

**REGIONAL RURAL REVITALIZATION
Board Meeting
Thursday, May 4, 2023**

**City of Burns Council Chambers
242 S Broadway Burns, Oregon 97720**

6:00 P.M.

**THE PUBLIC IS WELCOME AND ENCOURAGED TO JOIN THE MEETING
VIRTUALLY VIA ZOOM**

Members of the public and media wishing to address the board of directors during any public comment period will be able to join the webinar as an “attendee.” Attendees will be able to view the webinar on a desktop, laptop or mobile device such as a smartphone or iPad by using the following link:

<https://us02web.zoom.us/j/9020143459> Meeting ID: 902 014 3459

- 1. OPEN AND ROLL CALL**
- 2. APPEARANCE OF INTERESTED CITIZENS**

Members of the public desiring to address the board shall first be recognized by the presiding officer and then state their name and address for the record. Unless otherwise designated by the presiding officer, each person shall have up to three (3) minutes to present their comments. The board of directors and staff normally will not directly respond to a public comment during the public comment period. Board and staff member comments will be held until the Board comment period.

- 3. CONSENT AGENDA**

Information concerning matters listed in the Consent Agenda has been distributed to each board member for reading and study, is routine, or will be enacted or approved by one motion of the council without separate discussion. If separate discussion is desired concerning a particular matter listed in the Consent Agenda, that matter may be removed from the Consent Agenda and placed on the regular agenda by request of any board member.

Attachments:

- None

NEW BUSINESS

- 4. BOARD POLICIES & PROCEDURES DISCUSSION**

Attachments:

- R3 Intergovernmental Agreement – Effective May 01, 2023

5. ADMINISTRATIVE MATTERS

Attachments:

- None

6. IGA AMENDMENT REQUEST & BYLAWS

Attachments:

- Amended and restated intergovernmental agreement with bylaws (redlined)

7. BIENNIAL REQUEST FOR QUALIFICATIONS

Attachments:

- RFQ 2023-01

8. LEGISLATIVE ADVOCACY

Attachments:

- R3 summary for HB3138 (two versions)
- Housing Innovation Partnership bill summaries for HB2980, 2981, and 3174
- LC4525 summary

FUTURE WORK SESSION TOPICS

9. PUBLIC CONTRACTING RULES

Attachments:

- None

10. RECORDS, PUBLIC REPORTS, AND MEETINGS

Attachments:

- None

11. ADMINISTRATIVE STAFF

Attachments:

- None

12. ANTICIPATED PROJECTS

Attachments:

- Schedule 5.2.1 – Initial Projects
-

13. FY23-24 OPERATING BUDGET

Attachments:

- None

PRIOR BUSINESS // CONTINUED MATTERS

14. NO PRIOR BUSINESS

Attachments:

- None

GENERAL DISCUSSION AND UPCOMING MEETINGS // TOPICS

15. BOARD COMMENTS AND UPCOMING MEETINGS

Attachments:

- None

SUBJECT: AGENDA ITEM NO. 3 – CONSENT AGENDA

Attachment(s)

- None

BACKGROUND

No items on the consent agenda.

RECOMMENDED MOTION

N/A

Consent Agenda Item A: None.

Recommendation: None.

SUBJECT: AGENDA ITEM NO. 4 – BOARD POLICIES & PROCEDURES DISCUSSION
Attachment(s)

- R3 Intergovernmental Agreement – Effective May 1, 2023

BACKGROUND

This is the first meeting of the board of directors. There is a lot of work to be done to establish a new agency under the ORS 190 statutes. This agenda item is intended to allow the board members to review and discuss their roles and responsibilities as outlined in the Intergovernmental Agreement (IGA).

DISCUSSION

Agency Formation

The IGA was adopted by ordinances passed by the City of Burns (Ordinance No. 23-884) and the Town of Lakeview (Ordinance No. 940). ORS 190.085(2) requires the ratifying ordinances and IGA to be filed with the Oregon Secretary of State not later than 30 days after the Effective Date of the IGA, which was May 1. The IGA was transmitted to their office on April 6, 2023.

The term of the IGA commenced on the Effective Date. It will remain in full force and effect until June 30, 2028 (the “Initial Term”), and automatically renews annually after that, unless sooner terminated as provided in the IGA.

