CALL TO ORDER

ROLL CALL

PRESIDENT/CHAIR: Melissa Fox
VICE PRESIDENT/VICE CHAIR: Leon Napper
SECRETARY/TREASURER: Nancy Donnelly
BOARD MEMBER: Anthony Kuo
BOARD MEMBER: Patrick Strader
BOARD MEMBER: VACANT
BOARD MEMBER: VACANT

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.

EXECUTIVE DIRECTOR’S REPORT

BOARD COMMENTS

BOARD BUSINESS – OPEN SESSION

1. APPROVAL OF MINUTES
   RECOMMENDED ACTIONS:
   Approve the Minutes of the regular meeting of the Irvine Community Land Trust held on April 22, 2019.

2. APRIL AND MAY FINANCIAL UPDATE PRESENTATION
   RECOMMENDED ACTION:
   Approve budget revenues and expenses.
3. **FISCAL YEAR 2019-2020 BUDGET AND SIGNATURE AUTHORITIES**
   RECOMMENDED ACTION:
   2. Adopt Resolution 19-044 Authorizing the President, Vice-President, Secretary, and/or Executive Director to Apply for Grants, Acquire, Lease and Dispose of Property

4. **CITY OF IRVINE REQUEST FOR FINANCIAL INFORMATION**
   RECOMMENDED ACTION:
   Authorize staff to provide to the City of Irvine requested financial information as recommended in this report.

---

**BOARD BUSINESS – PRIVATE SESSION**

1. **NEW BOARD MEMBER SELECTION AND RECOMMENDATION**
   RECOMMENDED ACTION:
   The Subcommittee requests the Board consider recommended candidates to the Irvine Community Land Trust Board.

---

- **ADJOURNMENT**
  Adjourn to a regular meeting on Monday, July 15, 2019 at 4:00 p.m.
MINUTES OF THE REGULAR MEETING OF THE IRVINE COMMUNITY LAND TRUST

April 22, 2019

CALL TO ORDER
The Annual Meeting of the Irvine Community Land Trust was called to order by Board President Melissa Fox at 4:08 p.m. on April 22, 2019, at the Irvine Community Land Trust Office, 930 Roosevelt Avenue, 1st Floor Conference Room, Irvine, CA, 92620.

ROLL CALL
Present: Chair/President: Melissa Fox
Vice Chair/Vice President: Leon Napper
Secretary/Treasurer: Nancy Donnelly (arrived 4:18)
Board Member: Anthony Kuo
Board Member: Patrick Strader (present by phone)

Members of the public present: Jeanne Baran.

PUBLIC COMMENTS
None.

EXECUTIVE DIRECTOR’S REPORT
Executive Director’s report was made after Board comments.

- Grounded Solutions Network, our National Conference Organization, will be partnering this year with another organization called the Center for Community Progress. Mark Asturias will be attending the October 2 - 5 conference to be held in Atlanta, Georgia. This will include an overnight expedition to Albany to celebrate the 50th anniversary of the community land trust movement on October 4 to 5.
- The Annual Investors and Lenders Forum held by the Kennedy Commission will take place at Chapman University this year on August 16th from 7:45 a.m. to 12:00 p.m. for those who would like to attend.
- Executive Director, Mark Asturias, followed-up with Chief of Police, Mark Hamel, on the Ride Along done by Board Member Kuo and a report was given by Chief of Police indicating a study of calls for service of over two years did not indicate any significant police activity for any of our affordable housing units.
- May 8th, President, Melissa Fox, will go to Sacramento to testify on behalf of Senate Bill 196 as it stands before the Senate Governance and Finance Committee.
- On April 24th Executive Director, Mark Asturias, will attend a meeting in Sacramento to hammer out an amendment on Senate Bill 196 regarding property taxation of community land trust homes.
- Executive Director, Mark Asturias, met with City of Irvine staff regarding quarterly and semi-annual plus other financial reports. Executive Director confirms that the City is receiving the same level of detail that is also given to the Board.
BOARD COMMENTS

- President, Melissa Fox, attended the Housing California Affordable Housing Conference on April 14 - 17 and said that the CLT model was used in one of the workshops called Affordable Housing in Affluent Neighborhoods. The Irvine Community Land Trust was shown as an example of how to get projects done. The Land Trust is clearly a model statewide of how to get affordable housing done in affluent communities.
- Board Member, Anthony Kuo, along with President, Melissa Fox, and Executive Director, Mark Asturias met with Orange County Assessor, Claude Parrish, to discuss legislative Senate Bill 196 and offer input with hopes the Assessor will support the initiative.
- President, Melissa Fox, met with Jovan Agee, Deputy Treasurer, Housing and Economic Development in the California State Treasurer’s office, while in Sacramento on April 14 - 17 and talked about the Housing Bill 196.
- President, Melissa Fox, requested from Staff, a PowerPoint presentation about the history of the Community Land Trust so that she may use to educate and promote the CLT concept at Council meetings.

