

Growth in Construction Economic Activity in Sonoma County and the Sonoma County Energy Independence Program

November 18, 2009

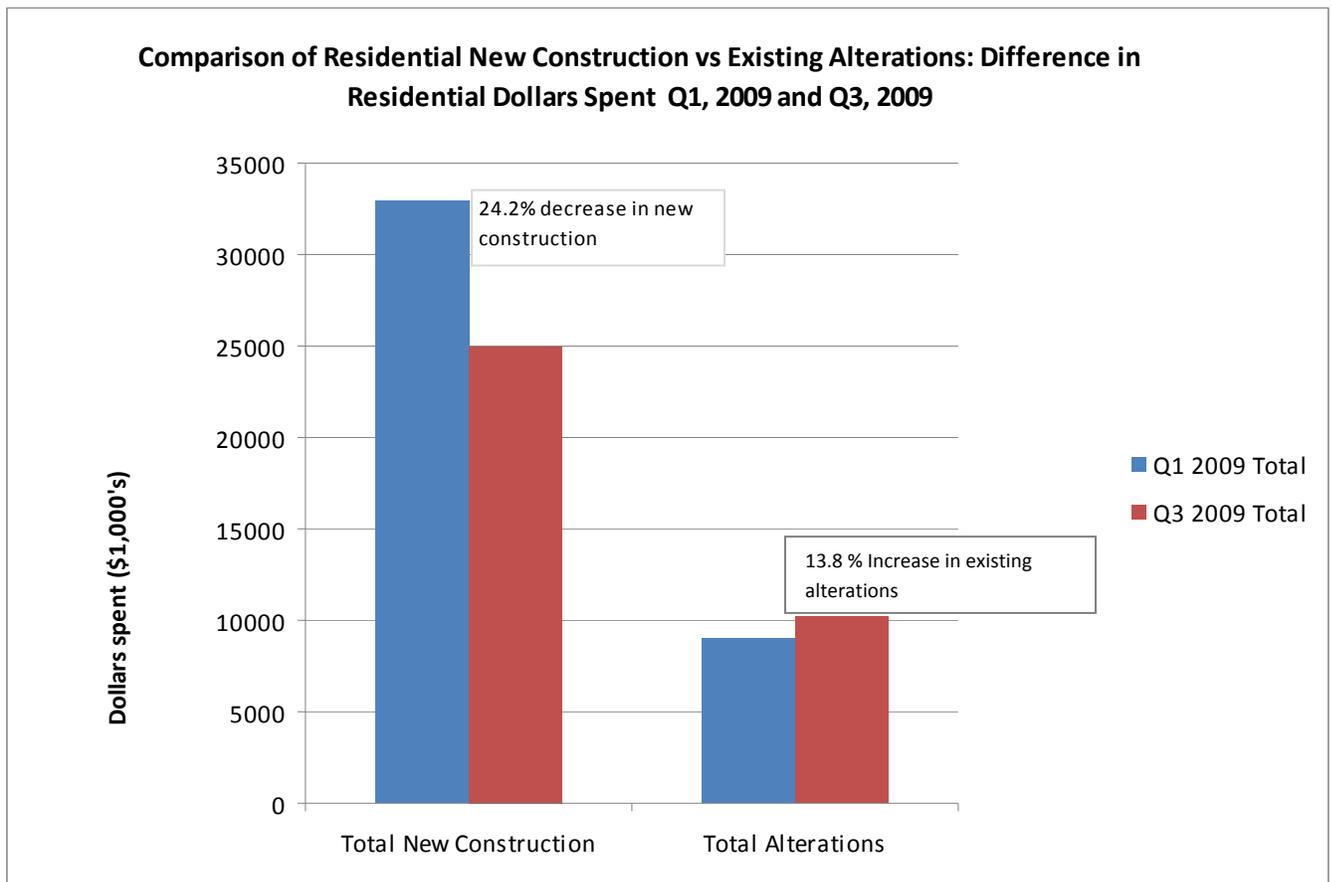
This report illustrates the relationship between county economic indicators and the new Sonoma County Energy Independence Program (SCEIP). This report provides general correlations while a more thorough survey of affected vendors/contractors is being conducted.

