REGION RURAL REVITALIZATION (R3)
BOARD MEETING
OCTOBER 16, 2023

The Regional Rural Revitalization (R3) Board members met on October 16, 2023, at 6:00 p.m. for a Board Meeting. Members present were as follows:

Nick Green – R3 Managing Director – Via Zoom
Heather Smith – Burns R3 Representative and Board Chair
Judy Erwin – Burns City Manager
Jay Farmen – Lakeview R3 Representative – Excused
Michelle Perry – Lakeview City Manager - Excused
Heather Rookstool – John Day R3 Representative – Via Zoom
Chad Jacobs – R3 Legal Counsel – Via Zoom

APPEARANCE OF INTERESTED CITIZENS

Guests present included consultants Greg Wolf and Rachel Howard, who are with the iSector Housing Innovation Partnership.

PUBLIC COMMENT

None given.

APPROVAL OF PRIOR MEETING MINUTES

Heather Rookstool made a motion to approve the minutes as presented. Heather Smith seconded the motion—all ayes.

NEW BUSINESS

1. **R3 PROGRAMS & SERVICES, FINANCIAL MODELING, & PROGRAM TECHNICAL ASSISTANCE –** Managing Director Nick Green said he had worked with Greg Wolfe and Rachel Howard, who is with the iSector Housing Innovation Partnership. Also, Greg's team is subcontracted to Catalyst. He wanted to show them a potential range of programs and services the board could provide both within the member communities and statewide to any of these cities under 50,000 people to the extent they have the resources to do so. He briefly ran through those and wanted the board to think about and discuss whether that is something they want to have in or out of the service stack. He believes it would be useful for helping them think through what they could do on behalf of these communities. The first one is the needs and opportunities analysis. The format or deliverable he said the people are most familiar with is a housing needs assessment. Those are done statewide and typically to justify urban growth boundary expansions. He said they tend to fail in rural communities because when they do a housing needs assessment following the State's methodology, it is indexed to the Portland State University population projections. Those are primarily based on a housing model. This means if you're in a rural market that is underperforming in housing production, which is most of them, then the city's housing needs forecast will be flat or negative. That happened when they did the regional housing needs assessment for our area. The total number of homes Burns and John Day needed over the next twenty years was negative three, following the methodology, meaning the cities could

go ahead and delete a few houses because they won't grow. Yet, in both communities, a couple hundred lots are developing, and many homes are coming online. He felt the challenge for the cities was to figure out how they identify both needs based on that population model and opportunities for rural market expansion. He said Burns happens to be equidistant along Highway 20 between two of the highest-growth cities in the country. Burns may not have a need, as defined in the housing needs assessment, but they do have an opportunity to be a pressure relief valve for people in these rural markets that are getting priced out. He said an essential service could be for the city to help identify a realistic set of needs and opportunities for rural communities that align with their community's strategic goals and objectives.

The second item is feasibility assessment. The board could take a project and evaluate its feasibility on paper regarding the proposed development, its projected revenues and expenditures, and the amount of financing it needs. They can then look at typical deal metrics for a real estate transaction and determine what the internal rate of return is, what that projected market value or exit value is of the project, and whether it's NPV (net present value) negative or positive, meaning it's a project that stands on its own or it's a project that would need grant funding to pencil.

Panning assistance can also be provided, such as predevelopment planning assistance to applicants helping communities get through the entitlement process. They will review various types of plans, environmental engineering, archaeological financial etc., that are needed to gain approval to build so that they can provide design assistance. So conceptual site planning, location, geospatial analysis, collaborative maps, and dashboards to help communities plan and design housing that would be the best fit as part of that work. They could provide a basic financial analysis of whether the post-development value of the land is higher or lower than the cost to develop (i.e., if the residual value of the land after it's developed is positive or negative compared to the cost).

