

4.12 POPULATION, HOUSING, AND EMPLOYMENT

This chapter describes existing population, housing, and employment characteristics in the Specific Plan Area and evaluates the potential individual and cumulative population, housing, and employment impacts associated with the Project.

A. Regulatory Framework

This section describes the regulatory setting regarding population, housing, and employment as it relates to the Project.

a. Regional Housing Needs Allocation

Housing element law requires local jurisdictions to encourage the construction of a share of the region's projected housing needs. This share is called the Regional Housing Needs Allocation (RHNA). The specific RHNA number for a jurisdiction is important because State law mandates that each jurisdiction provide sufficient land to accommodate a variety of housing opportunities for all economic segments of the community to meet or exceed this number of housing units. San Joaquin Council of Governments (SJCOG), the regional planning agency, calculates the RHNA for individual jurisdictions within San Joaquin County, including Tracy.

b. Tracy General Plan

The Tracy General Plan includes a number of policies that are relevant to population and employment in the Specific Plan Area, which are listed in Table 4.12-1. A complete listing of all General Plan policies is included in Appendix C.

c. Growth Management Ordinance and Guidelines

The City of Tracy adopted a residential Growth Management Ordinance (GMO) in 1987, which was amended in 2000 by the voter-initiated Measure A. Since then it has been amended several times, including a 2012 amendment to the GMO Guidelines relating to residential growth allotments (RGAs) project prioritization.

TABLE 4.12-1 GENERAL PLAN POLICIES RELEVANT TO POPULATION, HOUSING, AND EMPLOYMENT

Goal/ Policy No.	Goal/Policy Content
Land Use Element	
<i>Urban Reserve 6</i>	
Policy 6g	Consistent with the goals, objectives, policies and actions in the Community Character and Economic Development Elements, areas along I-205 should be developed with office-flex or higher-quality space, rather than warehousing and distribution uses, to capitalize upon their proximity to entryways of the city.
Economic Development Element	
Goal ED-6	Healthy, key economic activity centers.
<i>Objective ED-6.7</i>	<i>Develop higher-end office and office-flex uses, particularly along entryways to the City along I-205 and I-580.</i>
Policy P1	Development of a high amenity campus style business park is encouraged.
Policy P2	The City shall support attraction efforts for Class A Office and certain flex-tech development tenants seeking a high amenities workplace, particularly along entryways to the City along I-205 and I-580.
Land Use Element	
Goal LU-2	Expanded economic opportunities in Tracy.
<i>Objective LU-2.1</i>	<i>Balance residential development with jobs, retail growth, and the ability to provide services.</i>
Policy P1	The City's priorities for future growth, in order of priority, are: job-generating development to match the skills of Tracy residents; diversification of housing types suitable for Tracy's workforce, including those types suitable for Tracy's workforce; and continued growth of the retail base.
Air Quality Element	
Goal AQ-1	Improved air quality and reduced greenhouse gas emissions.
<i>Objective AQ-1.1</i>	<i>Improve air quality and reduce greenhouse gas emissions through land use planning decisions.</i>
Policy P2	To the extent feasible, the City shall maintain a balance and match between jobs and housing.

Source: City of Tracy General Plan, 2011.

In general terms, the goal of the GMO is to achieve a steady and orderly growth rate that allows for the adequate provision of services and community facilities, and includes a balance of housing opportunities. Under the GMO, builders must obtain a Residential Growth Allotment (RGA) in order to secure a residential building permit. One RGA equals the public services and facilities required by one residential dwelling unit.¹ The GMO limits the number of RGAs and building permits to an average of 600 housing units per year for market rate housing, with a maximum of 750 units in any single year. There are exceptions for affordable housing.

B. Existing Conditions

1. Population

Tracy is one of the most rapidly growing cities in California's Central Valley. Table 4.12-2 depicts population and household trends from 1990, 2000, and 2010.

