Irvine Community Land Trust
503 Nightmist
Irvine, CA 92618

AGENDA
IRVINE COMMUNITY LAND TRUST
REGULAR MEETING
June 17, 2024

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

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

- **ROLL CALL**

CHAIR:	Ryan Aeh
VICE-CHAIR:	Nancy Donnelly
SECRETARY:	Russell Felbob
TREASURER:	Jong Limb
BOARD MEMBER:	Larry Agran
BOARD MEMBER:	Mike Carroll
BOARD MEMBER:	Leon Napper
BOARD MEMBER:	Patrick Strader

- **EXECUTIVE DIRECTOR'S REPORT**

- **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**
   RECOMMENDED ACTION:
   Approve the Minutes of the Regular Meeting of the Irvine Community Land Trust held on April 15, 2024.

2. **MAY 2023 FINANCIAL UPDATE**
   RECOMMENDED ACTION:
   Approve presentation of budget revenues and expenses for May 2024.

3. **2024-2025 FISCAL YEAR BUDGET**
   RECOMMENDED ACTIONS:
   Adopt Resolution 24-051, a Resolution of the Board of Directors of the Irvine Community Land Trust Approving the Fiscal Year 2024-2025 Budget.

4. **ELECTION FOR TRESURER TO REPLACE JONG LIMB**
   RECOMMENDED ACTIONS:
   Nomination and election of Treasurer to replace recently resigned Jong Limb.

- **BOARD BUSINESS – PRIVATE SESSION**

- **ADJOURNMENT**
  Adjourn to a regular meeting on Monday, July 15, 2024, at 4:00 p.m.

Item

#1

Irvine
Community Land Trust

MINUTES OF THE REGULAR MEETING OF
THE IRVINE COMMUNITY LAND TRUST
April 15th, 2024

CALL TO ORDER

The regular meeting of the Irvine Community Land Trust was called to order by Chair Aeh at 4:06 p.m. on April 15, 2024.

ROLL CALL

Chair:	Ryan Aeh
Vice Chair:	Nancy Donnelly
Secretary:	Russell Felbob
Treasurer:	Jong Limb
Board Member:	Larry Agran- Remote
Board Member:	Mike Carroll- Remote
Board Member:	Leon Napper
Board Member:	Patrick Strader- Remote

Members of the public present: None in the meeting room. Several attended via Zoom.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Hughes stated that the majority of the month was spent upfitting the community room to accommodate streaming capabilities for the BOD meetings. There was nothing else to report at this time.

PUBLIC COMMENTS

Sylvia Walker (via Zoom) requested that the relevant announcements of the Board of Director's meetings be more easily found on the website. Also, she stated that she wanted the Meeting Agendas posted at least three days prior to the meetings each month. She also wanted all past minutes of the BOD meetings to be posted and accessible on the website

BOARD COMMENTS

Board Member Agran shared that he was glad that the Board meetings were now being streamed via Zoom and glad there was some public comment regarding the accessibility of the meetings. Agran also stated that, although the ICLT is not a public agency and is a private non-profit, it is his desire to continue the transparency.

ADDITIONS AND DELETIONS TO THE AGENDA

None.

BOARD BUSINESS – OPEN SESSION:

1. **APPROVAL OF MINUTES**

ACTION: It was moved by Board Member Napper and seconded by Vice Chair Donnelly to approve the minutes of the March 18, 2024 monthly meeting and the motion passed without objection by those members present.

AYES:	7	BOARD MEMBERS: Donnelly, Limb, Napper, Strader, Felbob, Agran, Carroll
NOES:	0	BOARD MEMBERS:
ABSENT:	0	BOARD MEMBERS:
ABSTAIN:	1	BOARD MEMBERS: Aeh- due to absence in March

- **BOARD BUSINESS – PRIVATE SESSION:**

1. **DEVLOPMENT COMMITTEE UPDATE**
No Reportable Action

ADJOURNMENT

The Board adjourned the meeting at 4:34 p.m. to the regular meeting on Monday, May 20, 2024 at 4:00 p.m.

Russell Felbob, Secretary

Item

#2

REQUEST FOR IRVINE COMMUNITY LAND TRUST BOARD ACTION

LAND TRUST BOARD MEETING DATE: JUNE 17, 2024

TITLE: MAY 2024 FINANCIAL UPDATE

Executive Director

RECOMMENDED ACTIONS:

Approve presentation of budget revenues and expenses for May 2024.

SUMMARY:

The Land Trust budget update is presented for the FY through the month of May 2024. The report also lists cumulative revenues and expenses for the fiscal year.