Direct financial assistance can help them with capital injections for predevelopment activities, which is everything listed in that column of the services spreadsheet shown to the board. Marketing and branding, infrastructure, investments, capital equipment, construction, or even post-construction incentives, and help with lease-up assistance.

He informed them that all those things could be an option with joint development agreements. They have talked about public, private, and joint developments, but very few communities have ever actually structured these deals. This would be an example of a Direct Assistance service. R3 could assist in structuring a joint development. They can then assist during construction and afterward with project management, construction management, and asset management to help them lease up and exit with a successful project. He wanted to let the board discuss between themselves what they would be comfortable with or what they would prefer.

Based on the needs and opportunity analysis explanation, Heather Smith asked if it had to be completed or done for each project. She said, for example, if the city had another development like Miller Springs, would it be necessary despite the city's negative three projections?

Green answered that they tend to do these at the community level. For cities of 10,000 people or more, they're required by state law to have a housing production strategy (HPS). Cities under 10,000 do not have that requirement. He said they could think of this as an HPS "light" and use a similar approach to the production strategies. It would be non-binding, but it would be a way for them to show, at the community level, the opportunities to rightsize housing for their markets. He said people always say they need more housing but rarely go further than that. This would be an attempt to help them quantify what housing, how much, what price points, where it would go, and that kind of thing.

Heather Smith said she thought there was a benefit in retaining these in the documents and process.

Heather Rookstool agreed and said she'd rather leave them in there than take them out because they are still figuring out what it will do and how it will look.

Nick Green said if this is going to be R3's baseline program stack and services stack, then he wanted to point out their first four: from needs, analysis, feasibility, assessment, planning, and design assistance. Your bottom three are soft costs or what you might call technical assistance. The financial assistance is the only one, and maybe the design, to the extent that would require a direct investment of capital on R3's part in a project. They would need to identify a task order essentially. If a community or a project came to them and said they needed help with planning and design, then, rather than providing them with cash to hire their own team, an option would be that R3 would set up a task order. Another option would be to set up a task order and have their team dedicate a certain number of hours to that project. That would be a way they could provide technical assistance across the State without necessarily having to make seven-figure capital outlay investments in different locations.

Heather Smith thought it looked fantastic and covered a lot of areas.

The board discussed different types of direct investment, one where the city is the developer and one where it is a private development. For example, if it were a municipal infrastructure project, it would be a city-sponsored project, but otherwise, the funding would be to the project sponsor. He wanted to touch on the financial modeling, show how it works, and walk them through the different parameters. Then, they will be able to see how they want to run this and if there is anything they want to see besides what was shown. He then went over these models.

He said what they will do is enter property details on a specific proposed project. They will then enter the amount of land, the gross square footage they anticipate building out, and then, as they go through the analysis, it will calculate for them the site, square feet, total number of units per acre, average size of each unit, and that sort of thing. They then have another field where they can enter their acquisition information. That way, if the project sponsor says they have an opportunity to do a development but need to acquire a parcel, they can enter the estimated acquisition price, which will calculate metrics for them.

The total land price per acre, per dwelling unit, and a land price calculated as a gross, square foot, and sellable square foot are also returned in the model. We can enter some assumptions about closing costs and the date they will acquire the land. They can do the same for their construction financing, assuming a loan-to-cost ratio if the project has both bank financing and an equity investment from R3. Then, it will calculate the net loan amount based on the equity they're proposing and the fees. They can enter their interest rates using the SOFA rate, which is the market rate banks use, plus an interest rate spread. He said that will determine the formulas or the values that will populate through the model for the cost of finance or our cost of capital.

In another tab, they see where they could calculate the start and end dates for construction for the project and where it will determine the hard and soft costs, contingency costs, total construction costs, and their final construction price per square foot. He also added to the model the city's URA rebate, which they were pegging right now at 7 percent, and any other incentives R3 would contribute to the deal.

