	8,529,304	-	(814,161)	(28,840)	14,084	(85)
Net Assets and Partners' Capital - Beginning of Year	16,098,727	-	2,109,843	396,527	762,099	85
Capital Contributions	-	-	-	-	-	-
Distributions	-	-	(158,778)	-	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ 24,628,031</u>	<u>\$ -</u>	<u>\$ 1,136,904</u>	<u>\$ 367,687</u>	<u>\$ 776,183</u>	<u>\$ -</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2017

	Charter School	901 Pennsylvania	La Hacienda LLC	Solar Villas Apartments	Transitional Living	YES of Arizona, Inc.
REVENUES AND OTHER SUPPORT						
Rent, Net	\$ 103,862	\$ 59,208	130,365	283,027	\$ 6,750	\$ -
Contribution Revenue	-	-	-	-	-	-
Grant Revenue	-	-	-	493,934	-	-
Development Fees	-	-	-	-	-	-
Interest	-	-	421	639	-	-
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	-	-
Net Realized Gain on Capital Investments	-	-	-	-	-	(184,898)
Other Revenue	-	-	4,474	2,428	-	-
Property Management Fees	-	-	-	-	-	-
Construction Management Fees	-	-	-	-	-	-
Operating Transfers, Net	-	-	-	-	-	78,030
Total Revenue and Other Support	103,862	59,208	135,260	780,028	6,750	(106,868)
PERSONNEL EXPENSES						
Salaries and Wages	-	-	27,614	79,788	-	-
Payroll Taxes	-	-	3,408	30,915	-	-
Employee Benefits	-	-	6,140	-	-	-
Total Personnel Expenses	-	-	37,162	110,703	-	-
OTHER EXPENSES						
Depreciation and Amortization	45,803	14,958	98,016	146,428	5,042	-
Donations Expense	-	-	-	-	-	-
Duplication and Publishing	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Insurance	1,628	1,375	11,490	14,664	354	-
Interest	40,219	2,112	-	248,320	-	-
(Gain) Loss on Disposal of Assets	7,203	4,661	-	325,616	118,197	-
Other Expenses	1,904	52	8,284	14,932	-	1,590
Predevelopment/Development Costs	-	-	-	-	-	116,089
Professional Fees	-	-	2,809	(9,326)	305	12,239
Property Management	-	23,552	18,300	60,668	-	-
Property Taxes	6,711	3,690	3,497	-	-	-
Rent	-	-	-	-	-	-
Repairs and Maintenance	863	1,558	17,645	58,806	365	-
Social Services	-	-	-	4,042	-	-
Telephone and Utilities	-	8,461	16,234	135,896	-	-
Training	-	-	1,544	1,085	-	420
Travel	-	-	495	-	-	9,734
Operating Transfers, Net	17,915	196,069	-	-	5,520	-
Total Other Expenses	122,246	256,488	178,314	1,001,131	129,783	140,072
Total Expenses	122,246	256,488	215,476	1,111,834	129,783	140,072
CHANGE IN NET ASSETS	(18,284)	(197,280)	(80,216)	(331,806)	(123,033)	(246,940)
Net Assets and Partners' Capital - Beginning of Year	622,194	197,280	(490,946)	321,138	123,033	(351,271)
Capital Contributions	-	-	-	-	-	-
Distributions	-	-	-	-	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ 603,910</u>	<u>\$ -</u>	<u>\$ (571,162)</u>	<u>\$ (10,668)</u>	<u>\$ -</u>	<u>\$ (598,211)</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2017

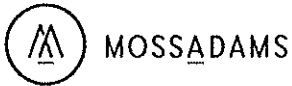
	Otero Village Apartments Limited Partnership	New Leaf Community Limited Partnership	UR 205 Silver LLC (Imperial)	Widewood Apartments Limited Partnership	Brentwood Gardens Apartments Limited Partnership	Montana Meadows Apartments Limited Partnership
REVENUES AND OTHER SUPPORT						
Rent, Net	\$ 217,606	\$ 369,733	\$ 463,006	\$ 537,138	\$ 1,135,674	\$ 731,155
Contribution Revenue	-	-	-	-	-	-
Grant Revenue	-	-	-	48,177	-	54,799
Development Fees	-	-	-	-	-	-
Interest	46	327	51	18	14	8
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	-	-
Net Realized Gain (Loss) on Capital Investments	-	-	-	-	-	-
Other Revenue	269,459	17,114	40,420	2,649	5,346	4,878
Property Management Fees	-	-	-	-	-	-
Construction Management Fees	-	-	-	-	-	-
Operating Transfers, Net	-	-	-	-	-	-
Total Revenue and Other Support	487,111	387,174	503,477	587,982	1,141,034	790,840
PERSONNEL EXPENSES						
Salaries and Wages	41,560	94,727	96,244	53,451	98,353	37,685
Payroll Taxes	13,468	-	31,760	26,368	32,004	51,768
Employee Benefits	-	-	-	-	-	-
Total Personnel Expenses	55,028	94,727	128,004	79,819	130,357	89,453
OTHER EXPENSES						
Depreciation and Amortization	114,798	430,789	494,400	103,485	218,499	155,178
Donations Expense	-	-	-	-	-	-
Duplication and Publishing	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Insurance	10,124	25,003	25,874	8,735	20,657	22,422
Interest	50,411	87,173	289,882	142,303	369,972	180,375
(Gain) Loss on Disposal of Assets	628	-	-	454	134,958	104,626
Other Expenses	24,758	36,193	25,071	18,379	33,873	12,651
Predevelopment/Development Costs	-	-	-	-	-	-
Professional Fees	1,913	26,973	16,535	17,117	20,588	13,930
Property Management	13,335	23,143	38,291	33,386	64,470	42,006
Property Taxes	10,126	43,939	7,500	17,246	55,642	25,800
Rent	-	-	-	-	-	-
Repairs and Maintenance	11,352	48,103	41,096	42,055	77,214	41,708
Social Services	-	-	-	49,107	6,142	61,943
Telephone and Utilities	25,751	38,362	57,838	31,579	56,656	39,325
Training	3,130	8,173	310	5,197	1,520	4,915
Travel	813	11,734	-	-	81	100
Operating Transfers, Net	-	-	-	-	-	-
Total Other Expenses	267,139	779,585	996,797	469,043	1,060,272	704,979
Total Expenses	322,167	874,312	1,124,801	548,862	1,190,629	794,432
CHANGE IN NET ASSETS	164,944	(487,138)	(621,324)	39,120	(49,595)	(3,592)
Net Assets and Partners' Capital - Beginning of Year	335,006	9,087,746	6,943,419	(239,842)	1,797,025	1,485,421
Capital Contributions	-	226,215	4,930,400	-	2,019,099	1,968,913
Distributions	-	-	-	(95,428)	(5,646,536)	(3,678,423)
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	\$ 499,950	\$ 8,826,823	\$ 11,252,495	\$ (296,150)	\$ (1,880,007)	\$ (227,681)

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2017

	Los Tres Apartments L.P.	Gallop Sunset Hills Apartments Limited Partnership	Vista Grande Apartments Limited Partnership	Apple Ridge Apartments Limited Partnership	Bella Vista Townhomes L.P.
REVENUES AND OTHER SUPPORT					
Rent, Net	\$ 2,511,354	\$ 498,289	\$ 741,706	\$ 787,862	\$ 397,437
Contribution Revenue	-	-	-	-	-
Grant Revenue	-	51,422	-	60,312	-
Development Fees	-	-	-	-	-
Interest	957	207	27	5	154
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	-
Net Realized Gain on Capital Investments	-	-	-	-	-
Other Revenue	108,005	6,312	3,600	5,462	10,169
Property Management Fees	-	-	-	-	-
Construction Management Fees	-	-	-	-	-
Operating Transfers, Net	-	-	-	-	-
Total Revenue and Other Support	2,620,316	556,240	745,333	853,641	407,760
PERSONNEL EXPENSES					
Salaries and Wages	368,250	41,390	108,374	66,133	48,409
Payroll Taxes	112,418	1,355	35,811	21,824	17,066
Employee Benefits	-	11,723	-	-	-
Total Personnel Expenses	480,668	54,468	144,185	87,957	65,475
OTHER EXPENSES					
Depreciation and Amortization	672,374	427,737	175,858	179,464	315,592
Donations Expense	-	-	-	-	-
Duplication and Publishing	-	-	-	-	-
Equipment	-	-	-	-	-
Insurance	47,212	16,137	24,851	18,222	22,422
Interest	362,302	51,410	206,948	223,208	71,515
(Gain) Loss on Disposal of Assets	13,518	-	4,744	106,753	(68,419)
Other Expenses	100,646	17,853	47,727	16,912	19,295
Predevelopment/Development Costs	-	-	-	-	-
Professional Fees	31,722	11,717	16,089	14,957	11,140
Property Management	145,187	56,828	51,150	42,439	33,748
Property Taxes	144,020	30,977	24,569	19,701	22,325
Rent	-	-	-	-	-
Repairs and Maintenance	333,578	20,557	85,136	48,259	32,679
Social Services	-	53,042	-	66,480	6,174
Telephone and Utilities	549,602	25,159	165,088	47,889	54,834
Training	3,619	-	1,382	841	3,651
Travel	35	249	18	566	1,364
Operating Transfers, Net	-	-	-	-	-
Total Other Expenses	2,403,815	711,666	803,560	785,691	526,320
Total Expenses	2,884,483	766,134	947,745	873,648	591,795
CHANGE IN NET ASSETS	(264,167)	(209,894)	(202,412)	(20,007)	(184,035)
Net Assets and Partners' Capital - Beginning of Year	(2,254,160)	8,585,037	(1,796,548)	1,237,288	5,988,250
Capital Contributions	-	-	-	2,181,349	-
Distributions	-	-	-	(3,980,751)	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	\$ (2,518,327)	\$ 8,375,143	\$ (1,998,960)	\$ (582,121)	\$ 5,804,215