Revenues:

For the month of May 2024, Land Trust revenues were approximately $22,540 with the amounts coming from rents, leases and loan repayments. There was an additional interest income amount of $10,169 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

		Revenues		
PROGRAM REVENUES:	**Budget**	**May 2024**	**Year to Date+ Projected Total**	**YTD Percent Received**
Nine Condominium Rents	$127,200	$4,950	$62,076*	49%
Alegre Ground Lease Payment (Received annually during second half of fiscal year)	$150,000	$0	$141,200	94%
Salerno Ground Lease Payment (Received monthly)	$54,588	$4,890	$55,498	102%
Sage Park Ground Lease (Received monthly)	$122,400	$10,200	$122,400	100%

Table 1 Continued

PROGRAM REVENUES:	Budget	May 2023	Year to Date Total +Projected	YTD Percent Received
Doria Loan Repayment	40,000	$0	$98,972	247%
Salerno Loan Repayment (Received annually during third quarter of fiscal year)	$1,000	$0	$0	0%
Santa Ana (Group Homes) (Received monthly)	$30,000	$2,500	$30,000	92%
Interest on cash deposits (Received monthly)**	$9,000	$10,169	$62,438	694%
Subtotal – Ongoing Revenues	$547,188	$32,710	$572,584	105%
ONE TIME AND SHORT-TERM REVENUES				
Grants/Donations	$1,000	$0	$0	0%
Settlement Funds (Received during January and June of fiscal year)	$3,5648,124	$0	$3,548,125	100%
Miscellaneous Revenues	$1,000	$0	$0	0%
Subtotal – One-Time and Short-Term Revenues	$3,550,124	$0	$4,120,709	101%
INVESTMENT REVENUES				
Investment Income (WFA)	$600,000	$0	$931,717	155%
TOTAL BUDGET	$4,697,312	$32,710	$5,052,427	108%

*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.

** Terms on the Sweep Account with Bank were renegotiated to a higher interest rate.

As a reminder, the Land Trust receives annual payments on agreements and loans at different times of the fiscal year. Settlement agreement payments are made in January and June with the final settlement payments being received in February 2024. 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.

Expenditures:

During the month of May, expenditures for general operations, including employment and office costs were approximately $23,420 with consultant costs at approximately $12,760. Detailed monthly 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 for the month of May are shown on Table 2 below.

OPERATING EXPENSES – Table 2

ANNUAL BUDGET OPERATIONAL EXPENDITURES	Budget	May 2024	Year to Date + Projected	YTD Percent of Budget
TOTAL EMPLOYER COSTS	$356,938	$19,772	$317,863	92%
GENERAL OPERATING COSTS				
Office Operations/ Supplies	$15,300	$813	$10,821	71%
Computer and Network	$8,750	$2,835	$25,171	288%
Conference/Events/ Meetings	$6,250	$0	$118	16%
Advocacy Work – Sacramento	$4,000	$0	$0	0%
TOTAL GENERAL OPERATING COSTS	$391,238	$23,420	$353,975	90%

General Consultant Expenses:

General consultant costs through May and projections through June 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

ANNUAL BUDGET GENERAL ADMINISTRATIVE CONSULTANT COSTS	Budget	May 2024	Year to Date + Projected	Percent of Budget
Accounting/Payroll Services	$15,000	$1,160	$15,514	103%
Administrative Management	$32,000	$1100	$25,3615	79%
Advocacy/Lobbying Services	$42,000	$10,000	$34,000	81%
Auditing Services	$25,000	$0	$28,900	116%
Legal Services	$25,000	$0	$26,526	106%
Communication Services	$25,000	$0	$5,952	24%
TOTAL CONSULTANT OPERATING EXPENSES	$164,000	$12,760	$136,254	83%

Capital Project Expenses:

The Land Trust has four budgeted capital expenditure activities plus tenant rental guarantees as part of the approved Budget. These include the management and maintenance of existing condominiums and group homes owned by the Land Trust, any on-going maintenance at Sage Park and the new development site in Irvine.

Conclusion:

Staff is recommending the Board approve the revenues and expenditures report as presented for May 2024.

Item

#3

Irvine Community Land Trust

REQUEST FOR IRVINE COMMUNITY LAND TRUST BOARD ACTION

LAND TRUST BOARD MEETING DATE: JUNE 17, 2024

TITLE: 2024-2025 FISCAL YEAR BUDGET

Executive Director

RECOMMENDED ACTIONS:

1. Adopt Resolution 24-051, a Resolution of the Board of Directors of the Irvine Community Land Trust Approving the Fiscal Year 2024-2025 Budget.

EXECUTIVE SUMMARY:

Staff is presenting the draft fiscal year 2024-2025 Budget (Budget) for review and approval by the Board. The draft Budget was presented to the Finance Committee on June 10, 2024 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 24-051 (Attachment 5).

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 $925,000 in interest. Other revenue sources for the upcoming year include rent and lease revenue and loan repayments. The City of Irvine has fully funded its payments of the Settlement Agreement which had been received in past years. The following chart summarizes the anticipated 2024-25 fiscal year revenues and expenditures compared to 2023-24, and year end fund balance.

