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California  
1968

*Analysis of the*  
**SANTA ROSA, CALIFORNIA  
HOUSING MARKET**

**as of April 1, 1968**

**DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

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**A Report by the  
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
FEDERAL HOUSING ADMINISTRATION  
WASHINGTON, D. C. 20411**

**September 1968**

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## Foreword

As a public service to assist local housing activities through clearer understanding of local housing market conditions, FHA initiated publication of its comprehensive housing market analyses early in 1965. While each report is designed specifically for FHA use in administering its mortgage insurance operations, it is expected that the factual information and the findings and conclusions of these reports will be generally useful also to builders, mortgagees, and others concerned with local housing problems and to others having an interest in local economic conditions and trends.

Since market analysis is not an exact science, the judgmental factor is important in the development of findings and conclusions. There will be differences of opinion, of course, in the interpretation of available factual information in determining the absorptive capacity of the market and the requirements for maintenance of a reasonable balance in demand-supply relationships.

The factual framework for each analysis is developed as thoroughly as possible on the basis of information available from both local and national sources. Unless specifically identified by source reference, all estimates and judgments in the analysis are those of the authoring analyst and the FHA Market Analysis and Research Section.

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ANALYSIS OF THE  
SANTA ROSA, CALIFORNIA, HOUSING MARKET  
AS OF APRIL 1, 1968

Summary and Conclusions

1. Sonoma County, which constitutes the Santa Rosa housing market area, is relatively isolated from other counties in the San Francisco Bay Area. As a consequence, it has not progressed in its economic development as rapidly as have other Bay Area counties. Annual average nonagricultural employment in the Santa Rosa HMA was 52,000 in 1967, 13,900 workers more than in 1959. Most of this gain was in the two years between 1962 and 1964, when there was an increase of 7,900 workers. The area is one of high unemployment. Between 1966 and 1967, the number of nonagriculturally employed workers dropped by 300 and unemployment rose to 9.5 percent of the work force, a ten-year high. Over the next two years an average annual employment increase of 1,200 workers is forecast.
2. The April 1968 median income, after federal income tax deductions, is estimated at \$7,100 for all families and at \$6,150 for renter households of two or more persons. By April 1970, these medians are expected to rise to \$7,500 and \$6,450, respectively.
3. The nonfarm population of the area, as of April 1, 1968, is estimated at 185,000, an average gain of 6,330 a year since the 1960 Census. A population gain of 5,000 a year is estimated for the next two years.
4. There were an estimated 58,850 nonfarm households in the HMA as of April 1, 1968, an average gain of nearly 2,000 a year since 1960. The increase by April 1, 1970 is expected to average 1,600 a year.
5. The 72,925 units comprising the April 1968 nonfarm housing inventory represents a net addition of 17,375 units since April 1960. This net addition represents all new construction, since the demolition of approximately 1,700 units was offset by the installation of additional mobile homes.
6. The 2,575 vacant units available for sale or rent on April 1, 1968 included 775 units for sale and 1,800 units for rent, representing homeowner and rental vacancy rates of 2.0 percent and 8.3 percent respectively. Even though vacancies have declined over the past year, high rates persist as the result of overbuilding between 1963 and 1965.

7. The demand for new housing to meet the requirements of additional households and replacements of inventory losses over the next two years, assuming a reduction in vacancies to a level more consistent with the needs of the area, is estimated at 1,400 units a year, including 1,000 single-family, 300 multifamily units, and 100 mobile homes. The demand does not include low-rent public housing or rent-supplement accommodations.
8. The annual demand for new single-family houses by price class is shown on page 24. The demand for additional multifamily units by gross monthly rents and unit size is expected to approximate the distribution shown on page 25.

ANALYSIS OF THE  
SANTA ROSA, CALIFORNIA, HOUSING MARKET  
AS OF APRIL 1, 1968

Housing Market Area

The Santa Rosa, California, Housing Market Area (HMA) is defined as Sonoma County. The county had a 1960 nonfarm population of 134,300 persons. Because the rural farm population constitutes almost nine percent of the 1960 total, all demographic and housing data in this analysis refer to the nonfarm segment, unless otherwise indicated <sup>1/</sup>. Sonoma County is the largest of nine counties constituting the San Francisco Bay Area, and is the only one of the nine not presently a part of a Standard Metropolitan Statistical Area. Santa Rosa, the county seat, is 50 miles north of San Francisco and 100 miles west of Sacramento. The city had a 1960 population of 31,000. Petaluma, with a 1960 population of 14,000, is the only other city in the HMA with more than 10,000 population.

Mountains extending along the entire coastline and along the eastern boundary of the county restrict development largely to the broad Santa Rosa Plain, which lies between them, and to the valleys of the Russian and Petaluma Rivers, Sonoma Creek, and their tributaries.

The principal highway, U.S. 101, passes through San Francisco and connects Petaluma, Cotati, Rohnert Park, Santa Rosa, Healdsburg, and Cloverdale with the northern cities of the Pacific Coastal area. State Route 12 connects with the coastal highway (State Route 1) at the mouth of the Russian River and provides the main cross-county route through Sebastopol, Santa Rosa, and Sonoma.

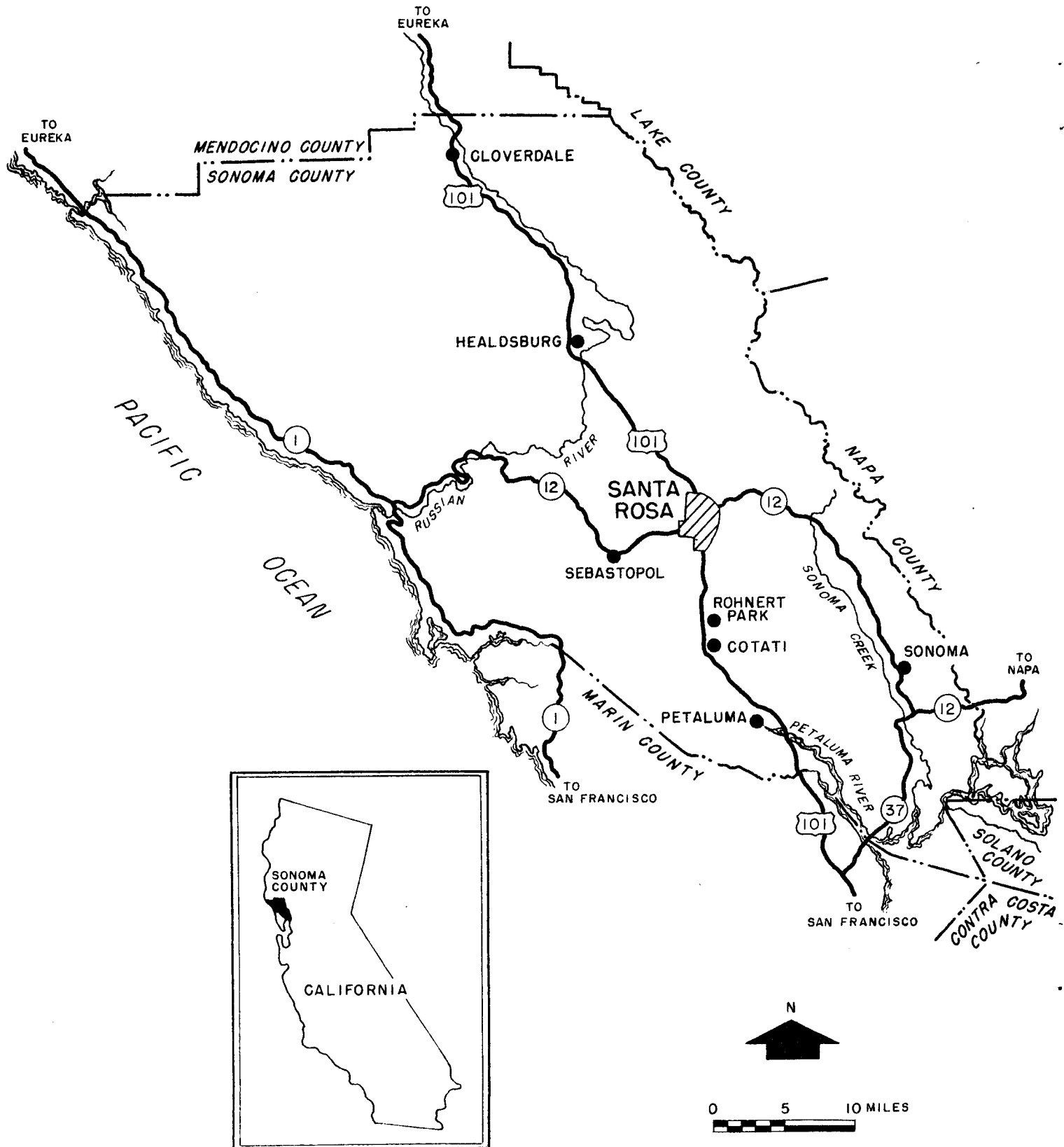
Freight service in the area is provided by several subsidiaries of the Southern Pacific Railroad and by some 30 trucking lines. Passenger service is served by the Greyhound Bus Line. The Sonoma County Airport and several private airports are available to private planes, and scheduled commercial air transportation is available from either the San Francisco or Oakland Airports.