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2017

	Mesa Del Norte Apartments Limited Partnership	YES Deming Mountain View Apartments, LLLP	Roswell Summit Apartments L.P.	Solar Villa Apartments L.P.	Eliminations	Total
REVENUES AND OTHER SUPPORT						
Rent, Net	\$ 293,967	\$ 356,996	\$ 354,112	\$ 116,809	\$ -	\$ 10,096,166
Contribution Revenue	-	-	-	-	-	5,792
Grant Revenue	-	71,807	28,830	-	-	977,093
Development Fees	-	-	-	-	(400,000)	13,818
Interest	62	45	141	-	(146,074)	418,009
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	8,507	-	372,320
Net Realized Gain on Capital Investments	-	-	-	-	(1,737,163)	6,813,866
Other Revenue	5,585	3,005	2,217	370	(458,026)	269,340
Property Management Fees	-	-	-	-	(23,552)	-
Construction Management Fees	-	-	-	-	-	-
Operating Transfers, Net	-	-	-	-	(3,093,584)	-
Total Revenue and Other Support	299,614	431,853	385,300	125,686	(5,858,399)	18,966,404
PERSONNEL EXPENSES						
Salaries and Wages	68,971	31,276	53,889	9,127	-	2,855,008
Payroll Taxes	22,761	10,617	24,292	-	-	568,345
Employee Benefits	-	-	-	-	-	525,396
Total Personnel Expenses	91,732	41,893	78,181	9,127	-	3,948,749
OTHER EXPENSES						
Depreciation and Amortization	222,122	200,685	128,265	-	(316,444)	3,905,207
Donations Expense	-	-	-	-	-	6,306
Duplication and Publishing	-	-	-	-	-	3,552
Equipment	-	-	-	-	-	33,545
Insurance	9,253	17,172	18,176	-	-	343,039
Interest	44,282	39,233	91,574	1,880	(146,074)	2,398,328
(Gain) Loss on Disposal of Assets	-	-	516	-	(1,707,740)	(919,842)
Other Expenses	7,835	19,290	60,734	2,286	-	569,370
Predevelopment/Development Costs	-	-	-	-	-	144,538
Professional Fees	11,565	11,640	11,140	391	-	386,202
Property Management	26,396	44,180	63,664	6,918	(77,420)	710,241
Property Taxes	18,292	12,486	14,198	-	-	472,295
Rent	-	-	-	-	-	59,333
Repairs and Maintenance	14,907	37,632	29,060	10,758	-	994,171
Social Services	5,500	71,807	35,761	1,000	(33,500)	421,672
Telephone and Utilities	32,538	10,743	21,382	16,689	-	1,363,855
Training	290	4,621	4,592	500	-	58,797
Travel	548	-	1,644	-	-	48,675
Operating Transfers, Net	-	-	-	-	(3,093,584)	-
Total Other Expenses	393,528	469,489	480,706	40,432	(5,374,762)	10,999,284
Total Expenses	485,260	511,382	558,887	49,559	(5,374,762)	14,948,033
CHANGE IN NET ASSETS	(185,646)	(79,529)	(173,587)	76,127	(483,637)	4,018,371
Net Assets and Partners' Capital - Beginning of Year	3,870,856	4,396,390	1,756,024	-	(12,690,195)	48,290,426
Capital Contributions	-	-	-	400,000	(616,936)	11,109,040
Distributions	-	(7,821)	-	-	5,559,793	(8,007,944)
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ 3,685,210</u>	<u>\$ 4,309,040</u>	<u>\$ 1,582,437</u>	<u>\$ 476,127</u>	<u>\$ (8,230,975)</u>	<u>\$ 55,409,893</u>



Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
YES Housing, Inc. and Affiliates
Albuquerque, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of YES Housing, Inc. and Affiliates (the Organization), which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated July 23, 2019.

The Organization's consolidated financial statements include the operations of Wildewood Apartments LP, Montana Meadows Apartments LP, Gallup Sunset Hills LLLP, Apple Ridge Apartments LP, YES Deming Mountain View Apartments LLLP, and Roswell Summit Apartments LP (the Partnerships) which received \$50,564, \$58,535, \$52,455, \$59,379, \$73,490, and \$34,171, respectively. Our audit, described below, did not include the operations of the Partnerships because the Partnerships engaged other auditors to perform an audit of their financial statements and the Partnerships' operations are not instrumental to those of YES Housing, Inc.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mess Adams LLP

Albuquerque, New Mexico
July 23, 2019

DEMONSTRATED NEED FOR SUBSIDY

The City of Hobbs' funds would make the property affordable to lower income seniors by filling the gap between the debt the property can support with affordable rents and the equity being raised by the Low Income Housing Tax Credits.

In addition, the MFA's Qualified Allocation Plan (QAP) for the Low Income Housing Tax Credits incentivizes projects that receive financial support from the local government. The QAP awards up to 10 points for this category.

COMMITMENT TO THE COMMUNITY

YES is pleased to have been involved in constructing 623 units and rehabilitating 1,919 units (totaling 2,542 units), covering three states. These developments were designed and made affordable specifically for seniors, disabled, families, and those with special needs. YES takes into consideration the residents' needs during the planning phase, and provides on-site wrap-around services on as many developments as possible. (Please see résumé under tab 17 for more detail).

Currently, YES has helped 53 families realize the dream of homeownership, and in the process, has contributed to revitalizing blighted neighborhoods throughout several New Mexico counties using NSP funds.

While our main focus is creating affordable housing, our mission helps us to stay connected to the housing needs of our residents and the community at large. A roof over someone's head is a good start but without a commitment to the resident, long-term, sustainable housing cannot be realized. We achieve this and also make a positive impact on the community by bringing integrated services to those who many not have the means to access them, or simply do not know that they are available. Our Director of Resident Services is responsible for obtaining competitive funding sources for services, overseeing the on-site coordinators, and collecting residents' input regarding the services that would be most beneficial.

The following are services currently provided at some of our developments:

- meal delivery or on-site food bank access
- after school prevention programs
- computer programs
- computer literacy
- job training
- job search assistance
- health and nutrition education and screening
- housekeeping services
- tutoring
- financial literacy
- clothing bank

West Berry Senior Apartments
Substantive or Matching Funds

Funding Sources:

Tax Credit Proceeds @ \$0.935	\$	8,415,467
1st Mortgage Loan		1,175,000
MFA HOME Loan		600,000
MFA Housing Trust Fund Loan		500,000
Deferred Developer Fee		668,118

Total Matching Funds	\$	11,358,585
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9:1 Leverage

APPLICANT CERTIFICATION

YES Housing, Inc. certifies that it is in compliance with all applicable federal, state and local laws, rules and ordinances.

By: Holly Barela
Signature

Date: 12/17/19

Holly Barela
Printed Name

Senior Vice President/CFO
Title

APPLICANT CERTIFICATION
NO SIGNIFICANT FINDINGS

YES Housing, Inc. certifies that it has no significant outstanding or unresolved monitoring findings from City of Hobbs or MFA.

By: Holly Barela
Signature

Date: 12/17/19

Holly Barela
Printed Name

Senior Vice President/CFO
Title

About YES Housing, Inc.

FIRM OVERVIEW...OUR HISTORY

YES Housing, Inc. (YES) was created in 1990 out of a desire to positively impact our communities by providing families a good home in a safe neighborhood with economic and social opportunities that are foundational for growth and success.

In 2002, YES expanded its community development area to include Arizona, forming YES Housing of Arizona, Inc. Three multifamily properties (351 units) were purchased and rehabilitated in Arizona. In 2011, a farm workers' community was created by YES in Texas (36 units).

