



Joint Committee On Ways and Means
Subcommittee On Capital Construction
Oregon State Legislature
900 Court St. NE
Salem, OR 97301

**Re: Testimony in Support of Rural Oregon Modular Mass Timber Workforce Housing
Lottery Bond Request, Senate Bill 5701**

Co-Chairs and Members of the Subcommittee:

My name is Barry Murphy, and I serve as the City Manager for Baker City, Oregon. Baker City is a board member city of the Regional Rural Revitalization (R3) Strategies Consortium, working alongside Burns and other small communities to deliver urgently needed rural housing and infrastructure. On behalf of Baker City, I am writing in strong support of R3's capital request in Senate Bill 5701 for modular mass timber workforce housing across multiple rural Oregon cities, including projects in our Baker City pipeline. The City Council, represented by Mayor Randy Daugherty recently had a vote to capture its support of the project as well.

R3 has become a core implementation partner for Baker City's housing strategy. As of **September 2025, R3-supported projects in Baker City account for 105 homes under construction**, with a new slate of construction-ready subdivisions, infill developments, ADUs, and historic rehabs ready for funding. Current and proposed projects in our community include the Silver Birch Subdivision (Damschen LLC), Park Springs Subdivision (Big Creek Builders), the Overton/Callison subdivision on Clark Street, Holman and Rainey historic renovations, Letourneau's sixplex near the hospital, the Bain manufactured home subdivision, Clement Cottage Clusters, multiple individual infill sites, and a 60-acre county owned property on Hughes Lane planned for approximately 100 homes.

R3 has committed \$2.3 million in capital committed across our projects, supporting a total of 105 units—52 already under construction and 53 additional units moving into the pipeline through new construction, ADUs, and historic renovations. R3's disciplined structure has allowed us to advance projects that are truly shovel-ready while protecting public and consortium funds.

The capital requested in SB 5701 will extend and amplify this work. **R3's statewide portfolio now includes more than 500 homes and lots in construction across ten rural counties**, with

Baker City and Burns among the board member cities helping lead these efforts on the ground. SB 5701 funding for modular mass timber workforce housing—paired with R3's existing grants and loans, local incentives, and federal tools—will give our community and others a scalable way to deliver missing-middle and workforce units at price points local households can afford. In Baker City, that means more momentum in subdivisions like Silver Birch and Park Springs, more small-scale infill and ADU production, and faster activation of underused lots and buildings near existing services.

From Baker City's perspective, **R3 has delivered three critical forms of value**. First, it has brought **real capital** to the table: approximately \$2.3 million dedicated to Baker City projects under a portfolio that now supports 105 units, with additional technical assistance and predevelopment support. Second, it has provided **the technical team we need**—planning, engineering, finance, and project management—to scope, sequence, and de-risk multiple projects at once in a small city with limited staff capacity. Third, it has given us **a proven regional framework** that allows Baker City to leverage shared tools and lessons from other communities while tailoring solutions to our local market.

For these reasons, **Baker City strongly supports the R3 capital request in Senate Bill 5701**. This investment will accelerate modular workforce housing in Baker City and other board member cities, and it will build on an intergovernmental model that is already turning commitments into units on the ground across rural Oregon.

Thank you for your consideration and for your continued work to address Oregon's rural housing needs.

Sincerely,



Barry Murphy

City Manager, Baker City



Randy Daugherty

Mayor, Baker City