



**REGIONAL SOLUTIONS OFFICE**  
**GOVERNOR KATE BROWN**

**Central Oregon Regional Solutions Advisory Committee**  
*Representing Crook, Deschutes, and Jefferson Counties*

**MEETING SUMMARY**

Wednesday January 30<sup>th</sup>, 2019

9:30 am – noon

Redmond City Hall

Room 208

Redmond, OR 97703

Regional Solutions Committee Members:

Mike Hollern, Governor's Convener

Amy Tykeson, Tykeson and Associates

Anne George, Oregon Community Foundation (Exec Committee Appointment pending)

George Endicott, Redmond Mayor (Exec Committee Appointment pending)

Matt Abrams, Seven Peaks Ventures (for Corey Schmid)

Melanie Widmer, Madras Sanitary

Roger Lee, EDCO

Becky Johnson, OSU Cascades

John Gilbert, Pacific Crest Affordable Housing

Regional Solutions Team:

Annette Liebe, Governor's Coordinator

Greg Svelund, Department of Environmental Quality

Theresa Conley, Department of Transportation

Kim Travis, Oregon Housing and Community Services

Tom Rowley, Business Oregon

Scott Aycock, Central Oregon Intergovernmental Council

Guests:

Jennifer Stephens, Bend Chamber

Betty Roppe, Citizen

Carolyn Eagan, City of Bend

Lisa Dobey, St. Charles

Todd Dunkelberg, Deschutes County Library

Stephen Brooks, Pilot Management Resources

Zanthe Zika, Rep. Zika's office (via conference call)

## 1. Advisory Committee Status

Annette Liebe provided an overview of the Committee make up: there are five positions on the Executive Committee which are members appointed by the Governor. Those members are: a convener (Mike Hollern), a business representative (Amy Tykeson) and county representative (Mae Huston, Jefferson County), a city representative (formerly Mayor Roppe, Prineville) and a philanthropic representative (formerly Erin Borla, Roundhouse foundation). Mayor Roppe did not run for re-election and Erin Borla submitted her resignation in December. The appointments to the Executive Committee are currently being processed by the Governor's executive appointments staff. Once these are completed the Executive Committee will review and make changes to the remainder of the committee makeup where individuals are no longer in their positions or their previously defined "term" has expired. The Executive Committee appointments do not have term limits but the Executive Committee has chosen staggered "terms" for the additional members they have appointed.

## 2. Overview of Governor Brown's policy and legislative priorities – Elana Pirtle-Guiney, Legislative Director (via conference call)

Elana provided an overview of the Governor's policy and legislative priorities. Those can be found here:

[https://www.oregon.gov/gov/policy/Documents/019-21\\_turning-point.pdf](https://www.oregon.gov/gov/policy/Documents/019-21_turning-point.pdf)

The following questions were asked:

- What is the Governor doing to address the PERS problem?  
Elana clarified that the bulk of the Unfunded Actuarial Liability (UAL) is associated with past decisions made by the PERS Board and promises made in contracts. The Supreme Court has decided that these benefits cannot be reduced. The Governor is focused on addressing the UAL for K-12 school districts. Additionally, the Governor and the legislature created a side account incentivizing PERS employers to put money away to cover future pension costs; the intention is that these funds will be matched by the state.
- What is the Governor doing to support rural economic development?  
Elana highlighted the recently adopted Business Oregon Strategic Plan that focuses more on small business and rural Oregon rather than only on traded sector employers. Elana also mentioned the focus on Career and Technical Education as well as creating stronger ties between Workforce Investment Boards and employers.

### 3. Panel on Housing

- a. James LaBar provided an overview of the Governor's recommended investments for housing. The hand out that James walked through is available along with the committee meeting materials on the Regional Solutions website.
- b. Overview of regional housing needs analysis – Scott Aycok, COIC  
Scott provided an overview of the Regional Housing Needs Analysis completed by a consultant team for the regional Housing 4 All effort convened by Central Oregon Intergovernmental Council. Scott's presentation is available as part of the meeting materials.
- c. Kim Travis, Oregon Housing and Community Services, provided an overview of the statewide housing plan and the Governors' Institute of Community Design recommendations. These materials are also available on the website.

Questions and discussion points from the committee:

- How does job availability relate to the housing affordability gap? How is average renter wage calculated? Scott clarified that job availability was not evaluated as part of this study. Affordability is based on the most recent income data from the American Community Survey (Census). Some committee members observed that it might be more relevant to create a sliding scale for the percent of total income that determines whether a person is rent burdened. For example, higher income groups can probably handle more than 30% of their income being spent on rent. There was also a question about how a Universal Base Income could affect these results. This study did not look at that question. Committee members also wondered how the study might integrate additional ways in which middle and low income earners are cost burdened, e.g. childcare. What would happen to housing affordability if wages were increased by 10%?
- Committee members suggested experimenting with solutions in small pockets. If passed, the Greater Oregon Accelerator mentioned by James could be one tool for such localized collaborative experiments. Lisa Dobey from St. Charles mentioned that they may be interested in participating as an employer partners.
- Carolyn Eagan highlighted the recent HB 4079 pilot project approved for the City of Bend. The city was allowed to bring in additional acres to the Urban Growth Boundary for affordable housing. Some wondered whether Oregon's land use system is an impediment to increasing housing supply. Mayor Endicott indicated that while the City of Redmond has used up quite a bit of their land for housing supply, he believes that DLCD won't let Redmond expand its UGB. There was discussion about the need for current inventories of buildable lands that could support market demand analysis and Urban Growth Boundary assessments/expansions.

- Scott clarified that the housing needs analysis is not a market survey; the building industry needs better demand data. Matt Abrams mentioned a project “Inside Data Science” that may be able to help address some of the data questions raised by the committee.
- John Gilbert noted that while there are good reasons for increasing densities in certain areas, it is more expensive to build vertically. Below 80% of AMI is what’s needed for the rental market; for those earning above 80% of AMI houses to purchase are needed.

#### 4. Opportunities Zones – Stephen Brooks

Stephen Brooks, provided an overview of the Opportunity Zones (OZs) program. Stephen’s presentation is posted along with the meeting materials. Stephen has been working with Meyer Memorial Trust, Oregon Community Foundation, the Ford Family Foundation and Business Oregon to support investment in OZs in Oregon. In a nutshell, the program incentivizes parties who have assets with significant capital gains to sell these assets and reinvest in “opportunity zones.” The zones are based on census information related to income. The governor designated 25% of the eligible tracts in Oregon as Opportunity Zones. There are 86 tracts overall. There are tracts in all three Central Oregon counties (Jefferson, Crook and Deschutes). If an investor invests their gains in an OZ they delay paying capital gains tax on that gain until the year 2026. If they hold on to the newly acquired asset for at least 10 years, they do not pay tax on the newly realized gain. Stephen also talked about the resources he is developing that will be designed to match projects with investors; these should be available this spring. Roger Lee highlighted that EDCO may be an important partner aware of potential investment worth projects.

#### 5. Central Oregon Regional Priorities

Annette summarized the existing Regional Priorities and indicated that further discussion will happen at the next meeting. Time/date/location TBD.

#### 6. Roundtable

Mayor Endicott talked about a regional priority project - the Regional Readiness project. COIC is convening regional stakeholders to talk about what this center would look like and potential resource alignment among emergency preparedness/response organizations. Center would locate on or adjacent to the Redmond Airport. One potential funding mechanism could be funds in HB2536