



City of Tracy 2023-2031 Housing Element

Revised Draft

~~November 2023~~ July 2024

September 2024

November 2024

333 Civic Center Plaza
Tracy, CA 95376

Table of Contents

- I. Introduction I-1
 - A. Community Context I-1
 - B. Role of the Housing Element I-1
 - C. Legislative Requirements I-2
 - D. Relationship to Other General Plan Elements I-3
 - E. Public Participation I-3
 - 1. City Webpage and Balancing Act Tool I-4
 - 2. Housing Element Presentations, Workshops and Events I-4
 - 3. Stakeholder Interviews I-4
 - 4. Online Housing Survey I-5
 - 5. Public Review of Draft Housing Element I-6
 - 6. Housing Element Adoption I-9
 - F. Data Sources and Methodology I-9
- II. Housing Needs Assessment II-1
 - A. Population Characteristics II-1
 - 1. Population Growth Trends II-1
 - 2. Age Characteristics II-2
 - 3. Race and Ethnicity II-3
 - B. Household Characteristics II-5
 - 1. Household Type and Size II-5
 - 2. Household Income II-8
 - C. Employment Market II-11
 - 1. Employment II-11
 - 2. Commuting Patterns II-13
 - D. Housing Problems II-15
 - 1. Overpayment (Cost Burden) II-17
 - 2. Overcrowding II-19
 - E. Special Housing Needs II-20
 - 1. Seniors II-21
 - 2. Persons with Disabilities II-22
 - 3. Large Households II-24
 - 4. Single-Parent Households II-25
 - 5. Farmworkers II-26
 - 6. Households Living in Poverty and Extremely Low Income Households II-27
 - 7. Persons Experiencing Homelessness II-30
 - 8. Cumulative Needs and Resources for Special Needs Groups in Tracy II-32
 - F. Housing Stock Characteristics II-33
 - 1. Housing Growth II-33
 - 2. Housing Type II-34
 - 3. Housing Tenure and Availability II-35
 - 4. Housing Age and Condition II-38
 - G. Housing Costs and Affordability II-39
 - 1. Homeownership Market II-39
 - 2. Rental Market II-40
 - 3. Housing Affordability by Income Level II-41
 - H. Affordable Housing II-43
 - 1. Assisted Housing II-43
 - I. Future Housing Needs II-47

III.	Housing Constraints	III-1
A.	Market Constraints	III-1
1.	Land and Construction Costs	III-1
2.	Availability of Financing	III-2
3.	Realized Densities and Approval Time	III-3
B.	Governmental Constraints	III-3
1.	Transparency in Developmental Regulations	III-3
2.	Land Use Controls	III-4
3.	Residential Development Standards	III-14
4.	Provision for a Variety of Housing Opportunities	III-19
5.	Development and Planning Fees	III-28
6.	On- and Off-Site Improvements	III-34
7.	Building Codes and Enforcement	III-35
8.	Local Permits and Processing Times	III-35
9.	State Tax Policies and Regulations	III-40
C.	Environmental and Infrastructure Constraints	III-41
1.	Geologic and Seismic Hazards	III-41
2.	Flooding	III-41
3.	Wildland Fires	III-42
4.	Hazardous Materials and Waste	III-43
5.	Water Supply	III-44
6.	Wastewater Capacity	III-45
7.	Habitat Protection	III-46
IV.	Housing Sites and Resources	IV-1
A.	Land Inventory	IV-1
B.	Realistic Capacity	IV-3
C.	Assumed Affordability - Density and Size	IV-5
1.	Density	IV-5
2.	Size of Development Sites	IV-6
3.	Environmental and Infrastructure Constraints	IV-22
4.	Entitled and Pending Projects	IV-25
5.	Accessory Dwelling Units	IV-29
D.	Site Inventory and Rezoning Strategy	IV-29
E.	Ability to Meet the RHNA	IV-31
F.	Overall Capacity	IV-32
G.	Financial Resources	IV-48
1.	Administrative Resources	IV-48
2.	Countywide Programs	IV-48
3.	Statewide Resources	IV-49
4.	Department of Housing and Urban Development Grants	IV-50
H.	Energy Conservation	IV-50
V.	Housing Plan	V-1
A.	Conservation of the Existing Supply of Housing	V-1
B.	Assist in the Development of Affordable Housing	V-3
C.	Provide Adequate Housing Sites	V-6
D.	Remove Governmental Constraints	V-12
E.	Provide Equal Housing Opportunities	V-16
F.	Summary of Quantified Objectives	V-20

Appendices

- A Public Outreach
- B Review of Past Accomplishments
- C Affirmatively Furthering Fair Housing
- D Sites Inventory
- E Non-Vacant Sites Redevelopment Characteristics

List of Tables

Table II-1: Population for the City of Tracy, San Joaquin County, and California	II-1
Table II-2: Population Growth Trends (1980-2020)	II-2
Table II-3: Age Distribution	II-2
Table II-4: Race and Ethnicity	II-3
Table II-5: Tracy Household Growth Over Time (1980-2020)	II-6
Table II-6: Households By Type	II-6
Table II-7: Households By Size in Tracy	II-7
Table II-8: Average Household Size in Tracy, San Joaquin County and California	II-8
Table II-9: Household Income Distribution (2020)	II-10
Table II-10: Households by Income Category (2019)	II-11
Table II-11: Employment Profile	II-11
Table II-12: Major Employers (2022)	II-12
Table II-13: Mean Salary By Occupation (2022 1 st Quarter) Stockton MSA, San Joaquin County	II-13
Table II-14: Place of Work	II-13
Table II-15: Means of Transportation to Work	II-15
Table II-16: Housing Assistance Needs of Lower Income Households (2019)	II-16
Table II-17: Cost-Burdened Owner and Renter Households Over Time- Tracy vs. Region	II-18
Table II-18: Overcrowding	II-20
Table II-19: Special Needs Groups	II-20
Table II-20: Senior Households by Tenure Over Time	II-21
Table II-21: Disabilities Tallied by Age and Type	II-23
Table II-22: Persons with Developmental Disabilities by Age	II-24
Table II-23: Female-Headed Households with Children by Poverty Status in Tracy, San Joaquin County, and California	II-26
Table II-24: Total Households in Poverty in Tracy, San Joaquin County and California	II-27
Table II-25: Extremely Low Income (ELI) Households by Tenure and Housing Problems	II-28
Table II-26: San Joaquin Continuum of Care Homeless Counts (2017-2022)	II-29
Table II-27: 2022 Point-In-Time Data: Unsheltered Persons in Tracy	II-29
Table II-28: Homeless Services	II-30
Table II-29: Housing Units in Tracy, San Joaquin County and California	II-32
Table II-30: Housing Growth Trends (1980-2020)	II-32
Table II-31: Housing Units By Type for Tracy, San Joaquin County and California	II-33
Table II-32: Housing Units By Type Over Time in Tracy (2010-2020)	II-33
Table II-33: Housing Units by Number of Bedrooms Over Time (2010-2020)	II-33
Table II-34: Housing Tenure	II-34
Table II-35: Percentage Homeowner by Household Size	II-35
Table II-36: Age of Local Housing Stock	II-37
Table II-37: Lack of Complete Facilities by Tenure	II-37
Table II-38: Median Home Values (August 2021-August 2022)	II-38
Table II-39: Tracy Home Sale Prices (November 2022)	II-38
Table II-40: Median Gross Rent Over Time (1980-2020)	II-38
Table II-41: Rental Rates (November 2022)	II-39
Table II-42: Housing Affordability Matrix - San Joaquin County (2022)	II-40
Table II-43: Inventory of Assisted Units	II-42
Table II-44: Market Value of At Risk Units	II-43
Table II-45: Required Rental Subsidies for At-Risk Units	II-43
Table II-46: Estimated Construction Costs to Replace At Risk Units	II-44
Table II-47: Tracy’s RHNA for 2023-2031	II-46
Table III-1: Disposition of Home Loans (2021)	III-2

Table III-2: Land Use Designations Permitting Residential Use	III-4
Table III-3: Tracy Hills Specific Plan Permitted and Conditionally Permitted Residential Uses	III-12
Table III-4: Ellis Specific Plan Permitted and Conditionally Permitted Residential Uses	III-13
Table III-5: Residential Development Standards	III-15
Table III-6: Parking Requirements	III-16
Table III-7: Housing Types by Zone Category	III-18
Table III-8: Permit Processing Fees	III-27
Table III-9: Street Design Criteria	III-30
Table III-10: Processing Times	III-32
Table III-11: Approximate Processing Times	III-32
Table IV-1: 2023-2031 RHNA	IV-1
Table IV-2: Pending Projects and ADUs Progress Towards RHNA	IV-1
Table IV-3: 2023-2031 Target Sites Capacity: RHNA plus 20% Buffer	IV-2
Table IV-4: Recently Built, Approved, or Proposed Multifamily Projects	IV-3
Table IV-5: Assumed Yields	IV-5
Table IV-6: Densities, Affordability, and Implementing Zones	IV-6
Table IV-7: Small Lot Consolidations	IV-7
Table IV-8: Recently Built Large Site Multifamily Projects Affordability	IV-8
Table IV-9: Entitled and Pending Projects	IV-25
Table IV-10: Status of Entitled and Pending Projects	IV-26
Table IV-11: ADU Building Permit	IV-27
Table IV-12: ADU Affordability Assumptions	IV-28
Table IV-13: Proposed Multifamily Zone Densities	IV-29
Table IV-14: Opportunity Sites Rezoned to HDR	IV-29
Table IV-15: Opportunity Sites Rezoned to MU-1	IV-30
Table IV-16: RHNA Capacity and Buffer	IV-21
Table IV-17: Lower Income RHNA Capacity	IV-32
Table IV-18: Vacant Site Capacity	IV-32
Table IV-19: Non-Vacant Site Capacity	IV-33
Table IV-20: Non-Vacant Opportunity Trend Details	IV-34
Table IV-21: Non-Vacant Opportunity Site Criteria	IV-35
Table IV-22: Non-Vacant Opportunity Sites by Use	IV-35
Table V-1: Opportunity Sites Rezoned to HDR	V-8
Table V-2: Opportunity Sites Rezoned to MU-1	V-8
Table V-3: Summary of Quantified Objectives	V-19

List of Figures

Figure II-1: Population and Percent Change Over Time (1980-2020).....	II-1
Figure II-2: Race and Ethnicity Growth Over Time (2000-2020).....	II-4
Figure II-3: Race and Ethnicity in Tracy, San Joaquin County and California (2020).....	II-4
Figure II-4: Households By Type (2020).....	II-7
Figure II-5: Average Household Size Over Time (2010 to 2020).....	II-8
Figure II-6: Median Household Income (2020)	II-9
Figure II-7: Median Household Income By Race and Ethnicity (2020).....	II-9
Figure II-8: Total Employment by Occupation in Tracy, San Joaquin County and California	II-12
Figure II-9: Travel Time to Work For Tracy, San Joaquin County and California (2020)	II-14
Figure II-10: Travel Time to Work Over Time (2020)	II-14
Figure II-11: Total and Percent Change Cost Burdened Owner Households Over Time (1980-2020).....	II-17
Figure II-12: Total and Percent Change Cost Burdened Renter Households Over Time (1980-2020).....	II-18
Figure II-13: Disabilities for the Total Population in Tracy, San Joaquin County and California ...	II-23
Figure II-14: Large Households in Tracy, San Joaquin County and California (2020)	II-25
Figure II-15 Total Tracy Households in Poverty and Percent Change Over Time (2010-2020).....	II-27
Figure II-16 Percent of Households in Poverty by Race or Hispanic Origin	II-27
Figure II-17: Total Housing Units and Percent Change Over Time (1980-2020)	II-32
Figure II-18: Household Tenure in Tracy Over Time (1980-2000).....	II-34
Figure II-19: Housing Tenure By Race Or Hispanic Origin	II-35
Figure II-20: Percent Vacant Units By Type.....	II-36
Figure III-1: Development Impact Fees – Single Family Residential	III-28
Figure III-2: Development Impact Fees – High Density Residential.....	III-29
Figure IV-1: Very High Fire Hazard Severity Zones.....	IV-23
Figure IV-2: Tracy Flood Hazards Areas	IV-24

Table of Contents

I.	Introduction	I-1
A.	Community Context	I-1
B.	Role of the Housing Element.....	I-1
C.	Legislative Requirements.....	I-2
D.	Relationship to Other General Plan Elements.....	I-3
E.	Public Participation.....	I-3
1.	City Webpage and Balancing Act Tool.....	I-4
2.	Housing Element Presentations, Workshops and Events.....	I-4
3.	Stakeholder Interviews	I-4
4.	Online Housing Survey	I-5
5.	Public Review of Draft Housing Element	I-6
6.	Housing Element Adoption	I-9 8
F.	Data Sources and Methodology	I-9

I. Introduction

The Housing Element represents an awareness of the need to ensure that housing is provided for all economic segments of the community. The Element also satisfies the legal requirements that housing policy be a part of the General Plan. The Tracy Housing Element is prepared for the 2023-2031 update cycle for jurisdictions in the San Joaquin Council of Governments (SJCOG) region.

