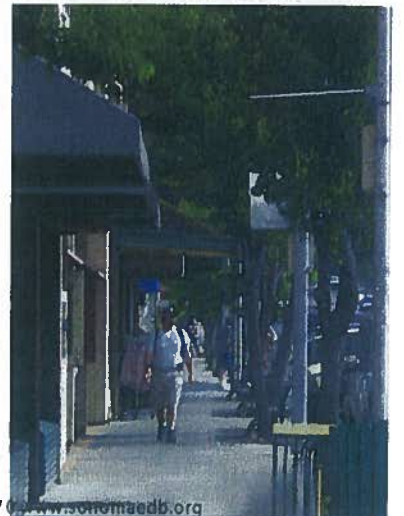
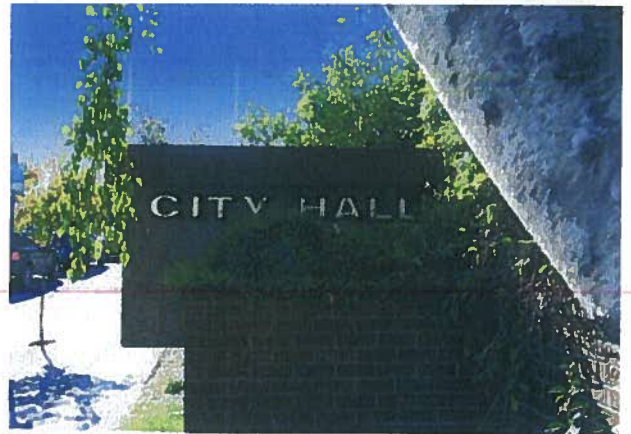




# 2010-11 CITY OF SEBASTOPOL: LOCAL ECONOMIC REPORT



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# City of Sebastopol: Local Economic Report

September 2010

The Sonoma County Economic Development Board (EDB), in partnership with the Sonoma County Workforce Investment Board, is pleased to bring you the *2010 City of Sebastopol Local Economic Report*.

Highlights from this Local Economic Report include:

- Between 2000 and 2009, median household income in Sebastopol increased 40% nominally, or 12% in real (inflation-adjusted) dollars. Over the same period, the percentage of households making over \$100,000 increased by 12.7 percentage points. Over the next five years, median household incomes are projected to climb an additional 6% nominally to just below \$70,000.
- After four years of decline, the number of home sales in Sebastopol rebounded 26% year-over between 2008 and 2009. Although wage growth is subdued, decreasing home prices have increased affordability for potential homebuyers.
- The Sebastopol economy is expected to track Sonoma County's performance. Improvements in the labor market will lag improvements in its core industries. Current forecasts suggest the unemployment rate will start to see improvement during the latter half of 2010.

Thank you for your continued interest in the EDB reports. As always, if you have any questions, please feel free to contact us at (707) 565-7170.

Sincerely,

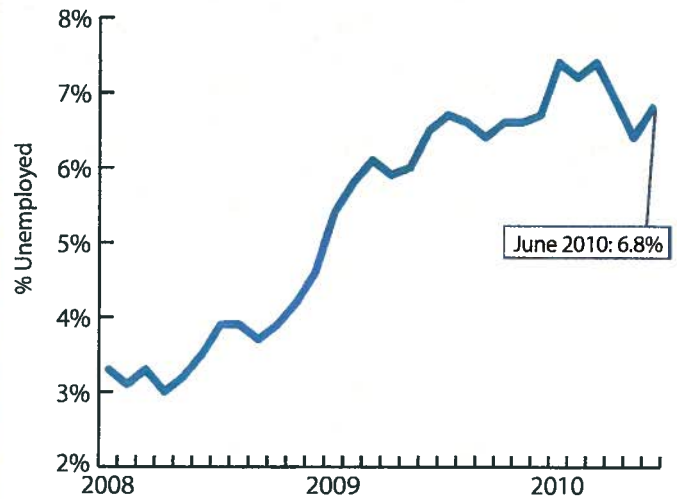
Ben Stone  
Executive Director

**Sebastopol's seasonally unadjusted unemployment rate was 6.8% for June of 2010, lower than Sonoma County's rate over the same quarter (10.4%).** Unemployment is up from the second quarter of 2009 when it registered 6.1%. Although Sebastopol's unemployment has risen considerably over the past two years, it is well below county, state, and national levels.

**Sebastopol's population plateaued in 2001 after steady growth during much of the 1990s and is currently in decline.** Between 2000 and 2009, the population decreased by roughly 123 residents.

