REGIONAL RURAL REVITALIZATION
Board Meeting
Monday, June 15, 2026
6:00 P.M.

Burns City Hall and Online

242 S. Broadway Ave, Burns, OR 97720

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:

Join Zoom Meeting

https://us06web.zoom.us/j/2385271637?pwd=WHlST21lZkRqZm9KeTdFa2xmQ1hjUT09&omn=84182798768

Meeting ID: 238 527 1637
Passcode: XA5ijH

Join instructions
https://us06web.zoom.us/meetings/84182798768/invitations?signature=cjUxs1zfey26_JdynaVnfhmEmnAkTBWSc0NdQzSEoTA

Board and Committee packets are available at this link:

https://www.dropbox.com/scl/fo/ia0k2ebgwekslt7m0edve/ABCw71VH-fx2E8sXBC1GY6U?rlkey=bdyojk025hattwqlmk1uq567x&st=8si9f6n1&dl=0

BOARD MEETING AGENDA

1. CALL TO ORDER

2. ROLL CALL // 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 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 Committee comment period.

3. APPROVAL OF PRIOR MEETING MINUTES

Attachments:

3.1 Minutes of May 11, 2026 Budget Committee Meeting – For Approval

3.2 Minutes of May 11, 2026 Board Meeting – For Approval

4. BUDGET HEARING MEETING & RESOLUTION TO ADOPT AND APPROPRIATE THE FY2027 BUDGET

Attachments:

4.1 Resolution 2026-04 – A Resolution to Adopt and Appropriate the FY2027 Budget

4.2 FY2026-2027 Budget Worksheet

The Budget Committee approved a proposed FY2027 budget totaling $2,383,634 at its May 11, 2026 meeting and directed publication of the budget summary in the form attached. Notice of tonight's hearing was published in accordance with ORS 294.438.

Resolution 2026-04 adopts the budget, makes the appropriations required by ORS 294.456, and authorizes the Budget Officer to file the resolution with the Harney County Clerk on or before July 15, 2026. The Board Chair will first open the public hearing on the FY2027 budget. The Managing Director will then walk the Board through the budget as approved by the Committee and identify the post-committee amendment highlighted in the worksheet (below). After taking public comment, the Chair may close the hearing and entertain a motion to pass Resolution 2026-04 as submitted (or as amended following the hearing).

Staff are recommending minor adjustments to the budget that will reduce our expenditures based on our anticipated exit numbers for June 30, 2026. These will be reviewed during the hearing.

Under ORS 294.456(4), the Board may, by resolution, change the budget approved by the Budget Committee, provided that any increase in total appropriations does not exceed 10% of the amount approved by the Committee. Because the amendment above is a net reduction in the total budget, the change is within the Board's authority and may be adopted as part of the resolution without further committee action.

Recommended motion: "I move to adopt Resolution 2026-04, adopting and appropriating the FY2027 Budget of the Regional Rural Revitalization Strategies Consortium as [submitted / amended this evening]."

5. PUBLIC HEARING ON ALTERNATIVE SOURCE SELECTION & RESOLUTION 2026-05, A RESOLUTION OF THE REGIONAL RURAL REVITALIZATION (R3) STRATEGIES CONSORTIUM, ACTING AS ITS LOCAL CONTRACT REVIEW BOARD, EXEMPTING THE PUBLIC IMPROVEMENT CONTRACT FOR THE RIDGE SUBDIVISION (HIFP2613) FROM COMPETITIVE BIDDING UNDER ORS

279C.335(2) AND AUTHORIZING A DIRECT AWARD OF SUCH CONTRACT TO NATHAN D. YOUNG CONSTRUCTION

Attachments:

5.1 Resolution 2026-05 (with Exhibits A–C: Partner Agreement; Written Findings under ORS 279C.335(2); form of Construction Services Agreement.

5.2 DJC Notice of Public Hearing (published May 20, 2026)

Background. On January 30, 2026, the Oregon Business Development Department awarded R3 a $284,340 Housing Infrastructure Financing Program (HIFP) grant under Project No. HIFP2613 to fund road, water, sewer, stormwater, and electrical service-extension public improvements serving Lots 1 and 2 of The Ridge Subdivision in John Day. Those improvements are the predicate to a 27-unit modular mass-timber affordable housing development being built by MODS PDX LLC under the Partner Agreement dated December 17, 2025, of which a minimum of nine units (33.3%) will be restricted as workforce housing for not less than ten years.

The horizontal contract price exceeds the $25,000 small-procurement and $100,000 intermediate-procurement thresholds, so the contract would normally require competitive bidding under ORS 279C.335(1). Staff is recommending the Board, sitting as R3's Local Contract Review Board (LCRB) under ORS 279A.060, exempt this contract from competitive bidding and authorize a direct award to Nathan D. Young Construction, Inc. (CCB #128500, Commercial GC Level 2). The Contractor's principal is also the sole owner of the Developer; that related-party relationship has been disclosed openly to OBDD, in the DJC notice, and in the attached findings.