ADDITIONS AND DELETIONS TO THE AGENDA
None.

BOARD BUSINESS – OPEN SESSION

1. APPROVAL OF MINUTES

ACTION: It was moved by Board Member Leon Napper and second by Board Member Nancy Donnelly to approve the Minutes of the Regular Meeting of the Irvine Community Land Trust held on March 18, 2019.

AYES: 5  BOARD MEMBERS: Fox, Napper, Donnelly, Kuo, Strader
NOES: 0  BOARD MEMBERS:
ABSENT: 0  BOARD MEMBERS:
ABSTAIN: 0  BOARD MEMBERS:

2. MARCH FINANCIAL UPDATE PRESENTATION

ACTION: It was moved by Board Member Anthony Kuo and second by Board Member Nancy Donnelly to approve budget revenues and expenses.

AYES: 5  BOARD MEMBERS: Fox, Napper, Donnelly, Kuo, Strader
NOES: 0  BOARD MEMBERS:
ABSENT: 0  BOARD MEMBERS:
ABSTAIN: 0  BOARD MEMBERS:

3. PRESENTATION TO CITY OF IRVINE

ACTION: The Board provided direction to Executive Director, Mark Asturias, on the scope of the presentation to City of Irvine. President, Melissa Fox, requested that hand-outs
be provided and a 10-minute presentation will be strictly followed by the City therefore staff should keep the presentation focused and within the ten-minute time frame.

The Board adjourned from Open Session to Private Session.

BOARD BUSINESS – PRIVATE SESSION

1. PERFORMANCE EVALUATION OF EXECUTIVE DIRECTOR

   **ACTION:** The Board approved terms of Executive Director employment agreement.

   AYES: 5  BOARD MEMBERS: Fox, Napper, Donnelly, Kuo, Strader
   NOES: 0  BOARD MEMBERS:
   ABSENT: 0  BOARD MEMBERS:
   ABSTAIN: 0  BOARD MEMBERS:

   The Board adjourned from Private Session to Open Session.

2. UPDATE ON BOARD MEMBER SELECTION PROCESS

   The Board received an update from Adam Eliason of CivicStone, LLC.

   **ACTION:** The Board requested that all applications be forwarded to the Board as information.

ADJOURNMENT
The Board adjourned the meeting at 5:18 p.m. to the regular meeting of the Irvine Community Land Trust on Monday, May 20, 2019, at 4:00 p.m.

Nancy Donnelly, Secretary/Treasurer
REQUEST FOR IRVINE COMMUNITY LAND TRUST BOARD ACTION

LAND TRUST BOARD MEETING DATE: JUNE 17, 2019

TITLE: APRIL AND MAY FINANCIAL UPDATE PRESENTATION

Mark Antonia
Executive Director

RECOMMENDED ACTION:

Approve budget revenues and expenses.

SUMMARY:

The Land Trust budget is presented for the months of April and May. Revenues have been augmented by investments of approximately $59,000 and lease revenues of approximately $17,500, and a loan payment for the Alegre project of $791 for a total two months revenue of $77,400.

During the months of April and May, expenditures for all categories were approximately $114,400. Overall, administrative costs including salaries, general operating costs and contract services are within total budget authorizations. Capital project expenditures for ongoing operational costs of nine units operated by the Land Trust, the Salerno project and the Native Spring home ownership site are within budget.

The Land Trust closed escrow with the City of Irvine to transfer the property that will be developed with 80 units of affordable rental housing known as Salerno. The Salerno project will begin construction this summer and the Land Trust is funding $3.8 Million to pay off the community facility district fee and other public agency fees at the closing of the construction loan for the project. Reserved funds wired at close of escrow for these expenditures came from the BNY Mellon and Pacific Western Bank Certificates of Deposit accounts.

Conclusion

As of the end of April and May, total revenues exceed 90 percent of budget and total expenditures are approximately 76 percent of budget. Capital projects continue to account for approximately 93 percent of the budget and operational costs are at 7 percent.

Attachment: April and May Financial Summary and Outlook
April & May Financial Summary and Outlook

REVENUES
April & May 2019

- The Land Trust had revenues from:
  - Leases and Rents
  - Certificates of Deposit; and
  - Investments with BNY Mellon
OPERATING EXPENDITURES
APRIL & MAY 2019

- For April operating expenditures were incurred for:
  - Administration, and
  - General office expenses, and
  - Consultant contracts.

