REGIONAL RURAL REVITALIZATION
Board Meeting
Monday, March 16, 2025
6:00 P.M.

Online Only

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=89050121314
Meeting ID: 238 527 1637
Passcode: XA5ijH

Join instructions
https://us06web.zoom.us/meetings/89050121314/invitations?signature=jxMIBbHIlzfpEc7WKxibprj_vgfZRPRKH9lHhrHOFUc

1. **OPEN AND 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 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.

Board packets are available at this link:

https://www.dropbox.com/scl/fo/wmpeiayvvgutmfwegshaa/ANao1HcH6tHCJpL8wXzmuRg?rlkey=loaduufp74jk9milwgi7pfqwp&st=ztw6vi7i&dl=0

2. FY2024-2025 AUDITED FINANCIAL REPORT – GASLIN ACCOUNTING

Attachments:

2.1 FY2024-2025 Audited Financial Report

Rob Gaslin will briefly present the results of our FY2024-2025 financial audit.

3. APPROVAL OF PRIOR MEETING MINUTES

Attachments:

3.1 Minutes of December 8, 2025, Board Meeting

4. PREDEVELOPMENT TECHNICAL ASSISTANCE

Attachments:

4.1 None

Our active predevelopment technical assistance contracts are below, with their approved budgets and current expenditures.

Project	Scope / Contractor	Approved Budget	Expended	Remaining	% Remaining
2110 – TO 2024-03	Market Analysis/Imp.	$150,000	$152,717.50	($2,717.50)	0%
2115 – TO 2024-04	SBA Projects	$750,000	$588,621.22	$161,378.78	21%
2120 – TO 2024-05	ODOE HVAC Incentives	$615,000	$507,264.67	$107,735.33	16%
Advisory	iSector	$100,000	$100,000	$0.00	0%
2125 – Home Design	Phase 2 (Western Design)	$225,000	$190,000	$35,000	15%
2130 – Home Design (Multifamily)	Multifamily Modular (Base Design & Architecture)	$97,400	$97,400	$0	0%
2135 – Planning	Land Use Consulting	$200,000	$156,970.71	$43,029.29	21%
2140 – Engineering	Engineering	$200,000	$8,290	$191,710	95%
Total		**$2,337,400**	**$1,801,264**	**$536,136**	**23%**

- ☐ **TO-2024-03 – Market Analysis/Implementation.** TO-2024-03 includes work by Catalyst and its subs for project implementation and is used on an as-needed basis to monitor and follow up on projects approved by the board.
- ☐ **Task Orders 2024-04** and **2024-05** are discussed in Agenda Items 8 and 9.
- ☐ **Advisory Services.** This is the contract with iSector for advisory services with prospective applicants.
- ☐ **Home Design.** This is the phase 2 contract with Western Design to continue planning services for new communities.
- ☐ **Multifamily Modular.** This is the contract with Base Design + Architecture for the design of modular multifamily units.
- ☐ **Planning.** This is the budget line for contracts with Atlas and Axiom for planning services.
- ☐ **Engineering.** This is the contract with Sisul Engineering for preliminary design.

Progress Reports on Technical Assistance (TA) status will be provided for each of the following TA projects:

- Florence (Lane County)
- Creswell (Lane County)
- Depoe Bay (Lincoln County)

5. IMPLEMENTATION SUPPORT

Attachments:

5.1 None

Project updates (ongoing):

- **Silver Birch Subdivision:** Construction in progress; 14 of 21 units have Certificates of Occupancy.
- **Miller Springs:** 3 model homes in construction; fully framed and enclosed.
- **The Ridge - Lot 5:** 2 homes in construction; fully enclosed
- **Prineville Flats:** Construction in progress
- **K4 Properties:** Construction in progress (renovation of downtown building)
- **The Ridge - Lots 1-2:** Groundbreaking scheduled for spring; received approval for $284,340 in grants from the Housing Infrastructure Financing Program (HIFP)
- **Weaver Building:** Project nearly complete, 7 of 8 units occupied.
- **Park Springs Subdivision:** Construction in progress; 12 of 24 units have Certificates of Occupancy.
- **True Subdivision:** Construction in progress; 12 of 28 units have Certificates of Occupancy.
- **Maupin Multifamily Housing:** Design complete; looking for builder's capital
- **Working Homes – 1368:** Design complete, construction scheduled for summer/fall 2026
- **130 Elm Street (Still):** Land use approval complete; construction this year.