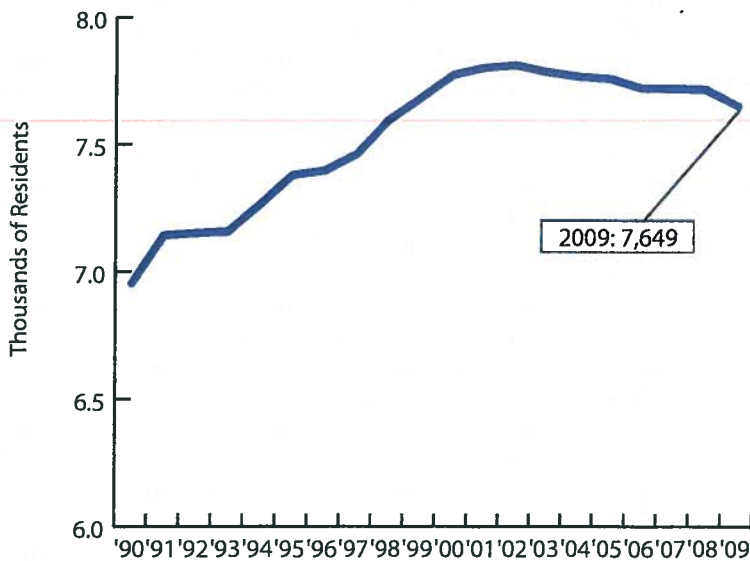
**Total employment in Sebastopol has been in decline for the past two years.** At 4,000, the number of jobs in Sebastopol is down 7.7% from its peak in Q2 2008. Moody's Economy.com has predicted that Sonoma County's employment should start seeing improvement in the latter half of 2010. This could be a positive sign for Sebastopol's employment profile, which has strayed from that of Sonoma County over the past decade.

## SEBASTOPOL SEASONALLY UNADJUSTED UNEMPLOYMENT RATE



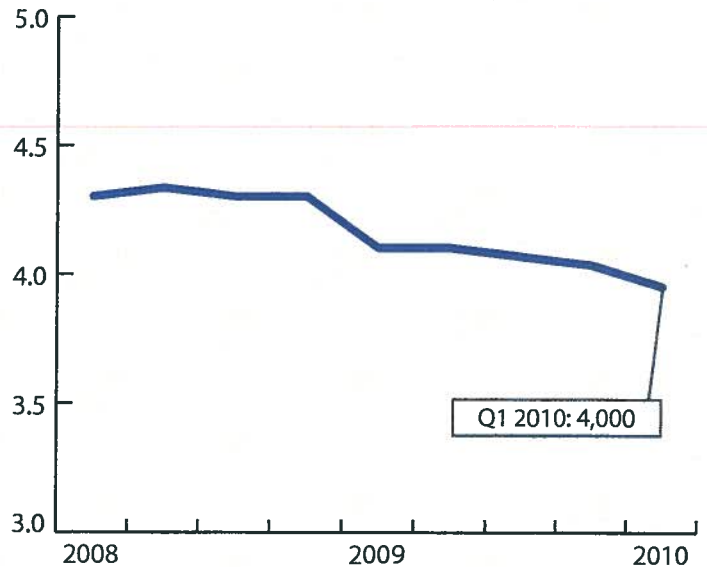
Source: California Employment Development Department ([www.edd.ca.gov](http://www.edd.ca.gov))

## CITY OF SEBASTOPOL POPULATION



Source: California Dept. of Finance, Demographic Research Unit. ([www.dof.ca.gov](http://www.dof.ca.gov))  
U.S. Census Bureau ([www.census.gov](http://www.census.gov)) & ESRI Market Profile ([www.esri.com](http://www.esri.com))

## SEBASTOPOL SEASONALLY UNADJUSTED NON-FARM EMPLOYMENT (THOUSANDS)



Source: California Employment Development Department ([www.edd.ca.gov](http://www.edd.ca.gov))

# POPULATION & INCOME PROJECTION

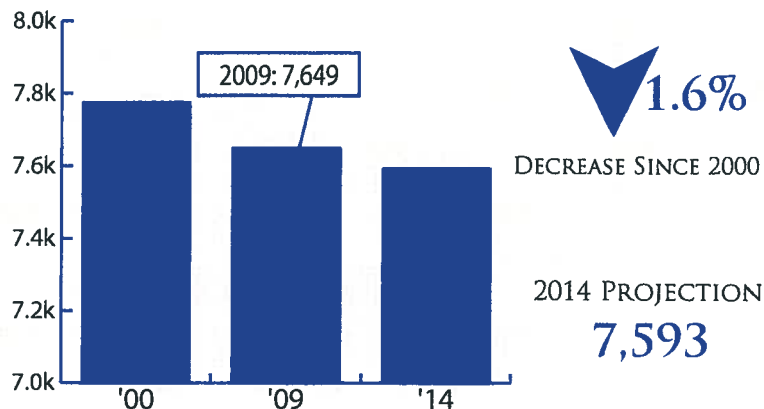
**The population of Sebastopol is projected to decrease by .8% over the next five years.** While Sonoma County is expecting slower growth during this period, Sebastopol is the only city in the county with projected population decline.