All of that will then calculate through the model to come out with their total cost details on the project, the total sale proceeds, if it's a for-sale model or one for rent, the average sell price per square foot, when they will engage in the sales, the total URA rebate that will be provided, the total incentive that will be provided, and then the metrics on the deal. Also, how much debt and how much equity, all of those hard and soft costs calculated, including our closing costs, and the return metrics. So unlevered, meaning without debt, what the internal rate of return is, the profit, and then the levered rate of return and profit.

They also calculated the average area median income per dwelling unit indexed to three people per household. Three people per household is close to their average. They usually end up between two and a half and three.

On the revenue side, they can enter, working with the developer, the types of dwelling units that they're proposing to create, the number of those units, so commercial suite, one bedroom, one bath, two bedroom, two bath, how many of each, total square footages for each unit type, and the estimated market value per square foot. This will then calculate their estimated market value or street value once they sell. They can then determine when they will start selling those units, the total property taxes per unit per month, the total assessed value generated per unit, and then the total assessed value on the deal.

The rest of the model is predicated on those assumptions. They can go through and calculate the income requirements based on those metrics, the income requirements of a future tenant, their monthly payment, and where that monthly payment lands them in terms of area median income.

He said they could go through and show their public incentives, their cost of construction, when those construction costs will be incurred, their financing costs, and when they will need cash from debt or cash from equity, the monthly cash flows, and the rolled up annual cash flows on the project.

The reason he's recommending they use this type of tool is so that they can see, based on assumptions on paper, what the return metrics and the project profile look like for a proposed project. He told them they will probably end up with a common dilemma. Except in their case, they'll be able actually to quantify how big of a dilemma it really is. That common dilemma is that the State would like us to build missing middle housing. This means housing for people who earn eighty to a hundred and twenty percent of the area median income. He said that sounded great and like a wonderful thing, but the problem is the cost of construction in the market, which no one can control, and it ends up with price points that are considerably higher than that. The exit cost on a proposed project puts them above area median income targets.

In this example, just running those numbers, they are at about one hundred seventy percent of the area median income per dwelling unit. He said the question then becomes, do they add more subsidy, meaning more of a grant to bring that AMI down, or do they just look at the deal and say that they got as close as they can reasonably get, and while they could add more grants to lower that AMI-targeted rental price, it would also dilute our ability to build more housing.

He explained that the thought there was that if they were to go with a higher AMI per unit but build more units, that could have a knock-on effect of freeing up some available housing within the community from people who might be squatting on homes that are cheaper than what they can actually afford. He wanted to show it to them because they can run the metrics on every proposed project before making an investment decision. Just like they were investing in commercial real estate, they can run the metrics on each proposal, look at how different policy choices they make, and different construction choices the developer makes actually impact their final price per square foot and their target area median income metrics to get as close as they feel comfortable with.

They can also look and see if that's what it means for the project's finances. If it means to get to one hundred and seventy percent, we need to be in for nine hundred thousand; then the board can make the call on whether they are in or not at that price. If the answer is yes, how do they structure what's called the equity waterfall, or the terms of that cash flow, so that every party to the agreement knows who's doing what to whom, what money's flowing, and then how much they expect to get out of the deal when the home sells. In other words, how much property will they then recapitalize?

Heather Rookstool also asked if this would go with the scoring type of a thing. If they get fifty proposals of projects around Oregon that want to happen, could they punch these numbers in, which would help with their scoring?

Nick green answered yes and said they would basically be saying that this is a financial tool. They would also use soft or non-financial metrics to determine the readiness to proceed. They would also be able to use this to say that if we're going in for X amount of dollars, the developer has to have Y amount of dollars. The developer isn't ready to proceed until they can show R3 that Y amount of dollars are committed. Otherwise, R3 is the first money in, the last money out, and we may be the only money in. That would then tie up a bunch of capital that wouldn't necessarily get the housing production we anticipated.