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<sup>1/</sup> See Appendix A, paragraph 1.



# SANTA ROSA, CALIFORNIA, HOUSING MARKET AREA



## Economy of the Area

### History and Character

Sonoma County figured prominently in early colonial history. Bodega Bay is believed to have been visited by Sir Francis Drake. It was in this area that the early 19th century colonizing efforts of Imperial Russia (Fort Ross and Bodega) were countered by Spanish exploration and settlements. Sonoma was the northernmost of the Franciscan missions. The missions were secularized by Mexican decree in 1834, and that at Sonoma placed under the supervision of General Mariano Vallejo, who set up military headquarters in the area. It was at Sonoma that the Bear Flag of the California Republic was raised in June 1846. Historical sites preserved by the state, along with numerous parks and recreation areas, are important tourist attractions.

Settlement of Santa Rosa began in 1851, following the disastrous San Francisco fire. Development was spurred by the completion of the San Francisco and North Pacific Railroad in 1870, and more recently by the opening of the Golden Gate Bridge in 1937.

Historically, the economy of the area was based on agriculture and lumbering. The relatively small amount of manufacturing currently conducted in the area is dependent mainly on local forest and agricultural products. Trade and services have developed as the leading employment sources because of the resorts in the coastal and Russian River areas, the hot springs area of the Sonoma Valley, and because of the importance of the area as a merchandising, distribution, and medical center for much of the vast northern coastal area of the state.

Leading institutions that are important to the economy are the Sonoma State Hospital for the mentally retarded, with a patient population of over 3,000; Santa Rosa Junior College, with an enrollment of about 3,200; and Sonoma State College, with an enrollment of about 2,000 on its two-year-old campus at Rohnert Park.

The county is becoming increasingly a bedroom community for the more highly developed counties of the Bay Area. The 1960 Census reported 1,175 commuters from Sonoma County to San Francisco, 2,175 to Marin County (location of Hamilton Air Force Base), and 525 to Solano County (Mare Island Naval Shipyard). A sample survey conducted in 1965 by the Bay Area Transportation Study Commission indicates that commuting from the area to each of these localities has risen substantially.

## Employment

Current Estimate and Past Trend. Nonagricultural employment averaged 52,300 workers in the 12 months ending with February 1968, down 100 from the corresponding period ending in February 1967. Adverse weather made 1967 a poor crop year, directly affecting employment in agriculture and food processing. Employment declines in these industries, along with declines in construction and finance, caused a drop in retail trade employment. Decreases in employment of 300 workers each in food processing and finance and of 200 workers each in construction and retail trade were only partly offset by a gain of 800 workers in government in the respective 12-month periods. Details of employment by industry are shown in table I.

### Trend in Nonagricultural Employment, 1958-1967 Santa Rosa, California, Housing Market Area

<u>Year</u>	<u>Manufacturing employment</u>	<u>Nonmanufacturing employment</u>	<u>All nonagricultural employment <sup>a/</sup></u>	<u>Change in total from previous year</u>
1958	5,800	30,200	36,100	--
1959	6,400	31,700	38,100	2,000
1960	5,900	33,300	39,200	1,100
1961	5,900	33,900	39,800	600
1962	5,900	35,400	41,200	1,400
1963	5,800	39,300	45,100	3,900
1964	6,300	42,900	49,100	4,000
1965	6,400	44,600	51,000	1,900
1966	6,900	45,400	52,300	1,300
1967	6,800	45,300	52,000	-300
12 Mos. ending:				
Feb. 1967	7,000	45,400	52,400	--
Feb. 1968	6,800	45,500	52,300	-100

a/ Components do not always add to total because of rounding.

Source: California Department of Employment.

A decline in the 1967 annual average employment broke a continuous upward trend that began in 1958, the first year for which the California Department of Employment compiled estimates for the Santa Rosa area. Over the period 1958-1967, nonagricultural employment increased by 15,900 workers, a gain of 44 percent. The largest employment gains occurred between 1962 and 1963, and between 1963 and 1964, when 3,900 workers and 4,000 workers,

respectively, were added. In this period the State Farm Insurance Company established a regional office in Santa Rosa, relocating from Berkeley. Increases averaging 500 workers a year in construction, 700 a year in trade, 900 a year in services, and 450 a year in government also contributed to the overall employment gains of this period. Nonagricultural employment continued to increase between 1964 and 1966, but at a declining rate. Between 1964 and 1965, only 1,900 new employees were added, and between 1965 and 1966, only 1,300. The drop of only 100 employees over the two most recent 12-month periods may indicate an arrest to the downward trend, since it represents an improvement over the 300-worker decline in annual averages between 1966 and 1967.

Employment by Industry. From 1958 to 1967 manufacturing employment increased by 1,000 workers, from 5,800 to 6,800. Most of this increase was in the durable goods industries other than the manufacture of lumber and lumber products. Lumber manufacturing declined from 2,800 workers in 1959 to 2,100 in 1961, showed a slight resurgence to 2,200 and 2,300 workers in the 1963-1965 period of local high employment in construction, then dropped to 2,100 in 1966 and 1967. Durable goods manufacturers other than lumber firms increased employment from 700 workers in 1958 to 1,900 in 1967, partly as the result of the establishment of numerous small firms, many relocating from other Bay Area counties.

Food production fluctuated in employment between 1,900 and 2,200 workers from 1958 through 1967, ending the decade with 1,900 workers in 1967, a poor crop year. The industry has shown considerable stability despite a continuing decline in agricultural employment.

Nonmanufacturing employment rose 50 percent from 30,200 workers in 1958 to 45,300 in 1967. The increase was shared by all categories except a small miscellaneous classification which included mining, forestry, and miscellaneous agricultural services.

Construction employment increased moderately from 2,600 workers in 1958 to 3,000 in 1960 and 1961. Successive gains of 500 workers a year in 1962 and 1963 brought the level to 4,000, which was sustained in 1964. The three-year period of high employment from 1963 through 1965, during which there was some residential overbuilding, was followed by declines to 3,300 and 3,000, respectively, in 1966 and 1967.

Employment in finance, insurance and real estate rose from 1,300 workers in 1958 to 1,900 in 1962. The move of the State Farm Insurance Company to Santa Rosa in 1963 was a contributory cause of employment in this category rising to 3,100 in that year and to 4,200 in 1964 and 1965. Subsequent declines are attributed to falling real estate activity and to increased automation of office procedures.

Consistent gains in employment in public utilities, trade, services, and government all reflect increased demands from the growing population of the area. The greatest relative increase was in government employment, which rose 63 percent from 6,700 workers in 1958 to 10,900 in 1967. Employment in services increased 62 percent from 6,900 to 11,200 over the decade. Retail trade increased 36 percent, from 8,400 workers to 11,400. Employment by public utilities, with only 2,000 employees in 1967, and wholesale trade, with 1,900 employees, each increased by 27 percent over the period.