Conclusions of the data are below:

- Growth in spending (increased 13.8%) on existing residential construction increased in quarters after SCEIP program implementation. This increase happened during a period of overall declining economic activity, including sharp decline in residential new construction activity(-24.4%).
- Construction-related jobs increased 8.4% in Sonoma County in time periods after SCEIP implementation while in Napa County, jobs declined by -3.0% and in Solano County construction related jobs increased by only 1.3%.
- Increase in construction employment correlates closely with SCEIP program activity. The Largest gains in construction employment occurred in July/ August 2009(500 jobs added) which corresponds to the largest increase of SCEIP contracted projects in July/August 2009(205 projects contracted).

CONSTRUCTION DOLLARS SPENT

To determine if SCEIP has had significant impact on the dollars spent in construction, the data below shows a comparison of the period Q1, 2009 (before SCEIP launch) and Q3, 2009 (four months after SCEIP program launch). Note that only residential construction is included in this section as the vast majority of SCEIP program projects are residential. (Source: Construction Industry Research Board)



Note the increase in construction spending on existing homes in the time after SCEIP was implemented, even as total new construction spending sharply fell. (Note: Non-residential alterations on existing buildings fell in the same period -30%; Non residential construction increased 6.0% from Q1 to Q3).

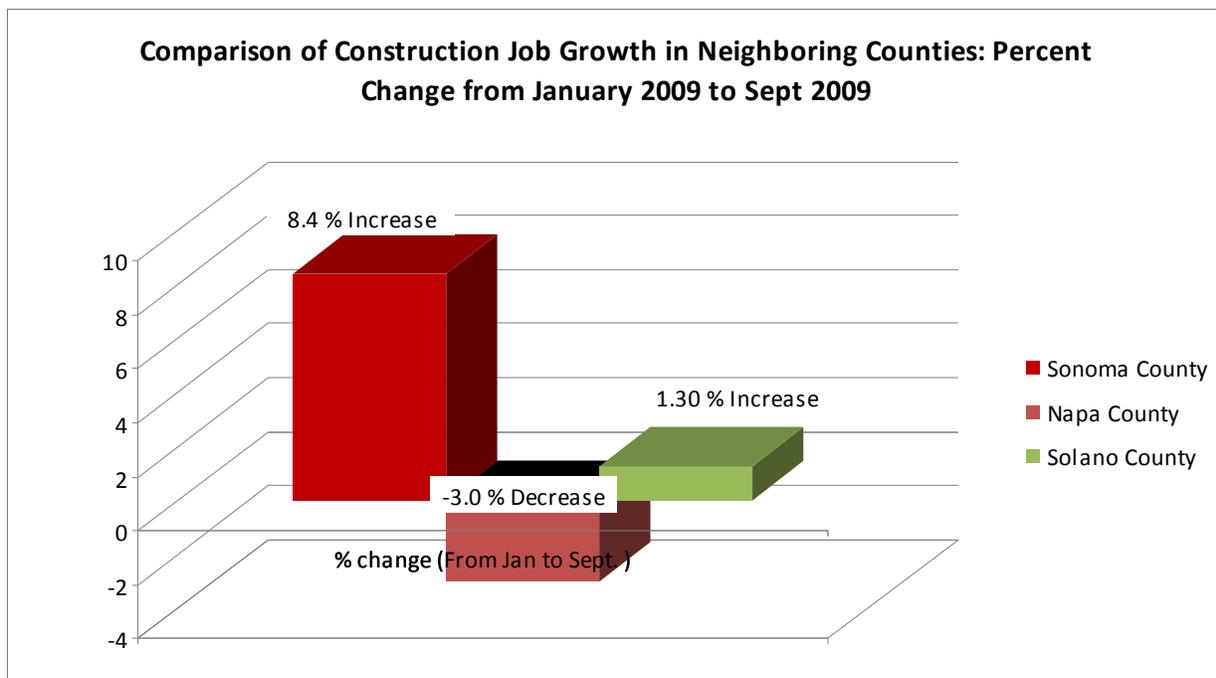
EMPLOYMENT

As of the end of October 2009, SCEIP contracted for more than \$14 million in funds for projects that are expected to create a large demand in energy efficient renovations and, in turn, create lasting jobs.

As shown below, Sonoma County has created a net gain of construction related jobs in comparison to neighboring Napa and Solano Counties (comparing January 2009 construction jobs to September 2009). Additionally, Sonoma County percentage gains in construction employment for this year are greater than year ago percentage gains for the same time period (January 2008 compared with September 2008). In summary, Sonoma County is growing construction jobs at a faster rate than Napa County, Solano County and growing construction jobs at faster rate than last year.

