



SONOMA

CITY PROFILE AND
PROJECTIONS REPORT

2019



**SONOMA
CHAMBER**

A LOCAL MISSION

SINCE 1909

*Report developed by the Sonoma
County Economic Development
Board in partnership with the City of
Sonoma and the Sonoma Chamber of
Commerce*

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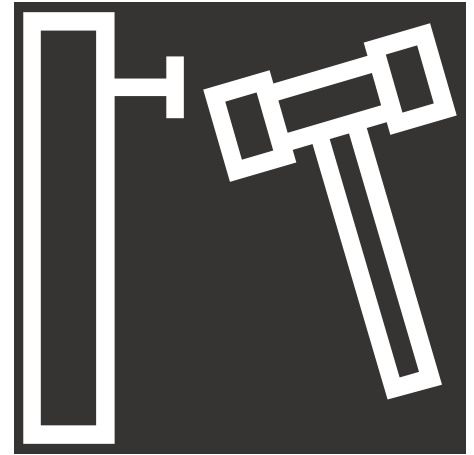


EXECUTIVE SUMMARY

December 2019

Highlights from this year's report include:

- Between 2010 and 2018, Sonoma's population grew annually at 0.65% reaching 11,253 residents, with the highest median age at 51.5 years old.
- Sonoma's 2018 annual average unemployment rate was 3.77%.
- Sonoma's 2018 median household income was \$76,015 and is projected to grow by 17.4% by 2023.
- Between 2014 and 2017, Housing vacancy rates in Sonoma increased sharply reaching 12%.



A Note from Our Executive Director

The Sonoma County Economic Development Board (EDB)—in partnership with the Sonoma County Workforce Investment Board (WIB), the City of Sonoma, and the Sonoma Chamber of Commerce—is pleased to present the 2019 *Sonoma City Profile and Projections Report*. The EDB publishes a comprehensive annual report on each of the county's nine incorporated cities—Cloverdale, Cotati, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, and Windsor. *These reports provide projections and forecasts for the demographic, economic, income, and housing data for each city, and showcase some of their unique qualities and local cultures.*

This report is meant to reflect conditions in the city with the most recent information available in 2019. While every effort was made to ensure this report contained up-to-date information, certain data was unavailable at the time this report was released; thus, some figures may reflect information from prior years.

Thank you for your interest in the Economic Development Board's research. For access to each of the *City Profile and Projections Reports*, or for general questions, concerns, and comments, please reach out to us at (707) 565-7170 or visit www.sonomaedb.org.

Sheba Person-Whitley
Executive Director



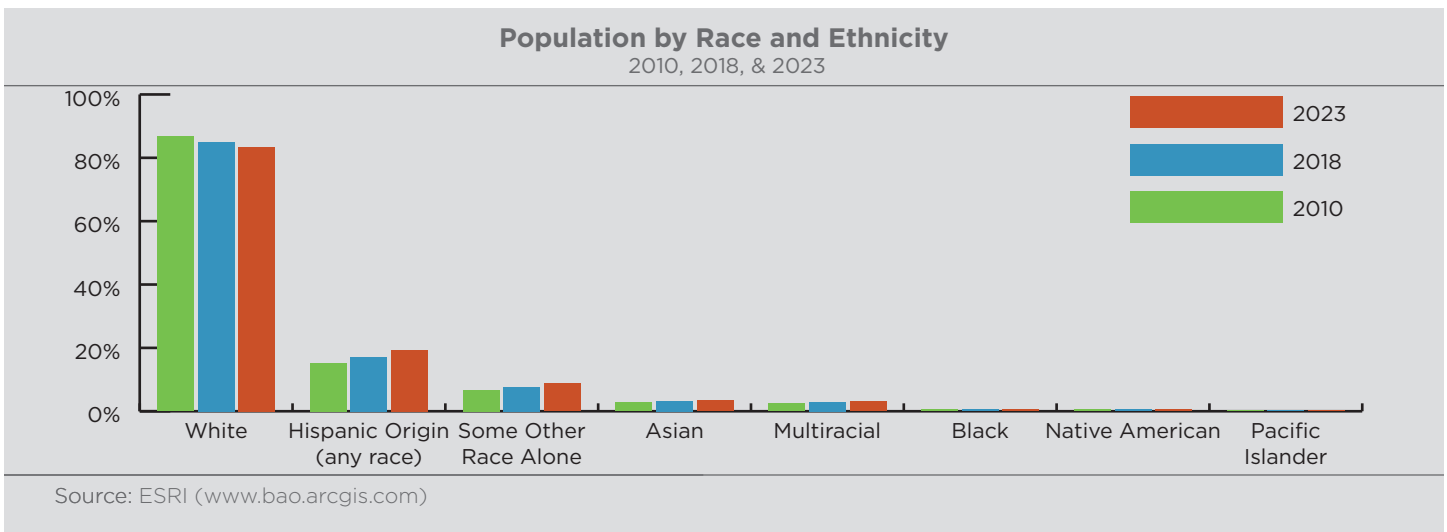
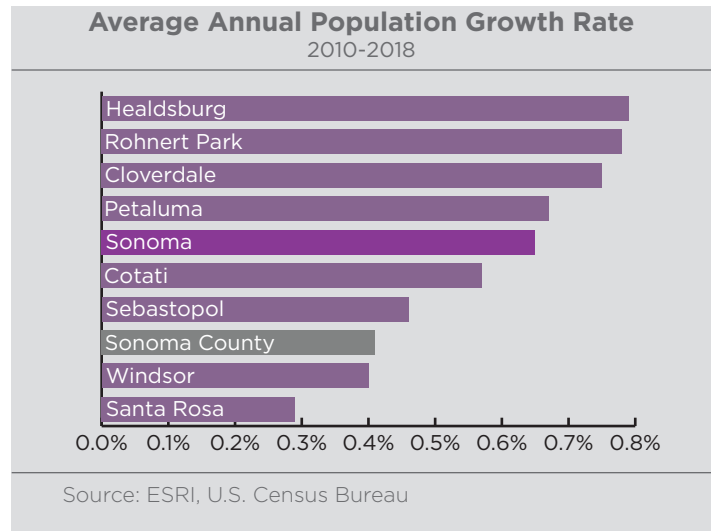
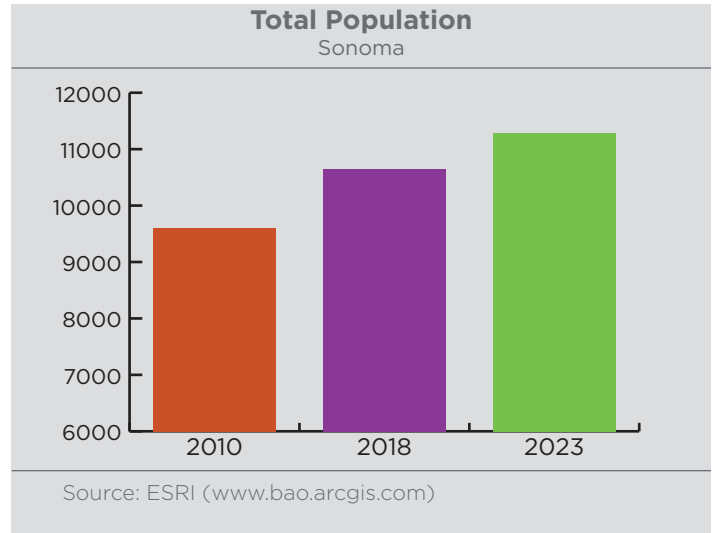
DEMOGRAPHICS

POPULATION

At 11,253 residents, Sonoma’s 2018 population ranked as Sonoma County’s fourth smallest city. The city grew by 5.2% between 2010 and 2018—averaging 0.7% annually, fifth fastest in the County. Against countywide trends, estimates show the population increasing to 11,286 by 2023.