As agents of change, YES develops and owns multifamily and commercial developments, integrating services into its developments and revitalizing communities.

We have three branches to help meet community need:

- **Development** - creating/acquiring/rehabilitating affordable housing;
- **Sustainability** - managing the investment by keeping the developments attractive and running efficiently; and
- **Services** - connecting residents to meaningful services.

In addition to providing a standard of excellence in affordable housing throughout the southwest, YES integrates services into many of its developments, and was approved as a financial literacy education provider in 2011.

Strategic Business Plan:

- ◆ Focus the organization on growth through development of affordable multifamily housing throughout the southwestern United States.
- ◆ Expand community revitalization efforts to include commercial and residential activities.
- ◆ Expand integration of services to our residents, business owners and community members to include personal and professional growth opportunities.
- ◆ Maintain a skilled and well-trained workforce.



Established: 1990

BOARD OF DIRECTORS:

Beverlee McClure
Chairman of the Board
President/CEO

Kevin Caudill
Secretary/Treasurer

Robert J. Avila
Vice Chair

Board Members:

Lawrence Chavez
Garrett Hennessy
Jeff Apodaca
Andrew Garrison
Augustine C. Baca (non-voting member)

About YES Housing, Inc.

VALUES

YES Housing, Inc. is not only an experienced and well-respected non-profit developer, but also a company whose core values reflect our long-term commitment to the communities we serve.

CORPORATE GOAL

Our goal is to provide opportunities for a better quality of life to disadvantaged and lower income families and the elderly through involvement in the development of affordable housing and the revitalization of the communities we serve.

MISSION STATEMENT

Our mission is to build and revitalize communities with quality, affordable housing, accessible social services and a dedication to being positive agents for change within the community.

Nuevo Atrisco Apartments – New Construction

86 Units (80 Family + 6 Live/Work)

Central & Unser, Albuquerque, NM



Under Construction

Solar Villa Apartments Rehabilitation Complete



THANK YOU to our funding partners: The City of Albuquerque, New Mexico Mortgage Finance Authority (Tax Credits, HOME, Housing Trust Funds), Wells Fargo Bank (construction debt and equity), and Community Development Trust (CDT) (for perm debt).

We are very excited to see the transformation of this affordable property for the benefit of our residents.

Our Company

The YES team is united with one goal, to help fill an abundant need for safe, affordable, sustainable housing in our communities. We regularly partner with non-profit and for-profit groups to successfully achieve our common goal. Together, we determine the specific local needs, then tailor the design to best meet those needs, turning ideas into reality. By preserving and creating affordable housing, we are investing in all communities through families and future generations.

Our team members average 10 + years with YES. This is extremely impressive in a business that is often prone to high turnovers, and reductions in staff due to economy. We currently boast 6 members of the YES team with 10 or more years. We are regarded as a great place to work and are committed to continuing to foster this environment.

Our Integrity

At all times we strive to act with the upmost integrity and to work only with those who share this determination. As stated above, the basis of our business model is the empowerment of our associates to make smart choices. It is only by acting with integrity that YES has been building affordable housing in the southwest region for 25 years.

Our Commitment

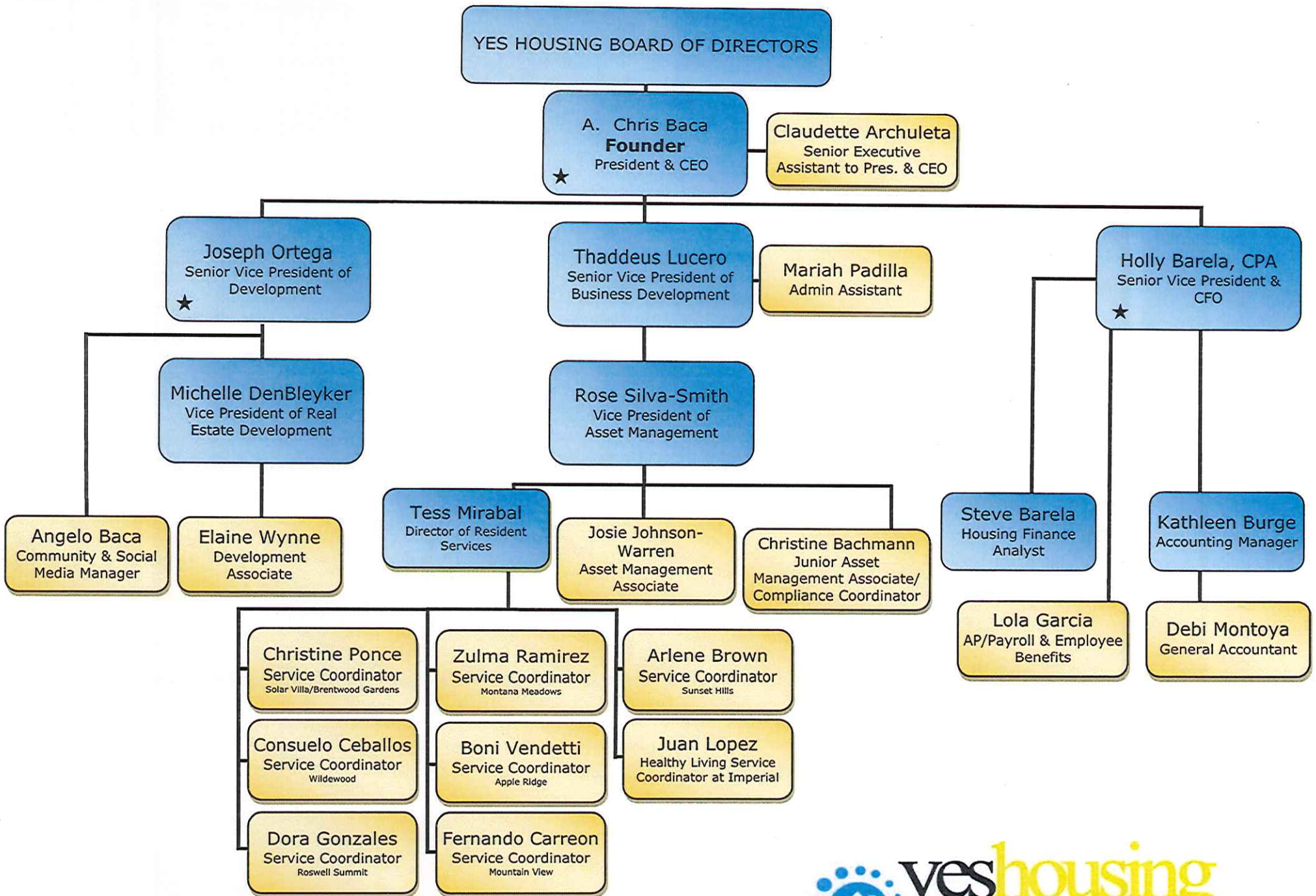
We are invested long-term in our communities. In the majority of developments, we are involved in ownership for 45+ years. YES is dedicated not only to revitalizing the neighborhood and providing affordable housing, but also bringing on-site, meaningful services to our residents in an effort to help further enhance their lives, and fulfill our mission.

Effective Communication

At YES we believe in open communication. The direction of the company and its evolving philosophies are shared openly, with the company as a whole through our officers' open door policies, as well as monthly staff meetings.

Sustainability

YES is committed to the environment. This commitment is demonstrated through the actions we take every day. We eliminate waste and recycle during the construction phase, donate materials whenever possible, and build and rehabilitate to green standards and low water usage on all properties.



★ Officers of the Organization

Resumes – Management

AUGUSTINE (CHRIS) BACA

PRESIDENT/CEO

Chris oversees a highly experienced staff who are responsible for all aspects of development – from the predevelopment phase, through compliance periods and numerous reporting requirements.

MAJOR ACCOMPLISHMENTS

- Developed community based youth development and juvenile delinquency prevention models that have been used nationwide.
- Recognized by the President's Council of Juvenile Justice, National Association of Counties, Department of Labor, COSSMHO, and the State's past three governors.
- National Hispanic Families Against Drug Abuse, Member Board of Directors.
- Eisenhower Foundation Delegation to Japan.
- YDI has been recognized nationally on numerous times as an innovator and leader in the Youth Services field.