Irvine Community Land Trust
2024-2025 Initial Summary Fiscal Year Budget
Overview & Summary

July 1, 2024	Actual 2023-2024	Budget 2024-2025	Year/Year
Estimated Beginning Balance	$ 25,361,445	$ 29,733,674	117%
Projected Ongoing Revenues	$ 511,816	$ 597,647	117%
Projected One and Short Term Revenues	$ 3,548,125	$ -	
Total Projected Revenues	$ 4,059,941	$ 597,647	15%
Projected Investment Income	$ 925,000	$ 1,096,718	119%
Total Projected Revenues and Investment Income	$ 4,984,941	$ 1,694,365	34%
Projected Total Cash Balance	$ 30,346,386	$ 31,428,039	104%
Total Projected Ongoing Operating Expenses	$ 490,230	$ 544,934	111%
Total Projected Ongoing Capital Expenses	$ 33,019	$ 37,500	114%
Subtotal Project Ongoing Expenses	$ 523,249	$ 582,434	111%
New Development Expenses	$ 89,463	$ 1,110,750	1242%
Total Projected Expenses	$ 612,712.00	$1,693,183.92	276%
	6/30/2024	6/30/2025	
Projected Ending Balance (WFA and Banner)	$ 29,733,674	$ 29,734,855	100%

Note: Projected Ongoing Expenses from the nine condos are already taken out of the net revenues above.

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 analyzed only revenue anticipated for this fiscal year. Estimated revenues, both monthly, semi-annual, and one-time are shown on Table 1 (Attachment 1).

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) will be required for design, application fees, and various approvals through City and State including financing. Most of the operating expenses are fixed and predictable; however, the need to bring on additional staff and consultants will impact the overall expenses

. Table 2 (Attachment 2) shows recommended funding levels for line items within categories.

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 (Attachment 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. With that said, the Land Trust has set aside funds to travel to Sacramento for advocacy work. This work is needed to maintain the community land trust welfare exemption, increase funding for community land trusts and work on other state related matters that will benefit our organization. There may also be an opportunity to advocate for funding programs to recognize community land trusts as an eligible entity that can compete for funding.

General Administrative Consultant Costs:

The Land Trust has fixed costs for two consultants: accounting and payroll and the auditor as shown on Table 3 (Attachment 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 will remain consistent with actual costs from the previous year.

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, as shown on Table 4 (Attachment 3) have experienced various degrees of deferred maintenance that the Land Trust will need to address. 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 amounts listed in Table 4 reflect costs based on new income and rent limits issued by the state. 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.

Predevelopment/ New Project Expenditures

The Land Trust has started design efforts on a new site at Sand Canyon and Great Park Boulevard. The project site may be developed as two separate projects and given the timing for the delivery of the site, the out-of-pocket expenditures for this fiscal year should be significant. Therefore, costs are budgeted as noted on Table 5 (Attachment 4) for pre-development activities. The projects will be detailed in future reports by staff and the Development Committee once the site's location, configuration and delivery date are known. Table 5 identifies general costs for legal, project management, financing, and pre-development work from various consultants, costs associated with the land conveyance, escrow, land use applications, architects, and engineers, etc.

Attachments:
1. Table 1 – Estimated Fiscal Year 2024-2025 Revenues
2. Table 2 – 2024-2025 General Operating Expenditures
3. Tables 3 and 4 – 2024-2025 General Consultant and Ongoing Capital Expenditures
4. Table 5 – PA-40 Site Expenditures
5. Resolution 24-051, a Resolution of the Irvine Community Land Trust Approving the Fiscal Year 2024-2025 Budget

Attachment 1

Table 1

ESTIMATED FISCAL YEAR 2024-2025 REVENUES		
PROGRAM REVENUES:		**Estimated Revenues**
Ongoing Operating Revenues:		
Nine Condo Rent - monthly	$	60,094
Alegre Ground Lease Payment – semi-annual	$	141,200
Salerno Ground Lease Payment – monthly	$	55,952
Sage Park Ground Lease – monthly	$	122,400
Alegre Loan Repayment – semi-annual	$	0
Doria Loan Repayment – annual	$	40,000
Salerno Loan Repayment – annual	$	0
Santa Ana Property Leases – monthly	$	30,000
Interest on cash deposits – monthly	$	108,000
Subtotal - Ongoing Revenues	**$**	**557,647**
Short Term Revenues:		
Grants/Donations – intermittent	$	0
Settlement Funds – semi-annual	$	0
Miscellaneous Revenues – intermittent	$	0
Subtotal - Short Term Revenues	**$**	**0**
Investment Income	**$**	**1,096,717**
TOTAL PROJECTED REVENUES	**$**	**1,654,364**