A. Community Context

Tracy began as an agricultural community centered on several rail lines, and eventually became the San Joaquin Valley headquarters for the Central Pacific Railroad. The City was incorporated in 1910 and grew rapidly after the first irrigation district was established in 1915. Towards the latter part of the twentieth century, the City transitioned into a primarily residential community, as more people arrived from the Bay Area seeking affordable housing, a small-town feel, and a respite from the highly urbanized San Francisco Bay region.

According to the 2020 Census, the City population was reported at 93,000, an increase of about 12 percent in the 10 years since the 2010 Census. During this same period, the housing stock increased by approximately 7 percent. The growth in population has, in turn, increased diversity within the City. From 2010 to 2020, Tracy became more racially and ethnically diverse. The percentage of Whites dropped from 36 percent to 27 percent, while the proportion of Asians and Hispanics increased (seven and two percentage points, respectively). The percentage of children and young adults decreased in Tracy between 2010 and 2020 (between one and three percentage points) while middle age and senior residents increased (three and two percentage points, respectively).

The City of Tracy's housing stock is comprised primarily of newer single-family homes. Single-family homes make up about 84 percent of all housing units while multi-family housing comprises about 16 percent. About 40 percent of Tracy's housing stock is over 30 years old (built before 1990) and approximately five percent is less than ten years old (constructed since 2010).

In November 2022, the majority of homes for sale in Tracy were four-bedroom units with a median price of \$825,000. The median price for two-bedroom homes was \$485,000 and six-bedroom homes was \$1,175,000. Rents during this same time varied by housing type and by the number of bedrooms. The majority of apartments available consisted of one- and two-bedroom units with median rents of \$2,295 and \$2,558, respectively. The single-family homes available for rent were typically much larger (three to five bedrooms) and had median rents of \$2,500 to \$3,300. Given these prices, home ownership and rental options for lower and moderate income households are extremely limited.

B. Role of the Housing Element

The Housing Element is concerned with identifying ways in which the housing needs of existing and future residents can be met. The Element covers the planning period of December 31, 2023 through December 31, 2031, and identifies strategies and programs that focus on:

- Conserving and improving existing affordable housing;
- Providing adequate housing sites;
- Assisting in the development of affordable housing;
- Removing governmental and other constraints to housing development; and
- Promoting housing opportunities for all persons.

I. Introduction

An important goal of the Housing Element is to continue to enhance Tracy's reputation as a great community in which to live, work and play. Drawing on its small town character, the City will grow in a manner that provides a high quality of life for all current and future residents and employees. This Housing Element provides policies and programs to address these issues. The Housing Element consists of the following major components:

- Introduction: An overview of the purpose and contents of the Housing Element.
- Housing Needs Assessment: An analysis of the demographic and housing characteristics and trends.
- Housing Constraints: A review of potential market, governmental, and environmental constraints to meeting the identified housing needs.
- Housing Resources: An evaluation of resources available to address housing goals.
- Housing Plan: A strategy to address the identified housing needs given the City's constraints and resources.

C. Legislative Requirements

The provision of adequate housing for families and individuals of all economic levels is an important public goal. It has been a main focus for state and local governments. The issue has grown in complexity due to rising land and construction costs, as well as increasing competition for physical and financial resources in both the public and the private sectors.

In response to this concern, the California Legislature amended the Government Code in 1980. The amendment instituted the requirement that each local community is to include a specific analysis of its housing needs and a realistic set of programs designed to meet those needs. This analysis is to be set forth in a Housing Element and incorporated in the General Plan of each municipality.

The requirements of the law are prefaced by several statements of State policy set forth in Section 65580 of the Government Code:

"... The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order."

"... Local and State governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community."

"... The legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the State in addressing regional housing needs."

State law requires each municipality to accomplish the following tasks:

- To identify and analyze the current and projected housing needs of all economic segments of the community including persons with disabilities.
- To evaluate and remove, as legally feasible and appropriate, the current and potential constraints to meeting those needs, including identifying the constraints that are due to the marketplace and those imposed by the government.

- To identify adequate sites to facilitate and encourage housing for households of all economic levels, including persons with disabilities. To establish a series of goals, objectives, policies and programs aimed at responding to the identified housing needs, the market and governmental constraints, and the housing opportunities.

This Housing Element addresses the planning period from 2023-2031. It has been prepared in accordance with applicable state law, and consistent with the City of Tracy General Plan and the community's vision of its housing needs and objectives.

D. Relationship to Other General Plan Elements

According to State planning law, the Housing Element must be consistent with the other General Plan elements. While each of the elements is independent, the elements are also interrelated to a degree. Certain goals and policies of each element may also address issues that are primary subjects of other elements. This integration of issues throughout the General Plan creates a strong basis for the implementation of plans and programs and achievement of community goals. The Housing Element is most closely tied to the Land Use Element as residential development capacities established in the Land Use Element are incorporated into the Housing Element.

This Housing Element builds upon other General Plan elements and is entirely consistent with the policies and proposals set forth by the General Plan. When an element in the General Plan is amended, the Housing Element will be reviewed and modified if necessary to ensure continued consistency among the various elements. Specifically, State law requires that the Safety and Conservation Elements include an analysis and policies regarding flood hazard and management information upon revisions to the Housing Element. The City of Tracy adopted its General Plan in 2011, which has incorporated these topics in the Safety Element. The City will ensure that updates to these Elements achieve internal consistency with the Housing Element.

Pursuant to Government Code Section 65400, the City will annually review its progress in implementing this Housing Element and ensuring consistency between this and the City's other General Plan Elements.

E. Public Participation

Section 65583 (c)(6)(B) of the Government Code states that "local government shall make diligent effort to achieve public participation of all the economic segments of the community in the development of the housing element and the program shall describe this effort." The update to the Housing Element has provided residents and other interested parties with opportunities to review draft documents and proposed policies, and to provide recommendations for consideration by decision-makers pursuant to Government Code §65583. Community outreach has been conducted using several in-person and virtual engagement tools. Public participation by all economic segments is critical to the preparation of the Housing Element.

Public participation efforts have included an online housing survey in both English and Spanish, stakeholder focus group interviews, dedicated webpage on City website, an email list, community workshops, joint Planning Commission and City Council study session and public hearings. Project materials and notices of the survey, web page, and on-line participation tools are posted in English and Spanish and advertised on the City's website and other media. Appendix A of this Housing Element includes all of the public outreach materials used during the Tracy Housing Element Update.

I. Introduction

1. City Webpage and Balancing Act Tool

The City created the Housing Element Update webpage on the City's website (<https://tracyheu2023.weebly.com/>) to provide background information on the Housing Element process, a link to the survey, documents related to the Housing Element, presentation materials and notification of future events.

The City utilized the *Balancing Act* online interactive tool to gather input and help inform staff, the Planning Commission, and City Council on decisions regarding the Housing Element. The Balancing Act allows the public to allocate density/housing units to areas of the City that correspond to the opportunity sites identified in the sites inventory, with the goal to allocate housing units and density until the RHNA is reached.

The following areas were the top three areas identified by the participants where housing should be allocated and increased:

1. Valpico Rd sites (Areas 8A, 8B, and 8C)
2. The Bowtie sites (Areas 7A, 7B, 7C, and 7D)
3. I-205 Corridor sites (Areas 1A and 1B)

2. Housing Element Presentations, Workshops and Events

The City conducted the following study sessions and public hearings to discuss the Housing Element update:

- Public Workshops (May 23, 2023, May 27, 2023, and June 3, 2023): these workshops were held at the Tracy Transit Center to review Housing Element issues and concerns.
- Study Session (March 22, 2023): Joint City Council and Planning Commission study session that included a detailed presentation of the requirements of the 6th cycle Housing Element Update, the RHNA requirements and the preliminary opportunity site selection strategy and results. Notification of the special concurrent meeting was done pursuant to Section 54956 of the Government Code of California.

3. Stakeholder Interviews

The City contacted over 30 individuals and groups including service providers nonprofits, and other identified stakeholders to participate in focus group interview about the housing needs and issues in Tracy. Out of the 30 individuals and groups that were contacted, 17 individuals participated in the three focus group held: April 10, 2023 at 12:00 p.m.; April 17, 2023 at 12:00 p.m., and one on April 19, 2023 at 12:00 p.m. Stakeholders in the Housing Element Update process included developers, real estate brokers, property managers, city employees, and advocates for fair housing and homeless prevention, among others. A complete stakeholder list is included in Appendix A.

The stakeholders who participated discussed a variety of concerns. *The italicized text outlines how this Housing Element addresses these concerns.*

- Residential Growth Allotment (RGA) as a possible constraint to growth and the development review process;

The 2015 amendment to the Growth Management Ordinance (GMO) allows the City to issue building permits in excess of those allowed in order to meet the City's RHNA. The Housing Element includes policies to continue to prioritize the allocation of RGAs to affordable housing projects as well as

annually monitoring and evaluating the GMO to for the impacts on the cost, supply and timing of housing.

- A lack of affordable housing options and how to incentivize senior and affordable development in the City;

On February 4, 2020, the City Council identified an action plan to address affordable/workforce housing. These actions include: allowing and encouraging a variety of housing types, considering including an inclusionary program, preparing a ballot initiative for voter consideration to amend the City's GMO and increasing minimum density in medium density residential zones.

- High development and impact fees;

The City has several policies in place to facilitate the development of affordable housing, including: increased priority under the GMO, decreased construction costs through reduced standards (i.e. reduced parking, etc.).

- Tracy does not have the capacity to support all of the City's unsheltered residents who are people experiencing homelessness, most of the social services and housing resources are located in Stockton; and

This Housing Element includes a program for Zoning Ordinance amendments to comply with most recent State laws related to homeless shelters and low barrier navigation centers. In May 2020, the City Council adopted the Homeless Strategic Plan (Strategic Plan.) In September 2020, the City Council gave direction to move forward with the development of plans for the design and construction of a temporary emergency housing facility. The site is located on 4.8 acres at 370 W. Arbor Avenue. The 6,300 square-foot low-barrier navigation facility will accommodate people, pets, and possessions and is anticipated to provide nightly shelter for approximately 68 residents within a congregate sprung shelter. This Housing Element includes a program for Zoning Ordinance amendments to comply with most recent State laws related to homeless shelters and low barrier navigation centers. Underground site work was completed in August 2022. This project has experienced significant delays in construction. Council directed the City to move on alternative housing options due to the delay in construction and ordered a declaration establishing an emergency shelter crisis (Resolution 2022-121). This resolution also directed the City Manager to take immediate and emergency actions necessary to implement interim housing solutions for Tracy's unsheltered population. These interim housing solutions provided a Phase 3 and Phase 4 of the Arbor Avenue site which allowed the City to procure goods and services to support additional units. Phase 3 consists of 48 units within modular dormitory facilities and Phase 4 includes 38 container units that are currently in construction. Today, there are 48 beds in service at the Arbor Avenue site. In addition, the City has contracted a provider, one which provides the oversight of the shelter's day to day operations.

- Need for more education and outreach to inform residents of housing law and what affordable housing is, to shift the perceived stigma.

Several programs included in this Housing Elements AFFH section address fair housing education and outreach throughout Tracy.