Each July, the Board will review the terms of the IGA and make any necessary modifications the founding parties agree upon.

Board Member Roles and Responsibilities

The IGA establishes the structure and roles of the board members (Section 3).

The Board currently consists of three members: two standing members (Burns and Lakeview) and one at-large member. The at-large board member will be appointed and may be removed by a unanimous vote of the Standing Members.

The Standing Members appointed to the Board are **Judy Erwin (Burns)** and **Jay Farnen (Lakeview)**.

The Standing Members represent their appointing cities and are responsible for communicating key decisions with their respective city councils.

Each fiscal year the Board will elect a **chairperson** and **vice-chairperson** from its membership, each of whom will serve a one-year term; provided, however, no member will serve more than one year as chairperson in any three-year period. The chairperson will preside at all meetings of the Board and perform other duties prescribed by the Board from time to time.

Because no Chairperson is currently assigned, and we only have two board seats filled, we recommend the Board postpone the decision to set these roles until you have a complete board.

The board members are responsible for overseeing the Consortium’s operations, reviewing and approving the budget, approving capital purchase requests if not previously approved in the budget, setting policy, and performing any other necessary functions for the Consortium (see Section 3.3.1).

The Board is also responsible for recruiting and selecting the managing director, approving expenditures, and preparing and providing a monthly financial report of the Consortium's funds. The Board does not have the authority to commit the taxing authority or general funds of any Party's governing body, impose ad valorem property taxes or issue general obligation bonds, or expend funds over (or inconsistent with) the budget (see Section 3.3.2).

Managing Director Roles and Responsibilities

The Managing Director will report to the Board and be subject to the general direction and control of the Board. The services of the Managing Director are described in detail in Schedule 4.2.2 of the IGA. Among other things, the Managing Director will prepare the Consortium's annual operating budget for the Board's review and approval.

Main Office

The IGA identifies the City of Burns City Hall as the main office for the Consortium. The Board may change the location of its offices as needed to serve the interests of the Consortium and its members (see Section 4.3).

Fiscal Year

The Consortium's fiscal year begins on July 1 and ends on June 30 (Section 5.1)

Voluntary Withdrawal and Dissolution

The IGA currently requires six months prior written notice for a voluntary withdrawal, with the exit taking effect at 11:59:59 on June 30. With unanimous consent, the founding parties may also dissolve the agency following the provisions of Section 7.3 of the IGA.

The City of John Day is proposing changes to these terms, which will be reviewed in Agenda Item 6.

SUMMARY

The board members are welcome to discuss any additional terms or items in the IGA or the operations of the Consortium they'd like to address before moving on to the next agenda item, which discusses administrative matters in more detail.

SUBJECT: AGENDA ITEM NO. 5 – ADMINISTRATIVE MATTERS

Attachment(s)

- None

BACKGROUND

Certain administrative matters need to be addressed by the board related to the administration of R3. These are listed below and discussed in detail in this agenda item.

- Statements of Economic Interest
- Consortium bylaws and process for adding new members
- Adopt local Consortium public contracting rules
- Approve and publish solicitations for qualified professional services firms
- Public records request, records custodian, and public meeting policies and procedures
- Administrative staffing
- Anticipated projects
- FY24 operating budget

DISCUSSION

Statements of Economic Interest. ORS 244.050 defines the positions that require filing an annual statement of economic interest (SEI). Typically, an ORS 190 organization does not require annual filing. However, any political subdivision, other than a city or county, by resolution, may require any public official of the subdivision to file a verified statement of economic interest with the Oregon Government Ethics Commission. If the Board elects to require its officers to file an SEI, a copy of the resolution must be filed with the Oregon Government Ethics Commission per ORS 244.160(b). This resolution would apply to the standing board members, executive director, and the at-large board member(s) (who may or may not be public officials from another entity that requires an SEI filing).

Consortium Bylaws; Procedures for Adding New Members. The IGA defines the process and procedures for adding new members in Section 8.1 The City of John Day requests to join R3 as a standing member. Their council has asked for certain amendments and revisions to the IGA and has proposed bylaws for the Board’s consideration. This is discussed further in Agenda Item 6.

