Irvine Community Land Trust
503 Nightmist
Irvine, CA 92618

AGENDA
IRVINE COMMUNITY LAND TRUST
REGULAR MEETING
May 19, 2025

<u>THIS MEETING WILL BE HELD IN PERSON AT:</u>
503 Nightmist, Community Room
Irvine, CA

- **CALL TO ORDER** **4:00 p.m.**
- **ROLL CALL**

CHAIR:	Ryan Aeh
VICE-CHAIR/ TREASURER:	Nancy Donnelly
SECRETARY:	Russell Felbob
BOARD MEMBER:	James Mai
BOARD MEMBER:	William Go
BOARD MEMBER:	Leon Napper
BOARD MEMBER:	Patrick Strader

- **EXECUTIVE DIRECTOR'S REPORT**
  - **DEVELOPMENT UPDATES**
    - **PA-40 (Sand Canyon @ Great Park)**
      - **Conveyance**
      - **Update**
    - **2400 Barranca**
      - **Update**
- **PUBLIC COMMENTS** – The Irvine Community Land Trust welcomes and encourages community participation. At this time in the meeting, any person may address the Board of Directors on matters related to the business of the Irvine Community Land Trust. Comments may be made both on matters on the agenda of today's meeting or on other matters and issues not on the agenda. Each speaker is limited to three minutes.
- **BOARD COMMENTS-**

- **BOARD BUSINESS – OPEN SESSION**

1. **APPROVAL OF MINUTES- NO ACTION NEEDED**
   Approval of the Minutes of the Regular Meeting of the Irvine Community Land Trust held on February 10th, 2025 were approved by the Board via email on March 11, 2025. The vote was unanimously approved with 7 Ayes and 0 Nays

2. **APRIL 2025 FINANCIAL UPDATE**
   RECOMMENDED ACTION:
   Approve presentation of budget revenues and expenses for April 2025.

3. **2025-2026 FISCAL YEAR BUDGET**
   RECOMMENDED ACTIONS:
   Adopt Resolution 25-051, a Resolution of the Board of Directors of the Irvine Community Land Trust Approving the Fiscal Year 2025-2026 Budget.

4. **MARKETING AND BRANDING COMMITTEE**
   RECOMMENDED ACTIONS:
   Establish a working committee to address the re-branding and marketing efforts for the Irvine Community Land Trust.

- **BOARD BUSINESS – PRIVATE SESSION**

- **ADJOURNMENT**
  Adjourn to a regular meeting on Monday, August 15, 2025, at 4:00 p.m.

Irvine
Community Land Trust

FINANCE COMMITTEE

Finance Committee Meeting: May 14, 2025

TITLE: FISCAL THROUGH APRIL 2025 YTD FINANCIAL STATUS

SUMMARY:

The Land Trust budget update is presented for the FY through the month of April 2025. The report also lists cumulative revenues and expenses for the fiscal year.

Revenues:

For the month and YTD April 2025, Land Trust operating revenues were approximately $317,355 with the amounts coming from rents, leases and loan repayments. There was an additional interest income amount of $67,899 from our holding bank account at Banner Bank. Revenue sources including rents are received monthly while others are received as single payments, such as loan payments. The revenues report below (Table 1) provide details by categories.

REVENUES – Table 1

Program Revenues	Budget	Year to Date	YTD Percentage
Nine Condominium Rent	$ 60,094.76	$ 41,678.01	69%
Alegre Ground Lease Payment (Received annually during the second half of the year)	$ 141,200.62	$ 74,975.64	53%
Salerno Ground Lease	$ 55,952.00	$ 47,262.00	84%
Sage Park Ground Lease	$ 122,400.00	$ 102,000.00	83%
Alegre Loan Repayment	$ 1.00	$ 5,115.66	511566%
Doria Loan Repayment	$ 80,000.00	$ -	0%
Salerno Loan Repayment	$ 1.00	$ 18,823.83	1882383%
Santa Ana Homes	$ 30,000.00	$ 27,500.00	92%
Interest on Banner Bank	$ 108,000.00	$ 67,899.78	63%
Subtotoal: On-going revenues	**$ 597,649.38**	**$ 385,254.92**	**64%**

Short Term/ One-Time Revenue	Budget	Year to Date	YTD Percentage
Grants/Donations	$ -	$ -	#DIV/0!
Miscellaneous	$ -	$ -	#DIV/0!
			#DIV/0!
			#DIV/0!
			#DIV/0!

*The revenue reflected in the table above for the nine condominiums is shown as a net revenue number. ICLT receives the net rent check from the properties after all necessary expenses and deductions are taken. This is a change in reporting details from previous reporting years. The details of the rents and expenses are contained in a Properties Report issued by the manager.