RACE AND ETHNICITY

In 2018, the White population comprised 85% of Sonoma—of which 81% identify as non-Hispanic White. Meanwhile, Hispanics/Latinos (identifying as any race) comprised 14.4% of Sonoma residents. The third most prominent ethnic group at 8% identified as “Some Other Race” alone. Following countywide trends, 2023 forecasts project a declining white population and a growing Hispanic population.



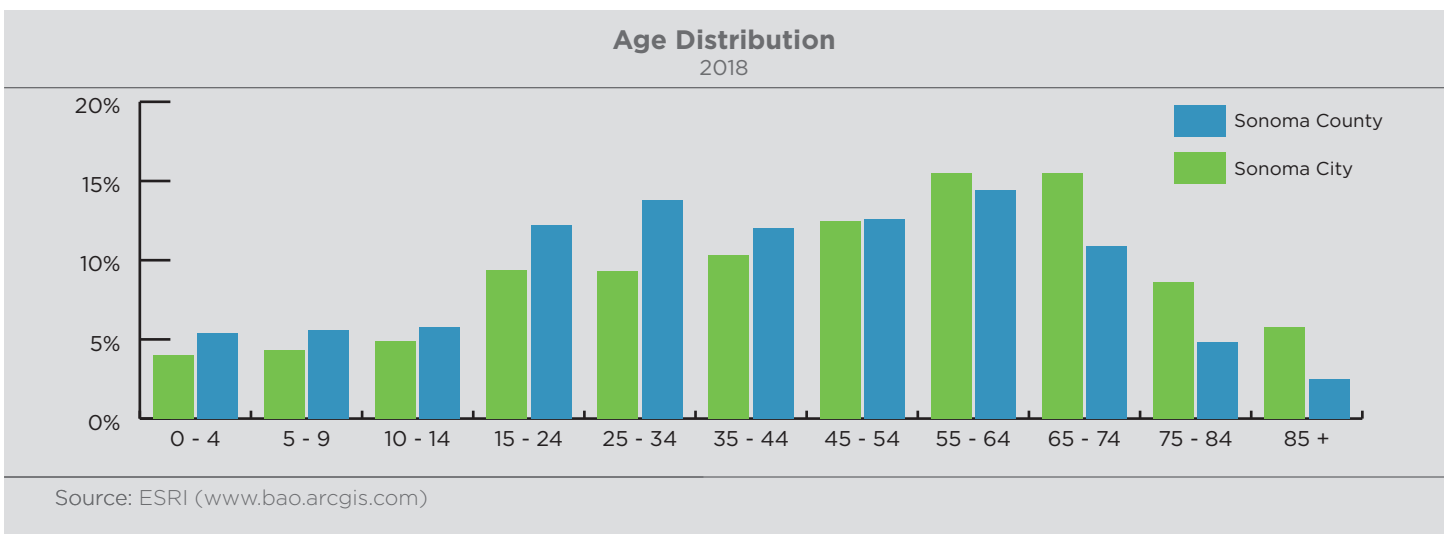
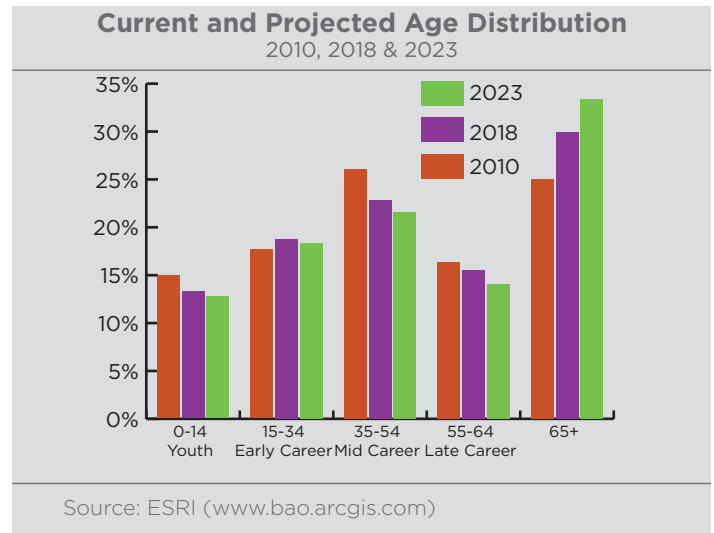
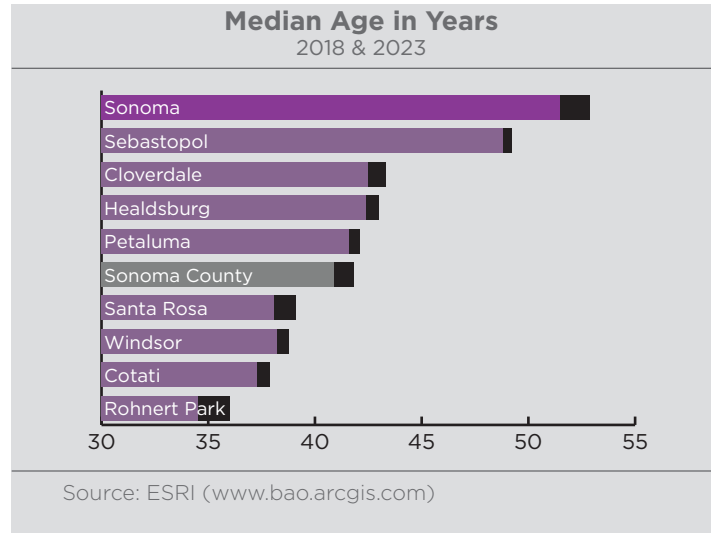
DEMOGRAPHICS

MEDIAN AGE

Sonoma’s 2018 median age increased to 51.1 years, up 0.3 years from 2017. Sonoma’s median age ranked oldest among Sonoma County cities, significantly above Sonoma County (41), California (36) and the U.S. (38). Forecasts project Sonoma’s median age to grow to 53 by 2023.

