

**R3 STRATEGIES CONSORTIUM
BOARD MEETING MINUTES
Wednesday, December 27, 2023 at 5:00 PM
Burns City Hall
242 S. Broadway Ave., Burns, Oregon
Video Link:**

https://app.read.ai/analytics/meetings/01HJPYGZFN7PQYMY50GGDBPGYN?utm_source=Share_CopyLink

Work Session Summary: The meeting opened with a work session. Michele Parry (Lakeview Town Manager) informed the group that Jay Farman had resigned from the town council and R3 due to poor health, and Kyle Deiter would take his place. Nicholas Green highlighted the critical need for incentivizing new home production in rural areas and presented five potential investment models for R3. He also outlined the criteria R3 could use to evaluate potential projects, including the quality of the team, project metrics and deal terms, and benefits to the community. Board members asked questions and discussed the approach.

Regular Session Summary: The regular session opened at 6:00 PM. Nicholas Green proposed a technical assistance task order to the Board, which would use a third of their budget and provide statewide reach for housing production without requiring direct investments. Elvin Spurling from Western Design International presented a proposal to develop six single-family residences and six interchangeable detached two-car garage designs for rural frontier markets. Green emphasized the importance of evaluating potential housing projects based on three criteria: the quality of the team, the financial structure of the project, and the net benefit to the community. Green also provided detailed updates on invoices and the DAS agreement, including the status of grant funds in the DOJ's queue. City of Burns requested that R3 become a sponsor for the Oregon Department of Energy's community heat pump deployment program, which provides rebates and cost deferral on new HVAC equipment for homeowners to address issues with health that stem from heat waves and freezes. The Board voted in favor of R3 applying, and Green offered to submit the application under their current contract and work at no additional cost to R3. Board also approved Heather Smith and Nick Green to open an LGIP account.

AGENDA ITEM & TOPIC	DISCUSSION	ACTION OR RESOLUTION
1. OPEN AND ROLL CALL	<p>Board Members Present: Heather Smith (Board Chair), Loran Joseph, Heather Rookstool, Kyle Deiter.</p> <p>Present Via Zoom: (see link) Absent and Excused: None Absent: None</p>	<p>Chair Smith opened the work session at 5:00 PM</p> <p>Chair Smith opened the regular session at 6:00 PM</p>
2. PUBLIC COMMENTS	None	
3. CONSENT AGENDA & APPROVAL OF MINUTES	Motion made to approve by L. Joseph; Seconded by H. Smith	Unanimously Approved @ Minute 1:11:29
4. PREDEVELOPMENT TECHNICAL ASSISTANCE	Green reviewed the predevelopment TA requirements and housing needs based on a cross-sectional analysis of the work done previously by ECONorthwest for the State of Oregon. He reviewed two task orders for technical assistance, one for regional support provided by iSector and one for home design	None

assistance provided by Western Design Int'l and Catalyst subcontractors.

The total value of these two awards as scoped is about five hundred sixty-five thousand. They would make plans and services available to each eligible city within R3's service area, providing statewide impact and benefit but reserving about four hundred thirty-five thousand for additional technical assistance out of that million we've carved out.

5. DIRECT INVESTMENT	Green presented two options for investing in housing projects: direct investment or leveraging funds through a lender. He reviewed the proposed process for taking applications.	No motions
6. IMPLEMENTATION SUPPORT	Green reviewed the disposition and development agreement (DDA) and three stage approach: presentation of project and terms sheets/score cards; board's review and recommendations, and board approval, deferral, or decline of a project (first official action). For approved projects, the staff would bring back the DDA from legal counsel and Board would approve that following circulation between the Board and other Parties to the agreement (second official action). Staff would then record the Board's decision as an MOA of the DDA (third official action) and transfer funds/implement per the terms of the DDA.	No motions
7. ADMINISTRATION & STRATEGIC RESERVES	No discussion beyond relaying we do not know how long we will have to spend the DAS funding. Any unspent funds in this account will earn interest and will be the last funds spent down after all others are obligated.	No motions
8. GENERAL DISCUSSION	Board reviewed invoices, at-large member appointments, and the response from Solutions CPAs to our biannual RFQ. No other responses were received. Discussed need to appoint budget committee members for the FY25 Budget Process. Board discussed opening an LGIP account for the DAS funding. Board discussed deferring the next meeting to February 19 unless DAS agreement was received sooner. Chad Jacobs discussed John Day's withdrawal, effective January 26, and recommended changes to the IGA based on their withdrawal, given that the number of board members is decreasing from four to three. Board approved the Oregon Department of Energy community heat pump deployment program application.	Board consensus to develop an accounting services agreement for Solutions CPAs for approval at the next meeting. Loran Joseph moved to authorize Nick Green and Heather Smith to apply for an LGIP account. Kyle Deiter seconded, and the motion passed unanimously, Rookstool abstaining. Board consensus to revise IGA based on John Day's withdrawal. Loran Joseph moved to submit an application to be a pass-through for ODE's heat pump program. Kyle Deiter

seconded, and the motion passed unanimously, Rookstool abstaining. The next meeting is on February 19 unless sooner due to receiving DAS Agreement. 7:54 PM

9. BOARD COMMENTS & UPCOMING MEETINGS

The meeting ended with board comments and a motion to adjourn.

ADJOURN

Key Questions:

- * How can R3 most effectively work with local jurisdictions interested in housing projects?
- * How can R3 coordinate with state agencies and other resources to support housing production?
- * How can the plans be adapted for different communities and their specific needs?
- * How can R3 stimulate economic growth and recovery in these communities?
- * Is the proposed approach for identifying initial applicants reasonable?
- * How will the home designs fit the rural frontier market?
- * What are the specific details and services provided by Western Design International?

Action Items:

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- * Team will further review and discuss the readiness assessment and dashboard development task order.
- * Team will explore the development of a manual or resource for local mayors and city council members on public-private partnerships for housing projects.
- * Team will consult the forthcoming agreement with the state for any relevant language or requirements.
- * Nicholas Green will reach out to Western Design International and request a proposal.
- * Nicholas Green will work with Chad to put the task order into contract language and prepare it for the next meeting.
- * Nicholas Green will put the project into a spreadsheet and assign scoring to evaluate investments consistently as a template for the Board.
- * Nicholas Green will develop a scoring matrix for evaluating direct investment projects and present specific projects for Board evaluation at the next meeting.
- * Heather Smith and Nicholas Green will apply for an LGIP account with the Department of the Treasury on behalf of the R3 Strategies Consortium Board of Directors.
- * Chad Jacobs and Nicholas Green will develop proposed amendments to the IGA to address the decrease in board members and the voting rights of at-large members.
- * Nicholas Green will apply for R3 to become a sponsor of the community heat pump deployment program.
- * Nicholas Green will prepare an application for board appointment of budget committee members.

Heather Smith, Board Chair

Attest: _____
Nick Green, Director