As a reminder, the Land Trust receives annual payments on agreements and loans at different times of the fiscal year. The Alegre project typically pays rent in January and April and its loan payment is also made in April, and the Doria project makes its loan payment in May.

Investment Income	Budget	Year to Date	YTD Percentage
Wells Fargo Advisors	$ 1,096,717.61	$ 1,110,902.01	101%
Total Revenues	**$ 1,694,366.99**	**$ 1,496,156.93**	**88%**

Expenditures:

Through the April 2025, expenditures for general operations, including employment and office costs were approximately $330,489 with consultant costs at approximately $68,194. Detailed expenditures are shown on Table 2 for various categories including employee costs, general office costs, and non-project related consultant costs.

Operating Expenses:

Operating expenses through April 2024 are shown on Table 2 below.

OPERATING EXPENSES – Table 2

Operational Expenses	Budget	Year to Date	YTD Percentage
Total Employer Costs	$ 414,068.24	$ 294,497.95	71%
General Operating Costs	$ 22,642.00	$ 7,437.45	33%
Computer/ Network	$ 22,600.00	$ 19,331.19	86%
Conference/ Events/ Meetings	$ 7,950.00	$ 9,223.11	116%
Advocacy Work/ Sponsor	$ 4,000.00	$ -	0%
Subtotal Operations	**$ 471,260.24**	**$ 330,489.70**	**70%**

General Consultant Expenses:

General consultant costs through August are shown on Table 3 below. Bookkeeping, payroll, advocacy, and lobbying services are paid monthly. Expenses for legal, administrative management, financial, marketing and communication services will vary monthly as work is done on non-project related activities. Expenses are inclusive of all billed invoices received as of the date of this report.

CONSULTANT EXPENSES – Table 3

Administrative Consultant Costs	Budget	Year to Date	YTD Percentage
Accounting/ Payroll Services	$ 16,654.00	$ 12,973.00	78%
Administrative Management	$ 34,961.00	$ 14,146.75	40%
Advocacy/ Lobbying Services	$ -	$ -	#DIV/0!
Legal Services	$ 30,487.00	$ 16,074.72	53%
Auditing Services	$ 28,900.00	$ 25,000.00	87%
Communication Services	$ 5,952.00	$ -	0%
Subtotal Consulting	**$ 116,954.00**	**$ 68,194.47**	**58%**

Total Operating Expenses:

With 83% of the fiscal year behind us, the year-to-date operating expenses are approximately 65% of the annual budget.

Total Operating Expenses	Budget	Year to Date	YTD Percentage
Total Fiscal Year Operations	**$ 584,214.24**	**$ 382,124.17**	**65%**

Capital Project Expenses:

The Land Trust will have ongoing capital expenditures as well as new capital projects in the new fiscal year Budget. The condominiums that are owned by the Land Trust have fixed costs have experienced various degrees of deferred maintenance that the Land Trust addresses as needed. The revenue from the condos is received net of these expenses so the expenses are already discounted in the Revenue section.

There are tenant rental guarantees for two projects, Alegre and Parc Derian, that are budgeted at an amount to cover two months of liabilities. The Land Trust separately accounts for the two Santa Ana homes and does not comingle revenues or expenses with other Budget activities or categories. The Santa Ana homes expenditures are cost neutral, being balanced against the revenues from the properties.

Capital Reserves have been set up to cover deferred maintenance items. These do not impact the Operation Expenses.

New Development Capital

ICLT has initiated efforts on two new developments and will be tracking the expenses under a separate budget. A pre-development budget was established for expenses associated with design, entitlement and predevelopment of the projects. Below is a tracking of the "to date" costs.

Total Development Costs	Budget	Capital to Date	YTD Percentage
PA 40	$ 5,409,000.00	$ 728,735.95	13%
2400 Barranca	$ 8,671,640.00	$ 6,959,661.88	80%

LAND TRUST BOARD MEETING DATE: May 19, 2025

TITLE: 2025-2026 FISCAL YEAR BUDGET

Executive Director

RECOMMENDED ACTIONS:

1. Adopt Resolution 25-051, a Resolution of the Board of Directors of the Irvine Community Land Trust Approving the Fiscal Year 2025-2026 Budget.

EXECUTIVE SUMMARY:

Staff is presenting the draft fiscal year 2025-2026 Budget (Budget) for review and approval by the Board. The draft Budget was presented to the Finance Committee on May 14, 2025 to obtain comments from the Committee on activities and operations. Based on comments from the Board, the Budget has been finalized and is submitted for approval by Resolution 25-051.