AGE STRUCTURE

Sonoma City’s age distribution contained a significantly greater proportion of Late-Career and Older Adults, and a lower proportion of adults aged 35 and below. Forecasts project declines in all age cohorts younger than 65. The 65+ age bracket grew by nearly 5% between 2010 and 2018, and is expected to grow by another 3.5% to a total proportion of 33.4% by 2023.



EMPLOYMENT

UNEMPLOYMENT

Second highest among Sonoma County cities, Sonoma’s 3.77% annual average unemployment rate measured below California (4.2%), but above the U.S. (3.7%), and Sonoma County (2.7%). Consistent with countywide trends, Sonoma experienced a general decline in unemployment over the last two years—contracting by 1.2% since 2017.

LABOR FORCE

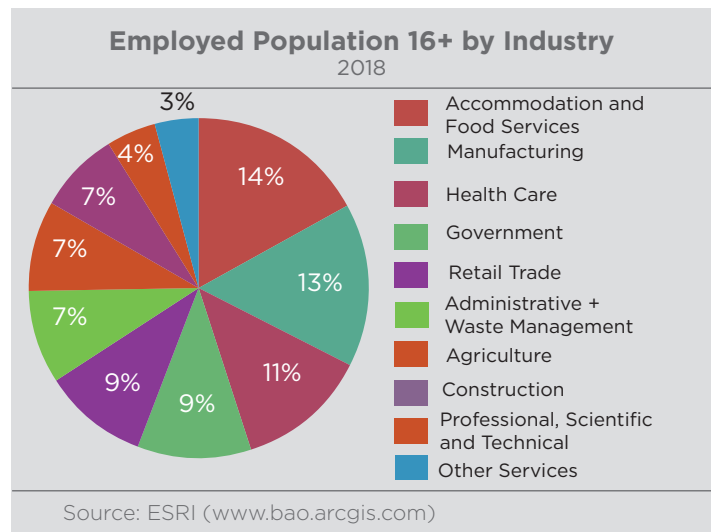
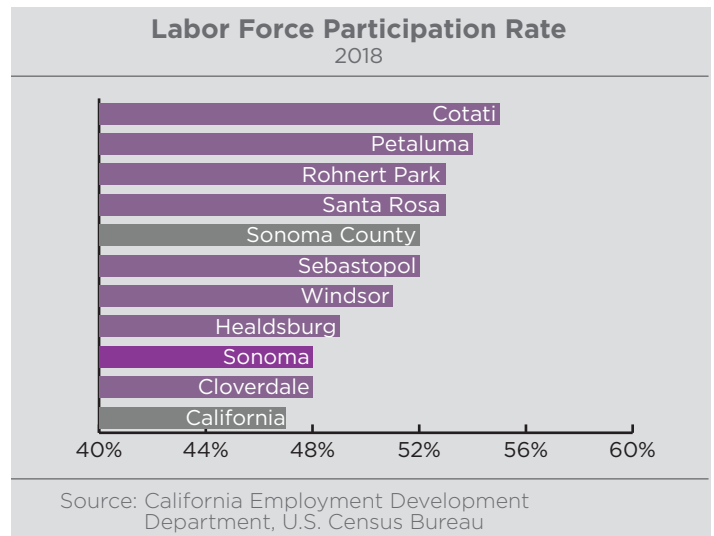
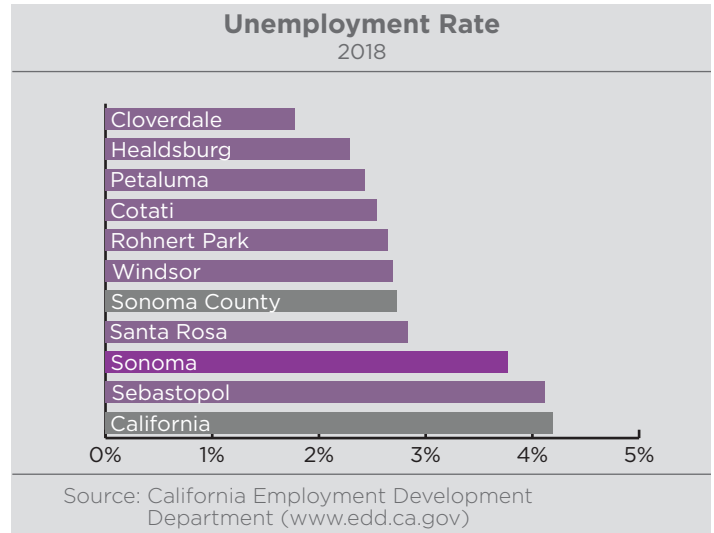
Sonoma’s 48% labor force participation rate remained lower than the county, but higher than California. The labor force participation rate is calculated by dividing the number of people working or looking for work, by the total population. Stay-at-home parents, students not looking for work, retirees, and discouraged workers, are not included in the labor force. A low unemployment rate paired with a relatively lower labor force participation rate indicates an aging population.

NET COMMUTERS

In 2018, the Sonoma area accommodated 20,127 jobs and 17,080 resident workers, suggesting that 3,047 workers commuted into Sonoma for their work.

INDUSTRY

Breaking down employment by industry, hospitality employed 14% of Sonoma residents. Manufacturing—mostly wine-making—employed another 13%. Health care and social assistance employed another 11%, and government and retail trade employed another 9% each. Administrative services and waste management, agriculture, construction, professional services, and other service occupations employed the remaining 44%.