Solicitation for Professional Services Firms. OAR 137-048-0120 authorizes public agencies to develop a list of consultants engaged in their profession’s lawful practice and interested in providing Architectural, Engineering, Photogrammetric Mapping, Transportation Planning, or Land Surveying Services or Related Services for the Consortium. These firms may annually submit a statement describing their qualifications and related performance information to the Consortium’s office addresses. R3 may then use this information to create a list of prospective consultants, which must be updated at least once every two years. This is discussed further in Agenda Item 7.

Legislative Advocacy. Several bills currently in the House or Senate are critical for R3’s success and the success of our small cities. We will review these and ask the board to determine whether they would like to endorse letters of support. This is discussed further in Agenda Item 8.

The remaining items can be addressed during this meeting or referred to a future work session.

WORK SESSION TOPICS

Public Contracting Rules. R3 anticipates receiving funds from state and federal sources, including funding provided by the Department of Administrative Services (DAS) through HB3138. The Board should adopt public contracting rules and procedures that include compliance with the DAS personal services requirements. These public contracting rules will guide the expenditures of R3's funding. They will act as a reference guide for the Board to follow when procuring goods and services by establishing the methods for procurement, dollar thresholds for various selection procedures, and procurement authorities delegated to staff versus those reserved for the board of directors. This is discussed further on Agenda Item 9.

Records Retention and Public Records Requests. ORS 192 defines the statutory requirements for all public agencies in Oregon concerning records, public reports, and meetings. The Board should maintain a written policy that sets forth the Consortium's use, retention, and ownership of public records. The policy should ensure that public records are being maintained and managed consistently within the Consortium from the time of creating a public record to the time of final disposition. The Consortium will also need to adopt a public records request policy and establish a fee schedule for responding to records requests. The Consortium should also consider creating a website for public information related to R3. This is discussed further in Agenda Item 10.

Administrative Staff. The board of directors has the authority to hire or contract with a Managing Director (Section 4 and Schedule 4.2.2). The Consortium may also elect to employ additional administrative staff or contract with one of its member cities or an independent agency for these services. Whether the Board chooses to employ staff or contract for services will determine whether additional administrative items are needed, such as an employee handbook. This topic is discussed further on Agenda Item 11.

Anticipated Projects. The IGA includes anticipated projects from each founding party. The Board will need to determine a standard method for evaluating its investments in these projects. These projects are discussed in Agenda Item 12.

Operating Budget. The fiscal year for the Consortium is July 1 through June 30. The Consortium is not required to adopt an operating budget for its first fiscal year (FY23-24). However, the structure of the budget and anticipated costs and revenues can be developed and implemented prior to the start of the new fiscal year. A proposed budget structure is discussed in Agenda Item 13.

SUBJECT: AGENDA ITEM NO. 6 – IGA AMENDMENT REQUEST & BYLAWS
Attachment(s)

- Amended and restated intergovernmental agreement with bylaws

BACKGROUND

John Day is requesting to join R3 as a standing member. Their council has proposed certain amendments to the IGA along with draft bylaws.

Jeremy Green, attorney for the City of John Day, will review these proposals with the board. A redlined copy of the proposed changes is included in the board packet.

DISCUSSION

Section 8.1 of the IGA governs adding additional parties to the agreement. It states that:

Subject to the Laws, including, without limitation, ORS chapter 190, the Standing Members of the Board may authorize a new party to join Consortium only if approved by the unanimous vote of the Standing Members of the Board. The addition of an additional party may be accomplished by the new party taking the actions necessary under ORS chapter 190 and signing a copy of this Agreement, as amended, after approval of the additional party by the Standing Members of the Board. Upon the addition of the first new party, the Board shall increase its membership by one Standing Member to be appointed by and serve at the pleasure of the governing body of the new party consistent with the provisions of Section 3.1. The Board shall also appoint a second at-large member, consistent with the provisions of Section 3.1, so that the Board will have five members. Should the Board approve the membership of a second new party, the Board shall remove one of the at-large members and the governing body of the second new party shall appoint and may remove, consistent with the provisions of Section 3.1, a fourth Standing Member. In no event shall the Board’s membership be greater than five members unless and until an amendment to this Agreement is agreed upon and approved by the governing body of each party that is a member of the Consortium at the time the amendment is proposed.

Section 2.1 of the IGA describes the board’s authority to establish bylaws.