PARTICIPATION ON LOCAL BOARDS

- Goals Task Force -- New Mexico and Albuquerque
- Mental Health
- Hogares, Inc.
- Youth Commission
- La Compania
- Gang Task Force
- Chairman, Albuquerque Police Department Transition Team
- Chairman, Children, Youth, & Families State of New Mexico Transition Team for Governor elect Gary Johnson
- New Mexico Workforce Development Board
- Education Initiative and Accountability Task Force
- Middle Rio Grande Business and Education Collaborative

HONORS

St. Joseph's Scholarship (based on ACT Scores), Augustin Gurule Scholarship, Graduate Fellowship, WICHE Intern, State Government Intern, Presidential Appointment, numerous Governor's appointments, Dean's List, and Outstanding Young Man Designation, Selected as an outstanding Young Leader by Albuquerque Living Magazine (July 1988), Thomas Jefferson Public Service Award 1986, Who's Who In The West, KLUZ Outstanding Youth Service Award, 1990, Harvard University Hispanic Health Fellow and Kellogg National Leadership Fellow 1990-93, recognized by Hispanic Business magazine as one of the top 100 most influential Hispanics in America, New Mexico Distinguished Public Administrator Award 1993, Rio Grande High School Distinguished Alumnus Award 1993, Albuquerque Leadership Award 1994, Martin Luther King Award 1994, City of Albuquerque Community Award 1995.



Years of Experience: 45
Years with YES Housing: 29

EDUCATION

B.S. in Economics
University of Albuquerque
Albuquerque, NM

M.A. in Public Administration
Anderson School of Management
University of Albuquerque
Albuquerque, NM

Chris' experience also includes revitalizing a small community based organization and transformed it into the largest youth serving agency in New Mexico.

Email: ACBaca@yeshousing.org
Direct Phone: 505-923-9614
901 Pennsylvania St. NE
Albuquerque, NM 87110

Resumes - Management

Joseph Ortega

SENIOR VICE PRESIDENT OF DEVELOPMENT

Joe has extensive experience in affordable housing development, property management and public finance. He oversees all development staff and development and pre-development activities.

SUMMARY OF PAST EXPERIENCE

Joe has a diverse and rich background in development and property management experience. Formerly served as Executive Director of the Region VI Housing Authority from 1978 until 1993 and as Deputy Director of the New Mexico Mortgage Finance Authority from 1993 to 1999, when he joined YES Housing Inc. Throughout his career, Joe has developed and financed both single-family and multifamily developments including new construction and acquisition/rehabilitation, funded by various federal, state and private loan programs, grants, and tax credit equity.

PROFESSIONAL EXPERIENCE

YES Housing, Inc., Albuquerque, NM
Senior Vice President of Development
1999 – Present

New Mexico Mortgage Finance Authority, Albuquerque, NM
Deputy Director
1993 – 1999

Region VI Housing Authority, Roswell, NM
Executive Director
1978 – 1993

PARTICIPATION ON LOCAL BOARDS

NM NAHRO President 1985 - 1990
NM NAHRO Legislative Coordinator
Southwest NAHRO Board Member; National Legislative Committee
PHDA National Board Member; National Legislative Committee
RCAC Board Member 1980 – 1989
RCAC President 1988 – 1989
Albuquerque Affordable Housing Committee
MFA Housing Advisory Committee 2013



Years of Experience: 41
Years with YES Housing: 20

EDUCATION

Bachelors of Business Administration
Eastern New Mexico University
Portales, NM

HONORS

NM Housing Authority – Man of the Year
(1982)

Email: JORtega@yeshousing.org
Direct Phone: 505-923-9607
901 Pennsylvania St. NE
Albuquerque, NM 87110

Resumes - Management

Holly Barela

SENIOR VICE PRESIDENT/CFO

Mrs. Barela has a diverse background in the accounting and finance field. She is responsible for directing and coordinating the organization's financial planning, internal controls and accounting practices as well as its relationship with lending institutions, investment partners, and the financial community. Mrs. Barela also oversees and directs treasury, budgeting, audit, tax, accounting, purchasing, real estate, long range forecasting, and insurance activities for the organization and related entities.

She is a licensed Certified Public Accountant and has a Bachelor of Business Administration and Accounting and a Masters of Business Administration from Eastern New Mexico University (ENMU). Mrs. Barela is a certified Housing Development Finance Professional and holds a Professional Certificate in Affordable Housing. She has served on the ACI Taxation Committee and as Treasurer of the Corrales Soccer Club in years past. Mrs. Barela is a Chi Omega alumnae of the Theta Zeta Chapter at ENMU. She has been married to her husband for 18 years and has two beautiful children.

PROFESSIONAL EXPERIENCE

YES Housing, Inc. Albuquerque, NM
Senior Vice President/CFO
2018 – Current

YES Housing, Inc. Albuquerque, NM
Corporate Controller
2015 - 2018

YES Housing, Inc., Albuquerque, NM
Director of Accounting
2002 – 2015

REDW LLC, Albuquerque, NM
Assurance and Consulting Accountant
1999 – 2002

ARAMARK Corp., Portales, NM
Administrative Manager
1997 – 2000



Years of Experience: 22
Years with YES Housing: 17

EDUCATION

Certified Public Accountant
New Mexico

Bachelor of Business Administration and
Accounting, Eastern New Mexico
University
Portales, NM

Masters of Business Administration,
Eastern New Mexico University
Portales, NM

CERTIFICATES

Professional Certificate in Affordable
Housing Program

Certified Housing Development Finance
Professional

HONORS & ACTIVITIES

Served on the ACI Taxation Committee

Corrales Soccer Club- Past Treasurer

Chi Omega Alumnae of Theta Zeta Chapter
at ENMU

Email: HBarela@yeshousing.org

Direct Phone: 505-923-9606

901 Pennsylvania St. NE
Albuquerque, NM 87110

Resumes - Administration

Michelle Den Bleyker

VICE PRESIDENT OF REAL ESTATE DEVELOPMENT

Michelle oversees all YES development activities from pre-development phase, to applications for funding, through construction completion. She is responsible for new production, work in progress, and project completion/close-out.

SUMMARY OF PAST EXPERIENCE

Michelle has over 20 years of experience in the affordable housing arena, in both development investment and lending. She makes piecing together complicated deals with multiple funding sources and requirements look easy. She is well-versed in successfully utilizing federal, state, local, housing programs, grants, loans, tax credit equity, etc., to accomplish our mission which she is passionate about, creating and preserving safe affordable housing. Prior to YES, Michelle worked at the New Mexico Mortgage Finance Authority (MFA) as the Housing Tax Credit Program Manager.

PROFESSIONAL EXPERIENCE

YES Housing, Inc. Albuquerque, NM

VP of Real Estate Development

2012 – Present

Director of Housing Development, 2010 - 2012

New Mexico Mortgage Finance Authority (MFA)

Albuquerque, NM

Tax Credit Program Manager, 2005 – 2008

Loan Underwriter, 2002 - 2004

Simpson Housing Solutions/Kaufman & Broad Multi-Housing Group

Long Beach, CA

Consultant, April 2002 – November 2002

Project Manager, 1998 - 2002

LINC Housing Corporation

Long Beach, CA

Vice President, 1996 – 1998

Program Director, 1993 – 1996



Years of Experience: 26
Years with YES Housing: 9

EDUCATION

Masters Degree in City and Regional
Planning

University of North Carolina,
Chapel Hill, North Carolina

(Concentration: Affordable Housing
Development/Real Estate Finance
and Development)

Housing Credit Certified
Professional

Bachelor of Arts
Macalester College,
St. Paul, Minnesota

PARTICIPATION ON BOARDS

Federal Home Loan Bank of Dallas
Advisory Council Member

2012-2015

2016-Present

Housing Leadership Group/NM
Behavioral Health Collaborative

2010 – 2012

Albuquerque Affordable Housing
Coalition Participation

2009 - Present

Email:

MDenBleyker@yeshousing.org

Cell Phone: 432-530-7978

901 Pennsylvania St. NE

Albuquerque, NM 87110

Resumes - Development

Elaine Wynne

DEVELOPMENT ASSOCIATE

Elaine is responsible for the preparation and packaging of all funding applications, orders third party reports, assists in loan closings, due diligence data collection and analysis.

SUMMARY OF PAST EXPERIENCE

Elaine has nearly 20 years of experience in banking/lending. Prior to YES Housing, she worked at the New Mexico Mortgage Finance Authority for 6 years with the HOME, Primero, Tax Credit, and Risk Sharing programs.