Attachment 2

Table 2

ANNUAL BUDGET GENERAL OPERATING EXPENDITURES		July 1, 2024
Employee Payroll:		
TOTAL EMPLOYMENT COSTS	**$**	**363,127**
General Business Insurance Costs:		
Business Insurance (Directors, Errors & Omissions, SLIP)	$	4,000
General Liability Insurance	$	8,900
Ongoing Project Related Insurance	$	5,000
TOTAL BUSINESS INSURANCE COSTS	**$**	**17,900**
GENERAL OFFICE OPERATING COSTS		
OFFICE OPERATIONS – Including:		
Utilities (Edison, RingCentral Phone, Cox Internet)	$	2,092
Local Travel	$	6
Business Expense (lunch/dinner meetings & misc.)	$	3,600
Meeting Supplies	$	3,600
Special Events - (Non-Project related)	$	1,721
Memberships/Subscriptions/Dues/Professional Fees	$	6,750
Taxes/Business Licenses/Fees (state/gov agency)	$	229
Duplicating/Copying/Publishing	$	2,000
Supplies	$	1,800
Postage	$	600
Subtotal Office Operations	**$**	**22,399**
COMPUTER and NETWORK – Including:		
Computer Hardware/Equipment	$	3,500
Computer Software/Website/License fees	$	16,500
Website maintenance/domain and other registration fees	$	1,000
Printer/Copier supplies	$	1,600
Subtotal Computer and Network	**$**	**22,600**
CONFERENCE/EVENTS/MEETINGS – Including:		
Registration Fees	$	1,050
Hotel/Lodging	$	2,100
Travel - Airfare/Parking/Taxi/rentals	$	3,000
Meals	$	1,800
Subtotal Conference Events Meetings	**$**	**7,950**
ADVOCACY WORK - SACRAMENTO		
Travel - Airfare/Parking/Taxi/rentals	$	3,000
Hotel/Lodging/meals/misc.	$	1,000
Subtotal Advocacy Work	**$**	**4,000**
Total Payroll, Insurance and General Operating Costs	**$**	**437,977**

Attachment 3

Tables 3 and 4

Table 3

GENERAL CONSULTANT OPERATING COSTS CONSULTANT CONTRACTS ADMINISTRATIVE SERVICES		July 1, 2024
Accounting/Payroll	$	16,654
Administrative Management	$	34,961
Advocacy Services	$	0
Audit Services	$	28,900
Legal services	$	30,487
Marketing and Communication Services	$	5,952
Subtotal Consultant Administrative Costs	**$**	**106,955**
TOTAL GENERAL OPERATING COSTS	**$**	**544,934**

Table 4

Capital Project Expenditures		July 1, 2024
Acquired Properties Management Expenses		
Property Management	$	12,000
Utilities/Fees	$	5,500
Home Owner Association Dues	$	41,000
Taxes - Nine Units	$	2,500
Insurance	$	8,000
Unit Turnover Costs	$	2,500
Property Repair/Rehabilitation/Capital Replacement	$	10,000
Replacement/Reserves	$	30,000
Subtotal Expenses	**$**	**111,500**
Tenant Rental Guarantees (2 months of liability)		
Tenant Rent Guarantee - Alegre Two Units	$	3,000
Tenant Rent Guarantee - Parc Derian Four Units	$	4,500
Subtotal Rental Guarantees	**$**	**7,500**
Mandel & Horwitz Homes		
Insurance	$	4,000
Property Taxes	$	4,000
Administrative Fee	$	5,000
Reserve Fund	$	17,000
Subtotal Mandel & Horwitz Expenses	**$**	**30,000**
SUBTOTAL ONGOING CAPITAL EXPENSES	**$**	**149,000**

Attachment 4

Table 5

Predevelopment PA 40-Two Project Sites		
Land Costs	$	0
Escrow Services	$	1,250
Appraisal	$	6,500
Market Study	$	3,500
CEQA Requirements	$	15,000
Environmental – Phase 1	$	3,500
Environmental – Phase 2	$	0
Architectural Design	$	555,000
Civil Engineering	$	145,000
Landscape Design	$	92,500
City Fees / Entitlement	$	135,000
City Fees Permits	$	0
City Fees Impacts	$	0
Consultant - Entitlement	$	20,000
Consultant CM	$	50,000
Temporary Fencing	$	0
Security	$	0
Weed Abatement	$	1,000
ICLT Project Manager	$	50,000
CDLAC	$	5,000
Bond Resolution - TEFRA	$	2,000
TCAC Application Fees	$	3,500
Legal – Attorney, Land, TCAC, HCD	$	16,000
Miscellaneous Costs	$	6,000
Subtotal New Project Capital Expenses	**$**	**1,110,750**
TOTAL CAPITAL EXPENDITURES/GUARANTEES	**$**	**1,259,750**