Proposed changes from John Day

The following changes are proposed by John Day:

1. The agreement has been revised to accommodate John Day’s admission as a party to the consortium.
2. Section 3 concerning board composition, authority, and voting has been revised. John Day’s attorney is recommending specific qualifications for the at-large board seat be included.
3. Revised the termination section (Section 7) to allow a party to unilaterally terminate its participation in the consortium by providing 30 days’ prior written notice. IsoA included a termination right upon the consortium’s default.
4. The agreement contained a few inapplicable provisions/sections – likely due to the consortium’s “evolution” over the past 6-7 months, which have been adjusted.
5. Draft bylaws for the board are included as Exhibit A.

NEXT STEPS

Review the proposed amendments and discuss whether to accept / reject / or forward the recommended changes to the founding parties city councils for their review and consideration.

SUBJECT: AGENDA ITEM NO. 7 – BIENNIAL REQUEST FOR QUALIFICATIONS

Attachment(s)

- RFQ 2023-01

BACKGROUND

OAR 137-048-0120 authorizes public agencies to develop a list of consultants who are engaged in the lawful practice of their profession and who are interested in providing Architectural, Engineering, Photogrammetric Mapping, Transportation Planning or Land Surveying Services or Related Services for the Consortium. These firms may annually submit a statement describing their qualifications and related performance information to the Consortium's office addresses. R3 may then use this information to create a list of prospective consultants, which must be updated at least once every two years.

DISCUSSION

RFQ 2023-01 is the draft biennial solicitation. This will be sent out to professional services firms upon review and approval by the Board.

NEXT STEPS

Review and approve RFQ 2023-01

SUBJECT: AGENDA ITEM NO. 8 – LEGISLATIVE ADVOCACY

Attachment(s)

- R3 summary for HB3138 (two versions)
- Housing Innovation Partnership bill summaries for HB2980, 2981, and 3174
- LC4525 summary

BACKGROUND

The following bills could prove important for R3’s long-term success as well as the success of its member cities.

HB3138. HB 3138 is designed to support small communities statewide in supporting the construction of needed housing. The bill will provide **\$30 million in grant funds to R3**, which can subsequently be used for grants and loans to increase capacity and address other barriers to housing production in rural Oregon. It will provide the opportunity to enter into public-private partnerships and joint efforts to develop housing in communities where economies are suffering and social needs are going unaddressed due to the lack of housing. Two different drafts of the bill summary are provided for the Board’s consideration. The Board must decide which version (or some combination thereof) to use during their public testimony.

HB2980. HB 2980 establishes a **\$300 million state revolving loan fund** to fill housing financing gaps. Local jurisdictions access the fund to boost the needed housing development in their communities. Eligible housing can be rental or homeownership, multi-family or single-family. The goal of this fund is housing production that could not otherwise be produced. Local jurisdictions control project selection and borrow from the fund to make grants to local developments. These grants fill critical project funding gaps. The jurisdictions then pledge the amount of revenue from a fee based on the improvements to repay the loan over ten years. After loans are repaid, local jurisdictions retain full property taxes.

HB2981. HB2981 creates two functions: a Housing Production Center (\$5 million) and a combination of infrastructure grants, loans, and loan guarantees (\$20 million for each source). These programs will enhance housing capacity for off-site home fabrication, which is currently limited in Oregon. There is a clear need to deal with the regulatory, distribution, workforce, and market acceptance issues affecting off-site construction housing types and implement a strategy for greater modular and panelized construction use. Creating a Housing Production Resource Center is proposed to address this need. The Center would help coordinate specialized workforce training, help developers and jurisdictions access financing, break down barriers, support permit streamlining, and address challenges in all sectors, supporting and bringing factory-built housing, panels, and other needed housing to scale.

HB3174. This is a capacity bill that would appropriate \$45 million for jurisdictions to hire additional planning staff, provide 12 regional housing coordinators, create a statewide education program designed to explain Oregon’s unique land use system, as well as the causes of Oregon’s housing crisis and the potential solutions to overcoming it, and provide the Association of Oregon Counties (AOC) and League of Oregon Cities (LOC) each with sustainable funding to recruit and hire their own State Housing Liaison.

HB000 (LC4525). This bill was introduced in the Senate and is being repackaged for introduction in the House. The bill allows local governments to use an alternative pathway for growth that guarantees the construction of low-income and moderate-income housing within fully integrated, walkable, mixed-use communities. It also will enable landowners and cities to partner to bring land into the UGB using an

accelerated planning process in exchange for affordability restrictions requiring significant housing units affordable to families at low- or moderate-income levels.