Heather Rookstool said she liked all of this, especially the proof behind the reasoning of picking the different projects with proving the median house stuff and things like that in the profit, because she's afraid they're going to have a lot of people that want their hands in the cookie jar for the little bit of money that R3 has. She felt they need to be able to legally, and with numbers and hard facts, be able to prove why or how certain projects get picked and certain projects don't. She felt that no matter how overwhelming it all looked, it would help them narrow down when they started getting project applications in.

Nick Green said he agreed. He thinks they will need to be able to justify why they did one investment and not another, and he thinks it will also be helpful to show all of the deals R3 has evaluated and why they rejected some of them.

Green also wanted to show them something else on the sheet. He said it was just notional, and he was not suggesting that these are real yet, but what he wanted to show them was that they have a project tracker that allows them to look at the number of projects in each community, who the applicants are, and then they can bring over, from our other spreadsheets, all of those metrics. They can bring over their sell price per unit, contribution per unit, total sale price, gross contribution, estimated returns, and AMIs for each deal. Then all of that will tabulate down at the bottom, and the board will be able to show how many deals they have in progress, how many are already on the market, how much funding they have available, how much has been committed, how much is remaining are percent committed, the estimated returns (meaning the amount of money they will get back after the sales), their net contribution, their net funds remaining, and then their average or blended area median income per unit.

He said they may look at some projects and say they have a high AMI, but there are these other factors that they need to consider. Maybe there's commercial development mixed in with it. Perhaps it's part of a downtown revitalization. They may end up with some that have higher AMIs, but they may have others that are just straight workforce housing. They can show a blended or average weighted AMI across the projects in their project tracker, and that's how they can keep track and ensure they don't over-commit their funding. They can show how diverse the portfolio is and the deals they evaluated but ultimately did not fund for one reason or another.

Heather Smith said that as for trying to put herself in the seat of a project applicant, she feels it would be beneficial for them to see and maybe understand why R3 decided to accept or deny the application in question.

Green said he thought they would get much better as they go through it and get a few under their belts. He thought it might be a good idea and fun in a work session for them to model a proposed development on their own so that they can go through the same thought process the developer will go through. He felt it would help them understand both sides of the process.

Heather Smith referred to when he talked about the potential of a project not meeting the criteria and having to subsidize. Also, additional grant monies went into the project, and asked what that would look like and if he would elaborate more.

Green said some of this will come down to what the board is comfortable with, but one way we could help get closer to the target area median income is to provide the construction financing, or more of it, because interest rates are really high right now. The downside to doing something like that is that they tie up more capital in the short run. If it's an eighteen to twenty-four month, maybe longer construction window, their money is unavailable until that project is refinanced. He said that was one example of a policy choice they can model.

Another example might be that they can put in X amount of dollars for the project as a grant and X amount as a forgivable loan. That way, they have some upfront capital to do specific things like ordering materials, acquiring a property, or developing plans. Then, the forgivable loan component would be after their project is completed or has hit certain milestones. Then, they release the remaining funds. That would be another example of a way to structure an incentive package so that they're not putting all their money at risk upfront and the project doesn't get completed for one reason or another. They would be making staged investments as they go. He said these were just a couple of examples of how they might structure something to get to a more competitive price point and syndicate their risk.

Program Technical Assistance and Task Orders – Nick Green introduced Greg Wolf to R3. He said Greg was with the iSector Housing Innovation Partnership. Nick said he had a chance to work with Greg and Rachel for about two or three years on various housing policies and initiatives, and they are a dynamic duo together, but he also enjoyed being a part of Greg's broader team. He said Greg would talk about some of the services they could provide that fall under that technical assistance category.