Overview and Summary:

The Land Trust has maintained a significant cash balance in its accounts to be prepared to start development of sites within the City of Irvine. It is important to note this cash is being held by the Land Trust to meet its commitment to develop the remaining seven acres of land that will be conveyed by the Irvine Company for affordable housing. The cash has been held in an investment account this past fiscal year generated approximately $1,100,000 in interest. Other revenue sources for the upcoming year include rent and lease revenue and loan repayments.

The following chart summarizes the investments of the Irvine Community Land Trust. The majority of the balances are carried in an account managed through Wells Fargo Advisors. The remaining balance is currently deposited with Banner Bank. During the 2024-25 fiscal year both accounts earned interest income that will be reported as revenue in the coming year. Additionally, ICLT purchased a site in Irvine for future development which required a significant withdraw from the WFA account as a down payment/ equity for the acquisition.

Irvine Community Land Trust
2025-26 Initial Summary Fiscal Year Budget
Investment Accounts

	July 1, 2025 Budget 2025-2026		Actual 2024-2025		Year/Year
Investment Accounts					
WFA					
Beginning Balance	$	20,502,342	$	25,361,445	81%
Ending Balance	$	21,000,000	$	20,502,342	
Gains (Losses)	$	497,658	$	(4,859,103)	-976%
Projected Investment Income	$	900,000	$	1,096,000	122%
Banner Bank					
Beginning Balance	$	1,464,060	$	2,354,000	161%
Ending Balance	$	1,200,000	$	1,464,060	122%
Gains (Losses)	$	(264,060)	$	(889,940)	337%
Combined Gains (Loss/ Expense)	$	233,598	$	(5,749,043)	
New Development Expenses	$	450,000	$	7,693,772	1710%

Revenues:

The Land Trust has multiple revenue sources that include project revenues, investment revenue and capital project revenue. As the Land Trust begins to act as a developer, there will be more opportunities to generate revenue to support the mission and operations of the organization. However, for the upcoming Budget, staff has included only revenue anticipated for this fiscal year. Estimated revenues, both monthly, semi-annual, and one-time are shown in the table below.

Table 1

Program Revenues	Budget	2024-25	Year Over Year Percentage
Nine Condominium Rent	$ 67,140.00	$ 55,178.00	122%
Alegre Ground Lease Payment (Received annually during the second half of the year)	$ 40,500.00	$ 74,975.00	54%
Salerno Ground Lease	$ 57,852.00	$ 52,241.00	111%
Sage Park Ground Lease	$ 122,400.00	$ 122,400.00	100%
Alegre Loan Repayment	$ 6,000.00	$ 5,115.00	117%
Doria Loan Repayment	$ 80,000.00	$ 1.00	8000000%
Salerno Loan Repayment	$ 22,000.00	$ 18,823.00	117%
Santa Ana Homes	$ 30,000.00	$ 30,000.00	100%
Subtotoal: On-going revenues	**$ 425,892.00**	**$ 358,733.00**	119%

Short Term/ One-Time Revenue	Budget	2024-25	YOY Percentage
Grants/Donations	$ -	$ -	#DIV/0!
Miscellaneous	$ -	$ -	#DIV/0!
Ground Rent at 2400	$ 18,400.00	$ -	#DIV/0!

Investment Income	Budget	2024-25	YOY Percentage
Wells Fargo Advisors	$ 840,000.00	$ 1,110,902.00	76%
Interest on Banner Bank	$ 60,000.00	$ 87,499.00	69%
Total Revenues	**$ 1,321,092.00**	**$ 1,446,135.00**	91%

It is important to note that ongoing expenses from the nine condos are already taken out of the net revenues above. Also, the Santa Ana Homes revenues are held in a "Reserve" that are used for Capital Improvements and repairs for the two homes during the year effectively making the asset a net-zero income.

The income from the investment accounts will be reported as revenue in the coming year and, thus, separated out as a budget category for FY 2025-2026.

Expenses:

Land Trust general operating expenses include payroll, insurance, general office operations, supplies, computer costs, conference, and advocacy work. As the Land Trust prepares to ramp up its efforts as developers, additional expenses (capital) have been and will be required; however, the need to bring on additional staff and consultants will impact the overall expenses. Most of the operating expenses are fixed and predictable and are estimated below.

Note: Costs for the development efforts are carried in a separate Pre-Development Budget for each project. Costs may include but not be limited to: carry costs, design, application fees, and various approvals through City and State including financing.

Payroll costs are based on two full-time and one part-time position for the fiscal year. One full-time position in the budget is based on the salary and benefits for the Executive Director. The second full time position is budgeted for by an assistant/ administrative support and/or project support staff person. A part-time position will be considered later in the fiscal year.