APRIL EXPENDITURES
2019

April Expenditures

- Employment
- General Operating
- Consultant Costs
- Capital Costs

- 60%
- 36%
- 4%
- 4%
SUMMARY

- Revenues on target for fiscal year.
  - Through 11 months of the FY revenues are at 90 percent of budget.
- Expenditures budgeted for operations and capital projects.
  - Through 11 months of the FY expenditures are at 76 percent of budget.
APRIL & MAY 2019
BUDGET REVIEW

- Questions/Comments
- Recommended action: Approve Budget Revenues and Expenses
REQUEST FOR IRVINE COMMUNITY LAND TRUST BOARD ACTION

LAND TRUST BOARD MEETING DATE: JUNE 17, 2019

TITLE: FISCAL YEAR 2019-2020 BUDGET AND SIGNATURE AUTHORITIES

Mark Antonini
Executive Director

RECOMMENDED ACTION:

2. Adopt Resolution 19-044 Authorizing the President, Vice-President, Secretary, Treasurer and/or Executive Director to Apply for Grants, Acquire, Lease and Dispose of Property

BACKGROUND:

Analysis

The draft Fiscal Year 2019-2020 Budget (Budget) is presented for adoption. The Budget beginning fund balance, approximately $14.1 Million, is based on the estimated closing balance for Fiscal Year 2018-2019. Revenues are projected at approximately $3.1 Million. Administration, contract services and operating costs are proposed at approximately $898,300. Funds for capital projects are proposed at $8.4 Million and will fund the remaining obligation for the Nightmist project and pre-development costs for the Native Spring site.

Anticipated 2019-2020 Budget Revenues

The estimated fund balance beginning July 2019 is $14,196,250 and is based on Fiscal Year 2018-2019 revenues less expenditures. Additional revenues for Fiscal Year 2019-20 are estimated at $3,168,000 with a portion of these funds coming from Settlement Agreement with the City of Irvine. Revenues from rental payments on nine homes, a note owed by Jamboree Housing Corporation for the Doria project, and the ground lease payment from AMCAL Multi-Housing, Inc. for the Alegre project, investment and interest income provide the balance of projected funds for the Land Trust during the upcoming fiscal year (Attachment 1).

Proposed 2019-2020 Administrative Expenditures

Expenditures are identified for operational and general activities, and project development costs for the Nightmist and Native Spring properties (Attachment 2). Administrative costs are estimated at $351,300 to support expenses associated with salaries, office space, legislative
efforts and conference attendance. Contract services total $547,000 to primarily cover development activity that is expected for the Nightmist property and the Native Spring project.

Property operational costs for the scattered site condominiums remain constant with Homeowner Association dues, property maintenance and repair costs, and property taxes accounting for the majority of expenses. However, due to the increasing age of the condominiums, the rehabilitation budget has been increased to cover potential systems replacements, such as heating and air conditioning units, plumbing, appliances, flooring and window coverings. Property management costs remain unchanged for the fiscal year and are included with contract service expenditures.

Service Contracts

The Land Trust contracts will continue through this year and include: legal services with Meyers/Nave, real estate services with CivicStone, Inc., bookkeeping services with Robert S. Borish CPA, Inc., audit services with Haynie & Company, financial services with RSG, Inc., advocacy services with Joe A. Gonsalves & Son, marketing and communication services with HKA, and property management services with Proactive Realty Investments, Inc. These contracts have a three-year term that will end June 30, 2020 and the annual contract amounts for each consultant are included in the Budget. During the upcoming budget year, Staff will solicit proposals for services to confirm the Land Trust continues to receive services at the best cost.

Reserve Funds – Capital Projects

Reserve funds of approximately $84,000 are established to cover liabilities associated with tenant rental guarantees for units that are set-aside for adults with developmental disabilities at the Alegre and Parc Derian developments. The Chelsea Investment Corporation affordable rental housing project (Nightmist site) is budgeted at the remainder amount not expended last fiscal year of $3 Million. These funds will be expended during the fiscal year and will be used for project related expenses including payment of community facilities district fees, architectural and engineering costs, city permits and fees and the costs associated with the purchase and installation of an extra elevator for the project.

Funds not encumbered by the Budget for administration, property management, liabilities and capital development costs will be reserved in investment and banking accounts.

Assets and Liabilities

The Land Trust holds multiple assets including land, rental units and cash investments (Attachment 3). These assets include BNY Mellon investments, cash savings accounts, operating funds totaling $13.1 Million.