4. Online Housing Survey

A 15-question survey was posted on the City website on June 29, 2023, and has remained open to receive responses throughout the Housing Element update review process. The survey was posted in both English and Spanish and all responses were anonymous. Questions included the following: age of respondent, years lived in Tracy and tenure, housing affordability and maintenance. A total

I. Introduction

of 138 respondents were recorded for the survey. A complete survey and tallied responses are included in Appendix A. All respondents were asked to whether they “Strongly Agree,” “Somewhat Agree,” “Neither Agree nor Disagree,” “Somewhat Disagree,” or “Strongly Disagree” with statements. The top responses are shown below and *the italicized text outlines how this Housing Element addresses these issues.*

- Over 50 percent of respondents strongly agreed that it is difficult to find affordable rental housing in Tracy;

This Housing Element includes programs for additional affordable housing in Tracy. The Resources section addresses ensuring adequate sites are available to meet the RHNA, which has 2,994 very low income and 1,879 low income units. The City already has pending projects for 118 very low and 23 low income units. Additional programs in this Element include continuing the Housing Choice Voucher program and the Affordable/Workforce Housing Action Plan.

- 60 percent strongly agreed that it is difficult to find affordable homes for purchase in the City;

In addition to adequate sites to meet the RHNA allocation, the Programs in this Element addressing affordable homeownership include the Tracy Down Payment Assistance (DAP) Loan Program, Homebuyer and Financial Literacy Training and the Affordable/Workforce Housing Action Plan.

- 45 percent strongly or somewhat agreed that conditions of neighborhoods (streetlights, sidewalks, parks, etc.) were the foremost challenge in the community; and

The Housing Element Program includes continuing Code Enforcement services and the Graffiti Abatement Program.

- 39 percent strongly or somewhat agreed that the condition of existing housing and property maintenance is the foremost challenge facing the community.

The Program section of this Element addresses resources for housing and property maintenance including the San Joaquin County Home Rehabilitation Program and the City’s Code Enforcement.

5. Public Review of Draft Housing Element

The Draft Tracy Housing Element was available for a 30-day public review period ~~on~~ from October 5, 2023 to November 6, 2023. ~~The Draft Housing Element will be presented before the Planning Commission and City Council in a joint meeting on October 24, 2023. Following the release of the first public draft, the City held one joint Public Commission and City Council in-person hearing. The purpose of the meeting was to provide the public and City’s decision makers with another opportunity to provide comments and suggestions prior to sending the draft to the California Department of Housing and Community Development for their review. During the public review period additional changes were also made to update technical information and project status. The City received six comment letters and emails primarily from the development community. While generally supportive of the City’s draft Housing Element efforts, all comments either requested additional analysis or rationale on the RHNA Opportunity site selection as well as the City’s development process.~~

Correspondence was received from:

- Meritage Homes
- BIA of the Greater Valley
- Kaiser Permanente

- Hsiang Tseng
- Kenneth Stahl on behalf of Bright Development
- John Stanek, Integral Development of Tracy Hills

Below shows a summary of the comments received and how the City’s responses are included in the Housing Element.

<u>Public Comment</u>	<u>Housing Element Response</u>
<p><u>Consider adding Tracy Pavilion site (APNs 212-040-13, 212-040-16, 212-040-71 and 212-040-74) to the Housing Element site inventory.</u></p>	<p><u>The Tracy Pavilion site has not been included in the sites inventory due to the following:</u></p> <ul style="list-style-type: none"> - <u>Located within the City’s sphere of influence but outside of the City limits</u> - <u>Currently designated Commercial by the City’s General Plan and too speculative at this time about how future City Councils may respond to any future General Plan amendments, annexation requests and subdivision maps for this property.</u>
<p><u>The City’s implementation of development regulations is not transparent and the permit times for final map issuance is causing excessive delays</u></p>	<p><u>The Housing Element is a land use planning instrument and is not intended to address generalized complaints and dissatisfaction stemming from specific project applicants.</u></p> <p><u>A review of the projects referenced in the BIA’s letter confirms there were no unusual delays in the projects’ review. Instead, the developers’ own delays in responding to comments or non-performance of its conditions precedent to certain approvals were the primary causes of the projects’ review timing.</u></p> <p><u>A more detailed response to the BIA letter is included in Appendix A, Public Outreach.</u></p>
<p><u>Requests removal of 2.9 acres located at 2185 W. Grant Line Road from the sites inventory since it is included in future medical facility expansion plans.</u></p>	<p><u>This parcel has been removed from the sites inventory.</u></p>
<p><u>Property owner request to remove 5-acre parcel located at 27901 North Lammers Road (APN 251-050-080)</u></p>	<p><u>This parcel does not have a Developer Agreement with the City and provides an opportunity for housing at higher densities; therefore, it remains in the site inventory. The City wishes to help distribute higher-density housing (and the opportunity for lower-income housing) throughout the residential areas of the City. This south portion of the City currently has less higher-density residential than the central and northern portions of the City. Including this area in the Sites Inventory for higher-density housing will help achieve a more balanced distribution of housing densities throughout the City.</u></p>
<p><u>Property owner request to shift the location of a 10-acre portion of a 48.7-acre parcel that is proposed to be rezoned to High Density Residential. The site is located on Mabel Josephine Drive and West Schulte Road.</u></p>	<p><u>The location of the 10-acre portion for lower-income units has been relocated to one of the locations the property owner though would be most feasible to develop low-income multifamily housing (please refer to Chapter IV – Housing Sites and Resources).</u></p>

I. Introduction

Property owner correspondence to remove the proposed Tracy Hills parcels in order to remain consistent with the approved Development Agreement (APNs 251-05-009, 251-06-016, 253-37-001, 253-38-052, 253-38-053)

APNs 251-06-016, 253-37-001, 253-38-052, 253-38-053 have been removed from the sites inventory.

Regarding APN 251-05-009, this parcel is not part of the Tracy Hills Development Agreement and, therefore, remains in the site inventory. The City wishes to help distribute higher-density housing (and the opportunity for lower-income housing) throughout the residential areas of the City. This south portion of the City currently has less higher-density residential than the central and northern portions of the City. Including this area in the Sites Inventory for higher-density housing will help achieve a more balanced distribution of housing densities throughout the City.

Joint City Council/Planning Commission Meeting – October 24, 2023

Comments and requests were received during the joint meeting held before the City Council and Planning Commission on October 24, 2023. The following shows these requests and the responses made in this Housing Element:

<u>Public Comment</u>	<u>Housing Element Response</u>
<u>Request that a redline/strikeout version of the Housing Element be prepared in order to see changes made during the public comment period.</u>	<u>Redline/strikeout changes have been made throughout the Housing Element document.</u>
<u>Council request for the City to keep track of ADU demolitions so that the City can monitor potential loses of ADUs.</u>	<u>The ADU program in this Housing Element (Program 12) has been modified to include changes to the building permit tracking records to document and monitor ADU demolition permits.</u>
<u>City staff committed to removing the following sites from the Sites Inventory Map as Pending Projects and as Opportunity Sites:</u> <u>- Rodgers/Viera Site at Tracy Hills (APNs: 253-020-13, -14, and 15)</u> <u>- Sandhu and South Parcel Sites in WSP area (APN 209-250-42)</u> <u>- Kaiser Site (APN 214-020-29) and</u> <u>- Extended Stay Site (APN 214-020-40)</u>	<u>These sites have been removed from the Housing Element.</u>

Comment Received on July 2024 Revised Housing Element

A letter from the BIA was received on the July 2024 revised Housing Element. Due to the length of the letter and the City's response, both documents can be found in Appendix A of this Housing Element. Changes regarding permit processing and pipeline projects can be found in the Constraints, Resources and Plan sections of this revised Housing Element.

6. Housing Element Adoption

The Draft Tracy Housing Element will be scheduled for adoption upon completion of the HCD review process. Once adopted, the Housing Element will be sent for HCD final review and also to the City's Operations and Utilities Department which serves as its water and sewer service provider. The City prioritizes the provision of water and sewer services to affordable housing development by providing RGA exemptions and exceptions for affordable housing. Public hearings will be conducted before the Planning Commission and City Council prior to adoption of the Housing Element.

F. Data Sources and Methodology

In preparing the Housing Element, various sources of information are consulted. The 2020 Census provides the basis for population and household characteristics. Although dated, no better source of information on demographics is widely accepted. In addition, the 2020 Census must be used in the Housing Element to ensure consistency with other regional, State, and Federal housing plans. However, several sources are used to provide reliable updates to the 2020 Census, including the following:

- San Joaquin Council of Governments 6th Cycle Housing Element Data Package (REAP Housing Data Workbook)
- City of Tracy General Plan and Zoning Code
- U.S. Census (2000, 2010, 2020)
- American Community Survey by the Census Bureau, Years 2006-2010 and 2016-2020
- HUD Comprehensive Housing Affordability Strategy (CHAS) data
- Population and demographic data updated by the State Department of Finance
- San Joaquin Continuum of Care Report (Point in Time County) of the Sheltered and Unsheltered Homeless
- Housing market information, such as home sales and rents, from CoreLogic, Zillow.com, Apartments.com, Rent.com
- Labor statistics from California Employment Development Department

Table of Contents

II. Housing Needs Assessment..... II- 1

A. Population Characteristics II-1

 1. Population Growth Trends II-1

 2. Age Characteristics..... II-2

 3. Race and Ethnicity II-3

B. Household Characteristics II-5

 1. Household Type and Size..... II-5

 2. Household Income II-8

C. Employment Market..... II-11

 1. Employment II-11

 2. Commuting Patterns II-13

D. Housing Problems..... II-15

 1. Overpayment (Cost Burden)..... II-17

 2. Overcrowding II-19

E. Special Housing Needs II-20

 1. Seniors II-21

 2. Persons with Disabilities II-22

 3. Large Households..... II-24

 4. Single-Parent Households II-25

 5. Farmworkers II-26

 6. Households Living in Poverty and Extremely Low Income Households II-27

 7. Persons Experiencing Homelessness II-30

 8. Cumulative Needs and Resources for Special Needs Groups in Tracy II-32

F. Housing Stock Characteristics..... II-33

 1. Housing Growth..... II-33

 2. Housing Type..... II-34

 3. Housing Tenure and Availability..... II-35

 4. Housing Age and Condition..... II-38

G. Housing Costs and Affordability II-39

 1. Homeownership Market II-39

 2. Rental Market..... II-40

 3. Housing Affordability by Income Level..... II-41

H. Affordable Housing II-43

 1. Assisted Housing..... II-43

I. Future Housing Needs II-47

List of Tables

Table II-1: Population for the City of Tracy, San Joaquin County, and California II-1

Table II-2: Population Growth Trends (1980-2020) II-2

Table II-3: Age Distribution..... II-2

Table II-4: Race and Ethnicity..... II-3

Table II-5: Tracy Household Growth Over Time (1980-2020)..... II-6

Table II-6: Households By Type..... II-6

Table II-7: Households By Size in Tracy II-7

Table II-8: Average Household Size in Tracy, San Joaquin County and California II-8

Table II-9: Household Income Distribution (2020) II-10

Table II-10: Households by Income Category (2019) II-11

Table II-11: Employment Profile II-11

II. Housing Needs Assessment

Table II-12: Major Employers (2022).....	II-12
Table II-13: Mean Salary By Occupation (2022 1 st Quarter) Stockton MSA, San Joaquin County	II-13
Table II-14: Place of Work.....	II-13
Table II-15: Means of Transportation to Work.....	II-15
Table II-16: Housing Assistance Needs of Lower Income Households (2019).....	II-16
Table II-17: Cost-Burdened Owner and Renter Households Over Time - Tracy vs. Region.....	II-18
Table II-18: Overcrowding.....	II-20
Table II-19: Special Needs Groups.....	II-20
Table II-20: Senior Households by Tenure Over Time	II-21
Table II-21: Disabilities Tallied by Age and Type	II-23
Table II-22: Persons with Developmental Disabilities by Age.....	II-24
Table II-23: Female-Headed Households with Children by Poverty Status in Tracy, San Joaquin County, and California.....	II-26
Table II-24: Total Households in Poverty in Tracy, San Joaquin County and California	II-28
Table II-25: Extremely Low Income (ELI) Households by Tenure and Housing Problems	II-29
Table II-26: San Joaquin Continuum of Care Homeless Counts (2017-2022).....	II-31
Table II-27: 2022 Point-In-Time Data: Unsheltered Persons in Tracy	II-31
Table II-28: Homeless Services.....	II-32
Table II-29: Housing Units in Tracy, San Joaquin County and California.....	II-33
Table II-30: Housing Growth Trends (1980-2020)	II-34
Table II-31: Housing Units By Type for Tracy, San Joaquin County and California.....	II-35
Table II-32: Housing Units By Type Over Time in Tracy (2010-2020)	II-35
Table II-33: Housing Units by Number of Bedrooms Over Time (2010-2020)	II-35
Table II-34: Housing Tenure.....	II-36
Table II-35: Percentage Homeowner by Household Size	II-37
Table II-36: Age of Local Housing Stock.....	II-38
Table II-37: Lack of Complete Facilities by Tenure	II-39
Table II-38: Median Home Values (August 2021-August 2022)	II-40
Table II-39: Tracy Home Sale Prices (November 2022).....	II-40
Table II-40: Median Gross Rent Over Time (1980-2020).....	II-40
Table II-41: Rental Rates (November 2022)	II-41
Table II-42: Housing Affordability Matrix - San Joaquin County (2022)	II-42
Table II-43: Inventory of Assisted Units	II-44
Table II-44: Market Value of At Risk Units	II-45
Table II-45: Required Rental Subsidies for At-Risk Units	II-45
Table II-46: Estimated Construction Costs to Replace At Risk Units	II-46
Table II-47: Tracy’s RHNA for 2023-2031	II-48