Project updates (on hold):

- **Creekside Subdivision (Lakeview):** Looking for builder's capital to put homes on the 18 lots owned by R3.
- **Antlers Hotel:** Drafted agreements, awaiting funding availability
- **2330 5th Street (Rainey):** Drafted agreements, awaiting funding availability
- **Clark Street (Overton):** Drafted agreements, awaiting funding availability
- **1595 11th Street (Bain):** Drafted agreements, awaiting funding availability
- **3980 Midway Drive (LeTourneau):** TBD (likely cancelled)
- **1188 Destinations:** On-hold

Project updates (completed):

- **Working Homes Loan:** Project complete
- **Working Homes Grant (EM&M Building):** Project complete
- **Base Design + Architecture:** Project complete
- **Klement Cottage Clusters:** Project complete
- **Bontemps Multifamily Housing:** Project complete
- **Dougherty Modular Homes:** Project complete

Loans outstanding:

Project	Applicant	Loan Amt	Grant	Months Left	Due R3	Paid to Date
The Ridge - Lot 5	Mahogany Ridge Prop.	$500,000	$60,000	4	$440,000	
Dougherty Modular Homes	Dennis Dougherty	$150,000	$40,000	4	$110,000	
Miller Springs - Lot 18	Cody & Ann McConnell	$230,000	$0	4	$230,000	
Weaver Building	Tyler Sheedy	$550,000	$160,000	10	$390,000	$100,000
Park Springs Subdivision	Big Creek Builders	$560,000	$480,000	27	$80,000	
Total					**$1,250,000**	$100,000

ID #	Community	Name	Applicant	Funds Committed	Grant Component	Dwelling Units
1	Lakeview	Creekside Subdivision	R3	$412,000	$412,000	18
2A	Baker City	Silver Birch Subdivision	Damschen LLC	$420,000	$420,000	21
2B	Baker City	Silver Birch Subdivision	Damschen LLC	$80,000	$80,000	4
3	Burns	Miller Springs & W. B Street	City of Burns	$3,500,000	$3,500,000	160
4	Baker City	Antlers Hotel	Joe Yeates	$20,000	$20,000	1
5	John Day	The Ridge - Lot 5	Mahogany Ridge Prop.	$500,000	$60,000	3
6	John Day	Weaver Building	Tyler Sheedy	$550,000	$160,000	8
7	Wallowa	Working Homes Loan	Working Homes LLC	$100,000	$0	1
8	Enterprise	Working Homes Grant - EM&M Building	Working Homes LLC	$50,000	$50,000	27
9	USDA Mass Timber	Base Design + Architecture	Base Design + Arch.	$50,000	$50,000	0
10	Prineville	Prineville Flats Multifamily Housing	Prineville Flats 1 LLC	$250,000	$250,000	132
11	Burns	K4 Properties	K4 Properties	$60,000	$60,000	3
12	John Day	The Ridge - Lots 1-2	Hone	$540,000	$540,000	27
13	Baker City	Park Springs Subdivision	Big Creek Builders	$560,000	$480,000	24
14	La Grande	True Subdivision	True Construction	$560,000	$560,000	28
15	Maupin	Maupin Multifamily Housing	Urban Patterns	$25,000	$25,000	TBD
16	Enterprise	Working Homes - 1368	Working Homes LLC	$350,000	$40,000	2
17	Baker City	Klement Cottage Clusters	Laura Klement	$25,000	$25,000	1
18	Burns	Bontemps Multifamily Housing	Becky Anderson	$200,000	$200,000	10
19	Baker City	Dougherty Modular Homes	Dennis Dougherty	$150,000	$40,000	2
20	Baker City	2330 5th Street	Rainey	$280,000	$280,000	14
21	Baker City	Clark Street	Overton	$540,000	$540,000	27
22	Baker City	3980 Midway Drive	Letourneau	$240,000	$240,000	12
23	Baker City	1595 11th Street	Bain	$110,000	$110,000	11
24	Baker City	130 Elm Street	Still	$20,000	$20,000	1
	Total			**$9,572,000**	**$8,142,000**	**536**

County	Grant Funds Committed	Housing Units
Harney	$3,760,000	173
Baker	$2,235,000	117
Grant	$760,000	38
Lake	$412,000	18
Crook	$250,000	132
Union	$560,000	28
Wallowa	$90,000	30
Wasco	$25,000	TBD
Statewide	$50,000	0
Total	**$8,142,000**	**536**
Per Unit Investment	*$15,190*	

6. ADMINISTRATION & STRATEGIC RESERVES

Attachments:

6.1 SB5701 – Funding Approval

6.2 NOAH Construction Loan Term Sheet

R3 was awarded **$3 million in lottery bonds** during the short session through Senate Bill 5701 (see Section 17, attached). These additional funds are restricted to site improvements and modular housing construction and are intended to expand our construction footprint in each of the communities we serve.

