

LELAND CONSULTING GROUP



Memorandum

Date 4 January 2012
To Mike Dahlstrom, Washington County
From Chris Zahas, Leland Consulting Group
CC April Chastain, Leland Consulting Group
Subject January CAC Cover Memo
Project 5168 Aloha-Reedville Study

The purpose of this memo is to pull together in one place the key findings, takeaways, and next steps that are evident from the collection of economic and demographic technical reports prepared by Leland Consulting Group, ECONorthwest, and The Nielsen Group in collaboration with Washington County staff. These include:

- Economic Opportunities Review and Analysis
- Economic and Demographic Trends and Projections
- Local Real Estate Market Analysis
- Economic Development and Housing Funding Tools
- Housing Adequacy Assessment and Recommendations

People Places Prosperity

Revitalizing Downtowns
Creating Partnerships
Targeting Real Estate Success
Shaping Financial Strategies
Strengthening Community
Enabling Sustainability & Livability
Making Cities Work

Since these reports include several hundred pages of data and analysis, it is cumbersome to try to quickly identify the most important findings, especially those that draw material from several reports at once. This memo starts with a few highlights of the key facts discovered in these reports and concludes with a discussion of the major findings and next steps. These findings, supplemented by the technical appendices, serve as important starting points for community discussions in the next phases of the Aloha-Reedville Study – allowing community members to have an informed, fact-based discussion about their future.

WHERE HAS ALOHA-REEDVILLE BEEN AND WHERE IS IT NOW?

- Aloha-Reedville has traditionally served as a bedroom community to the Portland Metro area's west side. It has seen rapid development over the past 20 years, mainly in suburban residential and auto-centric commercial development patterns. What started out as a semi-rural farming community has evolved into a mostly built-out suburban community. The surrounding areas of Hillsboro, Beaverton, and the Sunset Corridor have, meanwhile, evolved into major regional centers of economic activity.
- It has largely provided affordable, working class homes for the region. While homes are modest, their conditions are generally good. The same goes for the area's regulated affordable housing stock.
- Compared to the region, Aloha-Reedville has larger households, is younger, has fewer college graduates, and has slightly lower incomes. It is a working class community.

610 SW Alder Street Suite 1008
Portland Oregon
97205-3611
p 503.222.1600
f 503.222.5078

New York New York
Los Angeles California
Bend Oregon
Abilene Texas
San Miguel de Allende Mexico

www.lelandconsulting.com

LELAND CONSULTING GROUP



- Affordability remains a challenge and there are several gaps that have been identified, including a small supply of larger homes, relatively few apartments, and deficits in housing that is affordable to households in several income groups.
- The TV Highway corridor defines the area to a large extent. The corridor creates significant safety challenges for pedestrians through a lack of complete sidewalk and lighting coverage. Commercial uses are typically auto-centric and are in many cases are in aging building stock.
- Aloha-Reedville's economy is largely service-driven, supporting local residents and nearby employers. Aside from Intel, it does not have significant manufacturing or industrial employment on which to base new growth.

WHAT DOES THE FUTURE HOLD?

- The future will not look like the past – growth in Aloha-Reedville will be slower, it will be more concentrated in infill and redevelopment, and it will be shaped by major economic and demographic shifts happening at a national and global scale.
- Among the biggest of these are the baby boomers and Generation Y (also known as the Echo Boomers, born from the late 1970s to 2000). Both are driving demand for smaller homes, more rentals, and greater connectivity to amenities and services, especially by foot, bike, and transit. Communities that provide this environment will be the ones that appreciate in value and attract and retain young and old people alike.
- Thus, the housing market will migrate to higher density and service-rich neighborhoods. Given the higher costs to do infill development, more development is expected in South Hillsboro and AmberGlen where larger developments can take advantage of economies of scale.
- Growth in South Hillsboro and AmberGlen may have several impacts on the area, including increased demand for services along Aloha-Reedville's commercial corridors, possible support for enhanced transit service, increased housing options, but also increased traffic.
- The availability of land and attractive employment sites will influence the types of businesses likely to locate in Aloha-Reedville. The small base of vacant land and types of redevelopment sites available will tend to attract smaller businesses.

SO, WHAT DOES IT ALL MEAN?

- The changes and challenges impacting Aloha-Reedville are not unlike those facing every other community. Meanwhile, there is a sense of community and pride that is strong.
- Housing affordability will continue to be a challenge. Despite its relative affordability, there are economic and physical barriers to providing housing that is affordable to a range of household incomes. A proactive strategy and financing tools will be needed to ensure that there is an affordable mix of rental and ownership housing that is adequate for the incomes and household sizes of Aloha-Reedville residents.
- Housing needs for future generations are changing. The type of housing on the ground today may not be well matched for future generations. There will be a much greater demand for multifamily housing in the future and accessibility to transit, shopping, and services will need to be enhanced to be a competitive location for future residents.
- Employment and commercial growth in Aloha-Reedville will require active strategies to encourage redevelopment along the corridors. There is virtually no vacant and very little

LELAND CONSULTING GROUP



underutilized commercial land in the area. Yet low commercial rents make it very challenging for existing uses to redevelop.

- Aloha-Reedville's location between Hillsboro and Beaverton is both an opportunity and a weakness. Many large companies will want to be close to existing employment areas in Hillsboro or Beaverton rather than Aloha-Reedville where there are no significant employment concentrations outside of the commercial corridors. However, small supplier firms or startups that can take advantage of the study area's central location between Hillsboro and Beaverton could be attracted to the area. These could include: food production, cabinet or furniture manufacturing, apparel manufacturing, businesses associated with existing firms west of Portland such as parts suppliers, or other small-scale production.
- Specifically, the Town Center area (185th and TV Highway) will require a concerted effort if it is to achieve Metro's 2040 Growth Concept's characteristics attributable to town centers. While this area is well located to serve the greater Aloha-Reedville area and has good transportation access, it will not likely redevelop intensely on its own.
- These efforts indicate a need for collaboration with surrounding communities and employers to integrate Aloha-Reedville with Hillsboro's and Beaverton's economic development strategies.
- Multimodal transportation connectivity (bike, pedestrian, auto, and transit) will be key to achieving multiple objectives. It will provide better access to services for neighborhoods, it will provide better access to regional jobs for tomorrow's families, and it will help reduce household transportation costs, an important factor in overall housing affordability.
- The pool of available public resources is shrinking. Public funding for infrastructure projects, for revitalization, housing, and for services is shrinking, yet demands and needs continue to grow. Aloha-Reedville will need to carefully plan and leverage available resources in order to secure them in the first place and maximize their impact over time.
- Without intervention, the Aloha-Reedville community will likely remain as it is, with continued decline in market opportunities, particularly in relation to existing surrounding areas and expected growth areas.

NEXT STEPS

These findings indicate that the next steps in the Aloha-Reedville Study should focus on the following key areas:

- Redevelopment strategy for the Town Center area;
- Corridor revitalization and redevelopment strategy;
- Bike/pedestrian mobility strategy;
- Housing equity and affordability strategy;
- Refined funding and implementation strategies.

The key findings discussed in this memo, along with the reports and the accompanying Existing Conditions Report, set the stage for Phase 2 of this project. In this next phase, community aspirations will be matched with Aloha-Reedville's assets to identify changes that can be made to address those aspects that are not working well. The goal of the next phase is to reach agreed upon future actions that the community, the county, service providers and investors can act on to improve the community's livability.