



Home Builders Association
of Metropolitan Portland

July 7, 2020

Denny Doyle, Mayor
Beaverton City Council
12725 SW Millikan Way
Beaverton, OR 97005

Re: Concern Regarding the Non-Potable (Purple Pipe) Water System Program (Agenda Bill 20189)

Dear Mayor Doyle,

The Home Builders Association of Metropolitan Portland (“HBA”) represents over 800 businesses and thousands of women and men who work in the residential building and remodeling industries throughout the greater Portland area. We are dedicated to maximizing housing choice for all who reside in the region while promoting housing access and availability for everyone.

Over the past five years, four of our members, Ed Bartholemy (Kinton Land and Bison), Metropolitan Land Group, Taylor Morrison, and West Hills Development, have been developing 2,050 new homes in the South Cooper Mountain (“SCM”) area. On behalf of these members, and the entire residential development community, we ask that the Beaverton City Council direct city staff to work with us in order to ensure that these homes can come to market and provide critically needed housing in a timely manner.

The COVID-19 pandemic is causing severe economic disruption throughout the Portland region. Home building, like many industries, is facing an uncertain future. Across Washington County, there has been more than a 50 percent downturn in the number of new housing starts year-over-year in March, April, and May. This downturn is attributable to many factors including, but not limited to, supply chain interruptions for material coming from East Asia, reductions in available capital for both builders and home buyers, and an overall uncertain economic forecast.

Despite the economic downturn, Oregonians continue to desperately need new housing. A recent report showed the state underproduced 155,000 units of housing since the Great Recession. This failure forces Oregon families to compete for ever scarcer housing, which in turn drives up costs, delays family formation, and inhibits growth. Given the trying combination of the current economic outlook and the pressing need for new housing to meet Oregonians needs, Beaverton (the “City”) should take this opportunity to advance pro-housing policies that will help ensure future generations are able to find the housing they need.

In this vein, the City has an opportunity to advance a non-potable water system (“Purple Pipe”) program that supports – rather than inhibits – the timely build out of SCM. As laid out in the City staff report dated June 30, 2020, the development community was blindsided when – in late 2019 – the Purple Pipe program changed dramatically from a backbone concept that “was anticipated to be used in commercial areas, right-of-way areas, common areas, pocket parks, street scape, wetlands and schools ... that was largely going to be implemented on an optional and voluntary basis” to one that included “additional neighborhood piping and the meter at the home for single family lots” (Staff Report, page ii).

This dramatic shift, which occurred well after all four of the developers had obtained land use approvals and submitted for engineering review and site development permits, represents an unprecedented evolution in the Purple Pipe program. Importantly, ***if implemented as currently proposed, the Purple Pipe program would add millions of dollars to development currently under way, and cause significant multi-month delays in the construction of new homes in SCM.*** Additionally, it would immeasurably sour the City’s reputation for working in a collaborative manner with its stakeholders.

As it stands, the City is well known for its strong commitment to new housing, and ***we are merely asking for limited, targeted exemptions, that would vest Purple Pipe program standards in a manner akin to land use zoning and building and engineering codes.*** With such exemptions, the City could achieve its desired backbone concept and ensure that development can continue without undue cost increases and delays.

In fact, the development community was close to reaching an agreement with City staff on vesting rights. Over the course of the last three months, we met with City staff and, in the course of multiple good faith conversations, built “consensus on exemptions for entire developments (not phases of development) for a period of 5-10 years for those who were in site development review in” 2019 (Staff Report, page iv). However, upon nearly reaching consensus, we were told that City staff no longer had the authority to work us and could only continue to do so after explicit direction from the City Council. This is extremely disappointing, given the months of good faith conversations and difficult compromises that have already occurred on both sides.

Developers have worked for years to bring new housing in SCM to fruition. Their land acquisition, planning, engineering, and financial plans were prepared far in advance of actual construction. We merely ask that you treat the Purple Pipe program as another building code, land use zoning regulation, or engineer standard, provide vesting rights in conjunction with land use approvals, and allow developers to move forward with their projects in SCM.

With fair and equitable vesting rights in place, the City can continue the conversations it was having as recently as late 2019 and focus on a meaningful backbone program that is enhanced through appropriate incentives on a voluntary basis. Each of the developers in SCM have committed to work with City staff to achieve these goals, and hopes to have the opportunity to continue work on the Purple Pipe program in good faith.

HBA is thankful for its long standing partnership with Beaverton. We are inspired by the City's efforts to implement a robust Purple Pipe program that will provide non-potable water throughout the SCM area. Through a collaborative approach, the City can ensure that it is able to implement the program while at the same time helping deliver much needed housing to Beaverton families. We believe that the Purple Pipe program and new housing can and should work hand in glove and the development community remains ready and willing to re-engage in open and transparent conversations. Together, in partnership, we can work towards a green Beaverton that has ample housing for all.

Sincerely,

Ezra Hammer
Vice President, Policy and Government Affairs



Cc: Laura Mitchell, Council President
Cate Arnold, Councilor
Lacey Beaty, Councilor
Mark Fagin, Councilor
Marc San Soucie, Councilor