The majority of bonds are expected to be sold in spring 2027. Projects can expect actual cash proceeds sometime shortly after that sale window. As a result, we will most likely not be able to budget for these funds until the FY2027-2028 budget, which begins July 1, 2027.

We continue to pursue Opportunity Zone funding and independent construction loans for our projects. The table below shows different funding profiles based on a range of loan-to-cost ratios for builder financing, along with the number of homes that could result from loans issued by R3 to builders.

Here's how the math breaks down for a typical project (see table, below) with private lending, assuming a $300K cost per home built (hard cost). In an ideal scenario, a $3 million project loan would be collateralized by up to $750,000 plus the property's underlying value (through a loan agreement, promissory note, and trust deed), with our construction lender in first position and R3 in a subordinate position.

NOAH could guarantee the $3M private loan (see attached program details). Our loan (equity contribution) would be non-recourse debt, so we'd essentially be the first money in and the last money out. If, for some reason, the builder didn't get the full value from the project, the primary lender would still be repaid its loan, and we'd negotiate a loan forgiveness, write-off, or another mechanism for R3's portion.

We could likely do one project in 2026 using this approach once our outstanding loans are repaid.

Our main goal is to get to scale. With private equity loans at 65%, we get 7 homes for every $750K we fund, compared to 12 at 80% LTC. That adds up when you consider how construction costs are rising every year.

Item	Builder's Capital 65% LTC	Target 80% LTC
R3 equity contribution	$750,000	$750,000
LTC	65%	80%
Implied total project cost	$2,142,857	$3,750,000
Loan amount (LTC × total cost)	$1,392,857	**$3,000,000**
Equity as % of total cost	35%	20%
Homes funded at 300,000 build cost/home	7.14 ≈ 7 homes	12.5 ≈ 12 homes
Additional homes vs. 65% LTC	–	≈ 5–6 more
Lender's fees (est., excl. int.)	≈ $46,000 (about 3.3% of 1,392,857 loans)	**— (TBD)**

7. SMALL BUSINESS ADMINISTRATION GRANT – AUTHORIZE EXECUTION OF CM/GC CONTRACT – BISHOP BUILDING RENOVATION (ACTION)

Attachments:

- 7.1 Sid Johnson & Co Proposal dated 02.11.2026
- 7.2 Notice of Intent to Award – Sid Johnson & Co
- 7.3 CM/GC Agreement
- 7.4 Exhibit A. GMP Amendment (Draft)
- 7.5 Exhibit B. Insurance and Bonds
- 7.6 Exhibit C. Statutorily Required Public Contracting Terms
- 7.7 General Conditions

The SBA project comprises multiple subcomponents, as outlined in the budget allocations table below.

Activity	Task	Task Amount	ICR Rate	ICR Applied to	ICR Amount
1A	Sutton Mtn TA	$250,000	15%	$250,000	$37,500
1B	Innovation Hub	$100,000	15%	$50,000	$7,500
1C	SB Direct Investment	$347,500	15%	$50,000	$7,500
2	Accelerator/Incubator Buildings	$750,000	0%	$0	$0
3	ICR	$1,447,500	3.6%		$52,500
				TOTAL	**$1,500,000**

Agreement No.	SBAHQ24I0096
Awarded	1-Aug-24
Expires	31-Jul-29
In Progress	5 Months

Task 1A. Sutton Mountain. This task involves conveying a certain amount of acreage to the City of Mitchell from the Bureau of Land Management, as mandated by federal legislation introduced by Senator Merkley's office. We presented a separate progress report on the status of this project in December, along with the presentation given to the city of Mitchell.

Task 1B. Innovation Hub Grant. This is a $92,500 grant to the Frontier Oregon Innovation Hub to support small business innovation and expansion. The Oregon Frontier Innovation Hub will co-locate with us at our Burns and Baker City buildings, discussed in Task 2.

