

**AMENDED MINUTES OF THE REGULAR MEETING OF
THE IRVINE COMMUNITY LAND TRUST
SEPTEMBER 16, 2009**

CALL TO ORDER

The Regular Meeting of the Irvine Community Land Trust was called to order by President Krom at 5:40 p.m., September 16, 2009, at the City of Irvine, Community Development Department, Redevelopment Office, 7000 Trabuco Rd, Irvine, California, 92618.

ROLL CALL

Present:	President:	Beth Krom
	Secretary/Treasurer:	Nancy Donnelly
	Board Member:	Mary Ann Gaido
	Board Member:	Scott Darrell
	Board Member:	Patrick Strader
	Board Member:	Bryan Starr

Also present were; Mark Asturias, Executive Director; Bill Ihrke, Counsel; Adam Eliason, Consultant, CivicStone, John Trauth, Consultant, CivicStone, and Terri Goggin, Recording Secretary.

ADDITIONS OR DELETIONS TO THE AGENDA:

There were no additions or deletions to the agenda.

INTRODUCTIONS:

Mark *Asturias* introduced Teri Washle and Donna Mullally from Irvine Administrative Services, Finance Division, who were present to answer any questions on the ICLT budget.

EXECUTIVE DIRECTOR'S REPORT:

Mar *Asturias* informed the Board that Director Jon Goetz has submitted his resignation, effective immediately. Mark presented, for signatures, a Commendation for Board Member Jon Goetz recognizing his years of service to the Irvine Community Land Trust. A card was also circulated for signatures wishing him well in his new venture.

PUBLIC COMMENTS:

There were no public comments.

BOARD BUSINESS:**1. APPROVAL OF MINUTES**

MOTION: It was moved by Board Member Darrell, seconded by Board Member Starr and approved by the following vote to approve the minutes of the meeting of the Irvine Community Land Trust held on March 18, 2009 and the minutes of the meeting of the Irvine Community Land Trust held on October 7, 2008.

AYES: 6 Krom, Darrell, Donnelly, Gaido, Starr, Strader
NOS: 0

2. BOARD MEMBER RESIGNATION & REPLACEMENT

The Board discussed the procedure for replacing Board Members who resign before their term is complete. Boardmember Goetz resigned on September 9, 2009, but his term does not expire until September 2010. The Board decided, at the recommendation of President Krom not to recruit but rather have Board Members bring the names and applications of interested parties to the next meeting and a discussion will be held to explore the qualifications of the individual applicants. Counsel Bill Ihrke reminded the Board that they are subject to the Brown Act and certain procedures will have to be followed in recruiting and selecting new members. The only requirement in the Bylaws is that the applicant be a resident of Irvine. Beth Krom requested a meeting with Mark *Asturias* to discuss further.

No Action Taken.

3. 2008 FINANCIAL STATEMENT

The 2008 financial statement is the first audited statement for the Land Trust. This year there was a significant amount of income and assets. Board Member Darrell asked if the IRS requirements for nonprofits applied to the Land Trust. Teri Washle, Finance Administrator, responded that the requirements she is aware apply to non profits are two years old but there were no new requirements in 2009 that would be applicable. She also stated that as soon as \$2 million in public funds are used, an audit committee should be established. Mark *Asturias* added that staff made sure to cover all requirements and that next year there will be a full audit by a CPA and consultation with Bill Ihrke. Board Member Darrell suggested the Board put "Best Practices and Procedures" in place now.

MOTION: It was moved by Board Member Darrell, seconded by Board Member Strader and approved by the following vote to a) approve the 2008 Financial Statement and b) Authorize the Executive Director to forward the Financial Statement and Audit to the City of Irvine.

AYES: 6 Krom, Darrell, Donnelly, Gaido, Starr, Strader
NOS: 0

BOARD BUSINESS: (Continued)**4. SECOND AMENDMENT TO THE AFFORDABLE HOUSING & GRANT AGREEMENT OF OCTOBER 10, 2008.**

A Second Amendment to the Affordable Housing & Grant Agreement of October 10, 2008 was presented to the Board for approval. The Amendment provides the use of ADDI funds for Land Trust downpayment assistance. The funds must be expended by December 31, 2009.

MOTION: It was moved by Board Member Strader, seconded by Board Member Starr and approved by the following vote to approve the Second Amendment to the Affordable Housing & Grant Agreement.

AYES: 6 Krom, Darrell, Donnelly, Gaido, Starr, Strader
 NOS: 0

5. 2009/2010 AFFORDABLE HOUSING & GRANT AGREEMENT

Legal Counsel, William Ihrke presented the final amended loan documents to the Board for their approval. Mark *Asturias* explained that there are funds left in the CDBG and HOME accounts that the Land Trust may use for property purchases. The \$719,145 could purchase 4 to 6 homes. Board Member Gaido asked if we are required to purchase homes or could we purchase rental property. Mark *Asturias* responded that the Board may decide whether to own or rent the properties. *Board Member Gaido further stated that the Board should focus on balancing the variety of affordable places to live – focusing on the most pressing need of rental units.* Further discussion brought up topics such as:

- Can we fund nonprofits?
- Can rental units be dedicated to the Land Trust?
- Do we want to assume units in a project then rent them out?
- Can we focus on families in the lower salary range?
- Since the market has changed, does the Board need an amended policy decision?