Between 1990 and 2010, the population increased by 147 percent from 33,558 to 82,922 residents.² This growth has brought proportionally more families to Tracy, and increased percentages of home ownership and household size. The SJCOG has projected that Tracy will reach a total population of 189,393 residents by 2030,³ which represents a 128 percent increase from the 2010

¹ City of Tracy Municipal Code, Title 10.12.; Lombardo, Victoria. Senior Planner, City of Tracy. Personal communication with Melissa McDonough, The Planning Center | DC&E. March 6, 2013.

² 1990 data is from State of California, Department of Finance, 2007, *E-8 Historical Population and Housing Estimates for Cities, Counties, and the State, 1990-2000*; 2010 data is from State of California, Department of Finance, 2011, *E-5 Population and Housing Estimates for Cities, Counties, and the State, 2010-2011, with 2010 Benchmark*.

³ Population, Employment & Housing Unit Projections, San Joaquin Council of Governments, <http://www.sjcog.org/docs/pdf/census/projections.pdf>, accessed on December 12, 2011.

TABLE 4.12-2 POPULATION TRENDS IN TRACY

	1990	2000	2010	% Change 1990-2010
Population	33,558	56,929	82,922	147%
Average Household Size	2.98	3.21	3.28	10%

Source: California Department of Finance, 1990, 2000, and 2010 Estimates.

population of 82,922 people. For comparison, the State population is expected to grow to 46,444,861 by 2030,⁴ which represents a 25 percent increase from the 2010 population of 37,253,956.⁵

Implementation of the City’s GMO, however, will continue to limit the number of RGAs and related building permits, and as such, the total population in Tracy is not expected to reach the projected 189,393 residents by 2030. Based on the allowed RGAs and building permits per year by the GMO, the Tracy General Plan projects that the City will have a population of approximately 109,000 people in the year 2025.⁶

The population of nearby Mountain House, a community in unincorporated San Joaquin County, was 9,675 in 2010, a substantial increase from the population of 42 in 2000.⁷

⁴ U.S. Census, Interim Projections 2000-2030 based on Census 2000, Table 1: Ranking of Census 2000 and Projected 2030 State Population and Change. <http://www.census.gov/population/www/projections/projectionsagesex.html>, accessed December 12, 2011.

⁵ State of California, Department of Finance, 2011, *E-5 Population and Housing Estimates for Cities, Counties, and the State, 2010-2011, with 2010 Benchmark*.

⁶ City of Tracy, 2011, *Tracy General Plan*, page 2-9.

⁷ U.S. Census, Census 2010, Table DP-1, Profile of General Population and Housing Characteristics: 2010 Demographic Profile Data; and U.S. Census, Census 2000, Table P-1, Total Population, SF1.

2. Employment

Commercial and industrial growth in Tracy has increased employment opportunities in the City. Numerous companies have established facilities in Tracy, taking advantage of the proximity to three major freeways, Interstate 5, Interstate 205, and Interstate 580. Major employers in the Tracy area include: Summit Logistics (Safeway distribution), with 2,100 employees; the Tracy Defense Depot, with 1,644 employees; the Tracy Unified School District, with 1,500 employees; the Deuel Vocational Institution, with 1,050 employees; Diversified Collection Service, with 575 employees; and the City of Tracy, with 497 employees⁸ In December 2012, Tracy's 9.1 percent unemployment rate was one of the lowest rates in San Joaquin County. By comparison, the unemployment rate for the entire county was 14.5 percent in December 2012.⁹

Since 2000, the labor force in Tracy has grown by approximately 12.9 percent to 33,200 people in December 2012, compared to a growth of 16.7 percent in the county as a whole.¹⁰

Currently there are about 26,748 jobs in the Tracy area.¹¹ The general employment sectors in the Tracy area as follows: agriculture and mining (2.3

⁸ There are 391 full time and 88 part time employees of the City of Tracy.

Tracy Chamber of Commerce website, Major Employers, available online at <http://www.tracychamber.org/resources/economic-development/major-employers>, accessed on March 5, 2013; Lombardo, Victoria. Senior Planner, City of Tracy. Personal communication with Melissa McDonough, The Planning Center | DC&E. March 6, 2013.