**Between 2000 and 2009, median household incomes in Sebastopol grew 40% nominally.** In real dollars (adjusted for inflation), incomes increased 12.3%. Over the next five years, incomes are expected to continue to climb, though at a slower rate. By 2014, the median household income of Sebastopol is expected to climb 6% nominally just shy of \$70,000.

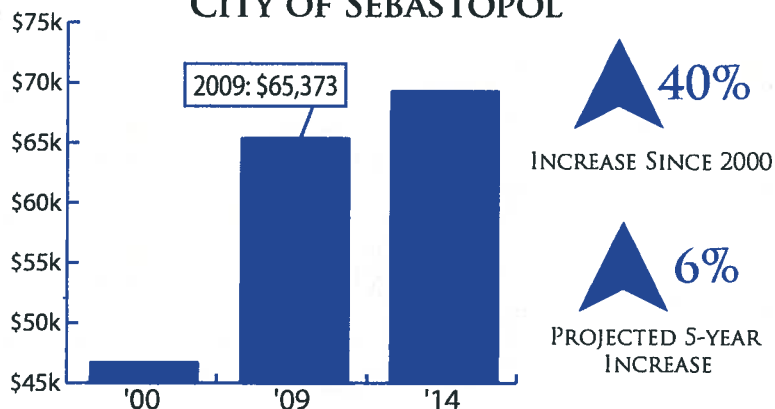
**As income in Sebastopol rose between 2000 and 2009, the percentage of households earning less than \$75,000 was reduced by 18.9 percentage points.** While the percentage of households earning less than \$15,000 per year dropped by 5.7 points, households making more than \$100,000 grew by 8.1 points.

**Over the next five years, the percentage of households in Sebastopol earning between \$75,000 and \$99,999 is expected to increase 5.1 points.** Other income brackets are expected to remain relatively unchanged.