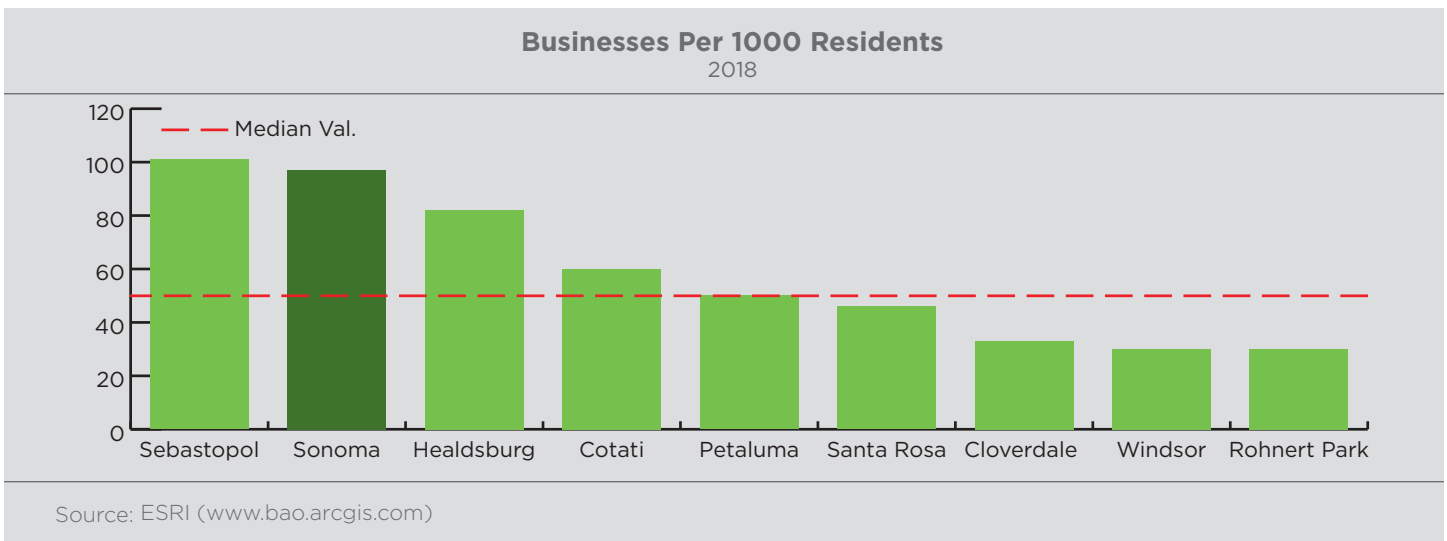
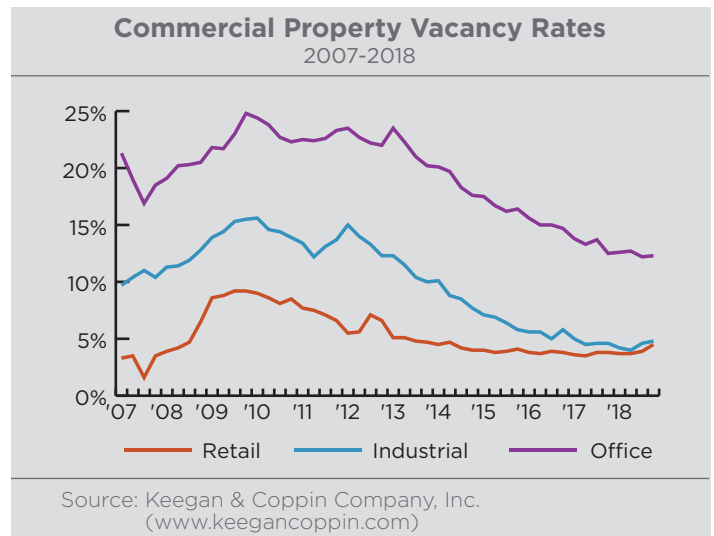
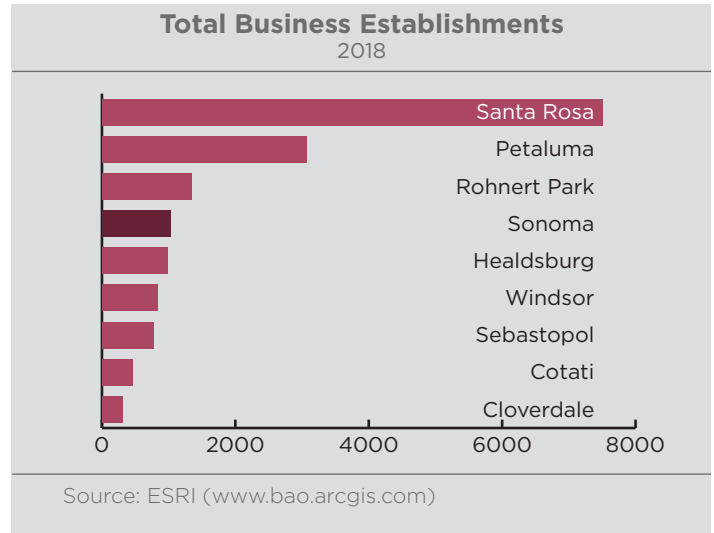
BUSINESS

BUSINESSES

Sonoma’s total number of businesses ranked fourth highest among Sonoma County cities at 1,028, and the amount of businesses per resident stood second highest at 97 businesses per 1,000 residents, which explains the city’s high taxable sales per capita.

COMMERCIAL VACANCY RATES

Retail, industrial, and office commercial vacancy rates indicate the amount of properties actively on the market and available for lease. While some levels of vacancy naturally develop as a consequence of friction, lower vacancy rates indicate the demand for incorporation in a particular city. While no data for Sonoma alone exists, current information describes Sonoma County. Sonoma County’s industrial vacancy rate rose after 2017 to 6%. Meanwhile the office vacancy rate averaged 14%, and the retail vacancy rate averaged 5%. More flexible working conditions and requirements (telecommuting, hoteling, co-working spaces, etc.) explain relatively higher office vacancy rates, while industrial and retail spaces, due in part to their inflexible space requirements, remain in higher demand.