List of Figures

Figure II-1: Population and Percent Change Over Time (1980-2020)	II-1
Figure II-2: Race and Ethnicity Growth Over Time (2000-2020)	II-4
Figure II-3: Race and Ethnicity in Tracy, San Joaquin County and California (2020)	II-4
Figure II-4: Households By Type (2020)	II-7
Figure II-5: Average Household Size Over Time (2010 to 2020)	II-8
Figure II-6: Median Household Income (2020)	II-9
Figure II-7: Median Household Income By Race and Ethnicity (2020).....	II-9
Figure II-8: Total Employment by Occupation in Tracy, San Joaquin County and California	II-12
Figure II-9: Travel Time to Work For Tracy, San Joaquin County and California (2020)	II-14
Figure II-10: Travel Time to Work Over Time (2020).....	II-14

Figure II-11: Total and Percent Change Cost Burdened Owner Households Over Time
(1980-2020)..... II-17

Figure II-12: Total and Percent Change Cost Burdened Renter Households Over Time
(1980-2020)..... II-18

Figure II-13: Disabilities for the Total Population in Tracy, San Joaquin County and California II-23

Figure II-14: Large Households in Tracy, San Joaquin County and California (2020) II-25

Figure II-15 Total Tracy Households in Poverty and Percent Change Over Time (2010-2020) II-28

Figure II-16: Percent of Households in Poverty by Race or Hispanic Origin II-28

Figure II-17: Total Housing Units and Percent Change Over Time (1980-2020)..... II-34

Figure II-18: Household Tenure in Tracy Over Time (1980-2000)..... II-36

Figure II-19: Housing Tenure By Race Or Hispanic Origin II-37

Figure II-20: Percent Vacant Units By Type II-38

II. Housing Needs Assessment

The City strives to achieve a balanced housing stock that meets the varied needs of all income segments of the community. To understand the City’s housing needs, the nature of the existing housing stock and the housing market are comprehensively evaluated. This section of the Housing Element discusses the major components of housing needs in Tracy, including population, household, economic and housing stock characteristics. Each of these components is presented in a regional context, and, where relevant, in the context of other nearby communities. This assessment serves as the basis for identifying the appropriate goals, policies, and programs for the City to implement during the 2023-2031 Housing Element cycle.

A. Population Characteristics

Understanding the characteristics of a population is vital in the process of planning for the future needs of a community. Characteristics such as size, age and race and ethnicity provide a unique demographic profile of the City.

1. Population Growth Trends

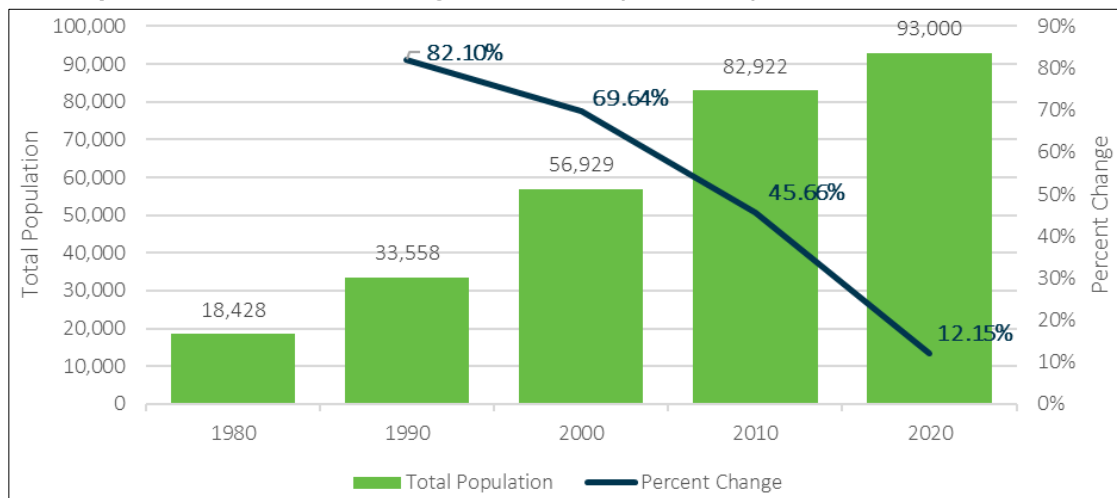
The population in Tracy was 91,462 persons in 2020 (Table II-1). Table II-1 also shows the population in San Joaquin County (751,615 persons) and California (39,346,023 persons) in 2020. Figure II-1 and Table II-2 show population growth trends for Tracy and surrounding jurisdictions over the last 40 years. The greatest period of growth for all cities in San Joaquin was between 1980 and 1990. The County itself saw the biggest increase between 2000 and 2010. Since 2010, Tracy’s population has increased around 12 percent, from 82,922 to 93,000 persons. Tracy’s rate of growth in the last decade is similar to Ripon and the County overall. The cities of Manteca and Lathrop had greater increases in population (24% and 59%, respectively), while Escalon, Lodi, and Stockton saw smaller increases in population (5%, 7% and 10%, respectively).

Table II-1: Population for the City of Tracy, San Joaquin County, and California

	City of Tracy	City % of County	San Joaquin County	County % of State	California
Total	91,462	12.2%	751,615	1.9%	39,346,023

Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Figure II-1: Population and Percent Change Over Time (1980-2020)



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

II. Housing Needs Assessment

Table II-2: Population Growth Trends (1980-2020)

Jurisdiction	1980	1990	2000	2010	2020	Population Growth			
						1980-1990	1990-2000	2000-2010	2010-2020
Escalon	3,127	4,437	5,963	7,132	7,472	41.89%	34.39%	19.60%	4.77%
Lathrop	3,717	6,841	10,445	18,023	28,701	84.05%	52.68%	72.55%	59.25%
Lodi	35,221	51,874	56,999	62,134	66,348	47.28%	9.88%	9.01%	6.78%
Manteca	24,925	40,773	56,999	67,096	83,498	63.58%	39.80%	17.71%	24.45%
Ripon	3,509	7,455	10,146	14,297	16,013	112.45%	36.10%	40.91%	12.00%
Stockton	149,779	210,943	243,771	291,707	320,804	40.84	15.56%	19.66%	9.97%
Tracy	18,428	33,558	56,929	82,922	93,000	82.10%	69.64%	45.66%	12.15%
County	347,342	480,628	563,598	685,306	779,233	17.30%	17.30%	21.60%	13.70%

Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

2. Age Characteristics

A community's current and future housing needs are determined in part by the age characteristics of residents. Typically, each age group has distinct lifestyles, family types and sizes, ability to earn incomes, and therefore, housing preferences. As people move through each stage of life, housing needs and preferences change. Traditional assumptions are that the young adult population (20 to 34 years old) tends to favor apartments, low to moderate cost townhomes/condominiums, and smaller single-family units. The adult population (35 to 64 years old) represents the major market for moderate to relatively high cost condominiums and single-family homes. The senior population (65 years and older) tends to generate demand for low to moderate cost apartments and condominiums, group quarters, and mobile homes. To create a balanced community, it is important to provide housing options that suit the needs of various age groups.

Between 2010 and 2020, the number of children age five or younger decreased by 12 percent while school age children (5 to 17 years old) decreased by two percent (Table II-3). All other age groups saw an increase in population during the same time period. The greatest increase was seen in the senior population, which grew from 5,750 persons in 2010 to 8,438 persons in 2020. According to the American Community Survey (ACS) data, the age groups with the highest percentage of Tracy's population are young adults/early middle age (27%) and middle age/near retirement (26%). These age groups comprise similar percentages in San Joaquin County and in California.

The City's age distribution reflects an aging and family-oriented community, where those nearing retirement age and seniors make up an increasingly significant portion of the population. The lack of affordable smaller housing units in Tracy may become an increasingly important issue for the City in the coming years.

Table II-3: Age Distribution

Age Group	2010		2020		% Change 2010 to 2020	2020	
	#	%	#	%		County (%)	State (%)
Preschool (<5 yrs.)	6,600	8.0%	5,816	6.4%	-12%	7.0%	6.1%
School Age (5-17 yrs.)	20,068	24.2%	19,711	21.6%	-2%	20.1%	16.7%
Late Teens/College Age (18-24)	7,476	9.0%	8,804	9.6%	18%	9.6%	9.5%
Young Adults/Early Middle Age (25-44)	23,826	28.7%	24,862	27.2%	4%	27.0%	28.5%
Middle Age/Near Retirement (45-64)	19,202	23.2%	23,831	26.1%	24%	23.4%	24.8%

Age Group	2010		2020		% Change	2020	
	#	%	#	%	2010 to 2020	County (%)	State (%)
Senior (65+)	5,750	6.9%	8,438	9.2%	47%	12.8%	14.8%
Total Population	82,922	100.0%	91,462	100.0%	–	–	–
Median Age	–	32.3	–	35.2	–	34.4	36.7%

Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Note: The % point change column in the table describes the change in representation for each of the age cohorts shown relative to the overall population.

3. Race and Ethnicity

A community’s racial and ethnic composition may have implications for housing needs to the extent that different groups have different household characteristics and cultural backgrounds that may affect housing needs and preferences. Different racial and ethnic groups differ in their attitudes toward and/or tolerance for “housing problems” as defined by the federal Department of Housing and Urban Development (HUD), including overcrowding and housing cost burden. Perceptions regarding housing density and overcrowding, as well as the cultural practices of living with extended families tend to vary among racial and ethnic groups. Communities with a high proportion of Asian and Hispanic households tend to have a larger average household size due to the cultural practice of living with extended family members. In contrast, communities with a high proportion of White households tend to have a smaller average household size.

Tracy has become more racially and ethnically diverse over time. Between 2000 and 2020, the non-Hispanic White population decreased from 54 percent of the City’s population to 27 percent (Table II-4 and Figure II-2). During the same time period, the proportion of Black or African Americans and American Indian/Alaska Native decreased as well. Asian and Pacific Islander residents grew from eight percent of the City’s residents in 2000 to over 21 percent in 2020. Hispanics increased from 28 percent to 39 percent and residents who identified as Other Races/Two or More Races grew from 4 percent to 6 percent. In 2020, Tracy’s racial and ethnic diversity is similar to both San Joaquin County and the State (see Figure II-3).