Employment Participation Rates. A declining employment participation rate attests to a growing tendency of the HMA to become a bedroom community for workers in other Bay Area counties. The number of nonagricultural workers employed in Sonoma County equaled 28.4 percent of the county population in 1960. By April 1968, this percentage dropped to 28.3 percent. A further decline is expected over the next two years.

Principal Employers. Manufacturing firms in the area are all relatively small. Fluor Products Company, maker of redwood water cooling towers, and the Optical Coating Laboratory, maker of instruments and glass coatings, are the largest manufacturers. Food processors, including the numerous wineries in the county, seldom range as high as 200 employees.

The largest private employer is the regional office of the State Farm Insurance Company. Among the larger public employers are the Sonoma State Hospital and the Sonoma County government.

#### Unemployment

An average of 6,000 workers were unemployed in the HMA in 1967, 9.5 percent of the work force. This was the highest unemployment reported for the past decade. In the 12 months ending with February 1968, the average dropped to 5,700 unemployed, 9.0 percent of the work force. The unemployment rate has run consistently high in this area, falling below 7.0 percent only in 1959 (6.1 percent) and 1964 (6.6 percent). See table I. Part of the reason for these high rates is the inclusion of agricultural employment and unemployment in the ratio computation, since seasonal unemployment in agriculture sometimes runs higher proportionately than in nonagricultural industries. The high rates also may be caused by the high proportion of persons of retirement age, many of whom may be reported as seeking employment.

#### Future Employment Prospects

Nonagricultural employment over the next two years is expected to increase by about 1,200 workers a year. This estimate exceeds the average employment gains of the past three years, but falls considerably below previous high gains.

The projection of 1,200 new jobs a year anticipates a recovery in employment in the food processing industry and moderate gains in other manufacturing categories for an aggregate increase in manufacturing of about 300 jobs. In recent years four or five new firms a year have established operations in the area, each employing, at most, no more than 25 to 30 workers. This pattern may reasonably be expected to continue, although the potential may appear somewhat higher. The greater Petaluma Chamber of Commerce received almost 25 inquiries during January concerning possible plant locations, more than were received during the entire year 1967. There are no immediate prospects for any major industrial acquisitions.

Government may be expected to contribute the greatest gains in nonmanufacturing employment, as the growing population requires expansion of educational and other governmental services. An average of about 300 new government jobs a year is expected. An average gain of about 250 new jobs a year in trade is expected to result from a recovery from 1967 losses in retail trade and from expansions of trade facilities. The rest of the 900-job average gain in nonmanufacturing may be expected in services (150) and in construction and public utilities (100 each).

Two factors which promise eventually to broaden the economic base are the prospective growth of the newly established Sonoma State College and the building of Warm Springs Dam, an Army Corps of Engineers project between Healdsburg and Cloverdale, to create Lake Sonoma. The college, in its second year on its permanent campus in Rohnert Park, has an enrollment of about 2,000 students and almost 450 employees, including faculty, staff, and student workers. By 1973, it expects an enrollment of over 3,000 students. The dam is a 16,000-acre flood-control and water conservation project which also will provide a large recreation area. Construction progress will depend on the rate at which funds are appropriated; over the next two years, construction will be confined mostly to relocation of roads.

#### Family Incomes

The median annual income of all families in the HMA, after federal income tax deductions, is estimated at \$7,100 as of April 1, 1968, while that of renter households of two or more persons is estimated at \$6,150. Approximately 29 percent of all families and 38 percent of the renter households of two or more persons have after-tax incomes under \$5,000 a year; about 14 percent of all families and 7 percent of renter households have after-tax incomes of \$12,500 or more.

By April 1970, the median after-tax incomes of all families and renter households are expected to increase to \$7,500 and \$6,450, respectively. Detailed distribution of all families and of renter household by annual income are shown in table II.

## Demographic Factors

### Population

Current Estimate. The nonfarm population of the Santa Rosa HMA is estimated at 185,000 persons as of April 1, 1968, an increase of 6,330 persons a year since the 1960 Census. The city of Santa Rosa has a population of about 44,800 persons, a gain of 44 percent since 1960. Approximately 1,100 persons of the 13,773 increase since 1960 were inhabitants of land annexed to the city since the last census.

Petaluma, the second largest city in the area, has a population of about 21,400 persons, an increase of 52 percent since 1960.

Past Trend. The nonfarm population of the HMA increased from 79,911 to 134,327 persons between 1950 and 1960, an average of 5,440 persons a year <sup>1/</sup>. During the decade, Santa Rosa grew in population from 17,902 to 31,027, and Petaluma grew from 10,315 to 14,035.

### Trend of Nonfarm Population Santa Rosa, California, Housing Market Area April 1, 1950 - April 1, 1968

<u>City or area</u>	<u>1950</u>	<u>1960</u>	<u>1968</u>	<u>Average annual change<sup>a/</sup></u>	
				<u>1950-1960</u>	<u>1960-1968</u>
Santa Rosa	17,902	31,027	44,800	1,310	1,720
Petaluma	10,315	14,035	21,400	370	920
Rest of HMA	51,694	89,265	118,800	3,760	3,690
HMA total	79,911	134,327	185,000	5,440	6,330

a/ Rounded.

Source: 1950 and 1960 Censuses of Population; 1968 estimated by Housing Market Analyst.

Future Population. The nonfarm population of the HMA is expected to grow by an average of 5,000 persons a year over the next two years to reach an April 1, 1970, total of 195,000. No projections are made for the cities, since annexations can materially affect population trends.

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1/ See Appendix A, paragraph 3.



A prospective annexation by Santa Rosa of about 11 square miles of territory, due for referendum this summer, would add more than 14,000 inhabitants to the population of the city and bring the total well above the 50,000 required to qualify Santa Rosa as a central city of a Standard Metropolitan Statistical Area.

Components of Population Change. In the eight years from April 1960 to April 1968, the total population of the HMA increased by 47,125, while the net natural increase (excess of resident births over resident deaths) amounted to 10,050. The difference represents a net in-migration of 37,075. Comparable figures for the period 1950-1960 show a total increase of 43,970 divided between a net natural increase of 13,652 and an imputed net in-migration of 30,318.

Components of Population Change  
Santa Rosa, California, Housing Market Area  
April 1, 1950 - April 1, 1968

<u>Component</u>	<u>1950-1960</u>	<u>1960-1968</u>
Total population change	43,970	47,125
Net natural increase	13,652	10,050
Average annual increase	1,365	1,260
Net in-migration	30,318	37,075
Average annual in-migration	3,032	4,630

Sources: Bureau of the Census: Components of Population Change 1950-1960, Bul. P-23, No. 7; California Division of Finance, and estimates by the Housing Market Analyst.

It should be noted that the population changes in the preceding table are based on the total population of Sonoma County, since data on births and deaths are not available separately for the farm and nonfarm segments.

A decrease in the annual average net natural increase since 1960, as compared with that for the previous decade, results from a decline in births beginning in 1964 with no abatement in the yearly increases in the number of deaths. The sharp increase in in-migration since 1960 includes many families whose breadwinners commute to other areas for employment.

Age Distribution. The following table, comparing the age distribution of the total population of Sonoma County in April 1960 and in November 1965, shows that the median age has fallen from 32.5 years in 1960 to 29.8 in 1965. The decline in the median age results partly from young families migrating into the area. Even though the proportion of persons over 65 years of age dropped from 12.7 percent in 1960 to 11.9 percent in 1965, the number of persons in this age group rose from 19,753 to 21,468, still giving evidence to the claim that the area is attractive for retirement.