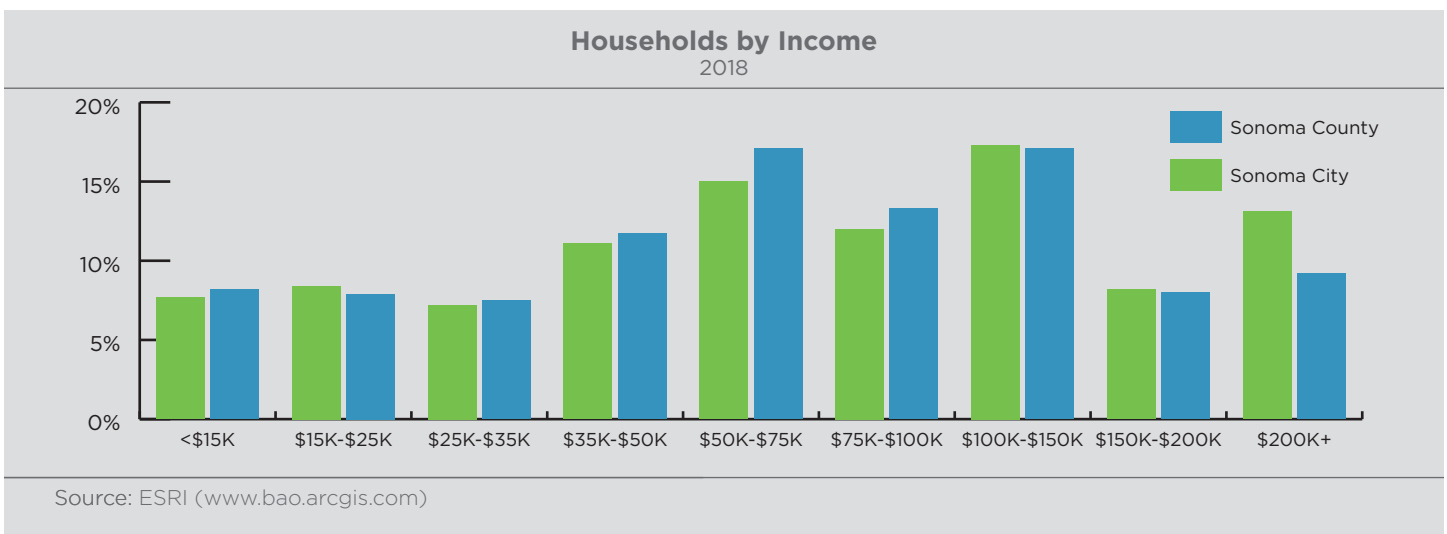
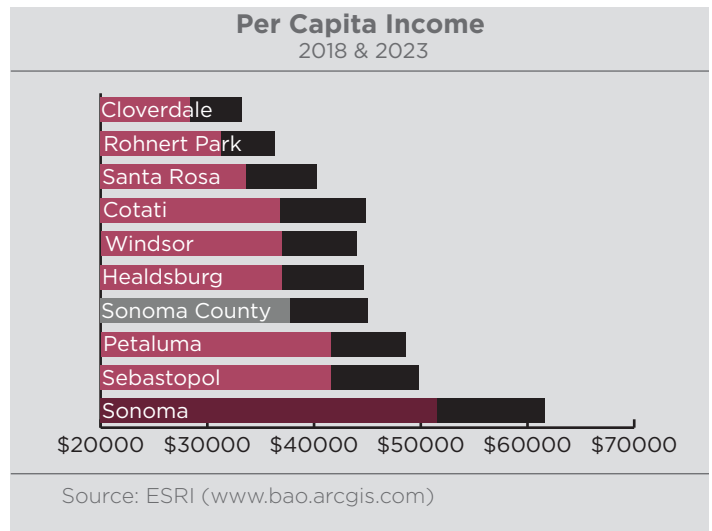
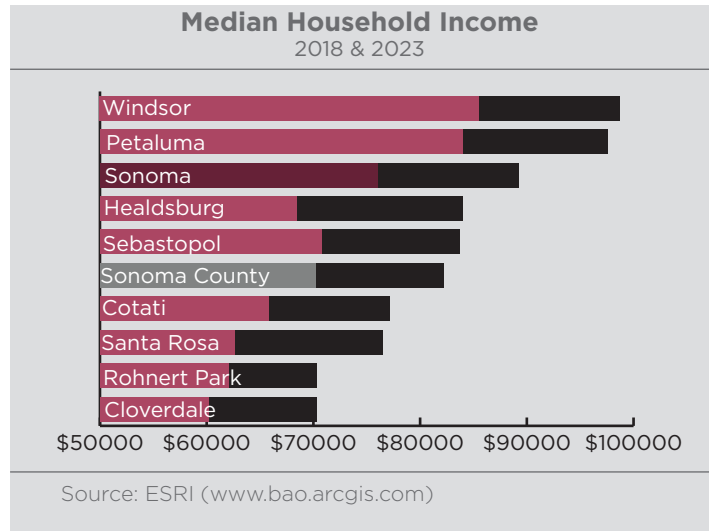
INCOME & SPENDING

MEDIAN HOUSEHOLD INCOME

Significantly above the countywide average (\$70,221), Sonoma’s median household income ranked third-highest among Sonoma County cities at \$76,015. Moreover, 2023 forecasts project a 3.5% annual, or 17.4% total, increase in median household income to \$86,251. Projections show Sonoma’s per capita income growing by 3.9% annually, and 20% in total, from \$51,506 to \$61,581 in the next five years.

HOUSEHOLDS BY INCOME

Sonoma residents’ most common income brackets, \$100,000-\$150,000, stood at 17%, followed by \$50,000-\$75,000 at nearly 15%. While 61% of Sonoma households earned less than \$100,000, Sonoma’s household income distribution contained a greater proportion of high income earners with more households earning over \$100,000 and \$200,000+ than the County.



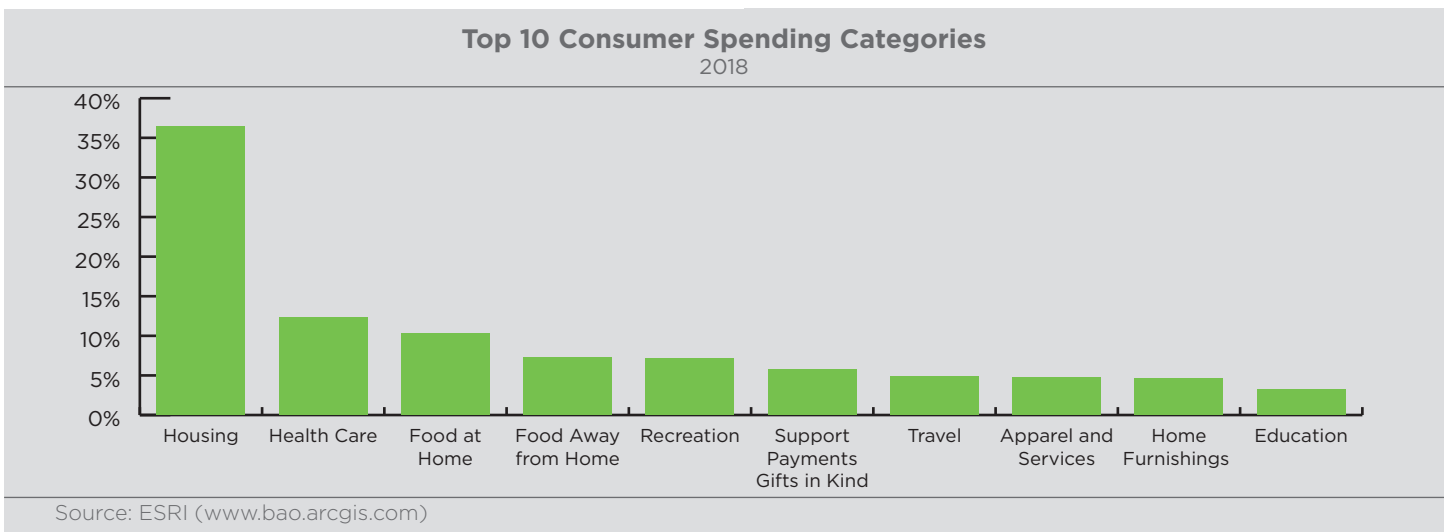
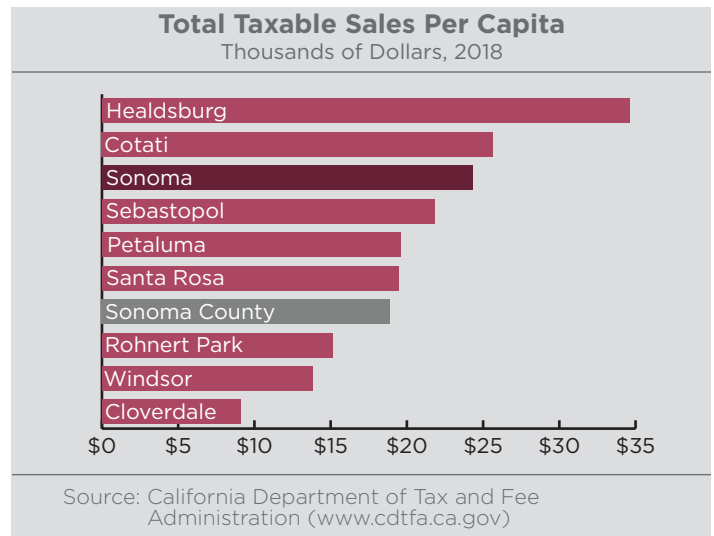
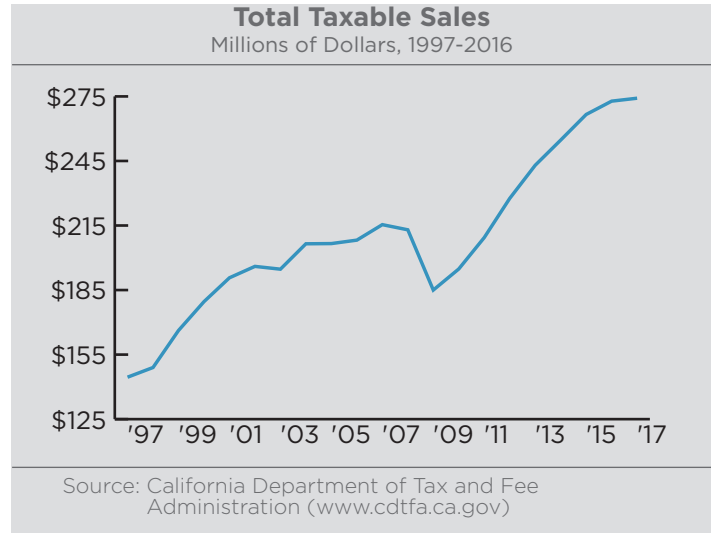
INCOME & SPENDING