Task 1C. Small Business Direct Investment. We have completed 100% of the implementation of these funds for the following six investments for Burns:

Business	Date	Award Date	Award Amount	Expended	Remaining	Business Profile
Tacos El Charro	10/16/2024	6/13/2025	**$11,688**	**$11,688**	**$0.00**	Food & Beverage
IgniteBurns Foundation	2/10/2025	2/24/2025	**$20,000**	**$20,000**	**$0.00**	Nonprofit
Who is 11, LLC	2/10/2025	2/28/2025	**$50,000**	**$50,000**	**$0**	Entertainment
1188 Silver Sage Brewing	2/21/2025	2/21/2025	**$50,000**	**$50,000**	**$0.00**	Commercial Services - Brewery/Restaurant
Hometown Barber	11/1/2024	2/24/2025	**$6,418.35**	**$6,418.35**	**$0.00**	Barber Shop
High Desert Partnership	11/12/2025	12/02/2025	**$15,000**	**$15,0000**	**$0.00**	1899 Foundry Building Rental
Totals (5 Projects)			**$153,106**	**$153,106**	**$0**	

Task 2. Accelerator/Incubator Buildings. We budgeted $750,000 to create an accelerator/incubator space for use by local small businesses and entrepreneurs. We closed on the purchase of the Baker City building and have enclosed updates on this and the Burns lease agreement.

Burns – K4 Properties. Project under construction.

Baker City – 2108 Main Street. Pending CM/GC Contract Execution and GMP Amendment.

R3 held a public hearing on December 8, 2025, to adopt findings and approve the use of a Construction Manager/General Contractor (CM/GC) alternative contracting method for the renovation of the Bishop Building located at 2108 Main Street, Baker City, Oregon. R3 purchased the Bishop Building in 2025 for the purpose of developing an accelerator/incubator space in downtown Baker City.

Following the Board's approval of the CM/GC method, staff issued a Request for Proposals (RFP-R3-2026-01) on January 16, 2026, seeking qualified CM/GC firms for the Bishop Building tenant improvement and historic renovation project. Two firms responded to the RFP; however, only Sid Johnson & Co. submitted an on-time, responsive, and responsible proposal that complied with all submission requirements. After evaluating proposals under the criteria established in the RFP, staff issued a Notice of Intent to Award the CM/GC contract to Sid Johnson & Co. on February 12, 2026. No protests were received during the statutory protest period.

On February 25, 2026, staff held a pre-award kickoff meeting with Sid Johnson & Co. and R3's architect, ZCS Engineering & Architecture, to review project objectives, phasing, and schedule. Based on the RFP, Sid Johnson & Co.'s proposal, and the pre-award meeting, staff and legal counsel have prepared the enclosed AIA A133-2019 CM/GC Agreement, together with Exhibits A (Guaranteed Maximum Price Amendment), B (Insurance and Bonds), C (Statutorily Required Public Contracting Terms), and the incorporated AIA A201-2017 General Conditions, for the Bishop Building Renovation.

The Agreement provides for a preconstruction not-to-exceed fee consistent with Sid Johnson & Co.'s proposal and establishes the framework for negotiating and returning a Guaranteed Maximum Price (GMP) for Board information and budget tracking once construction documents and pricing are complete. The CM/GC delivery method and the selection of Sid Johnson & Co., a local contractor with extensive experience in historic renovation in Baker City, are expected to help R3 manage cost, schedule, and unforeseen conditions in this complex historic project while meeting prevailing wage and other public contracting requirements.

Recommended Motion:

"I move that the Board authorize the Managing Director to execute the AIA A133-2019 Construction Manager/General Contractor Agreement with Sid Johnson & Co., together with Exhibits B and C and the incorporated AIA A201-2017 General Conditions, for the Bishop Building Renovation project at 2108 Main Street, Baker City, Oregon, substantially in the form presented, and to take all actions necessary to implement the Agreement, with the understanding that the Guaranteed Maximum Price (GMP) Amendment (Exhibit A) will be brought back to the Board for review and approval at a subsequent meeting after the final cost proposal is received from the Construction Manager/General Contractor."

8. COMMUNITY HEAT PUMP DEPLOYMENT PROGRAM (CHPDP)

Attachments:

8.1 None

8.2 None

Tory Stinnett will provide an update on the status of the Burns Paiute Tribe's progress and our closeout of these projects.

9. GENERAL DISCUSSION OF PRIOR TOPICS

Attachments:

9.1 Financial Report – March 09, 2026

Financial reports are included in the enclosed financial report.

10. BOARD MATTERS AND UPCOMING MEETINGS (ACTION ITEM)

Attachments:

10.1 New BEO Signature Cards

We need to approve new signature cards for board members due to Heather Smith's replacement on the board (replaced by Todd Gahley).

Recommended motion:

"I move to approve Gratton Miller, Todd Gahley, and Anna Bass as signatories on the R3 Bank of Eastern Oregon checking account."