Total Population Distributed by Age Groups  
Sonoma County, California  
April 1960 and November 1965

<u>Age group</u>	<u>1960</u>		<u>1965</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 10	29,373	19.9	35,566	19.7
10 - 19	25,274	17.2	34,786	19.2
20 - 29	14,798	10.1	20,491	11.3
30 - 39	18,400	12.5	19,701	10.9
40 - 49	18,298	12.4	22,088	12.2
50 - 59	15,778	10.7	18,730	10.3
60 - 69	13,614	9.2	15,740	8.7
70 and over	<u>11,840</u>	<u>8.0</u>	<u>13,852</u>	<u>7.7</u>
Total	147,375	100.0	180,954	100.0
65 and over	18,753	12.7	21,468	11.9
Median age	32.5	--	29.8	--

Sources: 1960 Census of Population and a special census by the U. S. Bureau of the Census in 1965, supplemented by data from the California Department of Finance.

Households

Current Estimate. The number of nonfarm households (occupied dwelling units) in the HMA is estimated at 58,850 as of April 1, 1968, a gain of almost 15,900 since 1960. Estimates of 16,625 households for Santa Rosa and 6,850 for Petaluma give these cities gains since 1960 of 5,725 and 2,215, respectively. The 35,375 nonfarm households in the remainder of the HMA represent an increase of almost 8,050 since 1960.

Trend in Number of Nonfarm Households  
Santa Rosa, California, Housing Market Area  
April 1, 1950 - April 1, 1968

<u>City or area</u>	<u>Number of households</u>			<u>Average annual change<sup>a/</sup></u>	
	<u>1950</u>	<u>1960</u>	<u>1968</u>	<u>1950-1960</u>	<u>1960-1968</u>
Santa Rosa	6,380	10,897	16,625	450	720
Petaluma	3,614	4,725	6,850	110	270
Rest of HMA	<u>15,542</u>	<u>27,337</u>	<u>35,375</u>	<u>1,180</u>	<u>1,000</u>
HMA total	25,536	42,959	58,850	1,740	1,990

a/ Rounded.

Sources: 1950 and 1960 Censuses of Housing.  
1968 estimated by Housing Market Analyst.

Past Trend. Between 1950 and 1960, the number of nonfarm households increased by 17,423 to 42,959<sup>1/</sup>. Gains by Santa Rosa and Petaluma amounted to 4,517 and 1,111 households, respectively, while the number in the remainder of the county increased by 11,795.

Future Estimate. Increases in the number of nonfarm households in the HMA over the next two years are expected to average about 1,600 a year to bring the April 1970 total to about 62,050. The increases are expected to be greatest in the Petaluma, Rohnert Park, and Santa Rosa areas.

Average Size of Household. The reputation of Sonoma County as a desirable retirement community is reflected in the small average size of household. However, the influx of younger in-migrant families has had the effect of causing steady, small increases in the averages, which grew from 2.87 persons per household in 1950, to 2.96 in 1960, to a 1968 average of 3.03. This trend is expected to continue.

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<sup>1/</sup> See Appendix A, paragraphs 4 and 5.

## Housing Market Factors

### Housing Supply

Current Estimate. There were an estimated 72,925 housing units in the nonfarm housing supply of the Santa Rosa HMA as of April 1, 1968. A net increase of 17,375 units, averaging about 2,170 annually since 1960, equals the number of new units built, since the demolition of 1,700 units through urban renewal, code enforcement, highway construction, and other causes was offset by installations of approximately 1,700 additional mobile homes. More than half of the total demolitions occurred in Santa Rosa, which has an urban renewal program and which was affected more than other municipalities by highway right-of-way clearance.

Past Trend. Between 1950 and 1960 the nonfarm housing supply increased from 31,081 units to 55,552, an average annual increase of almost 2,450 units. (See Appendix A, Paragraph 5). The housing inventory trend for the area, 1950-1968, is shown in table III.

Type of Structure. A substantial shift in the make-up of the housing inventory reflects the increasing urbanization of the HMA. In 1960, slightly over 90 percent of the housing units were single-family structures; by 1968 this proportion had fallen to 85 percent. Units in all other structural types, including mobile homes, have increased in relative importance, as indicated in the following table.

Units in Structure  
Santa Rosa, California, Housing Market Area  
April 1, 1960 and April 1, 1968

<u>Units in</u> <u>structure</u>	<u>Percentage distribution</u>	
	<u>1960</u>	<u>1968</u>
1 unit	90.1	84.6
2 to 4 units	4.8	6.6
5 or more units	3.0	4.9
Mobile homes	<u>2.1</u>	<u>3.9</u>
Total	100.0	100.0

Sources: 1960 Census of Housing; Bureau of the Census, C-40 Construction Reports; building inspectors and other local officials.

Age of Structure. Almost 27 percent of the present nonfarm housing supply of the Santa Rosa HMA is less than eight years old, while only 20 percent is 39 or more years old. A distribution of the housing supply by year built is shown in the table on the following page.

Housing Supply, by Year Built  
Santa Rosa, California, Housing Market Area  
As of April 1, 1968

<u>Year built a/</u>	<u>Percentage</u>
1960-1968	26.9
1950-1959	25.5
1940-1949	17.0
1930-1939	10.4
1929 or earlier	<u>20.2</u>
Total	100.0

a/ See Appendix A, paragraph 6.

Source: 1960 Census of Housing, adjusted by  
Housing Market Analyst for changes  
since 1960.

Condition of Inventory. In this analysis, a housing unit is considered acceptable if it is neither dilapidated nor lacking any plumbing facility. Deteriorating units are acceptable if they contain all necessary plumbing. On this basis, 95 percent of the nonfarm housing supply in the HMA is in acceptable condition, an improvement over the 92 percent judged acceptable in 1960.

Residential Building Activity

New Construction. The 17,375 new additions to the housing supply since 1960 were provided at an average rate of about 2,170 units a year. The building trend, as measured by building permits, is represented in the following table. Adjustments have been made in 1960 and 1961 for under-coverage, since the unincorporated area of the county was not represented by building permit reports until in 1961. Adjustments also have been made to exclude unused permits when such information was known. About 75 of the units for which permits were issued in 1967 were estimated to be under construction as of April 1, 1968.

Estimated Number of Housing Units Authorized  
Santa Rosa, California, Housing Market Area  
Annually, 1960-1967

<u>Year</u>	<u>Units in Structure</u>			<u>Total</u>
	<u>One</u>	<u>Two-four</u>	<u>Five or more</u>	
1960	1,600	125	50	1,775
1961	1,200	150	150	1,500
1962	1,575	425	525	2,525
1963	2,025	575	575	3,175
1964	2,125	450	425	3,000
1965	2,100	400	150	2,650
1966	1,225	125	100	1,450
1967	<u>1,150</u>	<u>150</u>	<u>75</u>	<u>1,375</u>
Total	13,000	2,400	2,050	17,450

Source: Bureau of the Census, Bay Area Chamber of Commerce, and local building officials.

Single-family units, which constituted 74 percent of the total authorized, reached their highest volume in 1964 and 1965, when about 2,125 were started. In 1966, permits for single units dropped to 1,225 units, and in 1967, they dropped to 1,150.

The volume of units in structures of two or more units increased from 300 in 1961 to 950 in 1962 and remained high in the two succeeding years, when 1,150 units and 875 units, respectively, were authorized. The volume fell to 550 units in 1965 and to only 225 in each of the two following years.

Figures for January 1968 (not shown in the preceding table) indicate that about 100 units were authorized, 80 of which were single-family units. This volume is double that for January 1967. The trend of housing units authorized is shown by municipality in table IV.

Units under Construction. The number of units under construction as of April 1, 1968, is estimated to be about 500 units. A mid-February estimate, based on building permits reported through January and a February postal vacancy survey amounted to 400 units for the HMA. The larger figure for April 1 assumes an increase in authorizations in February and March, as compared with recent earlier months and the completion of some units which were in advanced construction stages in mid-February.

Demolitions. Approximately 1,700 housing units were demolished in the HMA since 1960, an annual rate of almost 210 units. Nine hundred and fifty units (56 percent of the total) were razed in Santa Rosa. Almost 500 units of the Santa Rosa total were demolished in the period 1961-1963, when an urban renewal site and the freeway (U.S. 101) right-of-way were being cleared. In the next two years demolitions are expected to average about 180 units a year, down somewhat from the rate of the past eight years because no major projects involving large scale demolitions are anticipated.