TOTAL TAXABLE SALES

Representative of local business success and residents' purchasing power, total taxable sales indicate aggregate economic health. However, because total taxable sales correlates positively with population size, examining taxable sales per capita gives deeper insight into Sonoma's economy. Sonoma businesses recorded \$274.16 million in total taxable sales in 2017, a 0.5% increase from the previous year consistent with the post-recession economic recovery forecasts. Additionally, Sonoma realized the highest taxable sales per capita, at \$25,000.

CONSUMER SPENDING

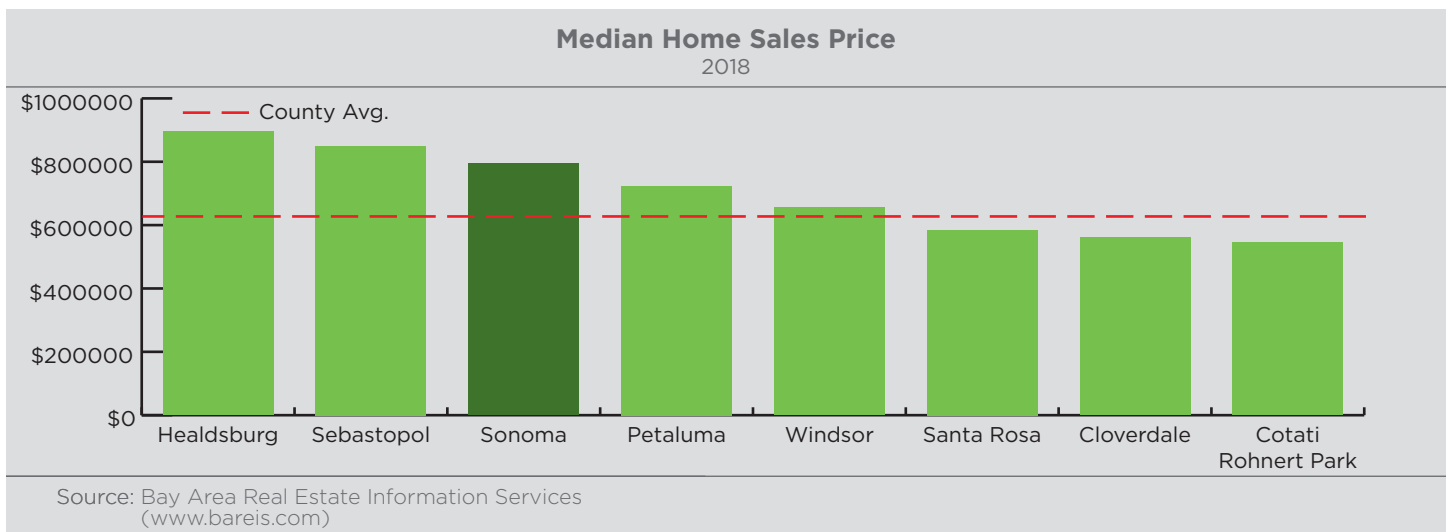
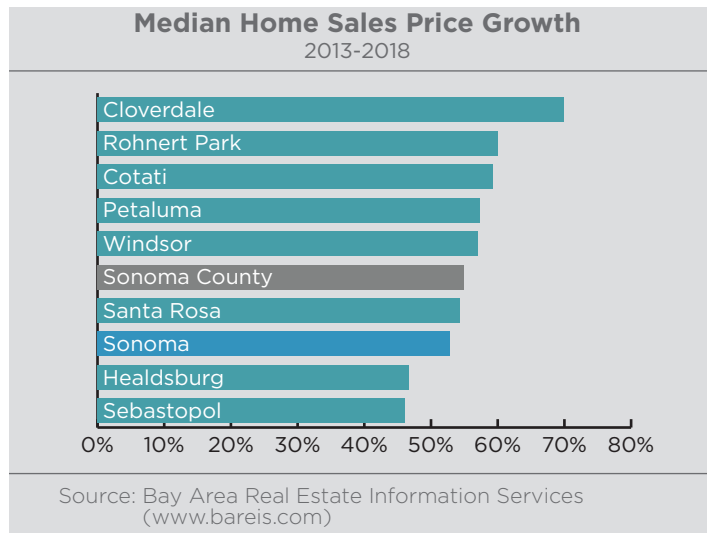
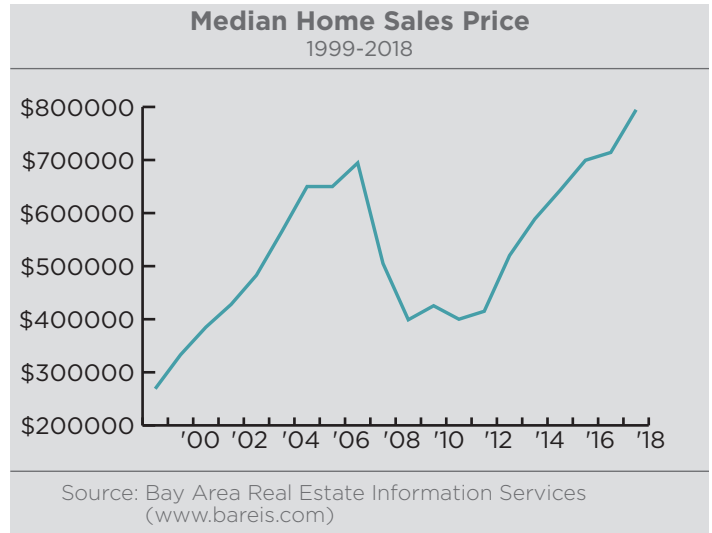
Housing comprised the greatest portion of Sonoma residents' spending at 36% followed by health care and food spending. Consumption in other categories like apparel, recreation, and education, each defined less than 10% of average consumer spending. However these percentages are averaged out across the total population and spending varies across households.



