



SEDA - Putting the Pieces Together

Sitka Trends Economic Newsletter

December 2011

Wishing everyone a Happy New Year!

Sitka's Affordable Situation

Affordable housing has been a topic of concern in Sitka for decades. The development of affordable housing has two sides that need to be addressed: the overall cost of housing and the level of household income available to pay for housing costs.

Why is affordable housing important?

Affordable and adequate housing provides a better quality of life for residents and stability for a community. In turn, a community can expect a number of economic benefits from the development of affordable housing, including:

- The ability to attract doctors, nurses, teachers, and other professionals to the community. (*This is a known challenge for Sitka's hospitals and schools.*)
- The ability to attract new businesses/employers to the community.
 - *83% of Sitka businesses surveyed in the 2010 JEDC Business Climate Survey listed housing as a barrier to business.*
- The creation of good paying jobs that support the housing industry.
- The savings on rent and mortgages that can then be spent elsewhere within the community.
- Most importantly, the ability to provide housing options for young families, seniors, and low income families that will allow them to remain in the community.

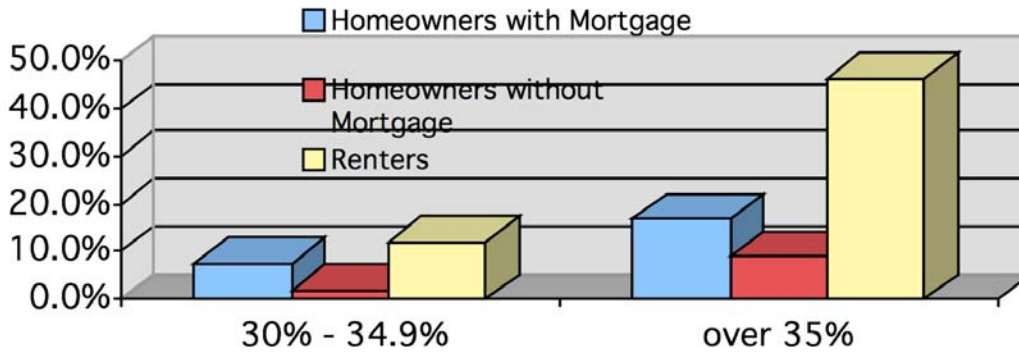
What is affordable?

The United States Department of Housing and Urban Development (HUD) defines affordable housing as costing no more than 30 percent of a household's annual income. Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.

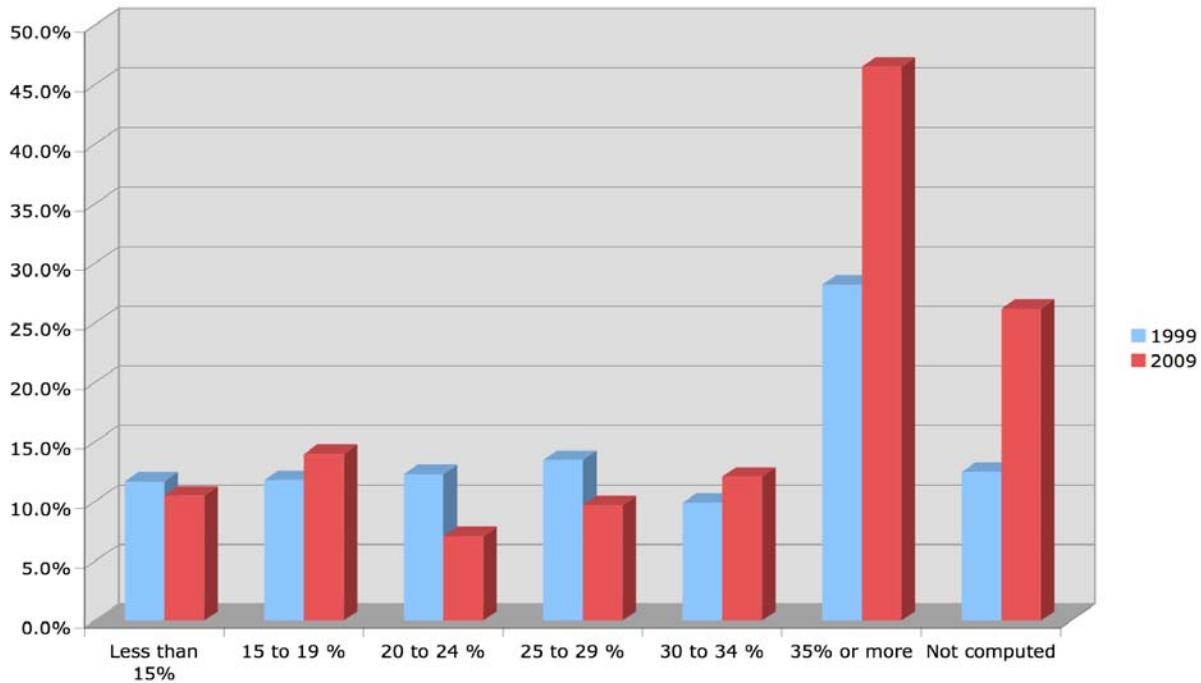
Data from the 2009 American Community Survey shows the following for Sitka:

- 24.4% (292 households) of homeowners with mortgages pay more than 30% of household income on housing. (State of Alaska is 33.6%)
- 10.9% (80 households) of homeowners without mortgages pay more than 30% of household income on housing. (State of Alaska is 6.9%)
- 58.6% (736 households) of all Sitka renters pay more than 30% of their household income on housing. (State of the Alaska is 43%)

Sitka Cost Burdened Housing



Renter Occupied Housing Cost Burden



Percent of renter occupied households with housing cost burden over 30%

Sitka	1999 = 38.1%	2009 = 58.6%	Change = +20.5%
Juneau	1999 = 37.2%	2009 = 40.2%	Change = +3%
Alaska	1999 = 32.8%	2009 = 43%	Change = +10.2%
USA	1999 = 36.8%	2010 = 50.1%	Change = +13.3%

NOTE: The above data uses median household income in relation to housing costs. Housing costs consist of mortgages, equity loans, property tax, insurance, utilities, and condo fees where applicable.