#### Tenure of Occupancy

Slightly more than 66 percent of all occupied housing units are owner-occupied. This ratio is higher than that in 1960, when homeowners occupied 65 percent of the occupied units, and in 1950, when the ratio was only 60 percent. Details of tenure are shown in table III.

#### Vacancy

Last Census. There were 12,600 vacant housing units in the Santa Rosa HMA in 1960, of which almost 2,200 were available for sale or rent. The 650 units available for sale represented a homeowner vacancy of 2.3 percent, and the 1,550 units for rent, a rental vacancy of 9.2 percent. Ninety-seven percent of the available sales vacancies and 91 percent of the available rental vacancies were acceptable insofar as having all necessary plumbing facilities.

Postal Vacancy Surveys. A postal vacancy survey conducted February 8-16, 1968, by seven area post offices covered 55,825 possible deliveries, 76.5 percent of the total housing inventory. The survey enumerated 1,880 vacant units in residences and apartments, 3.4 percent of the total units covered. The 1,405 vacant residences and the 475 vacant apartments indicate vacancy ratios of 2.7 percent and 10.7 percent, respectively. In addition, 90 mobile homes (3.1 percent) were vacant. Details of this recent survey are shown in table V.

Vacancies are down from a year ago. A similar survey made in the area May 15-19, 1967, revealed vacancy rates of 3.2 percent and 16.1 percent, respectively, for residences and apartments, or an over-all vacancy rate of 4.2 percent.

Qualifications which must be considered in the interpretations of the postal survey results are discussed in Appendix A, paragraph 7.

Other Vacancy Indicators. Surveys of apartments made by the Santa Rosa Savings and Loan Association (not available for publication) show that apartment vacancies are down about 40 percent in 1968 as compared with a year earlier. This decline is slightly greater than that for apartment vacancies reported in the two latest postal surveys. However, the surveys of the savings and loan association cover only standard types of apartments; they do not include less acceptable units such as those in converted structures.

Current Estimate of Vacancies. An estimate of 2,575 vacant units available for sale or rent as of April 1, 1968, is based largely on the postal vacancy survey, with adjustments for incomplete coverage and for tenure of occupancy. Of this total, 775 units were available for sale and 1,800 units were available for rent, representing homeowner and rental vacancy ratios of 2.0 percent and 8.3 percent, respectively. Ninety-eight percent of the sales vacancies and 93 percent of the rental vacancies are judged acceptable with respect to adequacy of plumbing facilities.

#### Sales Market

General Market Conditions. The three years of high activity in home construction beginning in 1963 resulted in a considerable amount of overbuilding, which, combined with the tightening of mortgage credit in 1966, has produced a soft market condition. Over the past year the situation has improved somewhat, as indicated by a decline in the proportion of unsold homes in 1967, as compared with 1966, and by the decline in vacancy rates.

The Santa Rosa HMA has a price advantage over neighboring areas. For example, a builder operating in both Sonoma and Marin Counties reports that lower land and development costs enable him to sell identical models of houses for about \$4,000 less (in the \$20,000 to \$25,000 price range) in Sonoma County than in Marin County. This advantage has attracted many families whose incomes are from employment in other parts of the Bay Area.

Major Subdivision Activity. Most subdivision activity is in the Santa Rosa and Petaluma areas. Despite a high over-all ratio of unsold homes in Petaluma in 1967, some of the most active subdivisions are being developed there in the areas bordering U.S. 101. Prices are generally in the \$20,000 to \$25,000 range. Some of the more successful developments in Santa Rosa are of homes in the same price range, but it is in Santa Rosa that most of the houses priced upward from \$25,000 are being built.

One of the two active subdivisions in Sebastopol is almost completed. Homes in both developments are generally in the \$20,000 to \$25,000 range. A development in Sonoma, with homes priced upward from \$25,000, has been particularly successful.



Recent subdivisions in Rohnert Park have met with ready acceptance, with most homes priced under \$20,000. This city, incorporated in 1963, is on the location of a former seed farm. At the time of incorporation many mistakes were made; the lack of adequate zoning ordinances and building regulations permitted many inferior homes to be built. These shortcomings have been overcome, and the city has good prospects for development. The newly established Sonoma State College is located here.

There is little subdivision activity in the cities north of Santa Rosa. Subdivisions in the unincorporated areas of the county generally cluster around the cities. In these areas real estate agents report a more active market in ranchettes or small estates than in tract houses.

Speculative building is confined largely to homes priced from \$17,500 to \$30,000. Above and below this price range, houses are generally built under contract.

Existing Homes. Recent sales of existing homes are up substantially over a year ago. Closings in Sonoma County reported by the Multiple Listing Service for the first two months of 1968 totaled 124, as compared with only 85 in the comparable months of 1967. Despite this increase, the area is still a buyers' market. The large number of offerings not only gives prospective buyers a wide range of choice, but also permits real estate agents to be selective in their listings.

The greatest demand for existing homes is for three-bedroom, two-bath houses built since 1960 and priced in the \$21,000-\$23,000 range. Older houses near shopping and transportation facilities have maintained their value over the past several years; those less favorably located have declined in price.

Unsold Inventory of New Homes. A survey of subdivisions in the Santa Rosa HMA by the San Francisco Insuring Office as of January 1, 1968, covered 26 tracts in which five or more houses were completed in 1967. Of 581 homes completed during the year, 250 (43 percent) were sold before the start of construction. Of the 331 homes which were speculatively built, 239 (72 percent) were sold as of January 1, 1968. Over two-thirds of the 92 homes unsold at the year end had been completed for more than three months. Eighty-four of the 171 homes under construction at the time of the survey were unsold.

New Sales Houses Completed in 1967 in Selected Subdivisions  
Santa Rosa, California, Housing Market Area

<u>Price range</u>	<u>Total Completions</u>	<u>Number presold</u>	<u>Speculative homes</u>			
			<u>Total</u>	<u>Number sold</u>	<u>Unsold</u>	<u>Percent</u>
					<u>Number</u>	
Under \$15,000	3	2	1	1	-	-
\$15,000 - 17,499	11	6	5	3	2	40
17,500 - 19,999	94	39	55	39	16	29
20,000 - 22,499	159	69	90	70	20	22
22,500 - 24,999	145	46	99	73	26	26
25,000 - 29,999	87	34	53	35	18	36
30,000 - 34,999	54	32	22	15	7	32
35,000 and over	28	22	6	3	3	50
Total	581	250	331	239	92	28

Source: FHA Unsold Inventory Survey, January 1, 1968.

The percentage of unsold homes in 1967 (28 percent) was the lowest of the past four years, down from 39 percent in 1964 and 1966 and from 30 percent in 1965.

Houses under Construction. Of the 500 units estimated to be under construction as of April 1, 1968, about 450 are single-family homes. Most are in subdivisions already under development. Homes being built are generally \$1,000 to \$2,000 higher in price than those being produced a year ago, partly the result of higher labor and material costs, and partly the result of upgrading of buyers' demands. A builder who has been responsible for the production of most lower priced homes in subdivisions has discontinued his cheapest model (under \$15,000).

Foreclosures. No complete data are available on the number of home mortgage foreclosures in Sonoma County. The trend would appear to follow that of FHA experience. From seven foreclosures in 1961 the number of FHA foreclosures declined each year to one in 1964. In 1965 the number jumped to eight and in 1966 and 1967 rose to 13 and 26, respectively.

In mid-February 1968, FHA had 11 acquired properties on hand: two in Petaluma, five in Rohnert Park, and four in Santa Rosa.

Outlook. The immediate prospects for an increase in home building, as indicated by early 1968 building permits and by builders' plans, when measured against a prospective slackening growth in the number of households, as indicated by the outlook for employment, point to a probable continuation of a soft sales market in the HMA.