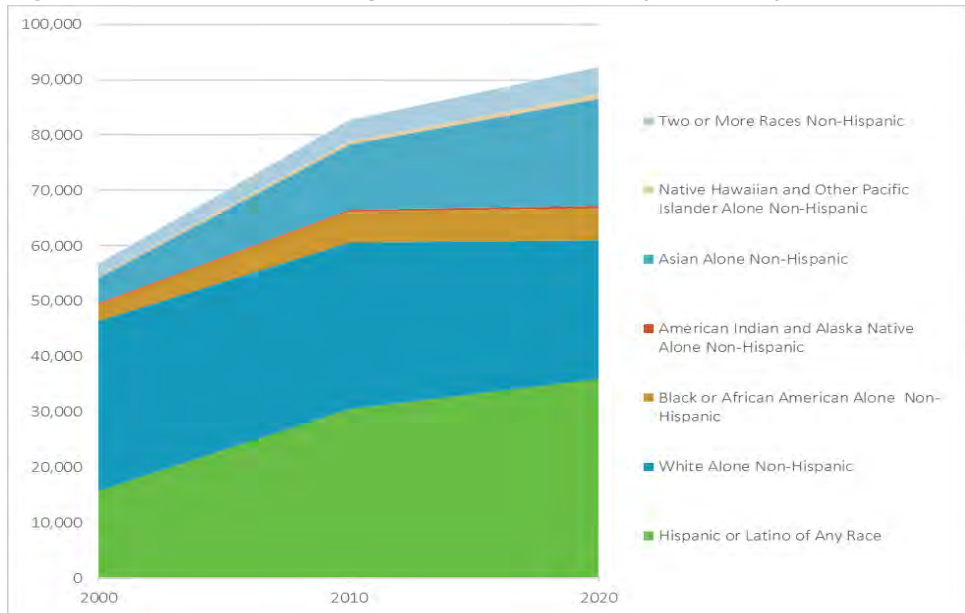
Table II-4: Race and Ethnicity

Race/Ethnicity	2000		2010		2020		% Change (2000-2010)	% Change (2010-2020)
	No.	%	No.	%	No.	%		
White, Non-Hispanic	30,723	53.9%	30,005	36.1%	25,117	27.0%	-2.3%	-16.3%
Black or African American, Non-Hispanic	2,976	5.2%	5,636	6.8%	5,737	6.2%	89.4%	1.8%
American Indian/Alaska Native, Non-Hispanic	297	0.5%	297	0.4%	310	0.3%	---	4.4%
Asian or Pacific Islander, Non-Hispanic	4756	8.4%	12,444	15.0%	20,236	21.8%	161.6%	62.6%
Other Race/Two or more, Non-Hispanic	2413	4.2%	3,983	4.8%	5,603	6.0%	65.1%	40.7%
Hispanic or Latino of Any Race	15,765	27.7%	30,557	36.8%	35,997	38.7%	93.8%	17.8%
Total Population		56,929		82,922		93,000		12.2%

Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

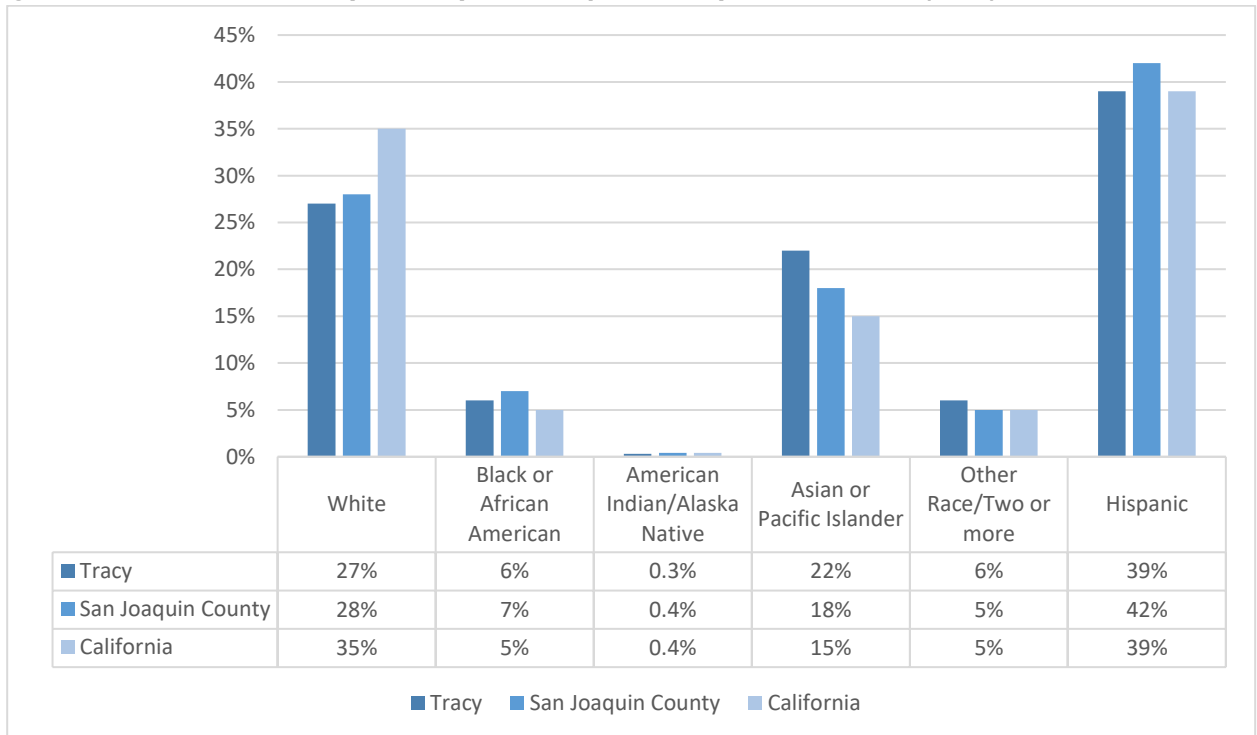
II. Housing Needs Assessment

Figure II-2: Race and Ethnicity Growth Over Time (2000-2020)



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Figure II-3: Race and Ethnicity in Tracy, San Joaquin County and California (2020)



Source: Bureau of the Census, 2020

B. Household Characteristics

The Census defines a “household” as all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood, or unrelated persons sharing living quarters. Therefore, the number of households in a community is the same as the number of occupied housing units.

Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households. Furthermore, the Census classifies households by type according to the gender of the householder and the presence of relatives. Household characteristics such as size, type, income and tenure reveal important information about the housing needs of a community. Different household sizes, types and income levels often prefer different housing options. Typical household types included in the Census are family households versus non-family households (unrelated persons living together). Family households can include married couples with or without children, single-parent households with children, or other family households such as grandparents with grandchildren, siblings living together, or other extended family members living together. Non-family households are typically unrelated persons living together but also include singles living alone. Average household size is estimated based on all persons in all households (including singles), whereas the average family size is based on all related members in family households.

For the purpose of conducting demographic research, the Bureau of the Census defines a family as “a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption. All people in a household who are related to the householder are regarded as members of his or her family. A family household may contain people not related to the householder.”

For zoning purposes, California court cases have ruled that the following definitions of “family” are invalid: 1) limits the number of persons in a family; 2) specifies how members of the family are related (i.e., by blood, marriage or adoption, etc.), or 3) defines a group of not more than a certain number of unrelated persons as a single housekeeping unit. Court rulings stated that defining a family does not serve any legitimate or useful objective or purpose recognized under the zoning and land planning powers of the jurisdiction, and therefore violates rights of privacy under the California Constitution. A zoning ordinance also cannot regulate residency by discriminating between biologically related and unrelated persons. Furthermore, a zoning provision cannot regulate or enforce the number of persons constituting a family. Therefore, for the purpose of implementing its zoning regulations, the City amended its Zoning Ordinance to define a family as follows: “Family” means one or more persons occupying a single dwelling unit, under no more than one written or oral rental agreement.”

The following discussions focus on the characteristics of households in the City, based on data obtained from the Bureau of the Census, and therefore utilize the Census definitions of households and families. Later in this Housing Element in the Housing Constraints section, the discussions focus on the City’s zoning regulations and therefore, the City’s zoning definition of family is used.

1. Household Type and Size

Household Type

Different household types generally have different housing needs. For example, seniors or young adults usually comprise the majority of single-person households and tend to reside in apartment units, condominiums, or smaller single-family homes. Families with children often prefer single-

II. Housing Needs Assessment

family homes. Since 1980, the number of households in Tracy has increased from 6,632 to 27,007 (Table II-5). The largest increase in households occurred between 1980 and 1990. Table II-6 and Figure II-4 show households by type for Tracy, the County and the State. Compared to the County and California, Tracy has a larger share of married-couple households, including those with children (32% versus 25% and 21%, respectively). Tracy has a lower percentage of female-headed households (19%) compared to the County and the State (25% and 26%, respectively). For male-headed households, Tracy and the County have a similar percentage (15%), which is slightly lower than the State (17%).

Table II-5: Tracy Household Growth Over Time (1980-2020)

	1980	1990	2000	2010	2020
Total Households	6,632	11,208	17,620	24,331	27,007
Percent Change		69.00%	57.21%	38.09%	11.00%

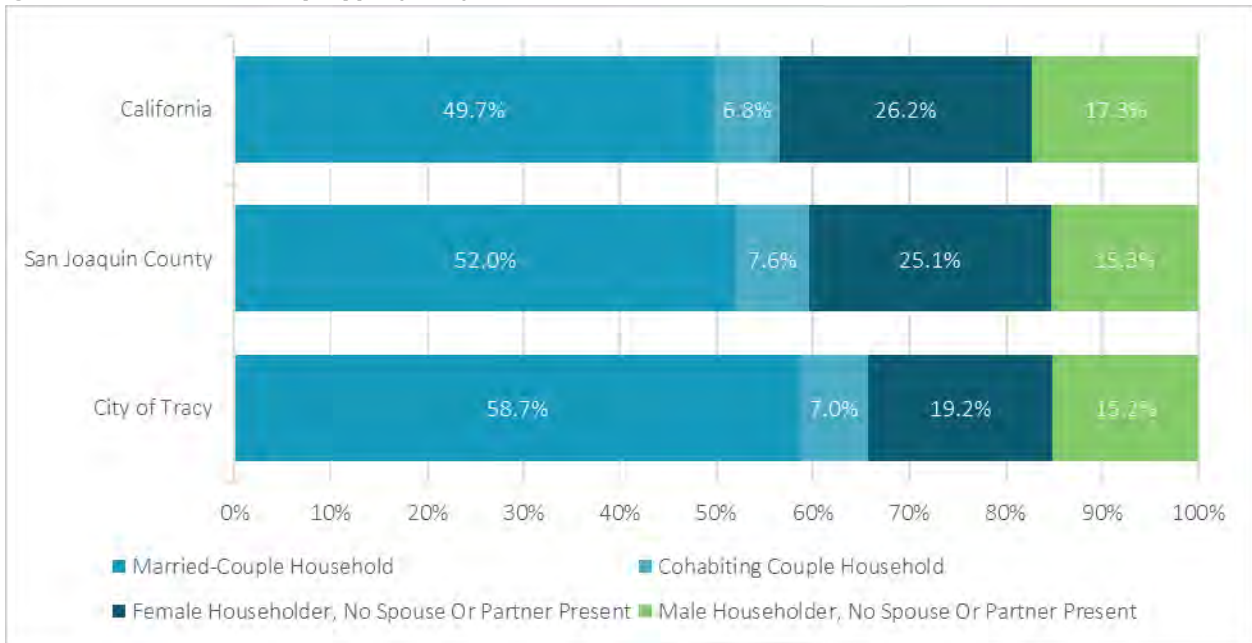
Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Table II-6: Households By Type

	City of Tracy		San Joaquin County		California	
	No.	%	No.	%	No.	%
Total	27,007		231,092		13,103,114	
Married-Couple Household	15,844	58.7%	120,149	52.0%	6,510,580	49.7%
With Own Children Under 18 Years	8,516	31.5%	56,878	24.6%	2,784,123	21.2%
With No Own Children Under 18 Years	7,328	27.1%	63,271	27.4%	3,726,457	28.4%
Cohabiting Couple Household	1,897	7.0%	17,527	7.6%	896,192	6.8%
With Own Children of the Householder Under 18 Years	945	3.5%	9,170	4.0%	327,712	2.5%
With No Own Children Of The Householder Under 18 Years	952	3.5%	8,357	3.6%	568,480	4.3%
Female Householder, No Spouse Or Partner Present	5,174	19.2%	58,087	25.1%	3,430,426	26.2%
Living Alone	2,152	8.0%	27,015	11.7%	1,722,600	13.1%
With Own Children Under 18 Years	1,252	4.6%	13,427	5.8%	615,734	4.7%
With Relatives, No Own Children Under 18 Years	1,678	6.2%	15,196	6.6%	858,959	6.6%
With Only Nonrelatives Present	92	0.3%	2,449	1.1%	233,133	1.8%
Male Householder, No Spouse Or Partner Present	4,092	15.2%	35,329	15.3%	2,265,916	17.3%
Living Alone	2,199	8.1%	19,588	8.5%	1,392,219	10.6%
With Own Children Under 18 Years	401	1.5%	4,227	1.8%	170,832	1.3%
With Relatives, No Own Children Under 18 Years	1,089	4.0%	8,709	3.8%	414,759	3.2%
With Only Nonrelatives Present	403	1.5%	2,805	1.2%	288,106	2.2%

Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Figure II-4: Households By Type (2020)



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Household Size

Household size can determine the type and size of housing that is needed in a community. Tracy has a higher percentage of family households (79%) compared to the County (75%) and State (69%) (Table II-7). These family households also tend to be larger (3 or more persons).