PROFESSIONAL EXPERIENCE

YES Housing, Inc., Albuquerque, NM
Development Associate
2007 – Present

New Mexico Mortgage Finance Authority (MFA)
Albuquerque, NM
Loan Underwriter, 2005 - 2007
Loan Processor, 2003 – 2004
Housing Tax Credit Administrator, 2000 - 2003

Charter Companies
Albuquerque, NM
Administrative Assistant- Charter Commercial , 1994 – 2000
Administrative Assistant- Residential Admin., 1992 – 1994
Human Resources Assistant, 1990 – 1992
IT Help Desk Support, 1989 – 1990
File Clerk, August 1989 - February 1989



Years of Experience: 30
Years with YES Housing: 12

EDUCATION

Several Business Courses at Central New Mexico Community College (CNM)
Albuquerque, NM

OTHER TRAINING

Qualified Allocation Training, NM
Qualified Allocation Training, UT
HOME Training, TX
HOME Training, UT
The Loan Closing Process from Beginning to End, NM
Advanced HOME Training, NM
Federal Home Loan Bank of Dallas
Application Training, NM

Email: EWynne@yeshousing.org
Direct Phone: 505-923-9616
901 Pennsylvania St. NE
Albuquerque, NM 87110

Resumes - Administration

Thaddeus Lucero

SVP OF BUSINESS DEVELOPMENT

Mr. Lucero has joined the YES Team, bringing with him years of experience in the public and private sector. Skill-set and knowledge from consulting to navigating the complexities of development planning. He has a diverse background in planning, transportation, administration and operation of county budgeting, involved in ordinances, rules, regulations, statutes, policies, etc. At YES his responsibilities include overseeing all asset management functions, social media, resident services, and seeks to creatively generate new business for YES Housing.

Thaddeus has over 30 years of public sector experience including 25 years as a supervisor/manager. Educated in planning, zoning, construction and capital improvement programs. He is knowledgeable of governmental processes at all levels (city, county, state, and federal). He is an innovative leader with strong communication skills, team builder, with ability to problem solve complex issues.

PROFESSIONAL EXPERIENCE

YES Housing, Inc., Albuquerque, NM
SVP Business Development (August 2017 - Present)
VP of Business Development (November 2016 – August 2017)

TLucero Planning, LLC (Consulting) Albuquerque, NM
Owner
March 2016 – November 2016

Mid-Region of Council of Governments (MRCOG), NM
Transportation/Planning/General Serv. Director
2011 – 2016

Bernalillo County, NM
Bernalillo County Manager (2003 – 2011)
Deputy Bernalillo County Mgr (1998 – 2003)
Department Director (1994 – 1998)
Program Planner (1993 – 1994)
Senior Zoning Inspector (1992 – 1993)

City of Seattle Planning, WA
Economic Development Manager
1990 – 1991

Neighborhood Planner (City of Seattle Planning)
1985 - 1990



Years of Experience: 34
Years with YES Housing: 3

EDUCATION

University of Washington
Bachelor of Arts, Urban Planning

Harvard University John F. Kennedy School
of Government Program for Senior
Executives in State and Local Government
Program for Senior Executives in State and
Local Government

Email: TLucero@yeshousing.org
Direct Phone: 505-923-9611
901 Pennsylvania St. NE
Albuquerque, NM 87110

Resumes - Administration

Rose-Silva Smith

VICE PRESIDENT OF ASSET MANAGEMENT

Rose is responsible for the fiscal performance and management operations of the portfolio of multi-family and senior development assets in New Mexico and Arizona. Since joining YES, Rose has sustained and expanded her experience in evaluating asset performance, operating pro-forma analysis of new and rehab construction developments and oversees third party management companies that manage the day to day operations of each asset.

SUMMARY OF PAST EXPERIENCE

Rose has over 30 years' experience in Real Estate asset management. She held similar regional positions with Apartment Investment and Management Company, Great West Realty, and Monarch Properties, Inc. respectively. During her tenure with each company she was responsible for the financial performance and asset preservation of their respective portfolio of assets in New Mexico and Texas.

PROFESSIONAL EXPERIENCE

YES Housing, Inc., Albuquerque, NM
VP of Asset Management
2002 – present

Apartment Investment and Management Company
Albuquerque, NM
Regional Supervisor
1998-2001

Great West Management & Realty - Albuquerque, NM
Regional Asset Manager
1995-1997

Monarch Properties, Inc. - Regional Supervisor
Albuquerque, NM
1984-1995



Years of Experience: 35
Years with YES Housing: 17

EDUCATION

Associates Degree in Business – NMSU,
Las Cruces, NM
Real Estate Industry Education -
Designations through National Center for
Housing Management, National
Association of Home Builders, and
Compliance Solutions, Inc.

CERTIFICATIONS

Housing Credit Certified Professional
(HCCP) Designation
Certified Occupancy Specialist (COS)
Designation
Certified Housing Asset Management
(CHAM) Designation

Email: RSilvaSmith@yeshousing.org
Direct Phone: 505-923-9603
901 Pennsylvania St. NE
Albuquerque, NM 87110

Resumes - Administration

Christi Bachmann

JR. ASSET MANAGEMENT ASSOCIATE

Christi is responsible for the data collection and reporting for the YES portfolio compliance of multi-family and senior development assets in New Mexico and Arizona. Since joining YES, Christi has increased in both skill and responsibility. She became the lead relocation point of contact for one of our senior communities. Helps with coordination between YES and management companies and numerous reporting requirements and deadlines.

SUMMARY OF PAST EXPERIENCE

Christi has a wide variety of past experience from sales, teaching, general office duties, government reporting requirements, to being responsible for a budget of over \$550,000 for the successful relocation for a senior development, all while keeping 87 residents on track for move-outs/move-ins. She has quickly grown into her position with ease, and is a valued member of the YES Team.

PROFESSIONAL EXPERIENCE

YES Housing, Inc., Albuquerque, NM
Jr. Asset Management Associate
2015 – present

Armour Pavement, Albuquerque, NM
Office Assistant
2011 - 2015

Aflac, Albuquerque, NM
Independent Sales Associate
2011 – 2012

Kohl's, Albuquerque, NM
Sales Associate
2007 - 2011

Trinity Fellowship Church, Church of the Rock & Cov. Kids
Pre-School Teacher – Director
Albuquerque, NM
2001 - 2007

American Home, Albuquerque, NM
Sales Associate, Floor Manager
1996 - 2001



Years of Experience: 23
Years with YES Housing: 4

EDUCATION

Several Courses at Central New Mexico
Community College (CNM)
Albuquerque, NM

CERTIFICATIONS

Practical Fair Housing
Reasonable Accommodation/Modification
Certified Occupancy Specialist (COS)
Managing LIHTC Compliance
Housing Credit Certified Professional
HUD Utility Allowance Analysis

Email: CBachmann@yeshousing.org

Direct Phone: 505-923-9609

901 Pennsylvania St. NE
Albuquerque, NM 87110

Resumes - Administration

Tess Mirabal

DIRECTOR OF RESIDENT SERVICES & COMMUNITY RELATIONS

Tess provides ongoing training and guidance to support the service department employees and volunteer staff providing services to YES Housing residents. She is responsible for securing the funding necessary to deliver resident services through various local, state, federal and foundation grant sources.

SUMMARY OF PAST EXPERIENCE

Tess has over 20 years' experience in the social service field and has operated social service programs, specifically within public housing and Section 8 HUD housing properties, since 2000.

PROFESSIONAL EXPERIENCE

YES Housing, Inc., Albuquerque, NM

Director of Resident Services & Community Relations

2007 - Present

Youth Development, Inc. (YDI), Albuquerque, NM

Program Director

2000 – 2007

1996 – 2000 (on contract)

Rainbow House International, Los Lunas, NM

Executive Assistant to the Owner

1996 – 2000

Self Employed (Co-Owner Dance Studio), Albuquerque, NM

1991 – 1996

YMCA, Albuquerque, NM

Life Guard and Swim Instructor

1989 – 1991



Years of Experience: 30
Years with YES Housing: 12

EDUCATION

Attended the University of New Mexico
Family Studies Major

ADDITIONAL PROFESSIONAL ACTIVITIES

Event Planning for the NMFYC Annual Summit

Run for the Zoo

NM Zoology Society

Longfellow Elementary School

Washington Middle School

MEMBER

American Association Service Coordinators

CERTIFICATION

NCHCE Certification in Pre-Purchase Homeownership Education

Email: TMirabal@yeshousing.org

Direct Phone: 505-923-9602

901 Pennsylvania ST. NE

Albuquerque, NM 87110

YES DEVELOPMENT HISTORY

Rev. 10-2019

Tax Credit Developments

Development Name	Location	Units	Role
New Frontier	Phoenix, AZ	72	Developer, General Partner
Hope Village	Albuquerque, NM	42	Developer
Skyview Terrace	Hobbs, NM	72	Developer, General Partner
Nuevo Atrisco	Albuquerque, NM	86	Developer, General Partner
Solar Villa	Albuquerque, NM	100	Developer, General Partner
Imperial Building	Albuquerque, NM	74	Developer, General Partner
New Leaf Community	Hobbs, NM	72	Developer, General Partner
Sunset Hills	Gallup, NM	60	Developer, General Partner
Mesa del Norte	Los Alamos, NM	36	Developer, General Partner
Casitas de Colores	Albuquerque, NM	71	Non-Profit & Co-Managing Member
Otero Village	Alamogordo, NM	40	Co-Developer, General Partner
Vista Grande	Albuquerque, NM	96	Developer, General Partner
Bella Vista	Clovis, NM	60	Developer, General Partner
Los Tres:	Phoenix, AZ		Developer, General Partner
La Terraza		160	
Missouri Crossing		108	
Melrose Villas		83	
Brentwood Gardens	Albuquerque, NM	122	Developer, General Partner
Apple Ridge	Albuquerque, NM	80	Developer, General Partner
Montana Meadows	Albuquerque, NM	80	Developer, General Partner
Wildewood	Albuquerque, NM	60	Developer, General Partner
Summit Apartments	Albuquerque, NM	52	Developer, General Partner
Mountain View	Albuquerque, NM	48	Developer, General Partner
Presidio Dolores	Albuquerque, NM	36	Developer
Alta Tierra	Albuquerque, NM	56	Developer
Rio Volcan Phase I & II	Albuquerque, NM	246	Co-Devel/Co-Gen Partner (Sold 2007)
Sub-Total		2,012	