Greg Wolf said he had spent much of his career working with rural and frontier jurisdictions. He also created a couple of programs that are kind of designed for on-the-ground problem-solving. The Oregon Solutions Program and the Regional Solutions Program that the State has been trying to run are designed to identify problems on the ground and then develop integrated solutions. The Oregon iSector is a nonprofit organization that builds public-private civic partnerships and funds housing. He said three out of four of Oregon's cities have populations under 10,000, and over half of the cities in the State are rural, having less than 2,500 residents. He said it was a big swath of the State that is under-served in many ways. Communities across the State need housing, but rural jurisdictions face some unique and complex challenges when it comes to producing new housing. They've got very limited financial and technical human capacity to plan for or process applications, let alone accelerate housing production. Yet there's a lack of housing in rural parts of the State to attract the workforce they need to produce houses. Many jurisdictions are far away from the equipment and resources they need to build. Then, the high construction costs cause difficulty in gaining private investment. Projects are unattractive to some developers or don't pencil out for that reason. The cities have outdated building code regulations restricting innovations and housing construction. There are many new building techniques that the building code never anticipated. Then there are all these regional problems. In some areas, there are a lot of rental properties. Many vacation rentals are impacting the market and housing supply. There are many issues there that they need to face.

Greg then introduced them to the Housing Innovation Partnership. It is a partnership of over 35 public and private civic organizations at the state level. He then showed R3 a graph showing them some of the partners they have in that partnership.

He said it's designed to work at the state level, particularly to change some of these systems that aren't working very well right now. This group's mission is to address Oregon's housing deficit through housing innovations. He said Oregon was one of the country's worst states in terms of housing supply. Experts say we need to build 550,000 housing units over the next twenty years to erase this housing deficit and meet the demand yearly. The Oregon Community Foundation convened this Housing Innovation Partnership. Megan Loeb is their staff person who is convening. The other convener is Representative Pam Marsh from Ashland. She's very active in the legislature and influential there, particularly around the housing area. This group came together with the idea of what they could accomplish if they were all working together on this problem and what they could do to make changes in the housing systems at the state level to make it easier to build around the State.

He said this group did some research to start, and it found that the workforce housing issue was not being addressed at all. There's funding for affordable housing, under sixty percent AMI. A market of over one hundred and twenty percent functions pretty well during regular interest rates, but there is no support for this area in the middle. It really is a severe problem. If they're trying to get to these numbers in terms of housing production in Oregon. This all has an effect on the economic viability of jurisdictions and their vitality, so this group set out to find some investments that could help close this workforce housing gap.

He said they were successful in getting $45 million last session. Twenty million for a modular factory incentive fund would provide some funds for perhaps four factories to either establish themselves or be enhanced around the state so that they could actually do modular housing and components. This includes mass timber, an emerging construction technique with a lot of promise. Second, twenty million for a housing loan guarantee fund would be available for workforce and lower-income households. Finally, five million to support housing and community development capacity staff at cities and counties around the state.

He informed them that The Office of Economic Analysis did a study and said that if they were going to get to the Governor's goal, which is thirty-six thousand units a year, we would need four hundred fifty additional staff at the local level at cities and counties, statewide to be able to just process the applications. They were able to get five million to get a start on that. He said this group will continue to advocate for staffing capability at city and county government levels because it is one of the keys to making sure that we can produce housing at those levels.

He informed them that the AOC and LOC have been really strong partners on this, and it's been gratifying to see how their work can be supported by these other public and private civic partners that haven't been involved in local government capacity before. He said there is still much work to do on workforce housing, but they believe that they need to figure out how to provide an incentive for developers that will allow these workforce housing projects to pencil out because what they're hearing from developers all over the state is that they just can't afford to build. There is no profit here. They did propose a Permanent Revolving Loan Fund that would provide a subsidy to developers working in conjunction with cities that could actually make the difference between a project being viable or not financially.

Another part that they've been arguing for is additional funding for infrastructure, financing sewers, water, and roads, and they were hoping to get some support for those investments now. If they don't, they'll be back in the long session in 2025. Greg informed them that mass timber was another area of focus for the Housing Innovation Partnership. They also did the study on this and found that the fragmentation and the supply chain is pretty significant and that every part of the supply chain has to work well to deliver products and keep prices down, and it all starts in the woods. He said they need an ongoing supply of timber that can be used for mass timber housing all the way to the construction on the ground.