Source: American Community Survey 2005-2009 data set.

SEDA's Mission is to:

*Foster a business climate that is receptive and conducive to existing and new business;
Promote the creation of family wage jobs; and Enhance the quality of life for Sitkans.*

Sitka Economic Development Association

329 Harbor Drive, Suite 212, Sitka, AK 99835 *** Phone: 907-747-2660 *** Web: www.sitka.net

EMPLOYMENT (not seasonally adjusted)	Nov 2011	Nov 2010	Nov 2009
Average Total Labor Force – Sitka (Source: Alaska Dept. of Labor)	4,390	4,382	4,383
Average Number Filing for Unemployment – Sitka (Source: Alaska DOL)	274	282	284
Average Unemployment Rate – Sitka (Source: Alaska Dept. of Labor)	6.2%	6.4%	6.5%
Average Unemployment Rate – Alaska (Source: Alaska Dept. of Labor)	7.2%	7.8%	7.8%
Average Unemployment Rate – National (Source: US Dept. of Labor)	8.2%	9.3%	9.4%
	12/05/11	12/02/10	12/01/09
Job orders at Sitka Job Center (includes SEARHC)	73	77	62
SEARHC job openings in Sitka	43	40	19
FINANCIAL			
City Revenues	Jul-Sep 2011	Jul-Sep 2010	Jul-Sep 2009
Sales Tax Collected* – Total Remitters (Source: CBS Finance Department)	\$2,895,267	\$2,887,378	\$2,968,146
Bed Tax Collected* – Total Remitters (Source: CBS Finance Department)	\$150,046	\$149,366	\$132,314
Per Capita Personal Income (Source: US Bureau Econ. Analysis)	2009	2008	2007
Sitka	\$41,567	\$42,530	\$39,920
Ketchikan	\$51,850	\$52,308	\$48,622
Alaska	\$43,212	\$44,414	\$41,196
United States	\$39,635	\$40,674	\$39,461
COST OF LIVING INDICATORS			
Transportation – Regular Gasoline per gallon	Dec. 05, 2011	Dec. 05 2010	% Change
Sitka (Source: UAF CES / **average pump price)	\$4.13**	\$3.18	29.87%
Anchorage (Source: AAA)	\$3.89	\$3.35	16.12%
Alaska Average (Source: AAA)	\$3.97	\$3.50	13.43%
National Average (Source:AAA)	\$3.28	\$2.94	11.57%
#1 Heating Oil (based on 100 gallons delivered excluding tax)	Dec. 2011*	Dec. 2010	% Change
Sitka – per gallon (Source: *vendor average, UAF Cooperative Extension)	\$4.15	\$2.85	45.61%
Anchorage – per gallon (Source: *vendor quote, UAF Cooperative Extension)	\$3.83	\$3.70	3.5%
Food Costs (Source: UAF Cooperative Extension)	Sep 2011	Sep 2010	% Change
Sitka (average weekly food cost - family of 4 with 2 children age 6-11)	\$198.41	\$177.87	11.55%
Anchorage (average weekly food cost - family of 4 with 2 children age 6-11)	\$144.42	\$131.72	9.64%
Portland, OR (average weekly food cost - family of 4 with 2 children age 6-11)	\$116.04	\$106.66	8.79%
Sitka's weekly food cost as a percentage of Anchorage cost	137%	135%	
Housing - HUD Fair Market Rent – Sitka (Source: U.S. HUD)	2011	2010	2009
Efficiency	\$759	\$780	\$744
One-Bedroom	\$875	\$899	\$858
Two-Bedroom	\$1,044	\$1,073	\$1,024
Three-Bedroom	\$1,521	\$1,563	\$1,492
Housing – Construction and Sales	3rd Qtr 2011	3rd Qtr 2010	3rd Qtr 2009
Value of Construction Permits Issued (Source: CBS Building Department)	\$12,162,040	\$6,606,188	\$1,778,185
Dwelling Units Added (Source: CBS Building Department)	6	10	5
Total Homes Sold – all types combined (Source: CBS Property Assessment)	30	11	22
Vacant Lots Sold – residential (Source: CBS Property Assessment Clerk)	6	3	5
Homes Sold – single family (Source: Davis Realty MLS)	21	9	13
Average Sale Price - single family home (based on total sold)	\$316,205	\$285,911	\$336,192
Average List Price – single family home (avg. listed volume/avg. homes listed)	\$523,200	\$532,946	\$462,694
Sales Volume – single family homes	\$6,640,305	\$2,573,200	\$4,370,500
POPULATION	2010 Census	2000 Census	Change
City & Borough of Sitka (Source: US Census Bureau)	8,881	8,835	+46
Southeast Alaska (Source: US Census Bureau)	71,664	73,082	-1,418
State of Alaska (Source: US Census Bureau)	710,231	626,931	+ 83, 300
PUBLIC SCHOOL ENROLLMENT	FY2011	FY2010	2008-2009
Total student enrollment per school year (Source: Sitka School District)	1,291	1,322	1,294

**Thank you! 2011
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