SUMMARY

The Board should develop its own version of the HB3138 summary to circulate with other jurisdictions interested in the bill and R3.

The Board should also consider endorsing these other bills that could enable R3's mission in the future. A letter of support and public testimony at future hearings would both be helpful.

SUBJECT: AGENDA ITEM NO. 9 – PUBLIC CONTRACTING RULES

Attachment(s)

- None

BACKGROUND

Per IGA Section 4.1, the Consortium’s managing director may enter into contracts subject to and in accordance with the IGA, Laws (defined in the IGA) and all Board policies (including, without limitation, all applicable public contracting rules and procedures).

R3 anticipates receiving funds from state and federal sources, including funding to be provided by the Department of Administrative Services (DAS) through HB3138. The Board should adopt a public contracting rules and procedures that include compliance with the DAS personal services requirements.

These public contracting rules will guide the expenditures of R3’s funding and will act as a reference guide for the board to follow when procuring goods and services by establishing the methods for procurement, dollar thresholds for various selection procedures, and procurement authorities delegated to staff versus those reserved for the board of directors.

DISCUSSION

A contracting agency may adopt its own rules of procedure per ORS 279A.065(6) by prescribing the rules of procedure the agency will use. Alternatively, the agency will be subject to the model rules adopted by the Attorney General, as defined in ORS 279A.070.

A local contract review board by ordinance, resolution, administrative rule or other regulation may also designate certain service contracts or classes of service contracts as personal services per ORS 279A.055.

NEXT STEPS

Draft public contracting rules for future review and approval.

SUBJECT: AGENDA ITEM NO. 10 – RECORDS, PUBLIC REPORTS, AND MEETINGS

Attachment(s)

- None

BACKGROUND

ORS 192 defines the statutory requirements for all public agencies in Oregon concerning records, public reports, and meetings. The board should maintain the following:

- A written policy that sets forth the Consortium’s use, retention and ownership of public records.
- A written records request policy and fee schedule for responding to records requests.
- Meeting procedures (optional)
- Website (optional)

DISCUSSION

Records retention policy. The Consortium should have a written policy to ensure that public records are being maintained and managed consistently from the time of creating a public record to the time of final disposition.

Records request policy. The Consortium must adopt a public records request policy and establish a fee schedule for responding to records requests.

Meetings procedures. The Consortium can adopt specific meeting procedures.

Agency website. The Consortium should consider creating a website for public information related to R3. As a government agency, the Consortium can use the dot.gov domain registry (i.e., www.R3.gov). The .gov is the top-level domain for US-based government organizations and is the recommended domain. This domain can be registered at <https://domains.dotgov.gov/dotgov-web/>.

NEXT STEPS

Discuss the records, public reports, meetings, and website policies and make appropriate motions.

SUBJECT: AGENDA ITEM NO. 11 – ADMINISTRATIVE STAFF

Attachment(s)

- None

BACKGROUND

The board has the authority to hire or contract with a Managing Director (Section 4 and Schedule 4.2.2).

The Consortium may also elect to employ additional administrative staff, or may contract with one of its member cities or an independent agency for these services.

Whether the board chooses to employ staff or contract for services will determine whether additional administrative items are needed, such as an employee handbook.

DISCUSSION

Managing Director. IGA Section 3.3.2 states “the Board will (a) recruit and select a Managing Director; (b) establish a job description, salary, and budget for the Managing Director; (c) receive and review reports from the Managing Director concerning the Consortium’s Projects and ancillary operations and duties; (d) approve expenditures for Consortium assets for the benefit of all Parties; and (e) prepare and provide each Party with a monthly financial report consisting of an accounting of Consortium funds.” Section 4 and Schedule 4.2.2 define the roles and responsibilities of the Managing Director in relation to the board. The board has the option of contracting for services (through a personal services agreement) or publishing a job description, salary, and other position information consistent with the IGA.

Additional Staff. The Board’s decision relative to the Managing Director will likely determine whether additional staff are hired or contracted for services. Per the [Bureau of Labor and Industries website](#), “Generally, workers who are economically dependent on a business are employees, whereas workers who operate their own businesses are independent contractors. A worker’s status as either an employee or independent contractor is determined by the reality of the work relationship, not a label or title given to a worker.”