Table II-7: Households By Size in Tracy

	City of Tracy		San Joaquin County		California	
	No.	%	No.	%	No.	%
Total:	27,007		231,092		13,103,114	
Family Households:	21,421	79.3%	172,583	74.7%	8,986,666	68.6%
2-Person Household	5,315	19.7%	54,201	23.5%	3,209,170	24.5%
3-Person Household	4,840	17.9%	36,681	15.9%	2,054,635	15.7%
4-Person Household	5,671	21.0%	36,634	15.9%	1,945,127	14.8%
5-Person Household	3,287	12.2%	25,068	10.8%	1,006,126	7.7%
6-Person Household	1,554	5.8%	10,727	4.6%	433,324	3.3%
7-Or-More Person Household	754	2.8%	9,272	4.0%	338,284	2.6%
Nonfamily Households:	5,586	20.7%	58,509	25.3%	4,116,448	31.4%
1-Person Household	4,351	16.1%	46,603	20.2%	3,114,819	23.8%
2-Person Household	760	2.8%	9,598	4.2%	774,224	5.9%
3-Person Household	309	1.1%	1,601	0.7%	135,683	1.0%
4-Person Household	144	0.5%	453	0.2%	59,938	0.5%
5-Person Household	0	0.0%	137	0.1%	19,730	0.2%
6-Person Household	0	0.0%	72	0.0%	6,805	0.1%
7-Or-More Person Household	22	0.1%	45	0.0%	5,249	0.0%

Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

II. Housing Needs Assessment

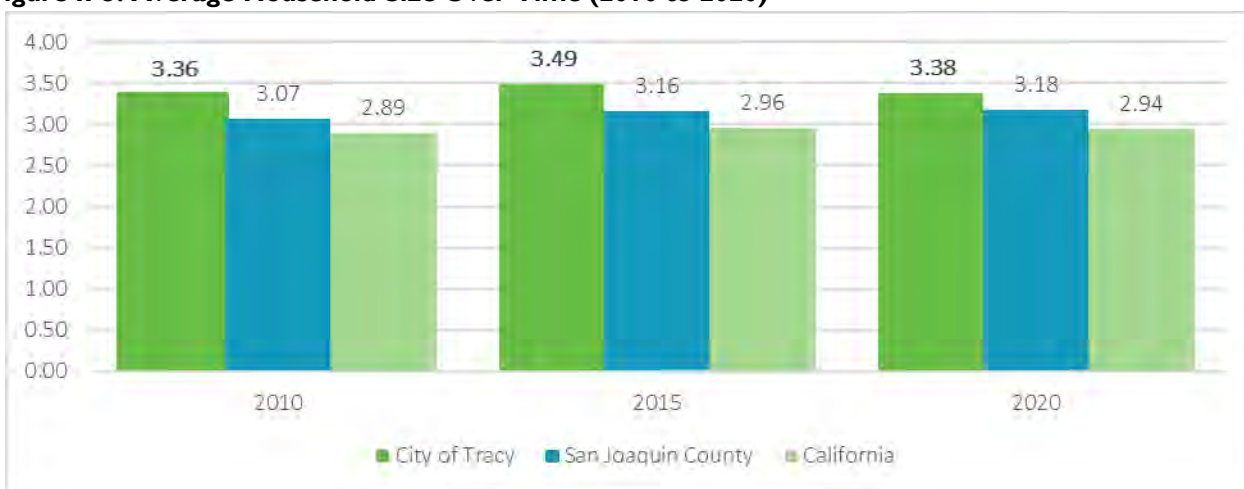
The larger family households in Tracy are reflected in higher average household size than the County or State (Table II-8). Figure II-5 shows that the average household size in Tracy was roughly the same in 2010 and 2020 (3.36 and 3.38).

Table II-8: Average Household Size in Tracy, San Joaquin County and California

	City of Tracy	San Joaquin County	California
Total:	3.38	3.18	2.94
Owner Occupied	3.38	3.18	3.01
Renter Occupied	3.37	3.17	2.85

Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Figure II-5: Average Household Size Over Time (2010 to 2020)



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

2. Household Income

Household income indicates the wealth of a community and therefore is directly connected to the ability to afford housing. Median household income compared to neighboring communities provides a way to measure income in Tracy against other cities.

Figure II-6 shows that, in 2020, households in the County of San Joaquin had a significantly lower median income (\$68,628) than surrounding counties and is lower than the State's (\$78,672). However, residents of the County also had a much lower cost of living. In general, though, Tracy's median household income (\$95,741) is more comparable to the nearby counties of Alameda and Contra Costa than its own County. The City's median household income was 40 percent higher than that of San Joaquin County. The counties of Santa Clara and San Mateo have the highest median incomes of the region.

Median household income provides only partial insight into a community's income profile. A more detailed breakdown of households by income category can provide more information about the proportion of households in Tracy whose limited incomes may lead them to have a higher incidence of housing problems such as overpayment (paying more than 30 percent of income on housing) or overcrowding (having more than one person per room).

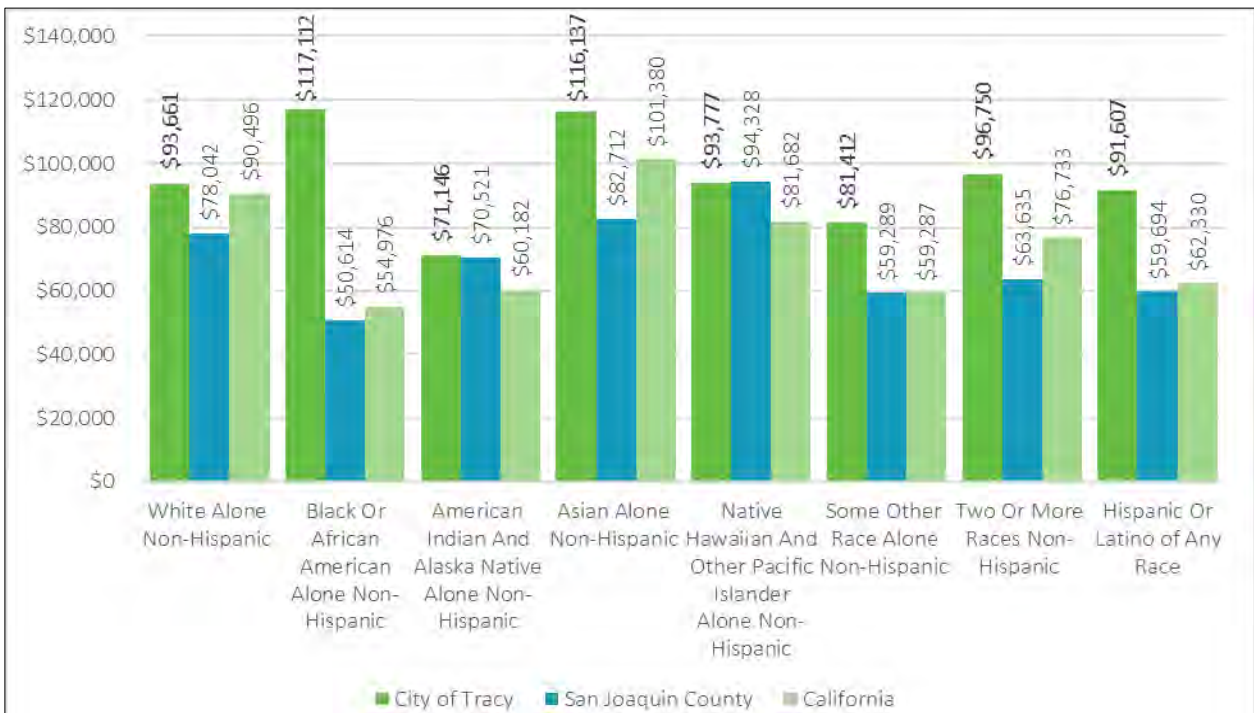
Figure II-6: Median Household Income (2020)



Sources: Bureau of the Census, American Community Survey, 2016-2020, Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Figure II-7 shows that all racial and ethnic groups in Tracy had higher median incomes than in the County or California, except for Native Hawaiian and other Pacific Islanders, whose median income was slightly lower than the County's. In Tracy, residents with the highest median incomes were Black/African American residents (\$117,112) and Asian residents (\$116,137). Residents with the lowest median incomes were American Indian and Alaska Native (\$71,146) and Some Other Race Alone (\$81,412).

Figure II-7: Median Household Income By Race and Ethnicity (2020)



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

II. Housing Needs Assessment

According to ACS data, between 2016 and 2020, approximately 65 percent of Tracy households earned annual incomes of \$75,000 or more (Table II-9). By comparison, household incomes in San Joaquin County were more evenly distributed throughout the various income levels—with a significantly higher proportion of households earning less than \$50,000 annually and a noticeably lower proportion of households earning more than \$100,000.

Table II-9: Household Income Distribution (2020)

Household Income	Tracy		County	
	Number	%	Number	%
Less than \$10,000	671	2.5%	11,552	5.0%
\$10,000 to \$14,999	365	1.4%	8,566	3.7%
\$15,000 to \$24,999	1,290	4.8%	18,491	8.1%
\$25,000 to \$34,999	1,142	4.2%	19,329	8.4%
\$35,000 to \$49,999	1,986	7.4%	25,469	11.0%
\$50,000 to \$74,999	4,063	15.0%	41,248	17.8%
\$75,000 to \$99,999	4,754	17.6%	30,072	13.0%
\$100,000 or more	12,736	47.2%	76,365	33.0%
Total	27,007	100.00%	231,092	100.00%

Note: The 2016-2020 American Community Survey estimates measure household income in the past 12 months (in 2020 inflation-adjusted dollars).

Source: Bureau of the Census, American Community Survey, 2016-2020.

To facilitate the analysis of income distribution among households in communities, the State Department of Housing and Community Development (HCD) groups households into categories by income. Income categories are determined as a percentage of the Area Median Income (AMI) and then adjusted for household size in the following manner:

- Extremely Low Income – 0 to 30 percent AMI
- Very Low Income – 31 to 50 percent of the AMI
- Low Income – 51 to 80 percent of the AMI
- Moderate Income – 81 to 120 percent of the AMI
- Above Moderate Income – above 120 percent of the AMI

Based on the HCD income categories described above, in 2019, approximately 75 percent of Tracy households earned median, moderate or above moderate incomes, while 25 percent of households can be classified as extremely low, very low, and low income households (Table II-10).¹

¹ Data was obtained from the Comprehensive Housing Affordability Strategy (CHAS) prepared for HUD by the Census Bureau using 2015-2019 ACS data. CHAS data does not provide a breakdown of household income for those with more than 80% AMI, because those households are not qualified for federal housing programs.

Table II-10: Households by Income Category (2019)

Income Category (% of County AMI)	Households	Percent
Extremely Low (30% or less)	1,615	6.2%
Very Low (31 to 50%)	1,705	6.6%
Low (51 to 80%)	3,270	12.6%
Median (81 to 100%)	2,350	9.1%
Moderate and Above (>100%)	16,910	65.4%
Total	25,850	100.0%

Source: Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS), based on the 2015-2019 American Community Survey.

C. Employment Market

Employment has an important impact on housing needs. Incomes associated with different jobs and the number of workers in a household determine the type and size of housing a household can afford. In some cases, the types of jobs themselves can affect housing needs and demand (such as in communities with military installations, college campuses, and large amounts of seasonal agriculture). Employment growth typically leads to strong housing demand, while the reverse is true when employment contracts.