The Scattered Site Condominium units are appraised at $4,330,000 and are operated as rental housing affordable to very low-income households. The Alegre project, owned by AMCAL Multi-Housing, Inc., land value is appraised at $8.35 Million. The estimated value of the
improvements, exclusive of land is $36,200,000 making the total project value $37,035,000. At the termination of the Ground Lease, the physical improvements (104 units) will become the property of the Land Trust. The most recent development, Parc Derian, has an estimated project value (land and improvements of $29,750,000. The Land Transfer Agreements with the City of Irvine for the Native Springs and Nightmist properties have a combined value of $17 Million.

The Land Trust has issued loans to the Doria Phase I and Doria Phase II affordable rental housing for a combined value of approximately $3.2 Million. Two loans were also issued for the Alegre project for a combined value of approximately $1.25 Million. All loans are simple interest loans and will be repaid per the terms of the loan agreements, which are typically a minimum of 55 years. The loan term allows the Land Trust and our development partners the ability to maintain the lowest rents possible for residents.

Liabilities associated with the Alegre and Parc Derian Tenant Placement Guarantee Agreements for residents with developmental disabilities, the Chelsea Investment loan and pre-development costs for the Native Spring site are included in the Budget. Total costs for the tenant guarantee liabilities and Chelsea project development funding total $8,084,000.

The Land Trust Settlement Agreement with the City of Irvine transfers $29.2 million over time to the Land Trust for affordable housing development. The City transferred approximately $2,227,100 during fiscal year 2018-19 and to date the Land Trust has received approximately $7,530,930 in settlement funds. The remaining funds due the Land Trust are $22,669,070 based on City projections the final payment should be made in fiscal year 2024-25.

**Signature Authorizations**

The Land Trust authorized, per prior Board Resolutions 17-034, 15-029, 13-019, 12-015, 11-015, 10-010, 09-007 and 07-004, the President, Secretary, Treasurer, and Executive Director to seek and apply for grants to fund the operations, programs and projects of the Land Trust. This authorization has been granted biannually to allow the Land Trust to apply for grants throughout two business years and the current authorization expires June 30, 2019. Resolution 19-044 amends Resolution 17-034 and extends authorization until June 30, 2021 unless amended earlier by action of the Board.

Staff is recommending adoption of Resolutions 19-043 and 19-044 (Attachments 4 and 5) approving the Budget and signature authorities as presented.

**Attachments:**

- Attachment 1: 2019-2020 Budget Statement of Revenues
- Attachment 2: 2019-2020 Expenditure Budget
- Attachment 3: Irvine Community Land Trust Statement of Assets and Liabilities
- Attachment 4: Resolution 19-043
- Attachment 5: Resolution 19-044
## Irvine Community Land Trust
### 2019-2020 Budget Statement of Revenues
#### July 1, 2019

### ATTACHMENT 1

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>Estimated Budget Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BEGINNING OF YEAR FUND BALANCE</strong></td>
<td>$ 14,196,250</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROGRAM REVENUES:</th>
<th>Estimated Budget Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Grants and Contributions:</strong></td>
<td></td>
</tr>
<tr>
<td>Grants/Donations</td>
<td>$ -</td>
</tr>
<tr>
<td>Settlement Funds</td>
<td>$ 2,750,000</td>
</tr>
<tr>
<td>Interest on cash deposits</td>
<td>$ 5,000</td>
</tr>
<tr>
<td>Investment Income (BNY Mellon)</td>
<td>$ 250,000</td>
</tr>
<tr>
<td>Miscellaneous Revenues</td>
<td>$ 1,000</td>
</tr>
<tr>
<td>Rent (Note 1)</td>
<td>$ 109,250</td>
</tr>
<tr>
<td>Doria Loan Repayment/Monitoring Fee (Note 2)</td>
<td>$ 34,000</td>
</tr>
<tr>
<td>Alegre Ground Lease Payment (Note 3)</td>
<td>$ 18,000</td>
</tr>
<tr>
<td>Alegre Loan Repayment (Note 4)</td>
<td>$ 750</td>
</tr>
<tr>
<td><strong>TOTAL PROJECTED REVENUES</strong></td>
<td>$ 3,168,000</td>
</tr>
<tr>
<td><strong>TOTAL ESTIMATED FUNDS (2019 - 2020)</strong></td>
<td>$ 17,364,250</td>
</tr>
</tbody>
</table>