BOLI uses the “economic realities” test to determine whether there is an employment relationship for purposes of wage and hour law, and the “right-to-control” test to determine whether a given worker is an employee or an independent contractor for purposes of civil rights law.

Key roles the R3 Consortium will need to consider as part of the agency’s services include:

- **General administration** (i.e., Accounts Receivable/Accounts Payable services, records maintenance, etc.)
- **Financial Accounting** (i.e., Budgeting, Financial Reporting, Payroll, Grant/Loan Administration, etc.)
- **Auditing**
- **Legal services**
- **IT Services**

NEXT STEPS

The Board should discuss the roles and responsibilities of anticipated staff or contractors within the Consortium’s operations, and how best to meet R3’s staffing needs.

SUBJECT: AGENDA ITEM NO. 12 – ANTICIPATED PROJECTS

Attachment(s)

- Schedule 5.2.1 – Initial Projects

BACKGROUND

The IGA includes anticipated projects from each founding party (enclosed).

The Board will need to determine a standard method for evaluating its investments in these and other projects funded through the DAS grant under House Bill 3138.

The Consortium has also been asked to oversee a congressionally directed spending request for the City of Mitchell, discussed below.

DISCUSSION

Burns Projects. Listed in the attached.

Lakeview Projects. Listed in the attached.

John Day Projects. Listed in the attached.

Mitchell Project. Mitchell requested assistance for a land exchange with the federal government to provide them with approximately 600 acres of land adjacent to their city limits. This land would be restricted for use in promoting their recreation economy. The project was submitted to the Senate as an FY24 Congressionally Directed Spending Request and would be funded by that source if awarded.

Baker Area Projects. Baker City’s council reviewed the R3 organizing documents during a work session held on Wednesday, April 25. They may be interested in continuing the conversation as a potential participant.

There are several projects in the Baker City area that could benefit from R3’s assistance under HB3138. Specifically, there is a proposal to convert an existing multifamily housing development into supportive housing. Supportive housing provides tenants with access to services voluntarily; requires rental payments of no more than 30% of the tenants income, and allows them to living in the supportive housing for as long as they meet obligations like paying rent. These services ensure that tenants receive private and secure accommodations while assisting them with other needed services (provided separately).

New Directions Northwest, Inc. in Baker City is requesting assistance to acquire a site that will be made available for their direct purchase. The site would provide accommodation for up to 12 families from our region at a time. Most of our communities have very few support services that provide adequate housing while also ensuring access to a professional level of services to help them get back on their feet. This project site is located on land already zoned for group living and used for that purpose today. There is no change in land use, which negatively impacts other projects of this type. It could also be restricted to people in our R3 service area to avoid importing people from outside our region and can be available for occupancy within 90 days.

SUBJECT: AGENDA ITEM NO. 13 – FY23-24 OPERATING BUDGET

Attachment(s)

- None

BACKGROUND

The fiscal year for the Consortium is July 1 through June 30. The Consortium is not required to adopt an operating budget for its first fiscal year (FY23-24). However, the structure of the budget and anticipated costs and revenues can be developed and implemented before the start of the new fiscal year.

NEXT STEPS

Develop a budget template and approach for managing and accounting for costs and revenues associated with each Project as well as the Consortium's general operations.

SUBJECT: AGENDA ITEM NO. 14 – PRIOR BUSINESS // CONTINUED MATTERS

Attachment(s)

- None

BACKGROUND

No items on the Prior Business agenda.

RECOMMENDED MOTION

N/A

Prior Business Agenda Item A: None.

Recommendation: None.

SUBJECT: AGENDA ITEM NO. 15 – BOARD COMMENTS & UPCOMING MEETINGS

Attachment(s)

- None

BACKGROUND

Board members may discuss topics of their choosing or suggest future agenda items.

UPCOMING MEETINGS

The Board should discuss when to hold their next meeting. We may want to hold a monthly board meeting, with monthly work sessions alternating, to make the board meetings more productive.

An example schedule is below with meetings held on Thursdays.

May 4 – Board Meeting

May 18 or 25 – Work Session

June 8 – Board Meeting

June 22 or 29 – Work Session

July 13 – Board Meeting