Business Oregon did provide them with a grant for that. They are using it to make some connections between the different parts of the industry going forward. The first indication of something that would support mass timber was this modular factoring incentive fund that he mentioned earlier.

He mentioned a plan they're trying to put in place that'll allow them to decide where assistance in rural Oregon is most important. The first thing they've been working to develop is a readiness assessment scorecard that would look at both communities and potential developments. It would also look at some of the issues and then assess to see whether the title is clean and ready to utilize. Things like the appropriate zoning or the environmental issues that are affected on the site or in the community, whether there are any, and whether they have been dealt with or need more work. Do they have the kind of equipment they need near where they could actually build? Do they have engineering resources available through the local government or other sources that can help prepare a project? Many issues need to be considered in terms of what kind of funding incentives they will need and whether those incentives are available. Then what is the schedule that the project can move on? In terms of getting a sense of whether a project and a community are ready to build. He said this was a piece that they intend to utilize and see if they can use it to determine the best way to proceed. He informed them that all of these issues would need some degree of technical assistance to be determined. In Burns case, he felt that many of these things they already know, so they don't really need to do a readiness assessment; when they have a project like that, it has all the pieces of the puzzle or close to it identified.

He then showed them one other chart they were thinking about in terms of building a pathway to production. He said that once they've done the project readiness assessment, they turn to the capital project and manage the financial issues around it. They need the preliminary design work done. Suppose they need to go through the zoning process. If they need to get permits for the project, which you almost always have to do, and sometimes they actually have to change a Comprehensive Plan or a Zoning Ordinance for a project to move forward. They always need to go through the permitting process looking at all the available geospatial data from the community and elsewhere that can help them think about other issues that need to address. He felt that joint development agreements between developers and jurisdictions—intergovernmental agreements between cities and counties and the state regarding financing and other needs are sometimes beneficial. For instance, are there innovative ways to approach capital finance?

Workforce training is going to be a significant issue. Greg said it was both an issue and an opportunity because they will need to figure out how they can ensure a workforce is available to do the construction and provide the technical assistance as needed. He said they really need to look at different ways to provide citizens with ways to enter home ownership in a way that suits their own individual issues. He said there were many issues in the pathway to production. They want to identify what those are, and then they start putting together what Nick referred to as a Special Ops team that can come in and help a project get from concept to development, which is the next part of the puzzle.

He also mentioned the role that city elected officials can play in all this. They have found that mayors and city counselors have a tremendous convening authority to get people together in the community, and even to get the state agencies to come to a project when needed. It's one of those things that they think they can help leaders do. He said that's what they've done at the state level, convene all these leaders to try to make some real change. He thought that at the local level, it could work just as well, if not better. All elected officials have what we call convening authority. When you get elected to your council or as the mayor, the citizens have given you this convening authority, and, in fact, in some ways, they think that that's what you do, that you convene people to solve problems. Often, they don't have the staff support to do that because all of their agencies are already working on one particular thing, whether it's transportation, public works, or some other element of the government landscape. He felt it was something that they could help them do. They can help them convene those players at the local level. He informed them that Nick and himself had discussed the value of putting together a little handbook for leaders about how they can play that role of convener and get the stakeholders in the room needed to get everybody on the same page. He said that when you're doing a housing project, you usually need all those agencies to be present and accounted for. It really is something that an elected official can help with, and it is beneficial.

He let R3 know that doing these projects will take investment from all these sectors—the Public, Private, and Civic sectors. They are finding more and more how the foundations have been taking a role in trying to make these projects pencil out in one way or another.

Heather Smith said that was a great explanation of everything, and she appreciated all the effort they have put into this.

Heather Rookstool said she agreed and thought that as they go through the process, each one of these steps, they will keep finding ways to make this more beneficial. She said she knew there would be hiccups along the way, but having the knowledge behind some of this would help tremendously when they're out talking to the community about these projects and how they even came to these conclusions.