Other Multi-Family Development Activity:

La Hacienda	Belen, NM	22	Developer, Owner
Chama	Albuquerque, NM	8	Owner
Villa de Tularosa	Tularosa, NM	22	Developer
Charleston	Albuquerque, NM	10	Sold 2014
Vista Montana	Albuquerque, NM	216	Sold 2007
Villa Del Oso	Albuquerque, NM	312	Sold 2007
Park Terrace	Albuquerque, NM	56	Sold 2007
Bent Tree	Albuquerque, NM	32	Sold 2007
Agua Azul	Albuquerque, NM	24	Sold 2003
La Vida Condos	Albuquerque, NM	9	Sold 2000
Sub-Total		711	
Grand Total		2,723	
YES Currently Owns		1,704	22 Developments, of which 20 LIHTC

Commercial:

Development	Location	Purpose	Description
901 Pennsylvania NE	Albuquerque, NM	Office Bldg	YES' Home Office (8,900 SF)
6900 Gonzales Rd. SW	Albuquerque, NM	School	Charter School + 3 acres (10,000 SF)

Homeownership:

Barelas Affordable Homes: This in-fill subdivision developed by YES, consists of twelve (12) single-family detached homes in the Barelas community.

NSP I & II, Forty one (41) grateful families are now enjoying homeownership. YES accessed the NSP programs to purchase/rehabilitate foreclosed homes and sell to income qualified families. The counties served: Bernalillo, Sandoval, and Valencia.

REFERENCES

Tommy Espinoza, President & CEO
RAZA Development Fund
101 North First Ave., Suite 925
Phoenix, AZ 85003
Phone: (602) 417-1409
Fax: (602) 252-0315

Ron Witherspoon, Principal
Dekker/Perich/Sabatini
7601 Jefferson NE, Suite 100
Albuquerque, NM 87109
Phone: (505) 761-9700
Fax: (505) 761-4222

Trevor Lewis, Vice President
US Bank, NA
7900 Jefferson Blvd., NE
Albuquerque, NM 87109
Phone: (505) 823-6222
Fax: (505) 823-6283

Isaac Benton
City Councilor, District 2
400 Marquette Ave. NW
Albuquerque, NM 87102
Phone: (505) 763-3100
Fax: (505) 768-3204

Shawn Colbert, Dir. Housing Development
NM Mortgage Finance Authority
344 4th Street, SW
Albuquerque, NM 87102
Phone: (505) 767-2251
Fax: (505) 883-6880

Patricia C. Nie, Vice President
Wells Fargo Bank of NM
200 Lomas Blvd., NW
Albuquerque, NM 87102
Phone: (505) 765-5132
Fax: (505) 765-5215

Leslie Houston, SVP & Office Manager
Wells Fargo Bank, N.A.
MAC T9639-031
201 Main Street, #300
Fort Worth, TX 76102
Phone: (817) 316-1327
Cell: (817) 372-5349

Doug Chaplin, Operations Manager
City of Albuquerque
Department of Family & Community Service
City County Building, 5th Floor, Room 504
400 Marquette Ave.
Phone: (505) 768-2745
Fax: (505) 768-3204

APPLICANT CERTIFICATION
EQUAL OPPORTUNITY EMPLOYER

YES Housing, Inc. warrants that it is an Equal Opportunity Employer.

YES Housing, Inc. a New Mexico non-profit corporation, hereby certifies that it complies fully with all applicable government regulations regarding nondiscriminatory employment practices, and complies with the New Mexico Human Rights Commission.

By: Holly Barela
Signature

Date: 12/17/19

Holly Barela
Printed Name

Senior Vice President/CFO
Title

APPLICANT VERIFICATION
TRUE AND CORRECT STATEMENT

Applicant (YES Housing, Inc.) verifies upon penalty of perjury, all information provided is true and correct to the best of applicant's information, knowledge, and belief.

By: Holly Barela
Signature

Date: 12/17/19

Holly Barela
Printed Name

Senior Vice President/CFO
Title



STATE OF NEW MEXICO, CITY OF)
)SS.
ALBUQUERQUE, COUNTY OF BERNALILLO)

This instrument acknowledged before me this 17th day of December, 2019, by Holly Barela as Senior Vice President/CFO of YES Housing, Inc.

Elaine Wynne
Notary Public

APPLICANT NET EARNINGS CERTIFICATION

YES Housing, Inc. certifies that no part of its net earnings inures to the benefit of any member, founder, contributor or individual.