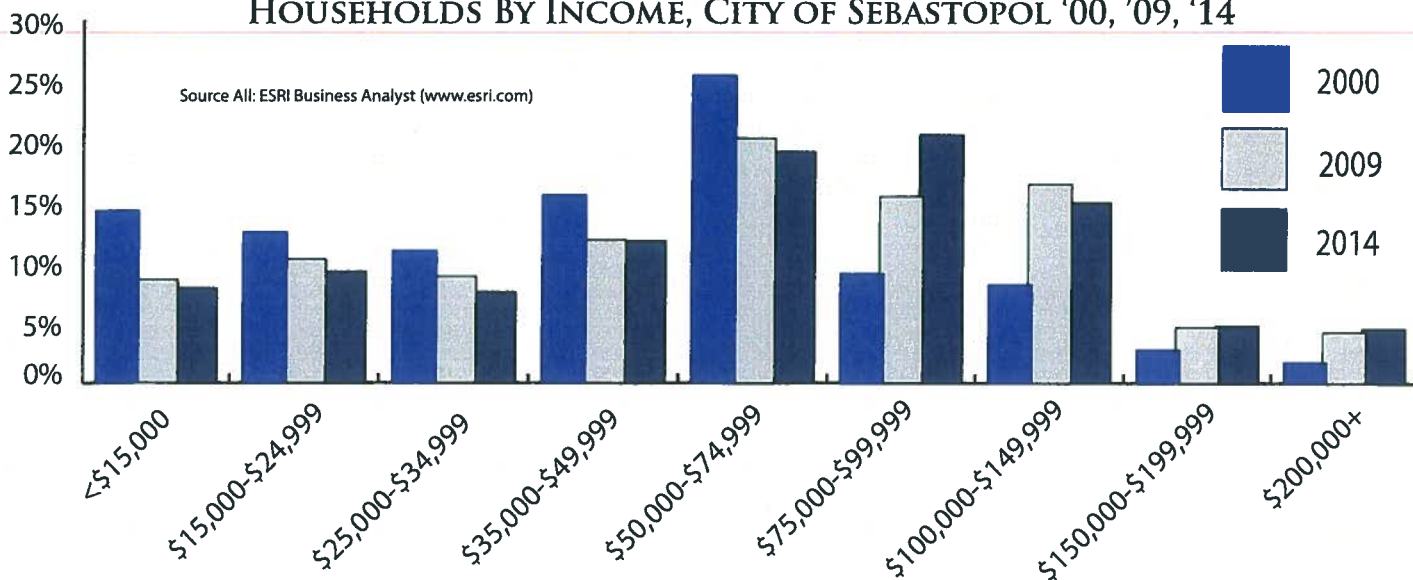
## TOTAL POPULATION CITY OF SEBASTOPOL



## MEDIAN HOUSEHOLD INCOME CITY OF SEBASTOPOL



## HOUSEHOLDS BY INCOME, CITY OF SEBASTOPOL '00, '09, '14

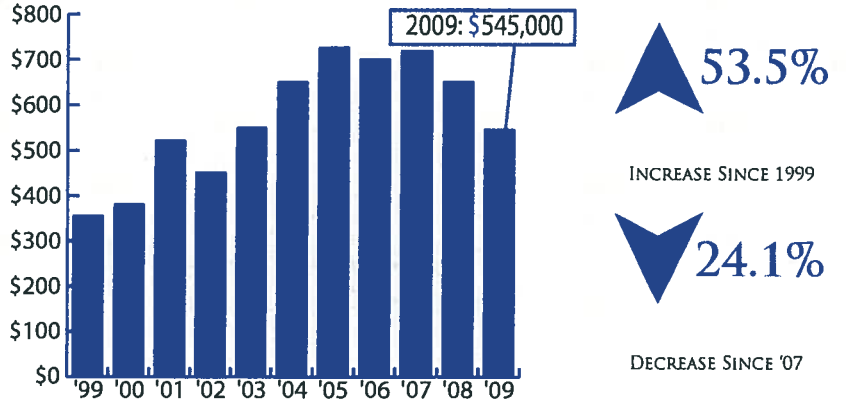


**Sebastopol's median home price decreased roughly \$105,000, or 20.8%, on a year-over basis between 2008 and 2009.** This is the second consecutive year of decline after nearly a decade's worth of strong price advances. The housing affordability index is near its highest level in over two decades.

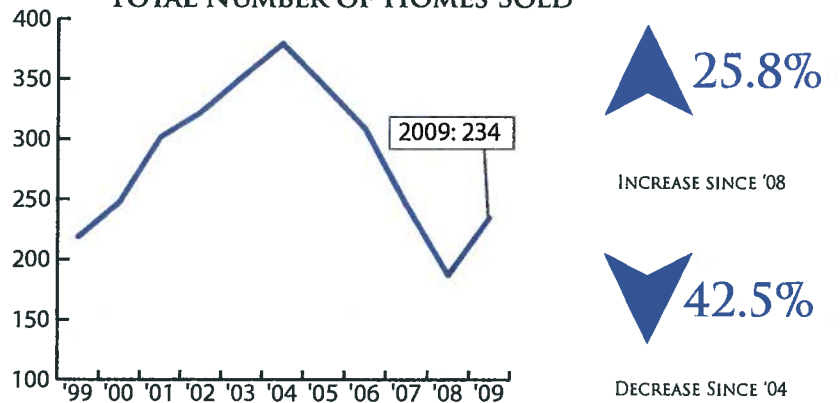
**Home sales in Sebastopol have seen a resurgence since the decade low in 2007.** The price drops across Sonoma County have fueled house sales, according to Moody's Economy.com.

**The average Q2 2010 sales price of a home in Sebastopol was \$653,600 which is one of the most expensive areas in the county.**