Mark *Asturias* responded that we might be able to partner with Jamboree Housing or Bridge Housing. Beth added that the Board should look to expand its portfolio with rental and purchase properties. Board Member Gaido suggested the Board approach the City Council and inquire about funds available to invest in property. Mark *Asturias* was encouraged *by* the Board to investigate those opportunities. Beth also said to move forward and investigate opportunities and that our mandate is to expand affordable housing opportunities. Adam Eliason recommended using Neighborhood Housing Services of Orange County (NHSOC) to leverage funds. Mark wanted to make it clear that the funds must be expended this fiscal year by June 30, 2010. He also recommended a backup plan.

MOTION: It was moved by Board Member Darrell, seconded by Board Member Donnelly and approved by the following vote to approve the 2009/2010 Affordable Housing & Grant Agreement.

AYES: 6 Krom, Darrell, Donnelly, Gaido, Starr, Strader
NOS: 0

6. ANNUAL BUDGET 2009

Mark *Asturias* presented the 2009 Annual Budget to the Board for approval. He explained that the Land Trust received significant funding mid-year and also had staffing and consultant costs. Most of the rest of the expenditures were for acquisitions.

MOTION: It was moved by Board Member Gaido, seconded by Secretary/Treasurer Donnelly and approved by the following vote to approve the 2009 Annual Budget.

AYES: 6 Krom, Darrell, Donnelly, Gaido, Starr, Strader
NOS: 0

7. CONSORTIUM AGREEMENT WITH NEIGHBORHOOD SERVICES OF ORANGE COUNTY

Mark *Asturias* shared with the Board the proposed consortium agreement with Neighborhood Services of Orange County (NHSOC). The Agreement will provide a leveraging opportunity if the consortium receives funds. Adam added that the Land Trust will receive 10% of whatever NHSOC receives. There will be an announcement of funds available December 1, 2009 and the competition for the funds will be nationwide. Board Member Gaido asked if there is an opportunity for the Board to lobby. Adam responded that Senator Loretta Sanchez was involved. Mark stated that if the Board is interested, he will provide contact information.

MOTION: It was moved by Board Member Darrell, seconded by Board Member Gaido and passed by the following vote to approve the Consortium Agreement with Neighborhood Services of Orange County.

AYES: 6 Krom, Darrell, Donnelly, Gaido, Starr, Strader
NOS: 0

8. AFFORDABLE HOUSING LOAN DOCUMENTS AND SALES PRICES

Executive Director *Asturias* informed the Board that since the rehabilitation on the 3 condos is complete, marketing should begin. The loan documents have been submitted to lenders of first mortgages and this will now be a template for prospective buyers. Bill *Ihrke* stressed that he wanted future owners to know what they are getting into, i.e. restrictions, and maintaining permanent affordability. Beth inquired if there are

restrictions on leasing out units. Bill responded that there are permitted transfers and unpermitted transfers. The owner must live there 10 months a year or get approval from the Land Trust. If we find there is a violation that is considered a default. Beth asked how we will be informed of violations. Bill said the owner will sign an annual affidavit. Neighbors will be aware of and possibly report violations. Mark also suggested an inspection or investigation if necessary. Beth expressed that residents have a need for explicit instructions about rules and restrictions. Mark informed the Board that there will be a training program for buyers and we will be in communication with the owners.

MOTION: It was moved by Board Member Strader, seconded by Secretary/Treasurer Donnelly and passed by the following vote to approve the Affordable Housing Loan Documents and Sales Prices.

AYES: 6 Krom, Darrell, Donnelly, Gaido, Starr, Strader
NOS: 0

BOARD COMMENTS:

President Krom: A question arose regarding funding training for Land Trust Board Members and staff. President Krom stated that since the ICLT is tied to the City of Irvine, there should be a source of funds available for training that includes travel. She suggested that if a training opportunity becomes available, bring it before the Board. Board Member Gaido agreed that Mark *Asturias* should attend workshops when available. Mark added that the National Housing Trust puts on workshops across the country. Beth requested a communication from staff between Board meetings. She said she preferred email to a printed newsletter. President Krom also stated that she would like to do a report to the City Council at some point.

Board Member Strader asked if staff ever sought unrestricted grants from local companies or foundations. Executive Director Asturias responded that we have not but we could and should make those efforts.

ADJOURNMENT:

MOTION: It was moved by Board Member Gaido, seconded by Board Member Strader and approved by the following vote to adjourn at 7:40 pm:

AYES: 6 Krom, Darrell, Donnelly, Gaido, Starr, Strader
NOS: 0

SECRETARY