HOUSING

HOME SALES PRICE

Third highest among Sonoma County's nine cities, Sonoma's median home sales price grew to \$794,750 in 2018—growing 10.6% annually over five years—third slowest in the county.



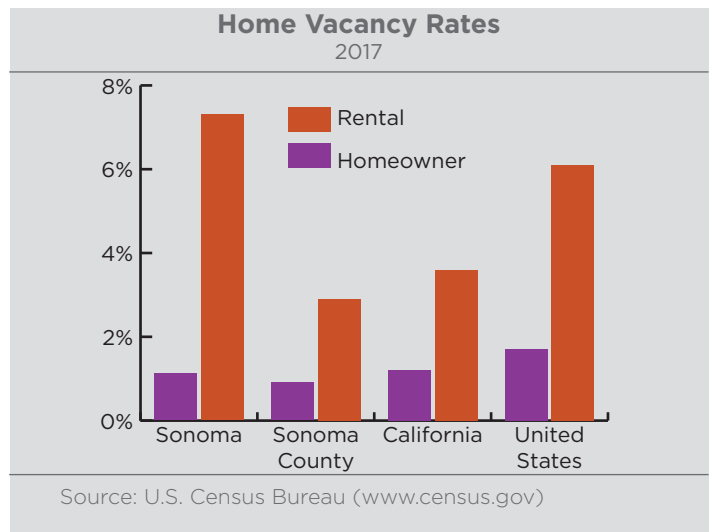
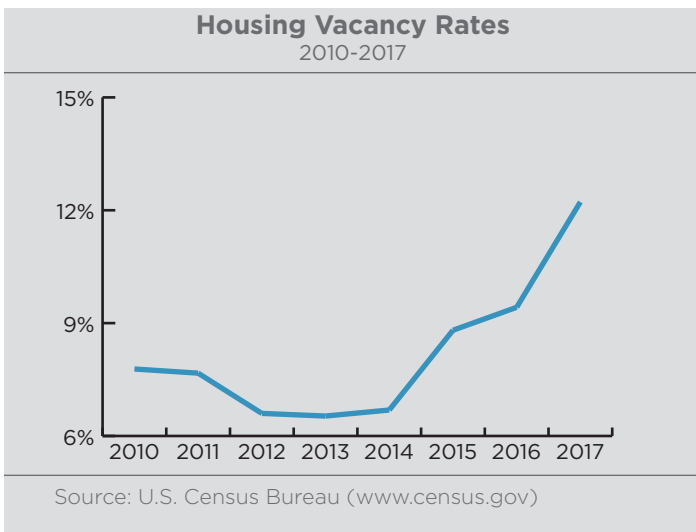
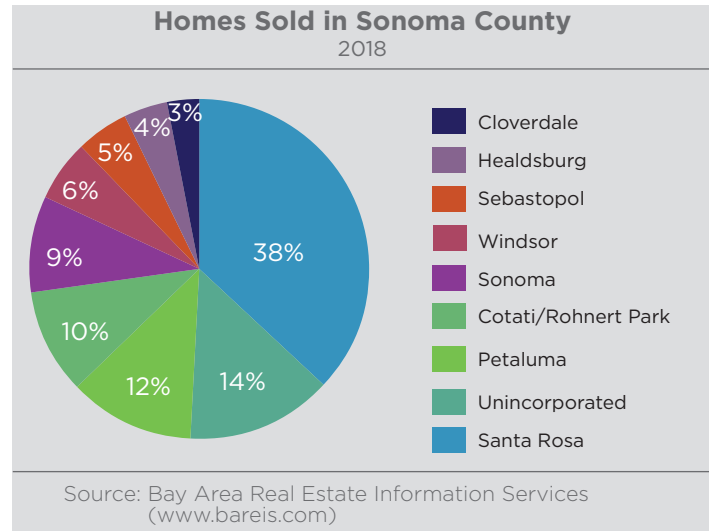
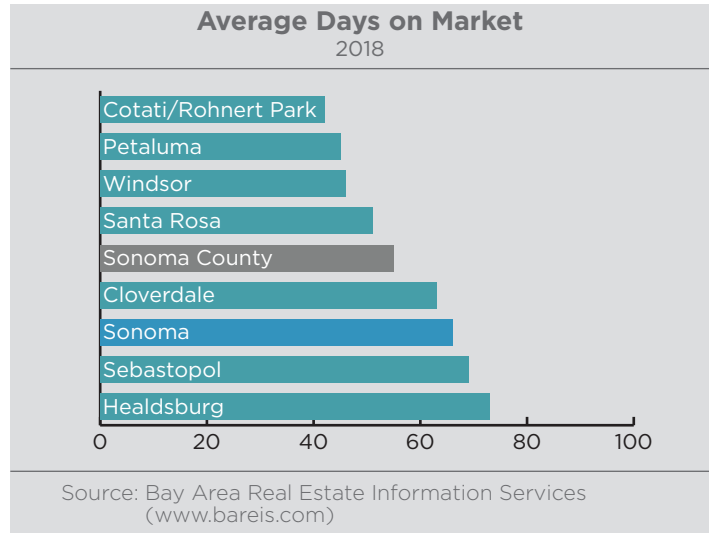
HOUSING

DAYS ON MARKET

Homes in Sonoma averaged 66 days on market in 2018, indicating the third-lowest housing demand in the county for the price. Concurrently, 9% of all homes in Sonoma County were sold in Sonoma.

HOUSING VACANCY RATES

Sonoma's 2010-2017 Housing vacancy rate doubled from 6% in 2014 to 12% in 2017. Census breakdowns show homeowner vacancy rates at 1%, and rental vacancy rates above 7%. Homeowner and rental vacancy rate measures the number of homes for sale or rent on the market, and indicates market activity displaying housing demand or lack thereof. Sonoma's high vacancy rates compared to the county, state, and the U.S., indicate lower housing demand.



EDUCATION

WORKFORCE EDUCATION

Nearly 94% of Sonoma adults (25+) possessed at least a high school diploma, higher than the County (88%), the State (83%) and the U.S. (88%). Nearly 42% possessed at least a bachelor's degree, well above the County (35%), the State (33.5%), and the Country (32%). The proportion of Sonoma adults with some college experience stood similar to that of the county, and the proportion of non-high school graduates stood lower than all three.