Nick Green said if they were to take the services just discussed, what Greg talked about would predominantly fall into this Predevelopment Technical Assistance category. This is the convening function, the assistance with planning, the readiness assessments, and that sort of thing. He also thinks there's potentially a role for that activity during implementation. They need to make sure they keep their stakeholders together, and nobody panics and jumps off the boat too soon, and that kind of thing. He said if they took the ten million dollars in State funding and allocated ten percent toward predevelopment technical assistance, seventy-five percent toward direct investment in housing and projects, and five percent toward implementation, they would put ten percent in reserve for strategic reserves and overhead so that they have some cushion to play with. He then let them roughly know how their numbers would break out. They'd have about a million dollars to invest in technical assistance, $7.5 million in direct investment, and half a million in implementation, plus or minus whatever reserves they want to dedicate at whatever point they feel comfortable releasing them.

Heather Rookstool thought it looked good but wanted to know how the legislature would feel about this breakdown. She asked because she knew he had had more in-depth conversations with them about the possibility of more money. She wondered how they would feel about them reserving a million dollars and whether they would be all right with that or understand why they would do that.

Nick Green said it was an ample reserve, but this would be the money that comes in if something happens with a project, and it needs a little more oomph than what they originally planned for. Especially when they get into things like mixed-use development, where they start out with a great proforma on paper, and everything looks wonderful, and then they do their demolition and find all of the stuff they didn't know about. He wanted to clarify that he was not suggesting those funds be held in perpetuity, but he thinks they need to have a little bit of gas in the tank so that if they need to, they can drop it in at strategic moments to get a little more impact from the investments they're making. He did think the heart of it would be in Direct Investment because they need to go back in a year and a half and show the legislature that the funding they gave them turned into housing for humans.

He said they need to be able to show people in front of their new homes, with big smiles on their faces, that wouldn't have happened but for their investments. To get to that point, he thinks they will need to do some fairly robust predevelopment assistance to their potential projects early on because they will come with varying degrees of experience and bandwidth. They need to make sure they've got some good projects tied up that are ready to roll. He said he would like to see housing in construction in March, and if they're going to do that, then they've got about six months to get into the weeds of these projects and make sure everything looks good so that they can start making their direct investments early next Spring.

Green then said that if they concur, then what he'd like to do is come back fairly quickly with some task orders that would show an allocation of resources to Greg's team, to our construction project managers, and some of the other players on the team, so they can start working directly with their applicants and putting these project proposals together.

Heather Smith agreed and thought the timeline for March would be amazing for Burns and John Day.

Heather Rookstool agreed that March would be amazing. She also wanted to make sure that the entire rural Oregon is being included.

Nick Green said he thought that was where Greg's team comes in because he's got that statewide reach through iSector. They need to get a task order teed up for him to do some of this predevelopment technical assistance work and start canvassing his network and the other communities that are out there and let him be the front end of the pipeline. They will also have projects that come directly from their communities and from others who just got wind of this and would like to get in on the action. He said he would like to see the combination of grassroots from our level and top-down from his. We can provide a service to the State indirectly just by getting a list of potential projects to invest in, whereas today, they're relying on all these other cities to do that independently through housing production strategies that don't reach cities of less than ten thousand people, of which there are about two hundred. An average city only has three thousand people. Many small cities will not use housing production strategies but will still need housing. Nick said he would like to draft with Greg and Chad some task orders that would show our sub doing some of this predevelopment work between, say November first or mid-November, whenever they receive their money. Then, they can look at having some projects teed up for direct investment as early as March. He said if that sounded okay, he could work offline with them to put some of those task orders together for the board to review and potentially approve at their next meeting. Then, they'll start to show potential projects as well, and they can begin to socialize those and ask direct questions. Hopefully, that'll lead up to this middle chunk, so if somebody asks them what they are doing, they'll be able to point to this and say, this is what we're doing, here's our project tracker, and here are the metrics on each of the deals we're analyzing.