1. Employment

Tracy’s workforce grew from 35,433 in 2010 to 45,000 in 2020 (Table II-11). The largest employment sector for Tracy residents is the education/health/social service industry (19% of the workforce), followed by retail (13%), professional/scientific/management/administrative (12%) and manufacturing (12%). While jobs in most of these industries are typically associated with moderate incomes, retail jobs tend to offer lower wages.

Table II-11: Employment Profile

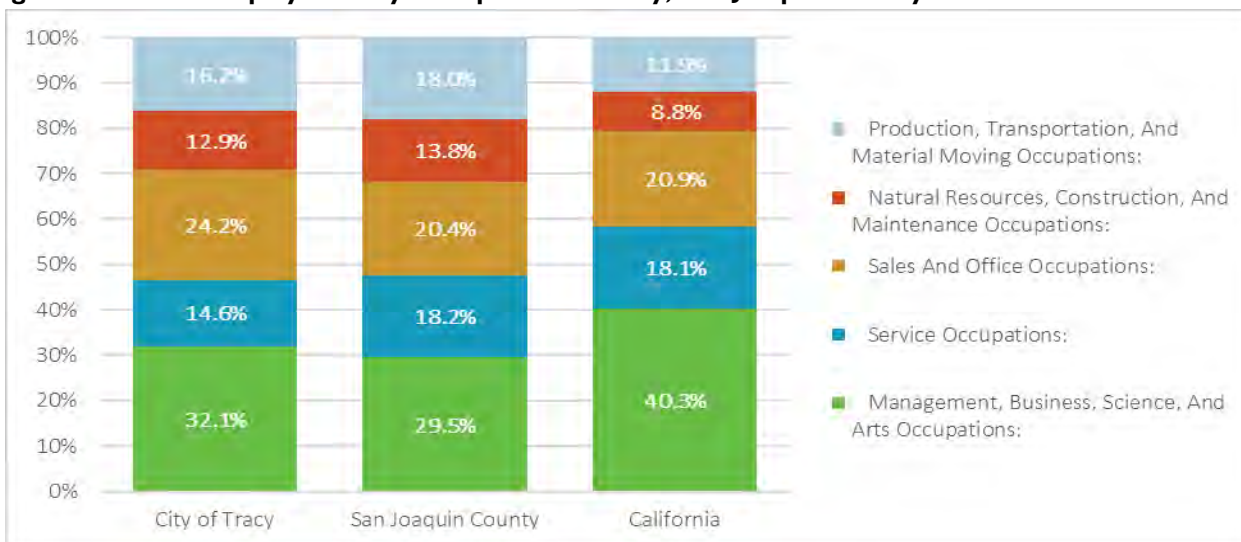
Industry	2006-2010		2016-2020	
	#	%	#	%
Agriculture, Forestry, Fishing and Hunting, and Mining	430	1.20%	370	0.80%
Construction	3,346	9.40%	4,341	9.60%
Manufacturing	4,755	13.40%	5,227	11.60%
Wholesale Trade	1,176	3.30%	1,378	3.10%
Retail Trade	4,785	13.50%	6,032	13.40%
Transportation and Warehousing, and Utilities	2,295	6.50%	3,752	8.30%
Information	1,236	3.50%	1,046	2.30%
Finance, Insurance, Real Estate	2,376	6.70%	2,225	4.90%
Professional, Scientific, Management, Administrative	4,227	11.90%	5,442	12.10%
Educational, Health and Social Services	5,106	14.40%	8,355	18.60%
Arts, Entertainment, Recreation, Accommodation & Food Services	2,581	7.30%	3,547	7.90%
Other Services	1,412	4.00%	1,680	3.70%
Public Administration	1,708	4.80%	1,605	3.60%
Total	35,433	100.00%	45,000	100.00%

Sources: Bureau of the Census, American Community Survey, (2006-2010 and 2016-2020).

Figure II-8 shows employment by occupation for Tracy, the County, and California in 2020. Tracy has a higher percentage of residents working in sales and office occupations than the County or the State and fewer working in service occupations.

II. Housing Needs Assessment

Figure II-8: Total Employment by Occupation in Tracy, San Joaquin County and California



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Table II-12 lists the top ten employers in Tracy according to the City’s Annual Comprehensive Financial Report in 2022. Top employers in Tracy have changed significantly in recent years, and the top four employers are all new to the City. New distribution and shipping uses, including three Amazon facilities, have replaced food processing facilities (Taylor Farms and Leprino Foods) as the top employers. This trend does not represent a loss in the number of employees at other City employers, but rather the coming of large scale, 24/7 distribution centers that require significant numbers of employees. For example, the top employing Amazon facility employs 4,332 workers. In contrast, Taylor Farms employed 459 workers as the top employer in 2009. This growth in large employers may indicate a need for additional workforce housing in Tracy. Not shown in Table II-12 is that the City of Tracy and Tracy Unified School District (TUSD) are also among the top employers in the City. In 2022, the City of Tracy employed 645 full-time and part-time employees while TUSD had an estimated 1,738 employees.

Table II-12: Major Employers (2022)

Firm	Industry	Employees	Rank in 2022	Rank in 2009
Amazon.com Services LLC	Distribution/Shipping	4,332	1	-
FedEx Ground Package System, Inc	Distribution/Shipping	1,607	2	-
Amazon.com Services LLC	Distribution/Shipping	1,297	3	-
Amazon.com Services LLC	Distribution/Shipping	1,043	4	-
Taylor Farms Pacific	Food Processor	748	5	1
Home Depot	Retail (Home Improvement)	700	6	9
Medline Industries	Medical Supply Manufacturer	668	7	-
Walmart	Retail	410	8	10
Leprino Foods	Food Processor	341	9	2
DHL Supply Chain	Distribution/Shipping	226	10	-

Source: City of Tracy, Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022.

Housing development in the City is also meeting the needs of many Bay Area employees who are themselves priced out of ownership in the areas where they work. Since local residents employed in Tracy tend to have lower wages, a housing market dictated by persons commuting to Bay Area jobs and their willingness (and ability) to pay presents difficulties in meeting the housing needs of people

who live and/or work in Tracy. Table II-13 displays mean annual wage data for occupations compiled by the California Employment Development Department (EDD) for the Stockton Metropolitan Statistical Area. Table II-13 shows farming, food preparation and serving, personal care and service, maintenance, and health care support occupations offer the lowest wages in the region.

Table II-13: Mean Salary By Occupation (2022 1st Quarter) Stockton MSA, San Joaquin County

Occupation	Mean Annual Salary
Management	\$115,955
Healthcare Practitioners and Technical	\$114,974
Legal	\$113,928
Architecture and Engineering	\$94,173
Computer and Mathematical	\$86,072
Business and Financial	\$72,949
Life, Physical and Social Sciences	\$70,298
Community and Social Services	\$66,514
Protective Service	\$63,946
Construction and Extraction	\$57,269
Installation, Maintenance and Repair	\$52,255
Arts, Design, Entertainment, Sports and Media	\$49,809
Transportation and Material Moving	\$40,823
Office and Administrative Support	\$38,641
Production	\$37,748
Sales	\$36,930
Healthcare Support	\$33,509
Building and Grounds Cleaning and Maintenance	\$29,756
Personal Care and Service	\$26,197
Food Preparation and Serving	\$22,378
Farming, Fishing and Forestry	\$21,484

Source: California Employment Development Division, Occupational Employment and Wage Statistics

2. Commuting Patterns

Commuting patterns demonstrate the relationship between housing to employment opportunities. The lack of a geographic match between employment centers and housing leads to traffic congestion, air quality deterioration, increased transportation infrastructure needs, and many other adverse environmental and economic problems. Developing housing, particularly near employment centers, can help reduce the occurrence of these environmental and economic problems and place people in closer proximity to the services they need. The availability of housing generally encourages a healthy economy and could support downtown revitalization efforts.

According to ACS data, between 2016-2020, 54 percent of Tracy’s workforce traveled to another county for employment. This rate is significantly higher than San Joaquin County (29 percent) and the highest among surrounding counties (Table II-14). The proportion of long distance commuters in Tracy remained almost the same between 2010 and 2020, with only a one percent decrease in the ten year period.

Table II-14: Place of Work

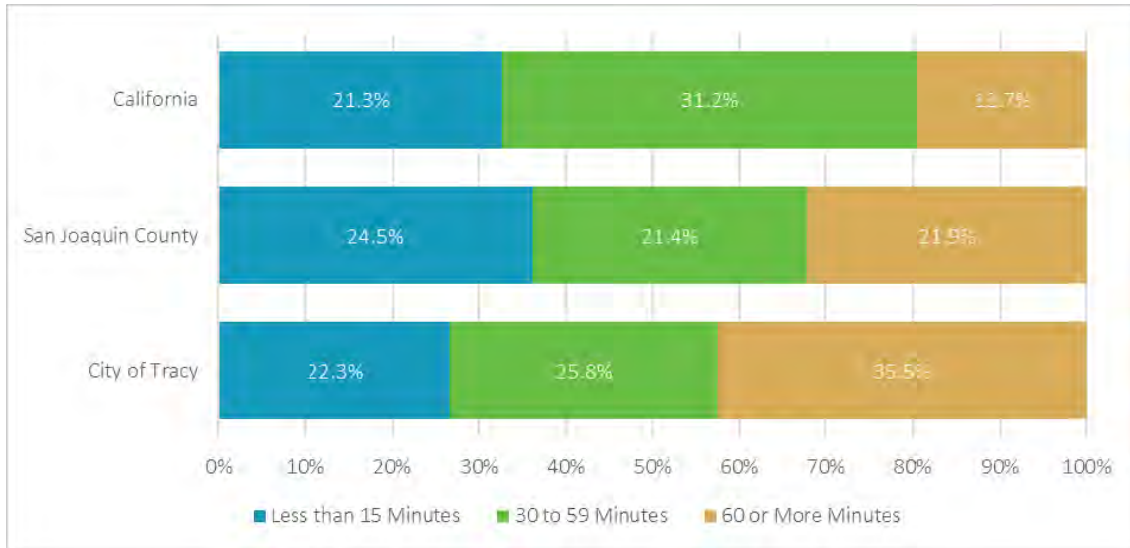
Place of Work	Alameda Co.	Contra Costa Co.	San Joaquin Co.	San Mateo Co.	Santa Clara Co.	Tracy
Outside of County of Residence (2010)	32%	40%	26%	41%	13%	55%
Outside of County of Residence (2020)	35%	41%	29%	40%	13%	54%
Change in Proportion (2010-2020)	3%	1%	3%	-1%	0%	-1%

Source: American Community Survey, 2006-2010 and 2016-2020

II. Housing Needs Assessment

The high rate of residents working in other counties corresponds with longer commute times for Tracy residents compared to the rest of the County. Figure II-9 summarizes commute times for workers age 16 and over in Tracy and San Joaquin County, according to 2016-2020 ACS data. Approximately 22 percent of employed Tracy residents had travel times to work of less than 15 minutes compared to 25 percent of workers living elsewhere in San Joaquin County and 22 percent of California residents. Regarding longer commutes, approximately 36 percent of employed Tracy residents had commutes of 60 minutes or longer, compared to 22 percent of employed San Joaquin County residents and 13 percent of employed residents throughout California.

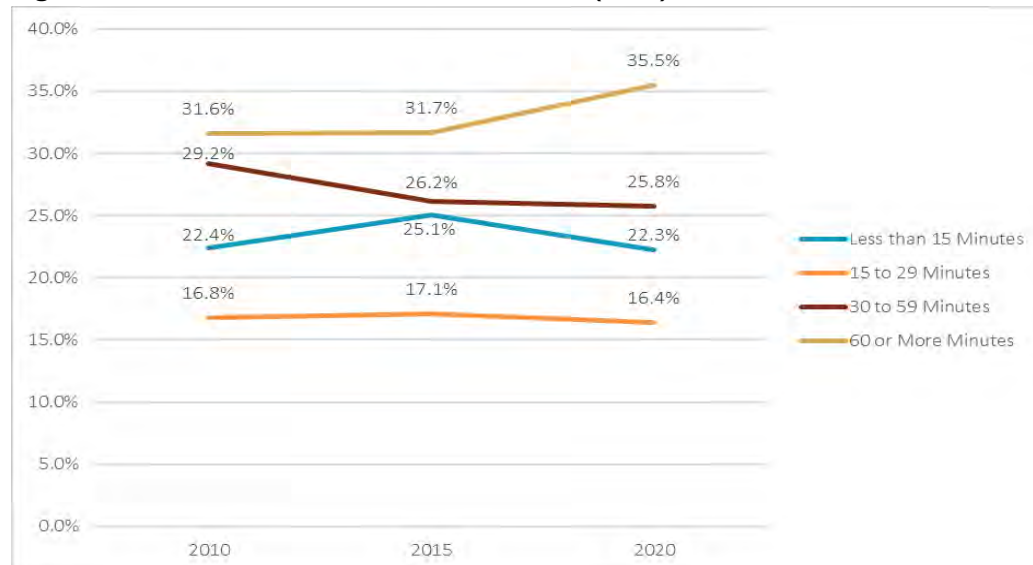
Figure II-9: Travel Time to Work For Tracy, San Joaquin County and California (2020)



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Commute times of an hour or more have increased for Tracy residents over the last decade, while shorter commute times have either decreased or stayed about the same (Figure II-10).