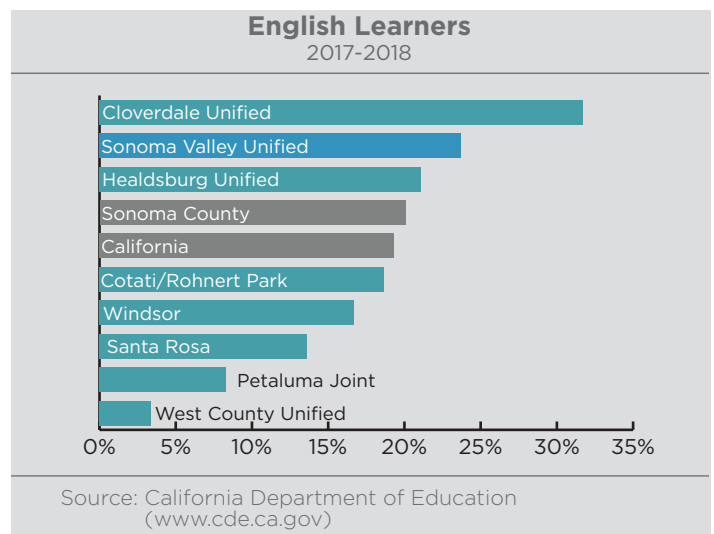
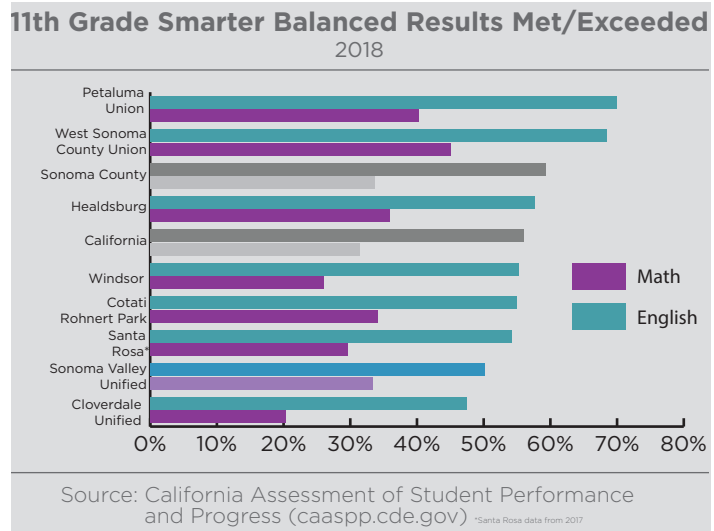
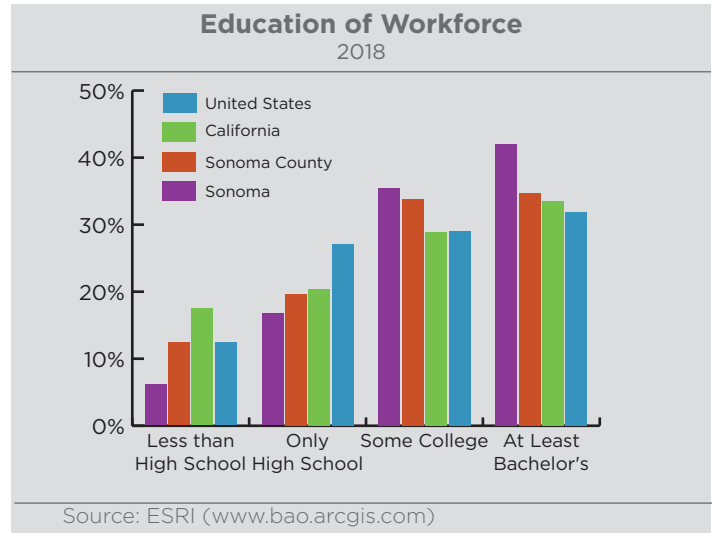
SMARTER BALANCED RESULTS

Smarter Balanced, an individual needs focused Math and English assessment system aligned to California's Common Core Standards, presents a metric for student performance across California schools for several different grades. About 33% of Sonoma 11th graders met or exceeded the standard for math, while 50% did for English.

For a list of schools located in each district, visit <http://www.scoe.org/pub/htdocs/finddistrict.html>.

ENGLISH LEARNERS

Nearly 24% of Sonoma Valley Unified students were English learners, above county (20%) and state (19%) averages. The California Department of Education defines an "English Learner" as a student for whom English is not the spoken language at home and who has been assessed to lack a sufficient level English comprehension. Sonoma County schools allocate resources to support English Learners in becoming proficient.



CITY DATA SNAPSHOT

 Sonoma County Economic Development Board	Total Population	Unemployment Rate	Median Household Income	Median Home Sales Price	Total Taxable Sales	Cohort Graduation Rate
Cloverdale	9,215	2%	\$60,170	\$561,000	\$83.7 million	86.7%
Cotati	7,633	2.9%	\$65,753	\$545,000	\$195.8 million	76.5%
Healdsburg	12,007	2.6%	\$68,432	\$895,000	\$415.7 million	92.1%
Petaluma	61,479	2.7%	\$84,033	\$723,500	\$1.2 billion	88.7%
Rohnert Park	44,106	3.1%	\$62,079	\$545,000	\$666.1 million	76.5%
Santa Rosa	169,629	3.2%	\$62,620	\$585,000	\$3.3 billion	83.3%
Sebastopol	7,698	4.6%	\$70,746	\$849,750	\$168 million	90.1%
City of Sonoma	11,286	4.2%	\$76,015	\$794,615	\$274.2 million	88.2% (Sonoma Valley Unified)
Windsor	27,722	2.9%	\$85,518	\$655,000	\$383 million	87.7%
Sonoma County	509,142	3.1%	\$66,783	\$635,000	\$9.4 billion	83.7%

SOURCES & ACKNOWLEDGMENTS

NOTE ON DATA SOURCES

The 2019 *Sonoma City Profile and Projections Report* is a brief summary on various demographic, economic, and social aspects of the city. This report is meant to act as a spot-in-time profile to reflect conditions in the city in a given year. The Sonoma County Economic Development Board's (EDB) research is developed from information available from outside sources and public information as well as previously published material. The 2019 *Sonoma City Profile and Projections Report* offers partial or composite representations of raw data and cites' respective source datasets. For more information, please see the listed sources or contact the EDB.

All efforts have been made to ensure the accuracy of all data contained within this report, but does not guarantee its completeness. Use of data from an outside source does not represent an endorsement of any product or service by the EDB, its members, or affiliates.

The 2019 *Sonoma City Profile and Projections Report* was developed from national and local data sources. Interested readers are encouraged to contact data source agencies or organizations for further research. Readers are also invited to suggest topics for future reports by contacting the EDB.

This report was prepared by Anthony Hakim. Please direct any questions, comments, or suggestions to (707) 565-7170 or edb@sonoma-county.org.

DATA SOURCES

Bay Area Real Estate Information Services
 California Board of Tax and Fee Administration
 California Department of Education
 California Assessment of Student Performance and Progress
 California Employment Development Department
 EMSI
 ESRI
 Keegan & Coppin, Inc.
 U.S. Census
 U.S. Census 2017 American Community Survey

ACKNOWLEDGMENTS

This report would not be possible without the input and collaboration of the City of Sonoma and the Sonoma Chamber of Commerce.



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