By: Holly Barela
Signature

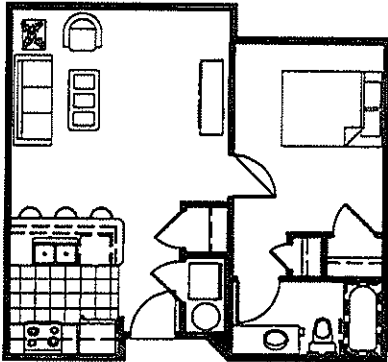
Date: 12/17/9

Holly Barela
Printed Name

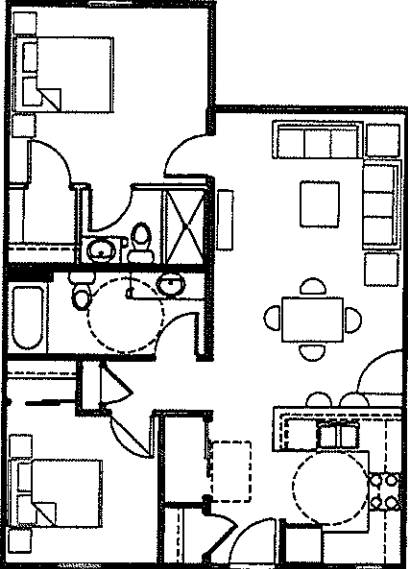
Senior Vice President/CFO
Title

WEST BERRY - HOBBS, NM

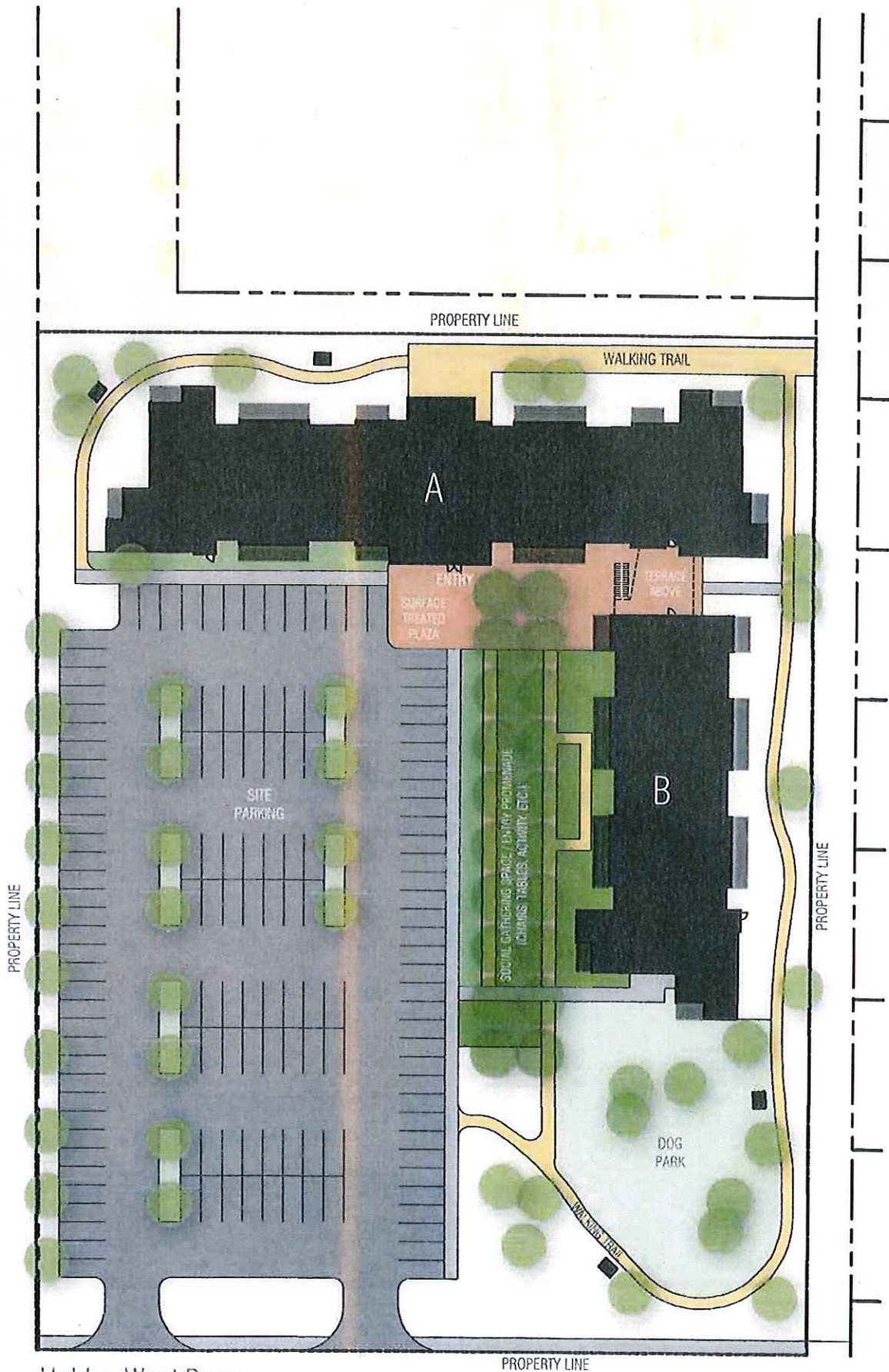
Unit Plans



UNIT 1-1
581 GSF



UNIT 2-2
938 GSF



Hobbs, West Berry
Preliminary Site Plan

1:60 Scale

1/27/2017

DEKKER
PERICH
SABATINI

PROJECT DATA

LOCATION West Berry Drive & North Grimes Street, Hobbs, New Mexico
 SITE AREA 3.74 acres

APARTMENT PARKING 112 spaces (2.0 per unit)
 COMMUNITY BUILDING PARKING 16 spaces
 HC SPACES 8 spaces (included in apartment parking)

 TOTAL PARKING 128 spaces

DENSITY 14.97 du/acre
 OCCUPANCY TYPE R-2 apartments
 CONSTRUCTION TYPE V-A fully sprinklered
 SETBACK PROVIDED 140' front
 25' sides
 20' rear

ACCESSIBILITY
 1 BD 2 ANSI Type A
 2 BD 1 ANSI Type A

 TOTAL ANSI TYPE A 3 (all remaining units are ANSI Type B)

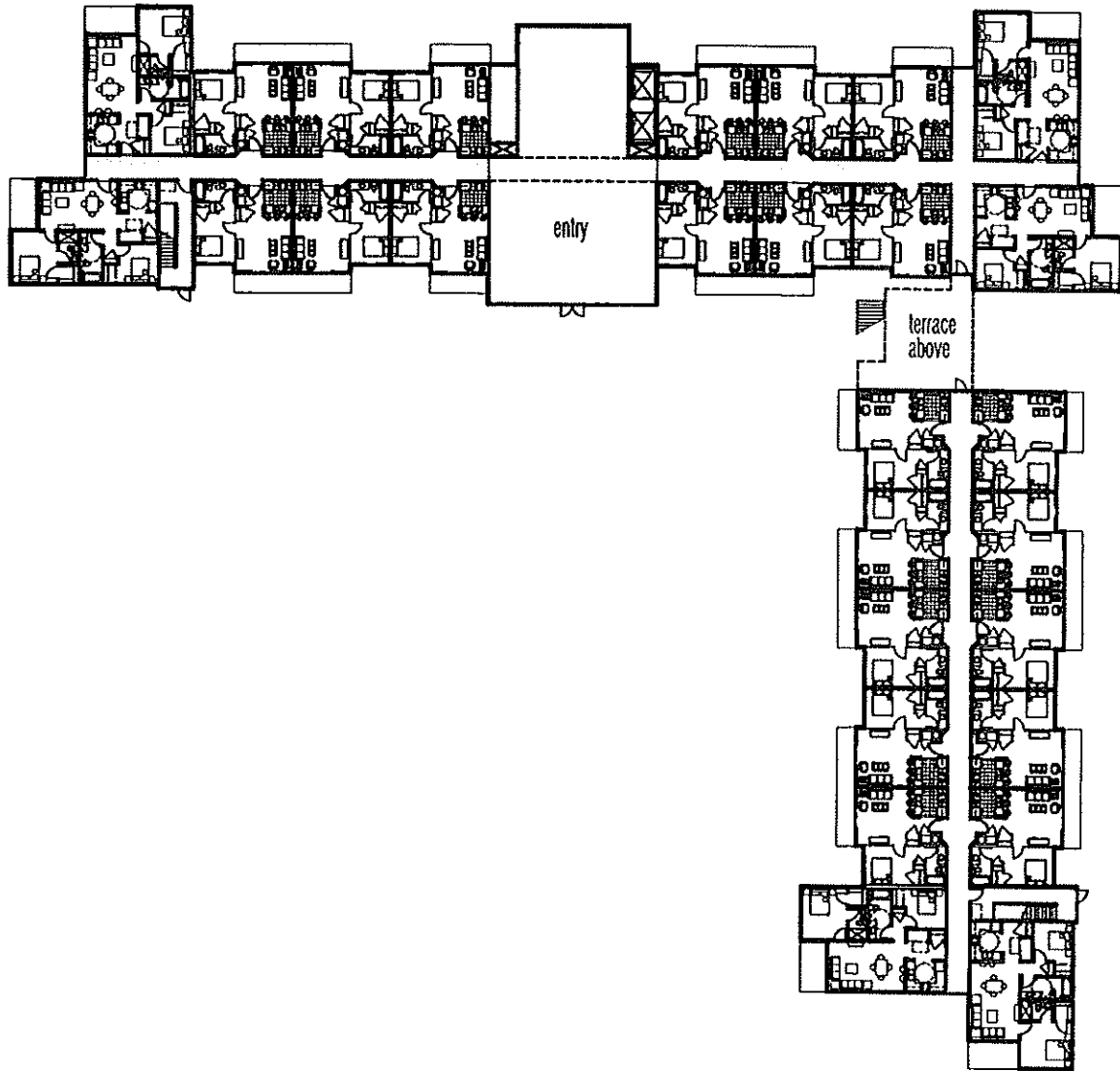
RESIDENTIAL BUILDING TYPES (TWO STORY)

BUILDING	1BR	2BR	GROSS SF	# OF BLDG'S	TOTAL
A	24	8	33,812 sf	1	33,812 sf
B	20	4	19,870 sf	1	19,870 sf
TOTAL					53,682 sf

UNIT TYPES

TYPE	GROSS SF	# OF UNITS	TOTAL
1 BD / 1BA (TYPE B) - NO PORCH / BALCONY	582 sf	2	1164 sf
1 BD / 1BA (TYPE B)	659 sf	40	26360 sf
1 BD / 1BA (TYPE A)	659 sf	2	1318 sf
2 BD / 2BA (TYPE B)	1,041 sf	11	11451 sf
2 BD / 2BA (TYPE A)	1,041 sf	1	1041 sf
TOTAL		56	41,334 sf
COMMUNITY BUILDING			5,290 sf
CIRCULATION / MISC.			7,058 sf
TOTAL BUILDING AREA			53,682 sf