CONTINUED ITEMS

There were no continued items.

GENERAL DISCUSSION

Baker City Board Status – Chad Jacobs said to get Baker City back up and running, the three remaining counselors resigned, and the County Commissioners are set to appoint four new councilors next week. He thought on Wednesday they were having interviews like an open hearing. According to newspaper reports, they've narrowed the list down from seventeen to eight potential candidates. They will appoint four city councilors, the minimum needed for a quorum for Baker City, and then those four will be able to select the remaining three vacancies. He said they have a vacancy on their board from Baker City under their IGA right now. It basically says that when the vacancy occurs, the governing body of that jurisdiction will appoint a new member. So, as soon as they're back up to speed, R3 must request that they appoint a new member and get that new member on board. The IGA is written in a way that causes the quorum requirements to go down if there is a vacancy – membership is based on the number of sitting members. So right now, they've got three sitting members, so they have a quorum requirement of two, which is why they could meet for this specific meeting. It won't affect the ability of R3 to do any business until they get someone appointed. But again, as soon as the County Commissioners appoint four members to the council next week, they can sort of pass it over, request, and ask for them to make a reappointment to the board and get them back involved in their dealings.

DAS Grant Agreement - Nick Green said his last email from DAS was a week ago. They said they were close. They're waiting for the Department of Justice to release the grant agreement to them, and then they'll send it to them for approval. Once they approve, then they'll transfer the funding. He said they had started the process of getting a bank account, and he thought at this point they should probably get an LGIP account so they can receive the money when it comes. Then they can transfer from the LGIP account to the bank account once they have all their signatories. Right now, they've got two or three for R3, and maybe that's enough, but that's up to them. He thinks they should at least get a LGIP account ready for those funds transfer.

Heather Rookstool asked if Nick expected them to have something by mid-November.

Nick Green said yeah, but they are already behind schedule. Last year everything had been transferred by this time, so he was hoping it would not be more than a couple weeks.

At-large Board Member Applications – There were no new applications for the At-large board member.

Biannual Request for Qualifications – RFQ-2023-01, Auditing Services Proposal – RFP-2023-02, and Accounting Services Proposal – RFP-2023-03 – Nick Green said he believed they went until the end of the month or just into November. He hopes they will have some responses they can look at for these three at their next meeting.

.GOV Doman and R3 Website – Nick Green said they wouldn't give them R3.gov because they don't abbreviate. They suggested regruralrevit/or.gov, and he declined. They try to keep it to fifteen characters, and it needs to have Oregon or the abbreviation OR. He thought maybe revitalizeruraloregon.gov. He said they could think about it, and it was not something they needed to decide right then.

Heather Rookstool said she thought it sounded fine, and he had tried all other approaches, but nothing was working. It's not ideal. R3 would be easy to share and ensure people know how to find it, but R3 will just have to do a better job of communicating and getting the website out there so people know where to go.

Heather Smith asked if they could do R3oregon.gov.

Nick Green said he could propose both and see if they would accept either.

Heather Rookstool said that instead of spelling out Oregon, just put OR so it would make it under those 15 characters.

Judy Erwin thought maybe Ruraloregon3.gov.

Heather Rookstool said that she thought that wasn't a bad idea.

Heather Smith said that the Keady's mentioned reviveoregon.gov or reviveruralor.gov.

Nick Green said he would take a pass at this with the powers-to-be and see what they can get through. Once a domain is approved, they can contract services to create a website around it. He thought it could help post meetings and have a repository for their minutes, agenda, and that sort of thing.

UPCOMING MEETINGS

The next meeting will be held on November 20 at 6:00 p.m.

ADJOURN

Heather Rookstool motioned to adjourn the meeting at 6:20 p.m. Heather Smith Seconded the motion—all ayes.

____
Heather Smith, Board Chair

Attest: Nick G

____
Nicholas Green, Managing Director