**MEDIAN PRICE OF AN EXISTING HOME SOLD IN SEBASTOPOL (\$ THOUSANDS)**

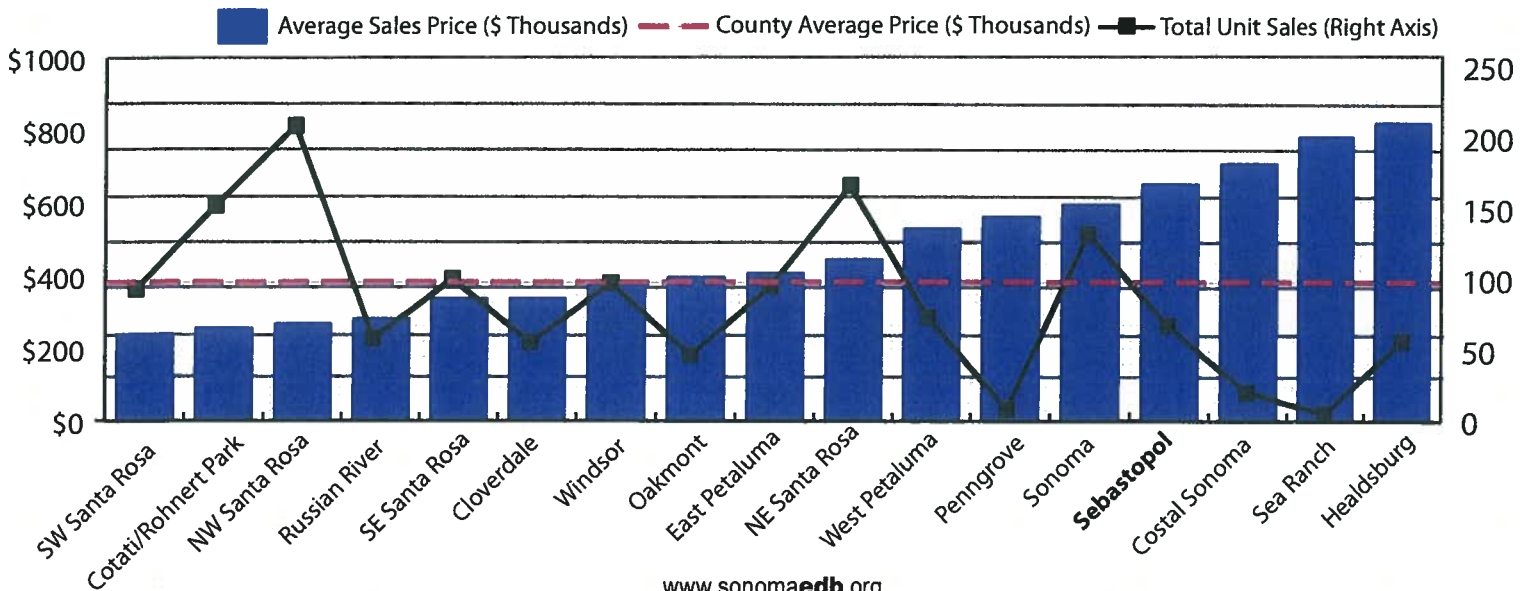


**TOTAL NUMBER OF HOMES SOLD**



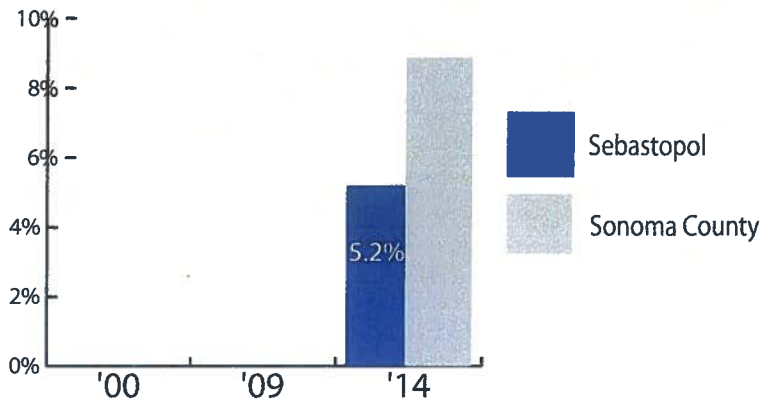
Source All: Bay Area Real Estate Information Services Inc (<http://www.bareis.com>)

**AVERAGE SALES PRICE (\$ THOUSANDS) AND TOTAL SALES BY SUB-COUNTY AREA, Q2 2010**



# REAL ESTATE & CONSTRUCTION

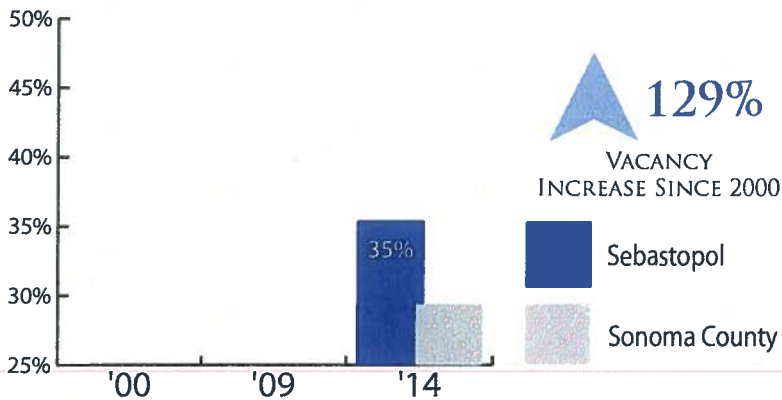
## SEBASTOPOL AND SONOMA COUNTY RESIDENTIAL HOUSING VACANCY



**Sebastopol's residential vacancy rates remain below the county average.** Five-year projections see the rate remaining at near 5.2%. Renter occupancy decreased 7% from 2000. This decrease is expected to continue and could indicate a shift towards home ownership.