Hobbs, West Berry
 Preliminary Project Summary

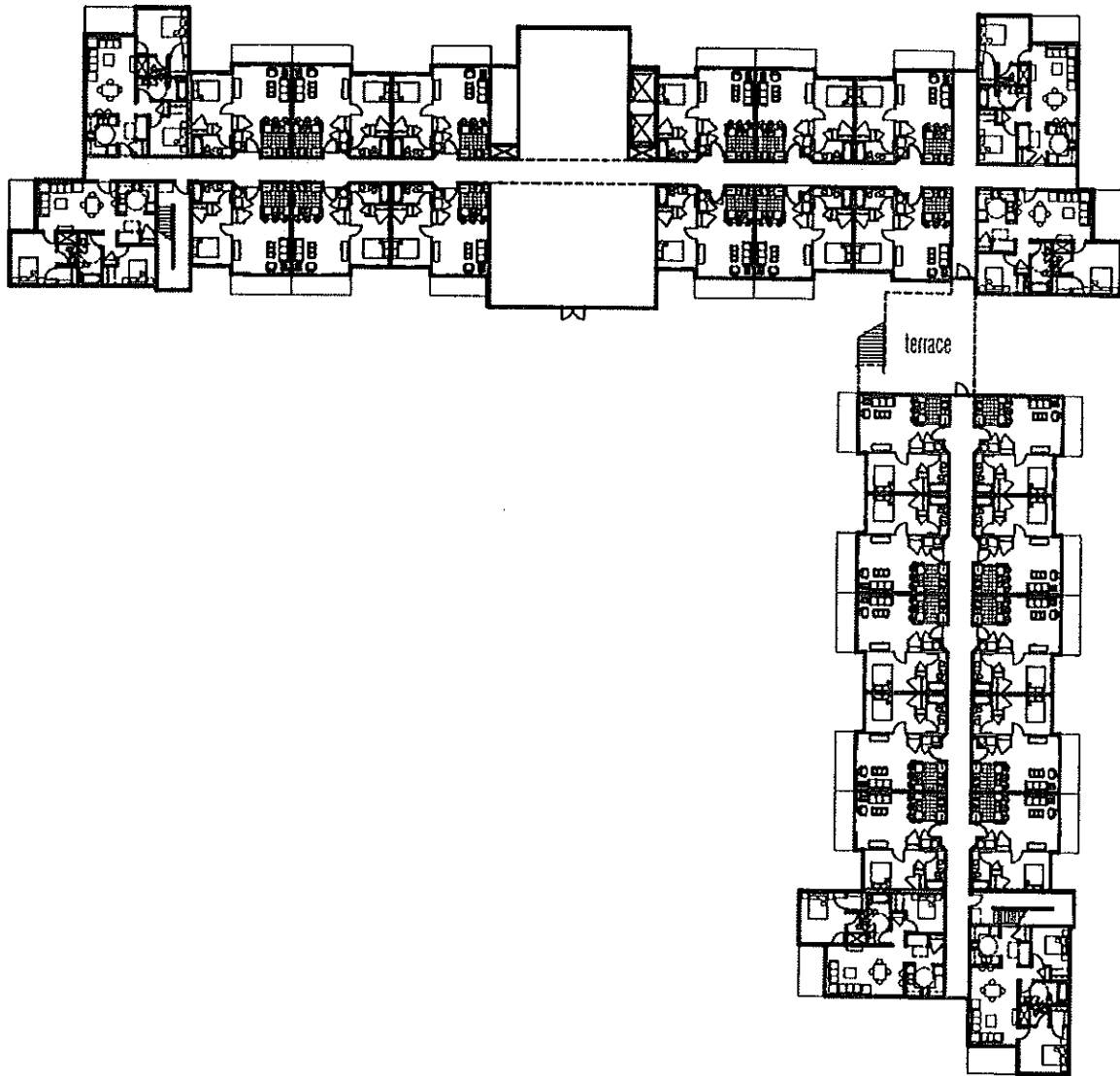


Hobbs, West Berry
Preliminary Building Floor Plan (level 1)

1:30 Scale

1/27/2017

DEKOR
PERICH
SABATINI



Hobbs, West Berry
Preliminary Building Floor Plan (level 2)

1:30 Scale

1/27/2017

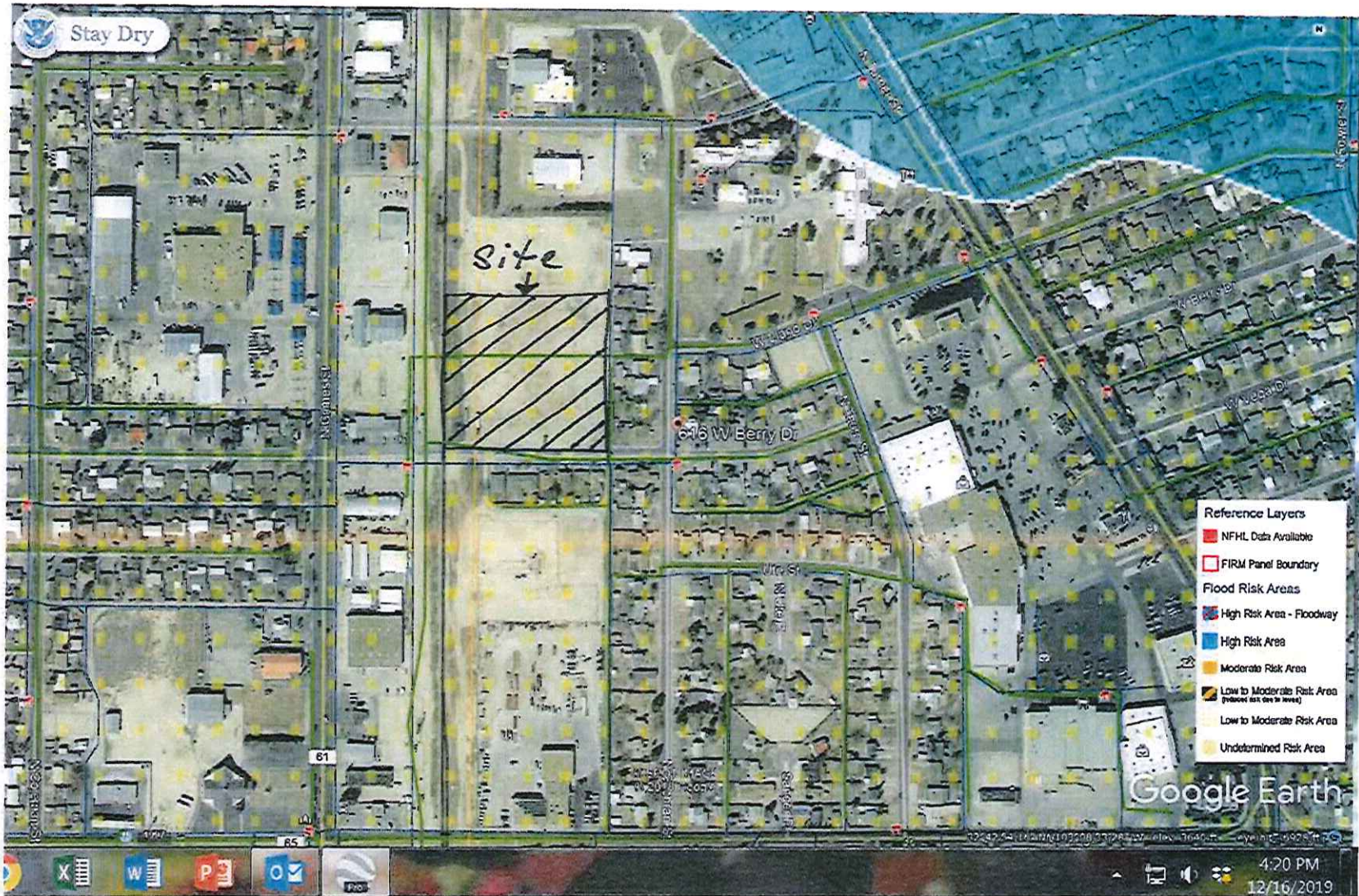
DEKKE
PERICH
SABATINI



Hobbs, West Berry
Preliminary Partial South Elevation

1/27/2017

616 W. Berry Drive, Hobbs, NM



616 W. Berry Drive, Hobbs, NM

A Google Maps screenshot showing a neighborhood in Hobbs, NM. The map is centered on W. Berry Drive, with a blue square hand-drawn around the address 616 W. Berry Drive. The square contains the word "Site" written in blue ink. The map shows various businesses and landmarks, including:

- VA Outpatient Clinic
- Metro by T-Mobile
- Advanced Lock Service
- JCPenney
- Wiener Schnitzel
- GNC
- Taco Villa
- Furr's Fresh Buffet
- Broadmoor Shopping Center and Mall
- Walgreens
- Thriftway Grocery
- Wendy's
- Toreado's Taco Grill
- Green Acre Park
- St. Chris Church
- Heaven Scent Flowers & Gift
- Something or Nothing
- Awesome Graphics
- K w Fuels
- Xcel Energy
- Enterprise Rent-A-Car
- Blaine Industrial Supply Inc
- Western Motor
- Murdock-York Fire Company
- Diesel Service Center
- Cedars Senior Living
- Legg County State Park
- St. John's Episcopal Church
- St. Peter's Catholic Church

Major streets shown include W. Berry Dr, W. Llano Dr, W. Vega Dr, W. Yesso Dr, W. Turner St, W. Sanger St, W. Ute St, N. Cochran St, N. Thorp St, N. Fowler St, E. Green Acres Dr, E. Yucca St, E. Sanger St, E. Vega Dr, and E. Yesso Dr. The map also shows the 65 highway shield. A "Sign in" button is visible in the top right corner of the map interface. The bottom of the map shows the Google Maps footer with "Map data ©2020 United States Terms Send feedback 200 ft" and a scale bar.