⁹ California Employment Development Department, 2012, Monthly Labor Force Data for Cities and Census Designated Places, data for San Joaquin County, <http://www.labormarketinfo.edd.ca.gov/Content.asp?pageid=133>, accessed on February 18, 2013.

¹⁰ California Employment Development Department, 2000 and 2011, Monthly Labor Force Data for Cities and Census Designated Places, data for San Joaquin County and Tracy, <http://www.labormarketinfo.edd.ca.gov/Content.asp?pageid=133>, accessed on February 18, 2013.

¹¹ Esri Business Analyst, February 5, 2013, *Business Summary*.

percent), construction (8.3 percent), manufacturing (2.9 percent), wholesale trade (4.6 percent), retail trade (17 percent, transportation and warehousing (3.1 percent), information (1.6 percent), finance and insurance (5.9 percent), real estate rental and leasing (7.1 percent), professional, scientific, and technical services (8 percent), administrative support and waste management and remediation services (5.2 percent), educational services (5.2 percent), health care and social assistance (8.4 percent), arts, entertainment, and recreation (1.4 percent), accommodation and food services (6.9 percent), other services (12.3 percent), public administration (1.9 percent), and unclassified establishments (0.8 percent).¹²

The City expects substantial job growth into the future, and its General Plan reflects these expectations. The number of new jobs in the Tracy area, which includes the City and its sphere of influence, is estimated at 163,000. This accounts for the employment population to be generated by the Project, which would occur over time in phases.

3. Housing

The Department of Finance estimates that, as of January 2012, there were 25,983 housing units in Tracy, of which approximately 6.3 percent were vacant.¹³ There was a surge in residential building starting in 1977, and housing growth has continued since then, with new housing between 1990 and October 2011 adding 13,805 additional units, for an increase of 113 percent. As shown in Table 4.12-3, housing ownership has also increased, from 60 to 64 percent between 1990 and 2010.

¹² Esri Business Analyst, February 5, 2013, *Business Summary*. Percentages represent the percent of business per North American Industry Classification System (NAICS) code in Tracy.

¹³ State of California, Department of Finance, 2012, *E-5 Population and Housing Estimates for Cities, Counties, and the State, January 1, 2012*.

TABLE 4.12-3 TENURE TRENDS IN TRACY

	1990	2000	2010	% Change 1990-2010
Owner-Occupied Housing Units	6,729 (60% of total)	12,727 (72% of total)	16,533 (64% of total)	146%
Renter-Occupied Housing Units	4,479 (40% of total)	4,854 (28% of total)	9,276 (36% of total)	107%

Source: U.S. Decennial Census.

However, housing ownership has declined in recent years, down from an ownership rate of 72 percent in 2000. This trend has been paralleled by an increase in the share of renter-occupied housing. In 2010, 36 percent of occupied housing units were renter-occupied.

Currently, there are a total of 12 residences in the Specific Plan Area, consisting of five single-family residential homes on Mountain House Parkway (APN 209-090-036, 209-460-027, 290-460-028, and 290-460-029) and six single-family ranch-style houses on Hansen Road (APN 209-400-01 through 209-400-04, 209-400-09, and 209-120-05).¹⁴

C. Standards of Significance

The proposed Project would have a significant impact with regard to population, housing, and employment if it would:

- Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure).

¹⁴ Chapter 4.1, Aesthetics, of this Draft EIR describes these houses in more detail.

- “ Displace substantial numbers of existing housing units, necessitating the construction of replacement housing elsewhere.
- “ Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

D. Impact Discussion

1. Project Impacts

- a. Inducement of Substantial Population Growth in an Area, Either Directly (for Example, by Proposing New Homes and Businesses) or Indirectly (for Example, Through Extension of Roads or Other Infrastructure)

Development of the Project would not add any housing to the Specific Plan Area, but would add approximately 592,000 square feet of commercial development, 2.47 million square feet of office development, and 27.79 million square feet of manufacturing and distribution development to the Specific Plan Area, resulting in approximately 36,708 additional employees at full buildout. The Project is expected to be developed in phases, over time, depending on market factors. The growth that would occur as a result of the Project is accounted for in the City General Plan, as well as the Citywide infrastructure master plans.