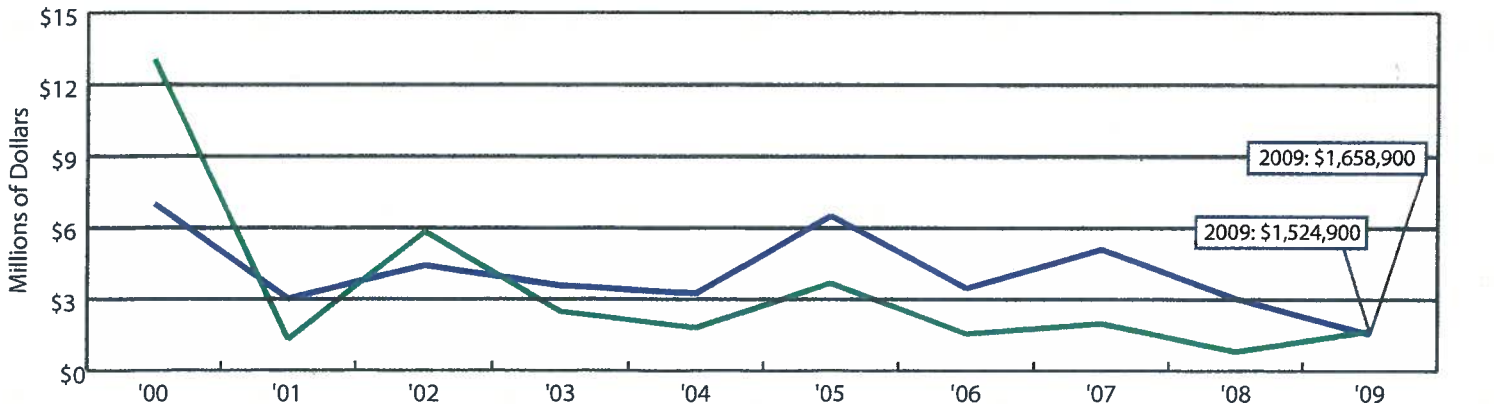
**The value of building permits, which reflect trends in construction activity, are near a decade low.** After a drop at the beginning of the decade, both residential and non-residential building permit values remained comparably stable. Residential values have decreased roughly \$3,570,000 (70%) since 2007.

## SEBASTOPOL AND SONOMA COUNTY RENTER-OCCUPIED HOUSING



Source: ESRI Business Analyst (<http://www.esri.com>)

## VALUE OF RESIDENTIAL & NON-RESIDENTIAL BUILDING PERMITS IN SEBASTOPOL (\$ MILLIONS; INCLUDES ALTERATIONS AND ADDITIONS)



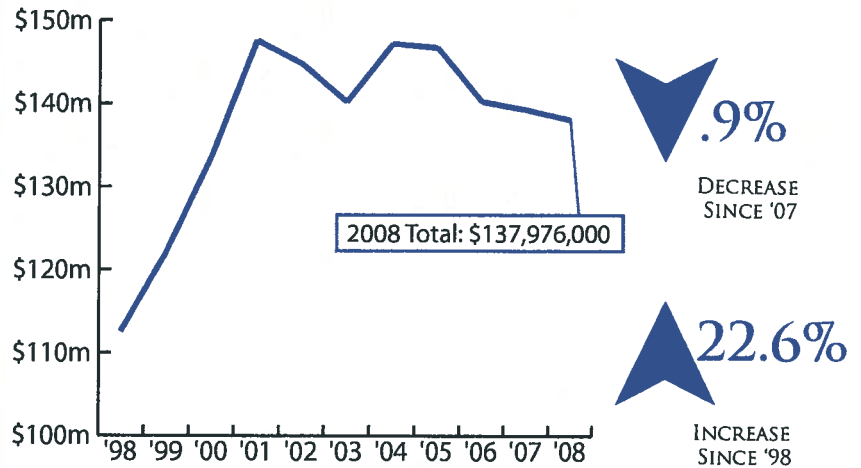
Source: Construction Industry Research Board ([www.cirbdata.com](http://www.cirbdata.com))

# CONSUMER SPENDING & TAXABLE SALES

**Sebastopol's total taxable sales have remained relatively stagnant after strong growth ended in 2001.** All across Sonoma County, taxable sales have been falling. Since 2007, sales have decreased by .9% in Sebastopol compared to a county-wide average decrease of 6.5%.