Statutory framework. ORS 279C.335(2) and OAR 137-049-0630 authorize the LCRB to exempt a public improvement contract from competitive bidding upon written findings that (a) the exemption is unlikely to encourage favoritism or substantially diminish competition, and (b) the exemption will result in substantial cost savings and other substantial benefits to the agency or the public. ORS 279C.335(5) additionally requires (i) publication of notice in a trade newspaper of general statewide circulation not less than 14 days before the hearing, (ii) a public hearing, and (iii) adoption of written findings on the two statutory factors.

Procedural status. Notice of the proposed exemption was published in the Daily Journal of Commerce on May 20, 2026 — 26 days before tonight's hearing — satisfying the 14-day publication requirement. Tonight's hearing satisfies the public-hearing requirement. The proposed written findings (Exhibit B to Resolution 2026-05) address both statutory factors at length, including:

- No favoritism / no substantial diminution of competition: limited universe of qualified rural contractors; open disclosure of the related-party relationship; price discipline through the hard $284,340 grant ceiling; open-book cost-of-materials plus prevailing-wage labor structure; and continued application of CCB licensure, public works bond, certified payroll, and BOLI ineligibility safeguards.
- Substantial cost savings and benefits: avoidance of the customary 8–15% mobilization-and-overhead premium (~$32,700); avoidance of grant reversion risk of up to $284,340 against OBDD's December 31, 2026 completion deadline; coordination cost savings of $15,000–$25,000 from a single principal managing both horizontal and vertical work; and preservation of nine deed-restricted workforce housing units with a replacement value of $2.25M–$3.6M.

The findings also impose procedural safeguards as conditions of the exemption: prevailing wage compliance (BOLI WH-81/WH-39); the $30,000 public works bond under ORS 279C.836; monthly certified payroll (WH-38) with 25% retainage for non-compliance; open-book audit rights for three years post-completion; ineligibility verification at each amendment; a hard contract ceiling of $284,340; and delivery of the findings and executed contract to OBDD prior to execution.

Process tonight. The Chair should:

1. Open the public hearing on the proposed exemption from competitive bidding under ORS 279C.335(2).

2. Hear the staff presentation summarizing the findings.

3. Invite public comment, with each person identifying themselves for the record and limited to three minutes.

4. Close the public hearing.

5. Entertain a motion to adopt Resolution 2026-05, which (i) adopts the written findings (Exhibit B) as the LCRB's findings under ORS 279C.335(2) and OAR 137-049-0630; (ii) exempts the Construction Services Agreement from competitive bidding; (iii) authorizes a direct award to Nathan D. Young Construction, Inc.; and (iv) authorizes the Executive Director to execute the Construction Services Agreement subject to counsel's approval and to take all actions necessary to implement the resolution, including BOLI filings, bond verification, and OBDD reporting.

Recommended motion: "I move to adopt Resolution 2026-05 as presented, adopting the written findings under ORS 279C.335(2), exempting the Ridge Subdivision public improvement contract (HIFP2613) from competitive bidding, and authorizing direct award of the Construction Services Agreement to Nathan D. Young Construction, Inc."

6. PROPOSED LOAN INCENTIVE PROGRAM

Attachments:

6.1 Home Incentive Program Policy & Term Sheet (June 10, 2026)

Background. Since inception, R3 has supported rural housing construction by issuing direct construction loans to builders at 4.5% interest, compounded monthly, with no origination fees. The direct-lending model has proven effective at catalyzing single-family and small-scale residential development, but it is capital-intensive — each dollar of R3 capital is committed to one project for the full construction term. R3's available lending capital is now fully deployed, and continued direct lending would limit the Consortium's reach to a small number of projects per year.

Proposed program. Staff proposes a transition from direct lending to a leveraged subsidy model — the R3 Construction Loan Incentive Program — under which R3 subsidizes (rather than originates) commercial construction loans obtained by qualified developers from chartered banks, credit unions, or CDFIs. Two forms of subsidy are provided:

1. **Interest buy-down** of a fixed 3–4 percentage points, applied monthly to the developer's outstanding drawn balance, disbursed only against verified lender draws.
2. **Origination-fee grant** of up to 1.5% of the loan amount, capping incentives to high-fee lenders.

Because R3 funds only the subsidy and not the principal, each dollar of R3 capital supports several times more projects than under direct lending. Principal and underwriting risk remain with the commercial lender; R3's exposure is limited to a fixed, time-boxed, draw-based subsidy that is recoverable on project failure through a clawback secured by promissory note, subordinate lien, and/or personal guaranty.

Key program controls are described in the attached term sheet and include: a 12-month maximum term with one 90-day discretionary extension; a Certificate of Occupancy completion standard with full clawback of subsidy if CoO is not issued on all funded units within the term; eligibility limited to certified financial

institutions (hard money lenders excluded); and tiered approval authority — Managing Director discretion for projects that are both ≤ 3 units and ≤ $1,000,000 in total project value, and Board approval required for any project that exceeds either threshold.