## Rental Market

General Market Conditions. The low volume of new rental housing construction during the past two years has brought about the absorption of many of the surplus apartments which resulted from the high-volume years from 1962 through 1965. Even so, high vacancy rates persist in practically all communities. They are lowest in the Catati-Rohnert Park area, where student households account for a large portion of the occupants, and in Petaluma.

Rents in the HMA are relatively low. New one-bedroom units are available generally from about \$85 to \$115 a month, excluding utilities, and two-bedroom units, from \$100 to \$160. Operating under these low ceilings, the apartments with the highest monthly charges are among the most successfully rented, since they have more to offer in the amount of living space and in the amenities available, including landscaping, adequate parking, and recreational facilities (generally a swimming pool). Many of the new apartments at the lower rent levels fall somewhat short of FHA standards in their construction and land development.

A preference in the area for single-family homes accounts for a shortage of acceptable older detached houses available for rent. It also accounts for the satisfactory absorption of the many new duplex and townhouse types of apartments that have been built. Three-bedroom townhouse and duplex units rent for about \$135 to \$150 a month, excluding utilities.

Older apartments (20 years or more in age), available at \$80 to \$85 a month for one-bedroom and \$80 to \$100 for two bedrooms, frequently have a better rental experience than some of the newer, small, in-town developments. In addition to a small price advantage, they provide more living space and location in established neighborhoods.

Rental Housing Under Construction. Except for small apartment developments in the vicinity of Sonoma State College, new rental housing under construction is confined to scattered duplex units. The volume is estimated at about 50 units as of April 1, 1968.

Rental Housing Proposals. In addition to two proposals for FHA-insured projects, with a total of 187 units, site negotiations are under way for a 140-unit church-sponsored project for the elderly under the federal direct-loan program. The only known conventionally financed proposal is for a 40-unit project in Santa Rosa. One of the leading lenders in Santa Rosa reports seven or eight inquiries from developers interested in building apartments in the Rohnert Park area. These inquiries develop logically from an interest in providing additional student housing. There is no certainty that this interest will develop into any significant number of firm proposals, but if any substantial amount of building is undertaken with a view to accommodating students, overbuilding for this specific locality could result.

### Mortgage Market

Most mortgage funds for new homes and for a considerable portion of the small apartment developments are provided in the Santa Rosa HMA by local savings and loan associations and mortgage companies. Funds are ample for the present market.

Conventional loans generally bring a 6.75 percent interest rate on loans involving a 20 percent downpayment. On FHA-insured loans, lenders require payment of six or seven points by the seller.

### Urban Renewal Activity

Santa Rosa is the only municipality with an urban renewal program. The only project that has been developed is Santa Rosa Center (R-45), which occupies a 40-acre site in the downtown section in the area roughly south of Third Street to Tupper Street between Santa Rosa Avenue and E Streets and including two tracts north of Third Street, one of which is now part of the site of the new city-county library. The other tract is the old courthouse site, which has been developed as a park.

About 100 housing units were cleared from the renewal site prior to 1965, requiring the relocation of some 45 families and approximately an equal number of individuals. Land re-use is predominantly for streets and public buildings, including a new city hall, but also includes commercial and residential usage. A 60-unit apartment is proposed for the site. The present proposal envisions the eventual building of an additional 75 units.

### Public Housing

There has been no public housing in the HMA since a veterans housing project was operated in Santa Rosa after World War II. No new public housing is contemplated.

### College Housing

Sonoma State College, established in 1961, has been operating on its permanent Campus at Rohnert Park since the fall of 1966. The 1968 spring semester began with approximately 2,000 students. Enrollment is expected to reach 3,000 within five years. The college employs about 135 faculty members, 170 staff workers, and 140 student workers.

The college operates no housing for either students or faculty members. A request has been submitted for federal loans to build dormitories for 600 single students. Housing built especially for students includes a privately operated dormitory (coeducational) with a capacity of 130 students and about eight small private apartment projects. Student

apartments generally consist of two-bedroom, two-bathroom units (furnished), to accommodate four students, who pay about \$60 a month each. There has been no critical impact on housing in the HMA as the result of growing student requirements, since the high number of vacancies has made a wide choice of accommodations available.

No current data are available regarding where students live. Because of the increase in enrollment since the fall of 1966, figures from a study made at that time may not have any validity for application to the present situation. The figures did show that large numbers of students lived with parents or relatives and that many commuted from relatively long distances. Of 250 faculty and staff members employed at that time, only 21 percent lived in the immediate Cotati-Rohnert Park vicinity; 41 percent commuted from Santa Rosa, 11 percent commuted from Sebastopol, and an additional 11 percent from Petaluma. The remaining 16 percent commuted from a broad area, extending as far as San Francisco.

The Santa Rosa Junior College is a well established school, drawing its student body mostly from Santa Rosa residents and from commuter students. It is not expected to have any impact on housing over the next two years.

## Demand for Housing

### Quantitative Demand

The demand for new housing over the next two years is estimated at 1,400 units a year, including 1,000 single-family units for sale, 100 mobile homes, and 300 multifamily units. This projection is based on the anticipated gain of 1,600 new households a year and the replacing of approximately 180 units a year which will be demolished. The forecast assumes an absorption of a large number of available vacant units and of units currently under construction if a more balanced market is to be attained. Adjustments have been made to account for prospective shifts in tenure among present households and for shifts from owner to renter status among housing units presently occupied. The projected demand does not include public low-rent housing or rent-supplement accommodations.

The prospective demand for single-family houses is below the rate of construction of this type over the past two years. Even though the building of single-family homes has fallen off markedly from the high volume between 1963 and 1965, a soft market for homes persists. The estimated demand for multifamily units is only slightly higher than the annual volume produced since 1965.

An upward adjustment in the projected demand in the next two years may be made if gains in the number of new households prove to be higher than anticipated. Such gains could result if nonagricultural employment in the HMA shows sustained increases higher than predicted, or if there is a greater gain than expected in the number of households who are not dependent on local employment for income.

### Qualitative Demand

Single-family Homes. The annual demand for 1,000 single-family homes is distributed in the following table according to the sales price at which new units may be most readily absorbed. This distribution is made on the basis of ability to pay, as determined by present income levels, and the ratio of sales price to income typical in this area.

Annual Demand for Single-family Houses, by Sales Price  
Santa Rosa, California, Housing Market Area  
April 1, 1968-April 1, 1970

<u>Price class</u>	<u>Number <sup>a/</sup></u>
Under \$15,000	70
\$15,000 - 17,499	140
17,500 - 19,999	225
20,000 - 24,999	235
25,000 - 29,999	150
30,000 - 34,999	110
35,000 and over	70
Total	<u>1,000</u>

a/ See Appendix A , paragraph 9.

The prospective addition of 100 mobile homes a year represents a part of the demand for low-priced housing. An active interest is being shown in the possibility of producing low-cost homes for families who have been priced out of the present market. A price range of \$11,000 to \$13,500 has been suggested. Plans being considered all involve high density development which would require variance from present subdivision requirements in order to reduce per-unit land and site development costs. Even if some plan can be devised, there remain the problems of the saleability of such units and the difficulty that probably would be encountered in financing them. More and more, subdivision builders have dropped their low priced models because home buyers are demanding higher quality and a wide selection of optional features. Difficulties of financing low-cost homes would include the problem of acceptability of many low-income families as credit risks.

Multifamily Housing. The monthly rentals at which 300 privately owned net additions to the multifamily housing inventory might best be absorbed by the rental market are indicated for various sized units in the following table 1/.

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1/ See Appendix A, paragraphs 10, 11, and 12.

Annual Demand for New Multifamily Housing  
by Monthly Gross Rents and Unit Size  
Santa Rosa, California, Housing Market Area  
April 1, 1968-April 1, 1970

Monthly gross rent <sup>a/</sup>	Unit size			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three or more bedroom</u>
\$ 80 - \$89	10	-	-	-
90 - 99	5	40	-	-
100 - 109	-	30	-	-
110 - 119	-	25	35	-
120 - 129	-	20	25	15
130 - 139	-	15	20	10
140 - 149	-	-	20	10
150 and over	-	-	10	10
	<u>15</u>	<u>130</u>	<u>110</u>	<u>45</u>

a/ Gross rent is shelter rent plus cost of utilities.