**Note 1:** Nine units gross rent payments.

**Note 2:** Doria Agreement requires residual receipts payments and amounts fluctuate annually.

**Note 3:** Annual lease payment increases by 3.5% annually. Initial amount of $500K received in 2015-16 fiscal year.

**Note 4:** Alegre Loan Repayment began in 2018-2019 based on residual receipts. Annual payments will fluctuate and current repayment is equal to payment made FY 2018-19.
<table>
<thead>
<tr>
<th>Operational Expenditures</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Payroll</td>
<td>$271,000</td>
</tr>
<tr>
<td>General Operating Costs</td>
<td>$80,300</td>
</tr>
<tr>
<td>Land Trust Office Lease</td>
<td></td>
</tr>
<tr>
<td>Office Lease</td>
<td>$26,000</td>
</tr>
<tr>
<td>Office Operations</td>
<td>$18,300</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>$5,000</td>
</tr>
<tr>
<td>Computer and Network</td>
<td>$6,000</td>
</tr>
<tr>
<td>Conference/Events/Meetings</td>
<td>$25,000</td>
</tr>
<tr>
<td>Subtotal General Office Expenses</td>
<td>$54,300</td>
</tr>
<tr>
<td>Total General Operating Costs</td>
<td>$80,300</td>
</tr>
</tbody>
</table>
## ANNUAL BUDGET

### Consultant Contracts

<table>
<thead>
<tr>
<th>Service</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Services (Meyers-Nave)</td>
<td>$120,000</td>
</tr>
<tr>
<td>Project Management Services (CivicStone)</td>
<td>$125,000</td>
</tr>
<tr>
<td>Project Financial Services (Rosenow Spevacek Group)</td>
<td>$100,000</td>
</tr>
<tr>
<td>Property Management (Proactive Realty Investments)</td>
<td>$15,000</td>
</tr>
<tr>
<td>Accounting/Payroll Services (Robert S. Borish CPA)</td>
<td>$10,000</td>
</tr>
<tr>
<td>Auditing Services (Haynie &amp; Company)</td>
<td>$15,000</td>
</tr>
<tr>
<td>Advocacy/Lobbying Services (Gonsalves &amp; Son)</td>
<td>$42,000</td>
</tr>
<tr>
<td>Marketing &amp; Communication Services (HKA)</td>
<td>$120,000</td>
</tr>
</tbody>
</table>

Appraisal Services - Included in Native Spring Site Expenses Below $-
Architectural/Planning Services - Included in Native Spring Site $-
Development and Environmental Review Services - Included in Native Spring Site $-
Engineering Services - Included in Native Spring Site $-
Escrow Services - Included in Native Spring Site $-
Title Services - Included in Native Spring Site $-

**TOTAL CONSULTANT CONTRACT EXPENSES** $547,000

**TOTAL OPERATION COSTS** $898,300
## ANNUAL BUDGET

### Capital Expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>Subtotal Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquired Properties Management Expenses</td>
<td>$ 230,000</td>
</tr>
<tr>
<td>Tenant Rental Guarantees</td>
<td>$ 84,000</td>
</tr>
<tr>
<td>New Construction Projects</td>
<td></td>
</tr>
<tr>
<td>Native Spring Project (including estimated costs for consultants referenced above)</td>
<td>$ 5,000,000</td>
</tr>
<tr>
<td>Chelsea Development Agreement (Nightmist/Salerno Project) Carry-Over</td>
<td>$ 3,000,000</td>
</tr>
<tr>
<td><strong>Subtotal Expenses</strong></td>
<td><strong>$ 8,000,000</strong></td>
</tr>
<tr>
<td><strong>TOTAL CAPITAL EXPENDITURES/GUARANTEES</strong></td>
<td><strong>$ 8,314,000</strong></td>
</tr>
<tr>
<td><strong>TOTAL FISCAL YEAR 2018-2019 BUDGET EXPENDITURES</strong></td>
<td><strong>$ 9,212,300</strong></td>
</tr>
</tbody>
</table>
Irvine Community Land Trust
Statement of Assets and Liabilities
Estimated June 2019

Assets:

1. Estimated Cash A $13,120,416

2. Deposit with management company B $16,995

3. Nine rental units C valued at $4,330,000
   a. Properties Acquisition Date Market Value
      i. 49 Tarocco December 2008 $420,000
      ii. 56 Clearbrook December 2008 $445,000
      iii. 109 Tarocco February 2010 $420,000
      iv. 55 Lakepines April 2010 $430,000
      v. 21 Goldenrod May 2010 $500,000
      vi. 80 Clearbrook July 2010 $500,000
      vii. 20 Van Buren November 2010 $480,000
      viii. 108 Cartier Aisle April 2012 $535,000
      ix. 224 Greenmoor May 2012 $600,000

