## AGENDA ITEM NO. 4 – R3 PROGRAMS & SERVICES, FINANCIAL MODELING, AND PROGRAM TECHNICAL ASSISTANCE

Attachments:

- Rural Special Operations Team
- Readiness Assessment

### Background

This topic addresses potential programs and the program implementation, including financial modeling and support staff needed to implement R3's mission. In other words, what you do, and how you'll do it.

### Overview

R3's mission is to provide necessary resources to assist with the execution of housing and community improvement projects.

R3's board has not yet defined what this assistance includes, except in the intergovernmental agreement, which identifies without limitation, "evaluating and providing logistical aid concerning housing and community development projects (e.g., determining the feasibility and requirements of proposed projects, sources of project funding, and assisting and managing project completion)."

R3's legislative appropriation (HB3410 Section 8) also identifies their funding scope "to provide planning, infrastructure, capital equipment and predevelopment costs for housing, to award grants and loans to capacity builders and developers of housing and to enter into public-private partnerships for the development of housing. Housing supported with moneys appropriated under this section may be located in any area of this state, except for within the urban growth boundary of a city with a population greater than 50,000."

Our Catalyst Team will be present virtually and in-person to discuss each of these items.

### Discussion Topic No. 1 - R3 Programs and Services

These organizing and funding documents identify specific categories of assistance. They can be grouped into categories, as shown in the table below. These are proposed programs and services for the board to review and discuss as the potential services we will offer.

The board may make recommendations or changes to any of the services shown in this table.

<b>R3 PROGRAMS AND SERVICES</b>	
Needs and Opportunities Analysis	Determine readiness levels (staffing, equipment, capacity, and capabilities) for specific housing projects to identify where, when, and how to assist members in achieving their strategic goals and objectives.
Feasibility Assessment	Evaluate a project's feasibility and financial readiness, including identifying funding and other resources needed for a successful project completion.
Planning Assistance	Assisting with pre-development activities, including planning, permitting, and entitlement activities such as completing land use, environmental, civil, engineering, and financial/market assessments to gain legal approval to build.
Design Assistance	Performing conceptual analysis, site planning, location, and alignment (i.e., topographic surveys, site inspections, and opinions of probable cost) and geospatial analysis to help visualize and analyze the community's data with collaborative maps, dashboards, and reporting for context and further study.
Financial Assistance	We can help build capital stacks – layers of strategic investment capital, own-source revenue, grants, loans, and state appropriations – and manage these investment portfolios for a given project. This may include providing technical assistance grants, loans, and forgivable loans for projects at each stage of its development, including: Pre-development; Marketing and branding; Infrastructure; Capital equipment; Construction; Post-construction incentives; and Lease-up assistance.
<b>Joint Development</b> <b>Agreements</b> (Public- Private Partnerships)	We can assist with negotiating public-private development agreements and joint developments with private investors/interests and public agencies. We can also manage public entity relationships, strategic teaming, and negotiations to achieve project outcomes.
Project Management/ Construction Management	We can assist with project and construction management during project implementation, including purchasing bulk materials to achieve higher economies of scale.
Asset Management	We can help acquire and deploy capital equipment to member communities to increase the longevity of their housing and infrastructure investments.

### **Discussion Topic No. 2 – Financial Modeling**

For this item, we will build a financial model with the board for a proposed housing development, as shown below. The board will identify the number of units to be built, specific construction parameters (i.e., unit size, number of bedrooms, etc.), construction cost, and other assumptions. We'll then show the board how these decisions impact the financial ProForma for cash flows, the return metrics investors seek, and their impacts on housing affordability.

This model will be used by R3 staff to assist rural communities with project financial modeling to ensure the project's work is effectively on paper. We'll also be able to show the economic returns to the private and public sectors and any impacts on your urban renewal areas.



#### Discussion Topic N. 3 – Program Technical Assistance (Task Orders)

<u>Rural Special Ops Team.</u> We have developed a proposal for non-financial technical assistance for rural communities. This proposal involves a team of "special operators" working directly with rural communities to help evaluate and design effective housing programs using a readiness scorecard. Greg Wolf, Director of iSector and a subcontractor to Catalyst, will discuss this topic and present this topic under our agreement. A PowerPoint presentation and readiness scorecard are included in the packet. Greg's team can also help connect employers and housing developers with markets as part of our P3 approach to encourage private employers to invest in workforce housing development.

<u>P3 Practitioner's and Leaders Playbooks</u>. Another deliverable we'd like to discuss is creating a practitioner's handbook for public-private housing partnerships to help other communities create joint developments. This playbook would help explain the ins- and outs- of developing a solid team of public and private partners to build housing, examine case studies of specific projects (including R3's), and present lessons learned and best practices for other communities to follow, including specific guidelines for policymakers and housing leaders. This would be a product spearheaded by ECONorthwest and iSector as subcontractor sunder our agreement.

<u>Construction Management & Planning.</u> Finally, we need to discuss construction management and project management assistance for projects at or near the construction point. Specifically, the projects that may need detailed construction plans to be ready for home construction next spring. Wayne Semon (Semon Custom Homes), Doug Green (Geobility), Doug Robbins, and Aaron Lieuallen (AEWW Innovations) are subcontracted to assist R3 with this work. We need to begin discussing where and how we'd like to deploy their services so that the more mature projects are ready for construction next spring.

# AGENDA ITEM NO. 5 – GENERAL DISCUSSION OF PRIOR TOPICS CONTINUED TO DECEMBER

Topics:

- DAS Grant Agreement
- At-large board member applications
- Biannual Request for Qualifications RFQ-2023-01
- Auditing Services Proposals RFP-2023-02
- Accounting Services Proposal RFP-2023-03
- .GOV Domain and R3 website

### DISCUSSION

We will review the status of each of the above topics during this item.

### AGENDA ITEM NO. 6 – 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 agreed to use the third Wednesday evening of each month for their board meetings.

November 20 – Board Meeting December 18 – Board Meeting