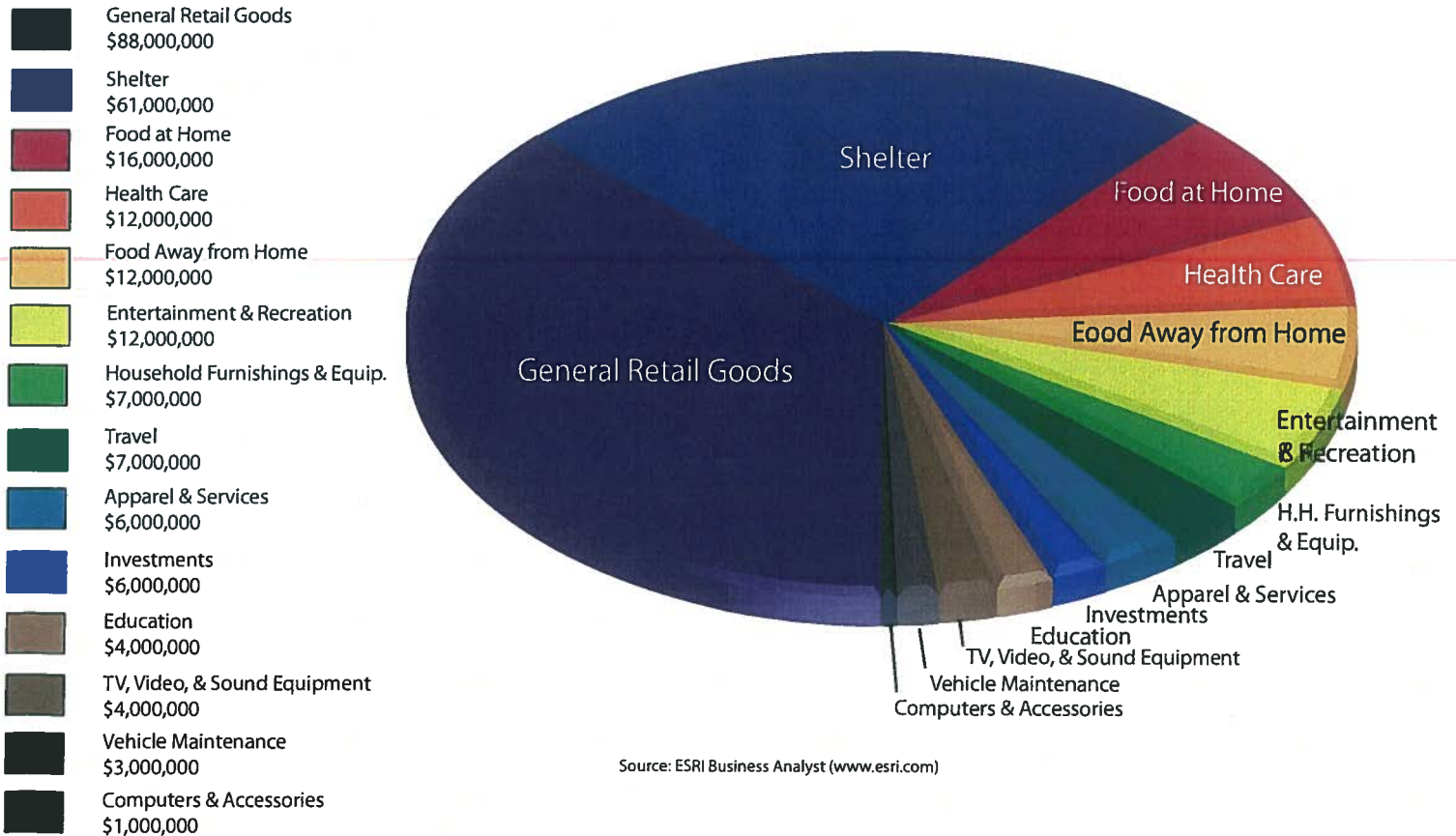
**Compared to the national average, Sebastopol residents spend considerably more per capita on housing, computers, education, and food away from home. They spend considerably less on apparel.** The largest consumer expenditures were on general retail goods, shelter, food at home, and health care.