4. Doria Affordable Rental Housing Project Partnership interest:
   a. Doria Phase 1 Development Loan $1,602,505 at 3 percent simple interest payable over 55 years
   b. Doria Phase 2 Development Loans $1,600,000 at 1 percent simple interest payable over 55 years

5. Cypress Village (Alegre Affordable Rental Housing Parcel) Land/Improvement Value:
   i. 3.36 acres D $8,350,000 appraised value
   ii. Improvements $36,200,000

6. AMCAL (Alegre) Development Agreement E
   a. Ground Lease (Future Revenue) $10,000 in annual base rent and up to an additional $20,000 in bonus rent

7. Alegre Affordable Rental Housing Project Partnership interest:
   a. Development Loan - CDBG $837,673 at 3 percent simple interest payable over 59 years
   b. Development Loan - HOME $416,930 at 3 percent simple interest payable over 59 years
8. 17275 Derian (Parc Derian) Affordable Rental Housing Parcel:
   a. 2 acres $5,750,000 acquisition cost
   b. 80 units $24,000,000 development cost

9. 17275 Derian Ground Lease $1 per year for 99 years (prepaid in 2016)

10. Native Spring Affordable Housing Parcel:
    a. 4.0 acres $11,500,000 appraised value

11. Nightmist Affordable Housing Parcel:
    a. 2.5 acres $5,500,000 appraised value

12. Settlement Agreement (Future revenues) $21,669,070

**Liabilities:**

1. Security deposit for rentals $16,995
2. Tenant Placement Guarantee $43,000

Footnotes:
A. Excess cash is invested through Pacific Western Bank and BNY Mellon.
B. Cash held for security deposits and operation of eight rental units.
C. Capital assets are shown at full market value as of July 1, 2018.
D. Value of land without improvements. Improvements, which are owned by AMCAL, have current estimated value of $31M. Improvements will become asset of Land Trust at termination of lease.
E. AMCAL made up front ground lease payment of $500,000 during 2015-16 fiscal year. Remaining term of 99-year lease includes remainder lease value.
F. Nightmist site appraised by Chelsea at value with restrictions for affordable housing.
G. Security deposits owed to renters upon termination of lease.
H. Rental guarantee for two two-bedroom units at Alegre Project and four one-bedroom units at Parc Derian Project set aside for residents with developmental disabilities.
RESOLUTION 19-043

A RESOLUTION OF THE IRVINE COMMUNITY LAND TRUST
APPROVING THE FISCAL YEAR 2019-20 BUDGET

WHEREAS, the Irvine Community Land Trust (Corporation) Board of Directors (Board) took steps to perfect the organization of the Corporation and to conduct other business on behalf of the Corporation; and

WHEREAS, the Board has reviewed the Fiscal Year 2019-2020 Budget (Budget); and

WHEREAS, the Budget estimates revenues of approximately $3,168,000; and

WHEREAS, the Budget proposes administrative costs of approximately $351,300, contract service expenditures of approximately $547,000, and operation costs of acquired properties of approximately $230,000 and capital development costs of $8,000,000; and

WHEREAS, contracts for legal, real estate, bookkeeping, accounting, insurance, financial, and property management services are included as part of the Budget and authority to execute by the Executive Director contracts in amounts not to exceed the annual budget for each service have been considered by the Board; and

WHEREAS, the Budget proposes reserving approximately $84,000 in funds for potential liabilities associated with the Alegre and Parc Derian affordable housing projects rental guarantees for units set-aside for adults with developmental disabilities; and

WHEREAS, with the estimated fund balance, estimated revenues and proposed expenditures the Budget projects a positive balance at the end of the fiscal year.

NOW, THEREFORE, the Board of Directors of the Irvine Community Land Trust DOES HEREBY RESOLVE as follows:

SECTION 1. The Fiscal Year 2019-2020 Budget is approved and adopted as presented.

SECTION 2. The Board of the Irvine Community Land Trust authorizes the Executive Director to execute all service contracts in amounts not to exceed the approved Budget.

SECTION 3. The Secretary shall certify to the passage and adoption of this Resolution.

ATTACHMENT 4
ICLT Resolution No. 19-043

PASSED AND ADOPTED by the Board of the Irvine Community Land Trust at regular meeting held on the 17th of June, 2019.