The addition of industrial, commercial, and office uses could indirectly increase the demand for housing in Tracy by increasing the number of employees in the area that would prefer to live close to their jobs. However, it is anticipated that many Project employees would already be Tracy residents. In addition, this Project is part of a carefully coordinated planning effort that incorporates housing, employment generating uses, retail and parks and recreational amenities. Specifically, as it relates to housing developments, the City has already allocated significant areas of land within the City limits and its sphere for housing, as shown in Figure 2-3, Secondary Residential Growth Areas, of the General Plan, and as further described in the GMO Guidelines. For example, the City has already approved two large planning areas that have been designated for housing, which could accommodate approximately

7,500 units. This growth has already been contemplated and analyzed in the City's master infrastructure plans. Further, as stated above, it is anticipated that the GMO would help reduce the potential adverse impacts to Tracy from future development by managing this growth in a manner that is commensurate with available services and utilities, and otherwise would reflect planned growth. Therefore, for the above reasons, it is not anticipated that the employees generated by the Project would induce substantial population growth (either directly or indirectly) beyond lands already planned for by the City. Therefore, the impact of unexpected population growth associated with the Project would be *less than significant*.

b. Displacement of Substantial Numbers of Existing Housing Units, Necessitating the Construction of Replacement Housing Elsewhere

Development of the Project has the potential to displace the existing housing within the Specific Plan Area. As described above, there are 12 existing residences along Mountain House Parkway and Hansen Road. These areas would be re-designated for General Office or Business Park Industrial uses under the Specific Plan, which would render the existing residential uses to a legal, non-conforming status. While these residences would be allowed to remain in place until such time as each property owner elects to redevelop its respective property in accordance with the Specific Plan, it is reasonable to expect that the intensification of nearby lands as a result of Project development could change the surrounding environment in a manner that could cause the existing residents to choose to relocate. For purposes of a conservative analysis of population and housing impacts, this Draft EIR assumes that all existing residences would eventually be redeveloped in accordance with the Specific Plan. However, given the relatively few number of residences at issue, and given the substantial numbers of existing and planned units (including the current approximately 25,900 housing units located in the City), the impact would be considered *less than significant*.

c. Displacement of Substantial Numbers of People, Necessitating the Construction of Replacement Housing Elsewhere

As discussed above, the Project would not displace or require the demolition of any residences, thereby necessitating the construction of replacement housing elsewhere. Accordingly, for the reasons set forth above, the Project would have a *less-than-significant* impact in this regard.

2. Cumulative Impacts

The cumulative impact analysis for population, housing, and employment considers the larger context of future development of the City of Tracy as envisioned by the General Plan and relied upon the projections of the General Plan. The cumulative assumptions considered in this section are discussed in Chapter 4, Environmental Evaluation, of this Draft EIR, and the geographic scope of this analysis is the City of Tracy and its sphere of influence (the Tracy area). Within the Tracy area, there are a number of areas designated for residential growth, including portions of Urban Reserves 1, 3, 4, 5, 7, 8, and 9. In addition, the City previously approved the Ellis Project, and also previously approved the Tracy Hills Specific Plan site, all of which are planned for significant amounts of residential growth. The residential growth from these areas is envisioned by the General Plan, and therefore would not result in unexpected population growth in the Tracy area. Additionally, with the GMO in place, the Citywide population growth would be managed to be consistent with the City's planned level. The Project itself would also not induce substantial population growth beyond anticipated levels. As such, the Project, together with other cumulative projects, would not accelerate unplanned population growth in the Tracy area.

In addition, the Project's potential redevelopment of a nominal number of residences, when compared to the City's housing units (both planned and existing) would not contribute to any significant cumulative impact in this regard. For these reasons, the Project's cumulative impacts related to population, housing and employment would be *less than significant*.

E. Impacts and Mitigation Measures

Since there are no significant impacts related to population, housing, and employment as a result of the Project, no mitigation measures are required.

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