## SEBASTOPOL TOTAL TAXABLE SALES



Source: California Board of Equalization ([www.boe.ca.gov](http://www.boe.ca.gov))

## 2009 CITY OF SEBASTOPOL CONSUMER SPENDING BY COMMODITY



Source: ESRI Business Analyst ([www.esri.com](http://www.esri.com))

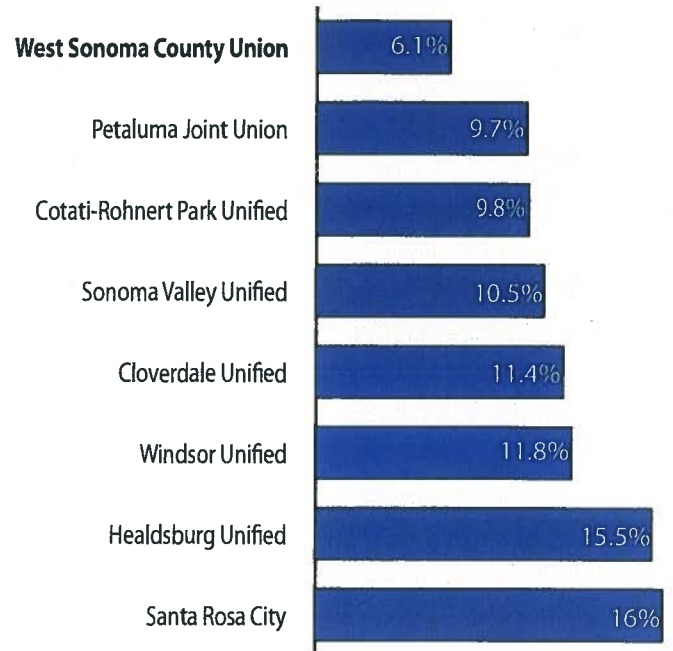
The National Center for Education Statistics (NCES) adjusted high school dropout rate for the West Sonoma County Union District (6.1%) is below the state average (18.9%). Students identifying as Caucasian, which make up 77.8% of the district's student population, had a dropout rate of 5.5%. These rates do not reflect student transfers to alternative schools.

The percentage of English learners in the West Sonoma County District (3.3%) is far below the county (26%) and state (24.2%) averages. Over the past decade, English learners in the West Sonoma County School District have decreased by 12.5% annually. The percentage of English learners in Sonoma County has increased nearly 80% over the past decade. In 2001, the percentage of English learners was just 15.1%.

SAT scores for college-bound high school graduates in West Sonoma County is the highest in the county and is above the state and national averages.

Sebastopol's high schools are calculated within West Sonoma County Union.

### Adjusted NCES High School Dropout Rate, 2007-2008

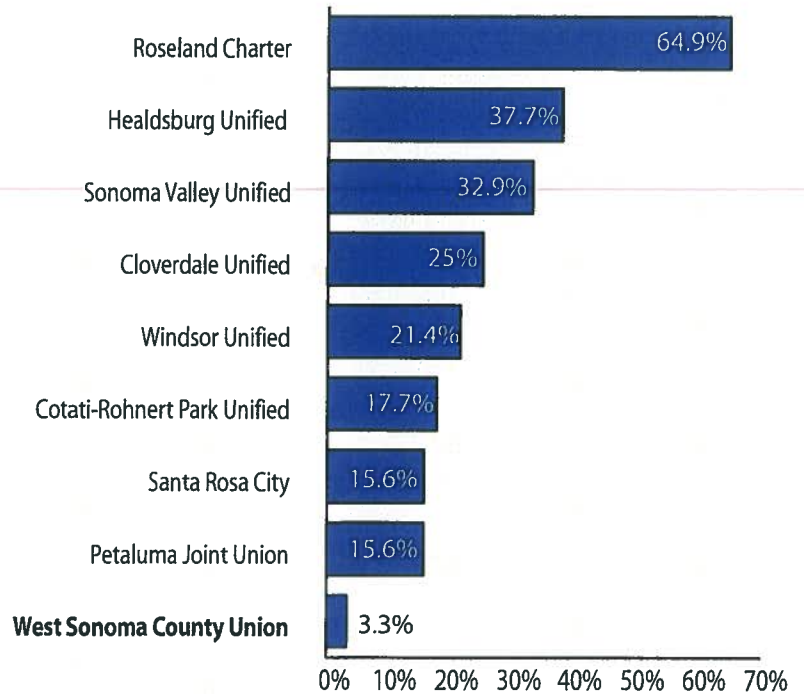


\*The NCES defines dropout as students who do not achieve a diploma or GED during their first four years of high school.

### Average Total SAT Scores by School District, 2008



### English Learners By District 2008-2009



\*Source: ALL Educational Demographics Unit, CA Department of Education



WITH ACKNOWLEDGMENT AND APPRECIATION TO LOCAL KEY BUSINESSES SUPPORTING SONOMA COUNTY ECONOMIC DEVELOPMENT:

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- County of Sonoma Board of Supervisors
- Sonoma County Health Services
- Sonoma County Transportation & Public Works