_____________________________________
MELISSA FOX
PRESIDENT OF THE IRVINE COMMUNITY LAND TRUST

ATTEST:

_____________________________________
NANCY DONNELLY
SECRETARY OF THE IRVINE COMMUNITY LAND TRUST

STATE OF CALIFORNIA  
COUNTY OF ORANGE     )       SS
CITY OF IRVINE       )

I, Nancy Donnelly, Secretary of the Irvine Community Land Trust, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted at a regular meeting of the Board of the Irvine Community Land Trust held on the 17th day of June, 2019.

_____________________________________
NANCY DONNELLY
SECRETARY OF THE IRVINE COMMUNITY LAND TRUST
RESOLUTION 19-044

A RESOLUTION OF THE IRVINE COMMUNITY LAND TRUST AUTHORIZING THE PRESIDENT, VICE-PRESIDENT, SECRETARY, AND/OR EXECUTIVE DIRECTOR TO APPLY FOR GRANTS, ACQUIRE, LEASE AND DISPOSE OF PROPERTY

WHEREAS, the mission of the Irvine Community Land Trust (Land Trust) is to provide secure, high-quality affordable housing; and

WHEREAS, the Land Trust was formed as a California Nonprofit Public Benefit Corporation for charitable purposes on March 24, 2006 and obtained its Internal Revenue Service designation as a 501(c)(3) and 509(a)(3) tax exempt, public charity on March 5, 2007; and

WHEREAS, the Bylaws of the Land Trust designate officers of the Land Trust to include a President, Vice President, Treasurer and Secretary with responsibilities as may be prescribed by the Board; and

WHEREAS, the Board may authorize officers and staff to apply for and seek grants to fund operations of the Land Trust and facilitate the creation of housing; and

WHEREAS, the Board may authorize officers and staff to acquire, lease and dispose of real property, by sale or lease, to further its mission of providing affordable housing to income eligible households; and

WHEREAS, the Board desires to designate the President, Vice-President, Secretary, Treasurer and Executive Director as the officers who may transact property acquisitions, leases and sales on behalf of the Land Trust; and

WHEREAS, the Board previously approved Resolutions 17-034, 15-029, 13-019,12-015, 11-013, 10-010, 09-007, and 07-004 authorizing the President, Vice-President, Secretary, Treasurer, and Executive Director to apply for grants. The Board wishes to extend this authority to June 30, 2021.

NOW, THEREFORE, the Board of Directors of the Irvine Community Land Trust DOES HEREBY RESOLVE as follows:

SECTION 1. The President, Vice-President, Secretary, Treasurer and/or Executive Director are authorized to apply for public and private grants for the purpose of funding operating costs and costs for developing affordable housing in accordance with the Articles of Incorporation, Bylaws, and mission statement of the Irvine Community Land Trust.
SECTION 2. The President, Vice-President, Secretary, Treasurer and/or Executive Director are authorized to serve as the official representative of the Irvine Community Land Trust, to negotiate and execute documents necessary or proper, to process and receive grant funds, and to perform any other activities necessary or proper for the participation in a grant program and receipt of grant funds, which further the purpose of funding operating costs and developing affordable housing in accordance with the Articles of Incorporation, Bylaws, and mission statement of the Irvine Community Land Trust.

SECTION 3. The President, Vice-President, Secretary, Treasurer and/or Executive Director are authorized to serve as the official representative of the Irvine Community Land Trust, to negotiate and execute documents necessary or proper, to process acquisitions, easements, leases, and sales of Land Trust property located within corporate limits of the City of Irvine, and to perform any other activities necessary or proper including the execution of grant deeds, leases, easements which further the purpose of developing affordable housing in accordance with the Articles of Incorporation, Bylaws, and mission statement of the Irvine Community Land Trust.

SECTION 4. The authorization delegated to the President, Vice-President, Secretary, Treasurer and Executive Director by this Resolution shall be valid through June 30, 2021, unless earlier revoked or amended by resolution of the Board of Directors of the Irvine Community Land Trust.

PASSED AND ADOPTED by the Board of the Irvine Community Land Trust at regular meeting held on the 17th of June, 2019.

Melissa Fox
PRESIDENT OF THE IRVINE COMMUNITY LAND TRUST

ATTEST:

Nancy Donnelly
SECRETARY OF THE IRVINE COMMUNITY LAND TRUST
STATE OF CALIFORNIA  )
COUNTY OF ORANGE  )    SS
CITY OF IRVINE     )

I, Nancy Donnelly, Secretary of the Irvine Community Land Trust, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted at a regular meeting of the Board of the Irvine Community Land Trust held on the 17th day of June, 2019.