Insurance costs cover Directors Errors and Omissions insurance, employment costs, general liability and project required insurance coverages. As an example, the City of Irvine requires that the Land Trust maintain insurance pursuant to grant agreement terms. Additionally, the Land Trust maintains property insurance for its properties and the sub-lease for its offices.

Office operation costs are based on historical trends for the items listed by category on Table 2. Computer equipment and systems software will be needed to support new staff hired by the Land Trust.

Conference costs vary with attendance at local, state and national conferences. ICLT will focus this year on conferences geared around affordable housing and financing. ICLT remains active in the advocacy work for Community Land Trusts but will do so through the network of CLT's. Conference costs will be heavier on the local more direct agendas. There may also be an opportunity to advocate for funding programs and to sponsor local efforts to further promote affordable housing in our area.

Table 2

Operational Expenses	Budget	2024-25	YOY Percentage
Total Employer Costs	$ 484,628.00	$ 393,813.00	123%
General Operating Costs	$ 32,996.00	$ 13,619.00	242%
Computer/ Network	$ 23,850.00	$ 26,468.00	90%
Conference/ Events/ Meetings	$ 10,800.00	$ 10,426.00	104%
Advocacy Work/ Sponsor	$ 6,000.00	$ 7,500.00	80%
Insurance/ Operations	$ 20,300.00	$ 18,488.00	110%
Subtotal Operations	**$ 578,574.00**	**$ 470,314.00**	123%

General Administrative Consultant Costs:

The Land Trust has fixed costs for two consultants: accounting and payroll and the auditor as shown on Table 3. The accounting and payroll services include preparation of tax returns and filings. The audited financial report is prepared to comply with filing requirements for both the state and City of Irvine. For this Budget, costs for the audit have been adjusted based on discussions with Redwitz CPAs. Administrative Management is primarily the on-going contract with Civic Stone who ICLT has worked closely with in the past on many levels. Legal services are reported for the work at the company level for ICLT as project specific legal services are budgeted within the Pre-Development Budgets for each project. ICLT is also active in renovating its website, social media presence, and brand which will require increased budget in Communications.

Table 3

Administrative Consultant Costs	Budget	2024-25	YOY Percentage
Accounting/ Payroll Services	$ 21,640.00	$ 17,613.00	123%
Administrative Management	$ 31,600.00	$ 16,347.00	193%
Advocacy/ Lobbying Services	$ -	$ -	#DIV/0!
Legal Services	$ 35,000.00	$ 18,574.00	188%
Auditing Services	$ 32,000.00	$ 25,000.00	128%
Communication Services	$ 13,000.00	$ 4,500.00	289%
Subtotal Consulting	**$ 133,240.00**	**$ 82,034.00**	162%

Total Operating Expenses	Budget	2024-25	YOY Percentage
Total Fiscal Year Operations	**$ 717,114.00**	**$ 491,429.00**	146%

Capital Project Expenditures

The Land Trust will have ongoing capital expenditures as well as new capital projects in the new fiscal year Budget. The condominiums that are owned by the Land Trust have fixed costs have experienced various degrees of deferred maintenance that the Land Trust addresses as needed. The revenue from the condos is received net of these expenses so the expenses are already discounted in the Revenue section.

There are tenant rental guarantees for two projects, Alegre and Parc Derian, that are budgeted at an amount to cover two months of liabilities. The Land Trust separately accounts for the two Santa Ana homes and does not comingle revenues or expenses with other Budget activities or categories. The Santa Ana homes expenditures are cost neutral, being balanced against the revenues from the properties.

Capital Reserves have been set up to cover deferred maintenance items. These do not impact the Operation Expenses.

Predevelopment/ New Project Expenditures

The Land Trust has started design efforts on two new developments at PA 40 and 2400 Barranca. PA 40 is being developed as two phases but will be designed as one development with one pre-development budget. 2400 Barranca is a separate development. The pre-development budgets track with the projects' progress and are not tied to the FY budget; however, the out-of-pocket expenditures for this fiscal year should be significant. The projects are detailed in reports by staff and the Development Committee monthly. Both Pre-Development Budgets are attached for review.

Attachments:

1. 2025-2026 Financial Budget
2. Estimated Fiscal Year 2025-2026 Revenues
3. 2025-2026 General Operating Expenditures
4. 2025-2026 General Consultant Expenditures
5. PA-40 Site Expenditures
6. 2400 Barranca Site Expenditures
7. Resolution 25-051, a Resolution of the Irvine Community Land Trust Approving the Fiscal Year 2025-2026 Budget