(Source: California Employment Development Department)

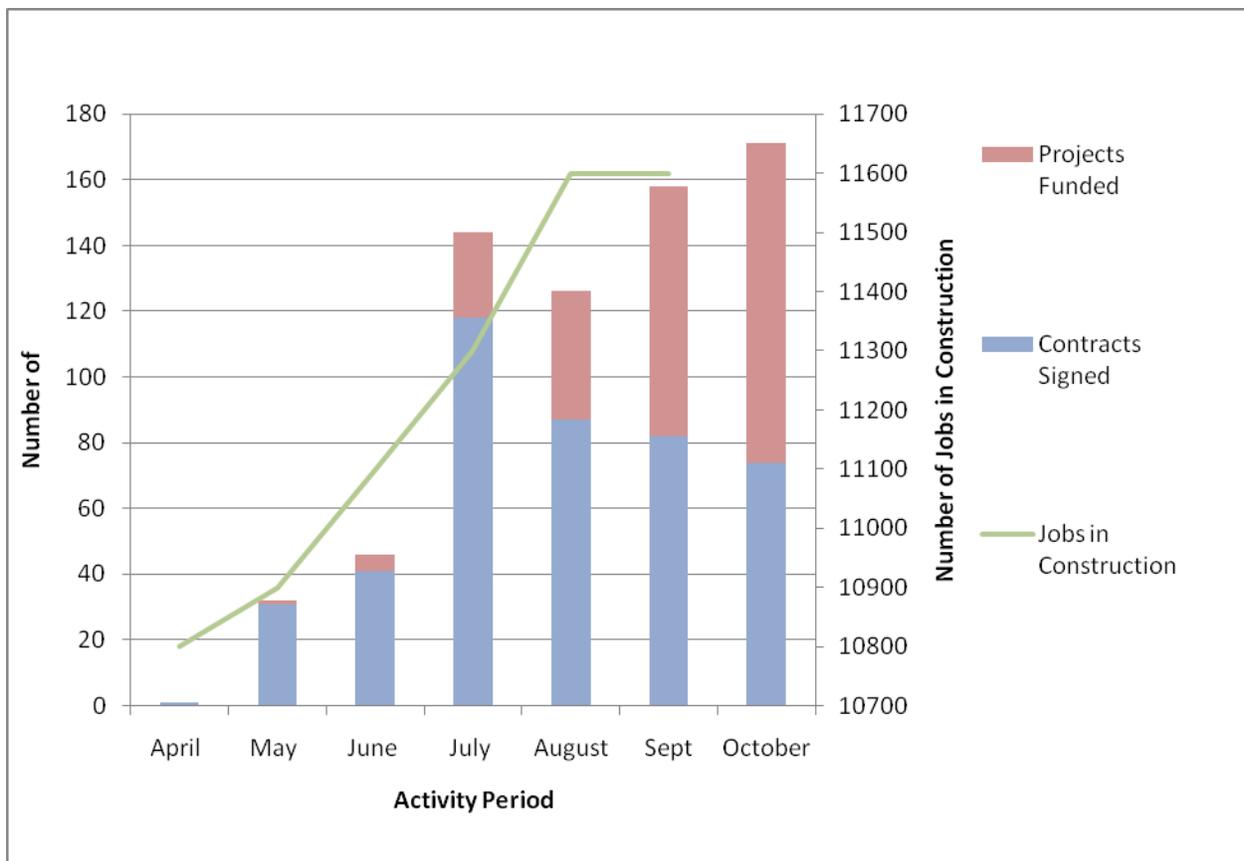
	Sonoma	Napa	Solano
% change (comparing Jan2009 to Sept. 2009)	8.4	-3.0	1.3
% change (comparing Jan 2008 to Sept 2008)	4.8	-5.0	-2.2



SCEIP ACTIVITY AND JOB GROWTH

The chart below displays construction job growth in Sonoma County within the activity period of SCEIP.

- The data shows that the largest gains in job growth in construction happened in July/August 2009 with 500 jobs added.
- SCEIP had its largest increase in the volume of contracted projects for July/August 2009, 205 projects contracted.
- The data suggests large gains in construction job growth are closely related to significant volume gains in SCEIP projects.



SCEIP Contracted Amounts

- SCEIP increases in dollars contracted shows increases in jobs gained.
- July/Aug 2009 contracted \$5.6M(largest amount thus far) and construction gained 500 jobs (largest increase thus far)