__________________________________________
Nancy Donnelly
SECRETARY OF THE IRVINE COMMUNITY LAND TRUST
REQUEST FOR IRVINE COMMUNITY LAND TRUST BOARD ACTION

LAND TRUST BOARD MEETING DATE: JUNE 17, 2019

TITLE: CITY OF IRVINE REQUEST FOR FINANCIAL INFORMATION

Executive Director

RECOMMENDED ACTION:

Authorize staff to provide to the City of Irvine requested financial information as recommended in this report.

SUMMARY:

The Land Trust provided financial reports to the City of Irvine (City) prior to becoming a fully independent nonprofit organization. The reports included detailed banking and investment statements from our banking and investment institutions. After becoming fully independent, the Land Trust revised the format of its financial updates that were presented during Board meetings to a summary format. These presentations are available to the public and the City, however, the City has submitted a request that the Land Trust provide comprehensive details of its financial reports as well as other information. Specifically, the City has requested that reports include comprehensive details for each of the following:

1. Annual beginning of year budget; and
2. Quarterly budget updates; and
3. Annual presentation to the City Council; and
4. Annual end of year audit; and
5. Financial settlement statements for each completed project.

Background

The Land Trust provided copies of its budget and monthly financial statements to the City prior to becoming a fully independent nonprofit. These documents were provided on a voluntary basis as there was no contractual obligation requiring transmittal of these documents to the City. The Land Trust also provided, as was required by specific project grant agreements, a quarterly or semi-annual accounting of projects including loan repayments made by our development partners. These accounting reports continued to be provided to the City in compliance with the grant agreements for the Nine-Unit Scattered Site Rental, Doria and Alegre projects even after separation from the City.
In addition to the above reports the Land Trust voluntarily posted its tax returns and audited financial statements on its website and gave copies of these documents to the City. This practice continued even after the transition away from the City. It is important to note that the City does have access to our monthly agenda and public documents including the monthly statement of revenues and expenses. Additionally, the City receives copies of the Land Trust audited financial statements, tax returns and reports required by project grant agreements. Staff has been working with the City to clarify exactly what their expectation may be regarding comprehensive details for these reports and will update the Board during the staff presentation should any of the points below need expansion or have been inaccurately portrayed.

**City Request by Category**

**Annual Budget**

The Land Trust annual budget format is structured in a program format. This format identifies categories of expenditures and is not a line item budget. Changing the format will require revising how expenditures are accounted and will incur additional costs with our contract accounting firm to provide the comprehensive details requested by the City.

**Quarterly budget updates**

The Land Trust provides project specific quarterly updates but does not provide quarterly operating budget updates to the City. Monthly summary budget updates are available to the public and can be given to the City. However, quarterly comprehensive details would need to be prepared to provide the additional reports requested by the City.

Staff understands the City is requesting comprehensive details that would include copies of bank and investment account statements. Prior statements that were released to the City did not include payroll information, as the Land Trust was contracting for management services with the City and did not have employees. However, with the Land Trust now having employees, individual payroll information would become public if provided to the City when releasing bank statements. The Board’s approval is necessary to release bank statements because these statements show the exact dollars and cents along with individual income taxes paid by each employee on each paycheck.

**Annual presentation to Irvine City Council**

The Land Trust has never made an annual presentation to the Irvine City Council and the City has now requested a presentation on June 25, which staff will make at the Council meeting. Staff does not believe this request represents a significant financial cost and annual presentations could help increase awareness about Land Trust properties and the residents that we serve. Specifically, the Land Trust could highlight projects it has in operation and under development and potentially include testimonials from residents and our development partners.
Annual End of Year Audit

The City’s request does not impact the Land Trust’s practice of voluntarily giving the City a copy of the annual audit in addition to providing a copy of its tax return.

Financial settlement statements for each completed project

The City’s request for financial settlement statements for each completed project is currently met by the Land Trust for project related agreements and the Land Trust files such reports on forms prescribed by the City. However, the City is requesting financial reports on a quarterly rather than semi-annual basis for all projects including those not funded through a specific agreement. This will require additional staff time and costs that will be incurred by the Land Trust.

Recommendation

Staff recommends the Board consider providing information requested and also approving annual presentations to the City subject to minor adjustments as noted below. These include:

- Approving transmittal to the City of the annual budget in the form presented to the Board.
- Removing any information on financial statements where payroll data for individual staff is listed as part of all quarterly updates sent to the City.
- Releasing the annual end of year audit and tax returns after review by the Board.
- Submitting to the City financial settlement statements for completed projects on a quarterly basis, which may exceed the submission requirements of grant agreements.
- Providing annual financial settlement statements where no agreement exists for a completed project in a format to be developed by the Land Trust.