APPENDIX A  
**OBSERVATIONS AND QUALIFICATIONS**  
APPLICABLE TO ALL FHA HOUSING MARKET ANALYSES

- when the rural farm population constitutes less than five percent of the total population of the HMA, all demographic and housing data used in the analysis refer to the total of farm and non-farm data; if five percent or more, all demographic and housing data are restricted to non-farm data.
2. All average annual percentage changes used in the demographic section of the analysis are derived through the use of a formula designed to calculate the rate of change on a compound basis.
3. Because of the change in definition of "farm" between 1950 and 1960 censuses, many persons living in rural areas who were classified as living on farms in 1950 would have been considered to be rural nonfarm residents in 1960. Consequently, the decline in the farm population and the increase in nonfarm population between the two census dates is, to some extent, the result of this change in definition.
4. The increase in nonfarm households between 1950 and 1960 was the result, in part, of a change in the definition of "farm" in the two censuses.
5. The increase in the number of households between 1950 and 1960 reflects, in part, the change in census enumeration from "dwelling unit" in the 1950 census to "housing unit" in the 1960 census. Certain furnished-room accommodations which were not classed as dwelling units in 1950 were classed as housing units in 1960. This change affected the total count of housing units and the calculation of average household size as well, especially in larger central cities.
6. The basic data in the 1960 Census of Housing from which current housing inventory estimates are developed reflect an unknown degree of error in "year built" occasioned by the accuracy of response to enumerators' questions as well as errors caused by sampling.
7. Postal vacancy survey data are not entirely comparable with the data published by the Bureau of Census because of differences in definition, area delineations, and methods of enumeration. The census reports units and vacancies by tenure, whereas the postal vacancy survey reports units and vacancies by type of structure. The Post Office Department defines a "residence" as a unit representing one stop for one delivery of mail (one mailbox). These are principally single-family homes, but include row houses and some duplexes and structures with additional units created by conversion. An "apartment" is a unit on a stop where more than one delivery of mail is possible. Postal surveys omit vacancies in limited areas served by post office boxes and tend to omit units in subdivisions under construction. Although the postal vacancy survey has obvious limitations, when used in conjunction with other vacancy indicators, the survey serves a valuable function in the derivation of estimates of local market conditions.
8. Because the 1950 Census of Housing did not identify "deteriorating" units, it is possible that some units classified as "dilapidated" in 1950 would have been classified as "deteriorating" on the basis of the 1960 enumeration procedures.
9. The distribution of the qualitative demand for sales housing differs from any selected experience such as that reported in FHA unsold inventory surveys. The latter data do not include new construction in subdivisions with less than five completions during the year reported upon, nor do they reflect individual or contract construction on scattered lots. It is likely that the more expensive housing construction and some of the lower-value homes are concentrated in the smaller building operations, which are quite numerous. The demand estimates reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.
10. Monthly rentals at which privately owned net additions to the aggregate rental housing inventory might best be absorbed by the rental market are indicated for various size units in the demand section of each analysis. These net additions may be accomplished by either new construction or rehabilitation at the specified rentals with or without public benefits or assistance through subsidy, tax abatement, or aid in financing or land acquisition. The production of new units in higher rental ranges than indicated may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result of the availability of an ample rental housing supply.
11. Distributions of average annual demand for new apartments are based on projected tenant-family incomes, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration also is given to the recent absorptive experience of new rental housing. Thus, they represent a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. However, individual projects may differ from the general pattern in response to specific neighborhood or sub-market requirements. Specific market demand opportunities or replacement needs may permit the effective marketing of a single project differing from these demand distributions. Even though a deviation from these distributions may experience market success, it should not be regarded as establishing a change in the projected pattern of demand for continuing guidance unless a thorough analysis of all factors involved clearly confirms the change. In any case, particular projects must be evaluated in the light of actual market performance in specific rent ranges and neighborhoods or sub-markets.
12. The location factor is of especial importance in the provision of new units at the lower-rent levels. Families in this user group are not as mobile as those in other economic segments; they are less able or willing to break with established social, church, and neighborhood relationships. Proximity to or quick and economical transportation to place of work frequently is a governing consideration in the place of residence preferred by families in this group.

Table I

Trend of Employment and Unemployment  
Santa Rosa, California, Housing Market Area  
Annual Averages, 1958-1967  
(In thousands)

<u>Labor force components</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>12 Mos. ending Feb.</u>	
											<u>1967</u>	<u>1968</u>
<u>Total labor force</u>	<u>48.6</u>	<u>48.9</u>	<u>50.3</u>	<u>50.6</u>	<u>51.4</u>	<u>54.9</u>	<u>59.3</u>	<u>61.0</u>	<u>63.3</u>	<u>63.3</u>	<u>63.4</u>	<u>63.2</u>
Unemployment	4.0	3.0	3.9	4.2	4.1	4.0	3.9	4.4	5.1	6.0	5.3	5.7
Percent of labor force	8.2	6.1	7.8	8.3	8.0	7.3	6.6	7.2	8.1	9.5	8.3	9.0
Employment, total <u>a/</u>	<u>44.7</u>	<u>45.9</u>	<u>46.4</u>	<u>46.4</u>	<u>47.3</u>	<u>50.9</u>	<u>55.3</u>	<u>56.6</u>	<u>58.2</u>	<u>57.4</u>	<u>58.2</u>	<u>57.5</u>
Agricultural employment	8.6	7.8	7.2	6.6	6.1	5.8	6.2	5.6	5.9	5.4	5.8	5.2
Nonagricultural employment	<u>36.1</u>	<u>38.1</u>	<u>39.2</u>	<u>39.8</u>	<u>41.2</u>	<u>45.1</u>	<u>49.1</u>	<u>51.0</u>	<u>52.3</u>	<u>52.0</u>	<u>52.4</u>	<u>52.3</u>
Manufacturing	5.8	6.4	5.9	5.9	5.9	5.8	6.3	6.4	6.9	6.8	7.0	6.8
Durable goods	<u>3.2</u>	<u>3.6</u>	<u>3.2</u>	<u>3.0</u>	<u>3.1</u>	<u>3.2</u>	<u>3.4</u>	<u>3.6</u>	<u>3.9</u>	<u>4.0</u>	<u>3.9</u>	<u>4.0</u>
Lumber	2.5	2.8	2.4	2.1	2.1	2.2	2.2	2.3	2.1	2.1	2.1	2.1
Mach., instruments	.2	.3	.3	.3	.3	.4	.4	.5	.8	.9	.9	.9
Other durables	.5	.6	.5	.6	.7	.7	.8	.8	1.0	1.0	1.0	1.0
Nondurable goods	<u>2.7</u>	<u>2.7</u>	<u>2.7</u>	<u>2.9</u>	<u>2.8</u>	<u>2.6</u>	<u>2.9</u>	<u>2.8</u>	<u>3.0</u>	<u>2.8</u>	<u>3.1</u>	<u>2.8</u>
Food	2.0	1.9	1.9	2.2	2.1	1.9	2.2	2.0	2.2	1.9	2.2	1.9
Other nondurables	.7	.8	.8	.7	.7	.7	.8	.8	.8	.9	.9	.9
Nonmanufacturing	<u>30.2</u>	<u>31.7</u>	<u>33.3</u>	<u>33.9</u>	<u>35.4</u>	<u>39.3</u>	<u>42.9</u>	<u>44.6</u>	<u>45.4</u>	<u>45.3</u>	<u>45.4</u>	<u>45.5</u>
Construction	2.6	2.7	2.9	3.0	3.0	3.5	4.0	4.0	3.3	3.0	3.2	3.0
Public utilities	2.2	2.3	2.3	2.2	2.3	2.4	2.5	2.6	2.8	2.8	2.8	2.8
Trade	<u>9.9</u>	<u>10.4</u>	<u>10.6</u>	<u>10.7</u>	<u>11.2</u>	<u>12.0</u>	<u>12.6</u>	<u>13.1</u>	<u>13.6</u>	<u>13.3</u>	<u>13.5</u>	<u>13.4</u>
Wholesale	1.5	1.5	1.5	1.5	1.6	1.8	1.8	1.9	1.9	1.9	1.9	1.9
Retail	8.4	8.9	9.1	9.2	9.5	10.1	10.8	11.2	11.7	11.4	11.6	11.4
Finance, ins., real est.	1.3	1.5	1.6	1.7	1.9	3.1	4.2	4.2	3.9	3.6	3.8	3.5
Services	6.9	7.3	8.1	8.2	8.6	9.6	10.4	10.9	11.2	11.4	11.3	11.3
Government	6.7	7.0	7.3	7.6	7.9	8.3	8.8	9.2	10.0	10.9	10.2	11.0
All other <u>b/</u>	.6	.5	.5	.5	.5	.4	.5	.6	.6	.5	.6	.5

Note: Components may not add to totals because of rounding.

a/ Includes both wage and salary workers and self-employed, domestic, and unpaid family workers.

b/ Includes mining, forestry, and miscellaneous agricultural services.