Funding source and compliance. The Program will be funded with the State of Oregon grant received by R3 under House Bill 3410 (2023), DAS Agreement No. 107-2023-3410-01 ($10,000,000), authorized by Oregon Laws 2023, chapter 546, section 8. Section 3.A of that agreement authorizes R3 to use the funds "to award grants and loans to capacity builders and developers of housing and to enter into public-private partnerships for the development of housing" — a strong fit for an origination-fee grant and interest buy-down program directed at private developers. Grant funds may not be used inside the UGB of any Oregon city over 50,000 in population; this restriction is built into the Program's eligibility criteria.

Recommended Board action. The Board is asked to:

1. Approve the R3 Construction Loan Incentive Program as set forth in the attached term sheet, with a default fixed interest buy-down of 3–4 points (targeted not to reduce the effective developer rate below 4.5%) and an origination-fee grant capped at 1.5% of the loan amount.

2. Authorize the Managing Director to approve individual incentives for projects that are both ≤ 3 units and ≤ $1,000,000 in total project value, and to administer the Program consistent with this policy.

3. Direct staff to (a) finalize the Program Participation Agreement, promissory note, and subordinate-lien/guaranty documents, and (b) confirm in writing the current availability and compliance status of the HB 3410 grant funds (in light of the June 30, 2025 expiration) prior to first disbursement, with the Program's geographic, anti-duplication, reporting, and records conditions reflected in Program administration and to be ratified by subsequent Board resolution.

Recommended motion: "I move to approve the R3 Construction Loan Incentive Program as presented, authorize the Managing Director to approve individual incentives within the policy thresholds, and direct staff to finalize Program documents and confirm grant compliance status prior to first disbursement."

7. PROJECT UPDATES

Attachments:

7.1 Axiom PDS, ALTA/NSPS Land Title Survey Services — Recommendation Report (May 7, 2026)

ALTA/NSPS Land Title Survey — Florence, Depoe Bay, and Creswell. Axiom Project Development Services, acting as R3's project manager, issued an RFP on March 23, 2026 to approximately eight Oregon-licensed surveying firms for ALTA/NSPS Land Title Survey services across three R3 predevelopment sites: a 10.06-acre Lane Community College / City of Florence site in Florence; a 1.84-acre city-owned parcel in Depoe Bay; and a 0.11-acre infill site in Creswell. Several firms declined due to multi-month workload commitments and the rural staffing constraints that characterize this market. Two proposals were received by the April 3, 2026 deadline:

SITE	GRIFFIN LAND SURVEYING	STATEWIDE LAND SURVEYING
FLORENCE (10.06 AC)	$28,360	$28,600
DEPOE BAY (1.84 AC)	$17,400	$14,000
CRESWELL (0.11 AC)	$14,120	$6,500
TOTAL	**$66,900**	**$49,100**
TIMELINE	30–45 days from NTP	30 days from NTP

Proposals were evaluated on the published RFP criteria — Qualifications and Relevant Experience (45%), Pricing and Value (45%), Schedule and Availability (5%), and Completeness and Clarity (5%) — a best-value rather than low-bid selection.

Axiom recommends award to Griffin Land Surveying, Inc. at the total fixed fee of $66,900. Although Griffin's price is $17,800 higher than Statewide's, Griffin submitted the materially more complete proposal: a named project team with two licensed PLSs (Oregon #2147 and #100984) and documented Oregon coastal ALTA experience; a completed Table A exhibit confirming all requested optional items; full deliverable commitments (sealed PDF, AutoCAD .dwg, field notes, calculations, point files, datum certification); three reference projects; $1M professional liability insurance; title-company coordination confirmed; and an executable agreement template. Statewide's submission did not provide team bios, references, field notes/point file/datum confirmations, title coordination, or a contract template.

Axiom also recommends authorization of Optional Task B.1 — Brush Clearing at the Depoe Bay site (1.84 acres) — $3,750, bringing the total recommended contract value to $70,650. Based on January site visits, Depoe Bay is the only site where vegetation will need to be cleared in cross-section to permit field access; Griffin has committed to performing this work only after establishing property lines to avoid encroachment on adjacent parcels.

Griffin's agreement requires a 20% deposit ($13,380) on execution, with the balance due prior to delivery of the final product. Survey work is expected to complete within 30–45 days of Notice to Proceed.

Recommended Board action. Authorize the Managing Director to execute a contract with Griffin Land Surveying, Inc. for ALTA/NSPS Land Title Surveys at the Florence, Depoe Bay, and Creswell sites at a fixed fee of $66,900, plus Optional Task B.1 (Depoe Bay brush clearing) at $3,750, for a total not-to-exceed contract value of $70,650, and to issue Notice to Proceed.

Recommended motion: "I move to authorize the Managing Director to execute a contract with Griffin Land Surveying, Inc. for ALTA/NSPS Land Title Survey services at the Florence, Depoe Bay, and Creswell sites, including Optional Task B.1, for a total not-to-exceed amount of $70,650, and to issue Notice to Proceed."

8. BOARD MATTERS AND UPCOMING MEETINGS

Attachments:

8.1 None

Board may discuss any other matters during this agenda item.