Source: California Department of Employment.

Table II

Percentage Distribution of Families and Renter Households <sup>a/</sup>  
by Annual Income After Deduction of Federal Income Tax  
Santa Rosa, California, Housing Market Area  
April 1, 1968 and April 1, 1970

<u>Annual income</u>	<u>1968</u>		<u>1970</u>	
	<u>All families</u>	<u>Renter households</u>	<u>All families</u>	<u>Renter households</u>
Under \$2,000	8	10	7	9
\$ 2,000 - 2,999	6	9	6	8
3,000 - 3,999	7	9	7	9
4,000 - 4,999	8	10	8	10
5,000 - 5,999	10	11	9	10
6,000 - 6,999	10	10	9	10
7,000 - 7,999	9	10	9	10
8,000 - 8,999	9	9	8	9
9,000 - 9,999	8	6	8	8
10,000 - 12,499	11	9	14	8
12,500 - 14,999	6	4	6	5
15,000 - 17,499	4	1	4	1
17,500 - 19,999	1	)	2	1
20,000 - 24,999	1	2	1	1
25,000 and over	2	)	2	1
Total	100	100	100	100
Median	\$7,100	\$6,150	\$7,500	\$6,450

a/ Excludes one-person households.

Source: Estimated by Housing Market Analyst.

Table III

Components of the Nonfarm Housing Inventory  
Santa Rosa, California, Housing Market Area  
1950-1968

<u>Tenure and vacancy</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>April</u> <u>1968</u>	<u>Average annual change<sup>a/</sup></u>	
				<u>1950-1960</u>	<u>1960-1968</u>
Total housing supply	<u>31,081</u>	<u>55,552</u>	<u>72,925</u>	<u>2,447</u>	<u>2,170</u>
Occupied housing units	<u>25,536</u>	<u>42,959</u>	<u>58,850</u>	<u>1,742</u>	<u>1,985</u>
Owner-occupied	<u>15,272</u>	<u>27,753</u>	<u>38,900</u>	<u>1,248</u>	<u>1,395</u>
Percent of total occupied	59.8	64.6	66.1	--	--
Renter-occupied	<u>10,264</u>	<u>15,206</u>	<u>19,950</u>	<u>494</u>	<u>590</u>
Percent of total occupied	40.2	35.4	33.9	--	--
Vacant housing units	<u>5,545</u>	<u>12,593</u>	<u>14,075</u>	<u>705</u>	<u>185</u>
Available units	<u>707</u>	<u>2,189</u>	<u>2,575</u>	<u>148</u>	<u>50</u>
For sale	<u>178</u>	<u>648</u>	<u>775</u>	<u>47</u>	<u>15</u>
Homeowner rate	1.2	2.3	2.0	-	-
For rent	<u>529</u>	<u>1,541</u>	<u>1,800</u>	<u>101</u>	<u>35</u>
Rental rate	4.9	9.2	8.3	-	-
Other vacant units <sup>b/</sup>	<u>4,838</u>	<u>10,404</u>	<u>11,500</u>	<u>557</u>	<u>135</u>

<sup>a/</sup> Rounded

<sup>b/</sup> Includes units sold or rented awaiting occupancy, dilapidated units, and units withheld from the market for occasional or seasonal use or for other reasons.

Sources: 1950 and 1960 Censuses of Housing; 1968 estimated by Housing Market Analyst.

Table IV

Number of New Housing Units Authorized by Building Permits  
Santa Rosa, California, Housing Market Area  
1960-1968

<u>Municipality</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>Month of January</u>		<u>Total</u>
								<u>1967</u>	<u>1968</u>	<u>1960-1968</u>
Cloverdale	5	3	15	4	17	22	14	7	-	87
Cotati <u>a/</u>	-	-	-	-	1	9	4	2	-	30
Healdsburg	22	8	18	40	65	66	27	34	1	280
Petaluma	345	104	84	205	332	507	241	255	3	2,097
Rohnert Park <u>a/</u>	-	-	-	10	20	98	31	105	-	267
Santa Rosa	399	545	1,095	1,413	957	778	477	486	23	6,170
Sebastopol	34	19	20	30	87	54	28	21	2	298
Sonoma	12	21	39	112	48	63	35	26	1	360
Sonoma Co., uninc. <u>b/</u>	-	711	1,254	1,394	1,516	1,057	605	433	22	6,999
Total	817	1,411	2,525	3,208	3,043	2,654	1,462	1,369	52	16,588

a/ Permits for Cotati and Rohnert Park issued by Sonoma County prior to their incorporation.

b/ Permits not required for unincorporated areas of Sonoma County prior to 1961.

Sources: Bureau of the Census, Bay Area Chamber of Commerce, and local building officials.

Table V

## Sonoma County, California, Area Postal Vacancy Survey

February 8-16, 1968

Postal area	Total residences and apartments						Residences						Apartments						House trailers		
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant	
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	%
The Survey Area Total	55,813	1,881	3.4	1,609	272	329	51,394	1,406	2.7	1,144	262	267	4,419	475	10.7	465	10	62	2,863	88	3.1
Cloverdale	1,565	28	1.8	27	1	3	1,519	13	0.9	12	1	3	46	15	32.6	15	-	-	52	-	0.0
Cotati	1,702	87	5.1	80	7	48	1,602	77	4.8	70	7	6	100	10	10.0	10	-	42	218	12	5.5
Healdsburg	3,349	88	2.6	81	7	22	3,237	68	2.1	61	7	22	112	20	17.9	20	-	-	71	3	4.2
Petaluma	9,736	279	2.9	206	73	55	8,885	225	2.5	152	73	55	851	54	6.3	54	-	-	217	4	1.8
Santa Rosa	28,149	1,010	3.6	871	139	151	25,247	676	2.7	544	132	135	2,902	334	11.5	327	7	16	1,666	25	1.5
Sebastopol	5,864	267	4.6	244	23	25	5,769	251	4.4	229	22	25	95	16	16.8	15	1	-	247	12	4.9
Sonoma	5,448	122	2.2	100	22	25	5,135	96	1.9	76	20	21	313	26	8.3	24	2	4	392	32	8.2

The survey covers dwelling units in residences, apartments, and house trailers, including military, institutional, public housing units, and units used only seasonally. The survey does not cover stores, offices, commercial hotels and motels, or dormitories; nor does it cover boarded-up residences or apartments that are not intended for occupancy.

The definitions of "residence" and "apartment" are those of the Post Office Department, i.e.: a residence represents one possible stop with one possible delivery on a carrier's route; and apartment represents one possible stop with more than one possible delivery.

The estimates of total possible deliveries to residences, apartments, and house trailers were made by the postal carriers. The data in this table, therefore, are not strictly comparable to the corresponding data for surveys conducted prior to 1966. The combined totals, however, are as recorded in official route records.

Source: FBA postal vacancy survey conducted by collaborating postmaster(s).

**DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

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