Figure II-10: Travel Time to Work Over Time (2020)



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

The vast majority of Tracy residents (90%) drove alone to work between 2016 and 2020 (Table II-15). A similar proportion of County (91%) and State (82%) residents also drove to work alone during this time period. While a higher percentage of Tracy residents carpooled compared to the County and State, a lower percentage took public transportation to work.

Table II-15: Means of Transportation to Work

	City of Tracy		San Joaquin County		California	
Total	43,150		307,317		18,239,892	
Car, Truck, Or Van	38,662	89.6%	278,963	90.8%	14,963,132	82.0%
Drove Alone	32,561	75.5%	241,465	78.6%	13,146,038	72.1%
Carpooled	6,101	14.1%	37,498	12.2%	1,817,094	10.0%
In 2-Person Carpool	4,682	10.9%	26,146	8.5%	1,325,863	7.3%
In 3-Person Carpool	1,060	2.5%	6,428	2.1%	284,797	1.6%
In 4-Person Carpool	231	0.5%	2,830	0.9%	111,224	0.6%
In 5- Or 6-Person Carpool	14	0.0%	1,426	0.5%	60,986	0.3%
In 7-Or-More-Person Carpool	114	0.3%	668	0.2%	34,224	0.2%
Public Transportation (Excluding Taxi)	939	2.2%	5,006	1.6%	843,498	4.6%
Bus	121	0.3%	2,102	0.7%	525,023	2.9%
Subway Or Elevated Rail	189	0.4%	878	0.3%	198,976	1.1%
Long-Distance Train Or Commuter Rail	619	1.4%	1,859	0.6%	77,897	0.4%
Light Rail, Streetcar Or Trolley	10	0.0%	167	0.1%	29,447	0.2%
Ferryboat	0	0.0%	0	0.0%	12,155	0.1%
Taxicab	16	0.0%	250	0.1%	36,638	0.2%
Motorcycle	145	0.3%	658	0.2%	52,947	0.3%
Bicycle	89	0.2%	906	0.3%	153,669	0.8%
Walked	532	1.2%	4,050	1.3%	461,980	2.5%
Bicycle or Walked	621	1.4%	4,956	1.6%	615,649	3.3%
Other Means	130	0.3%	1,574	0.5%	198,331	1.1%
Other Means (+Taxi and Motorcycle)	291	0.7%	2,482	0.8%	287,916	1.6%
Worked From Home	2,637	6.1%	15,910	5.2%	1,529,697	8.4%

Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

The San Joaquin Council of Governments (SJCOG) adopted 2022 Regional Transportation Plan/ Sustainable Communities Strategy includes a variety of transportation projects (highways, interchanges, regional roadways, transit) throughout the County, including Tracy, through the year 2046. The Plan’s balanced multimodal development approach includes over \$12 billion in investments.

D. Housing Problems

The Comprehensive Housing Affordability Strategy (CHAS) developed by the Census for HUD provides detailed information on housing needs by income level for different types of households in Tracy. Detailed CHAS data based on the 2015-2019 ACS is displayed in Table II-16. Housing problems considered by CHAS include:

- Units with physical defects (lacking complete kitchen or bathroom);
- Overcrowded conditions (housing units with more than one person per room);
- Housing cost burden, including utilities, exceeding 30 percent of gross income; or
- Severe housing cost burden, including utilities, exceeding 50 percent of gross income.

II. Housing Needs Assessment

Table II-16: Housing Assistance Needs of Lower Income Households (2019)

	Renter-Occupied				Owner-Occupied				Total Households
	Elderly Household	Small Household	Large Household	Total	Elderly Household	Small Household	Large Household	Total	
Extremely Low Income (<30% MFI)	230	270	180	815	330	305	70	800	1,615
With any housing problem	60.9%	98.1%	77.8%	77.3%	78.8%	85.2%	71.4%	78.8%	78.0%
Cost burden >30%	50.0%	97.8%	77.8%	77.3%	78.8%	85.2%	71.4%	79.4%	78.3%
Cost burden >50%	34.8%	96.3%	77.8%	73.6%	62.1%	80.3%	71.4%	68.1%	70.9%
Very Low Income (30-50% MFI)	240	220	315	1,025	310	205	105	680	1,705
With any housing problem	56.3%	97.7%	98.4%	85.9%	80.6%	80.5%	100.0%	84.6%	85.3%
Cost burden >30%	56.3%	97.7%	63.5%	74.6%	64.5%	80.5%	85.7%	82.4%	77.7%
Cost burden >50%	37.5%	59.1%	11.1%	41.0%	38.7%	75.6%	52.4%	65.4%	50.7%
Low Income (50-80% MFI)	115	880	550	1,780	465	605	300	1,490	3,270
With any housing problem	78.3%	76.1%	87.3%	81.7%	60.2%	60.3%	95.0%	68.5%	75.7%
Cost burden >30%	73.9%	76.1%	70.9%	76.7%	60.2%	55.4%	73.3%	61.4%	69.7%
Cost burden >50%	39.1%	26.1%	29.1%	31.5%	24.7%	36.4%	30.0%	31.9%	31.7%
Moderate and Above Moderate Income (>80% MFI)	375	3,690	1,095	6,000	2,065	7,470	2,500	13,260	19,260
With any housing problem	28.0%	28.5%	30.1%	28.8%	25.2%	19.0%	27.0%	21.4%	23.7%
Cost burden >30%	24.0%	24.1%	7.7%	21.7%	24.0%	18.2%	19.0%	19.3%	20.0%
Cost burden >50%	2.7%	0.7%	0.0%	0.8%	7.5%	1.9%	2.0%	2.8%	2.1%
All Households	960	5,060	2,140	9,630	3,170	8,585	2,975	16,225	25,855
With any housing problem	49.0%	43.5%	58.9%	48.7%	41.3%	25.7%	37.5%	31.2%	37.7%
Cost burden >30%	44.3%	40.3%	38.0%	42.2%	39.0%	24.7%	28.1%	28.8%	33.7%
Cost burden >50%	23.4%	12.7%	15.7%	16.9%	18.8%	8.9%	8.2%	11.3%	13.4%

Note: Data presented in this table are based on special tabulations from sample Census data. The number of households in each category usually deviates slightly from the 100% total due to the need to extrapolate sample data out to total households. Interpretations of these data should focus on the proportion of households in need of assistance rather than on precise numbers.

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), (based on the 2015-2019 American Community Survey).

The types of problems experienced by households in Tracy vary according to household income, type, and tenure; however, general trends include:

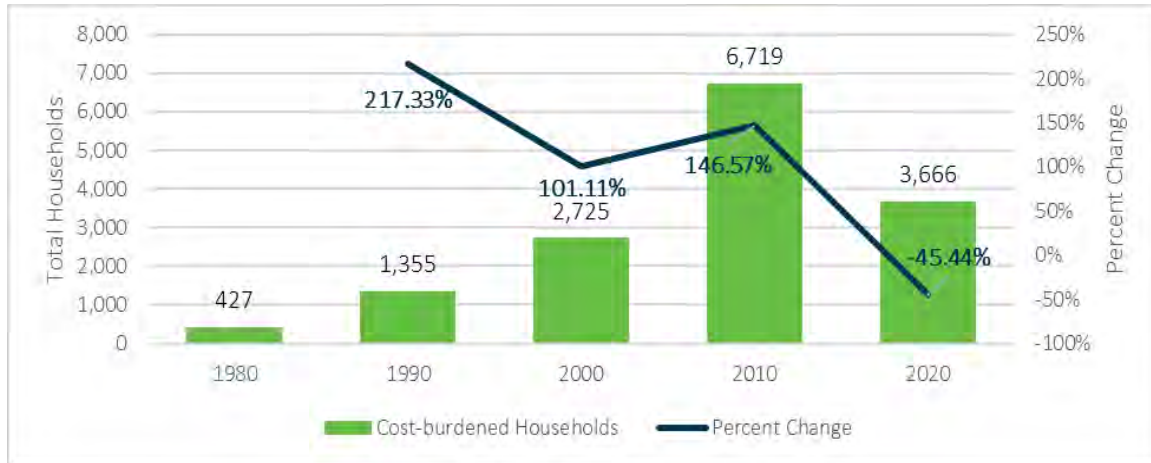
- Renter-households are more likely to experience housing problems (49%) than owner-households (38%).
- Large renter-families were more likely to experience housing problems than all other household types (59%).
- Lower income households were significantly more likely than households of other income levels to experience housing problems. Approximately 78 percent of extremely low income households, 85 percent of very low income households and 76 percent of low income households experience one or more housing problems in Tracy.

1. Overpayment (Cost Burden)

A household is considered to be overpaying for housing (or cost burdened) if it spends more than 30 percent of its gross household income on housing. Problems of overpayment occur when housing costs rise faster than incomes or when households are forced to pay more than they can afford for housing of adequate size, condition, and amenities to meet their needs. The prevalence of overpayment varies significantly by income, tenure, household type, and household size.

Figure II-11 and Figure II-12 show trends in cost burdened owner-occupied and renter-occupied households over time. Not surprisingly, the greatest increases in cost burdened households for both homeowners and renters occurred between 2000 and 2010. The percentage of cost burdened households has decreased since 2010.

Figure II-11: Total and Percent Change Cost Burdened Owner Households Over Time (1980-2020)



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

II. Housing Needs Assessment

Figure II-12: Total and Percent Change Cost Burdened Renter Households Over Time (1980-2020)



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

While Figure II-11 and Figure II-12 show the greatest percentage change in the number of cost-burdened owners and renters occurring between 2000 and 2010, the changes in the proportion cost-burdened households had different trends. Table II-17 below shows the change in the percent of cost-burdened households by tenure over time from 1980 to 2020 in Tracy and the San Joaquin Valley Region. For owner-households, the greatest increase occurred between 2000 and 2010, when the percent of cost-burdened households increased from 21.4 percent to 41.6 percent. The percent of cost-burdened owner households decreased to 22 percent in 2020. For renter-households, the greatest increase in the proportion of cost-burdened households occurred between 1980 and 1990 when the percent of cost-burdened renters increased from 9.9 percent to almost 30 percent. The percent of cost-burdened renters continued to increase through 2010 and decreased in the last decade back to 30 percent.

When compared to the San Joaquin Valley Region, the percent of cost-burdened households in Tracy tend to be lower. As of 2020, 22 percent of owner households are cost burdened, compared to 28 percent of owner households in the Region. Similarly, 30 percent of renter households are cost burdened in the City of Tracy, compared to 51 percent of the region's renter households.

Table II-17: Cost-Burdened Owner and Renter Households Over Time - Tracy vs. Region

	1980	1990	2000	2010	2020
% Cost Burdened Owner HH					
City of Tracy	7.6%	20.1%	21.4%	41.6%	22.0%
% Change	--	+12.5%	+1.3%	+20.1%	-19.6%
SJV Region	12.1%	22.3%	28.3%	39.3%	27.6%
% Change	-	+10.2%	+6.0%	+10.9%	-11.6%
% Cost Burdened Renter HH					
City of Tracy	9.9%	28.7%	27.8%	37.5%	30.0%
% Change	-	+18.8%	-0.9%	+9.7%	-7.5%
SJV Region	30.1%	43.2%	42.5%	51.0%	51.1%
% Change	-	+13.1%	-0.7%	8.5%	0.1%

Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

As shown in Table II-16, CHAS tabulations (based on ACS data) reported that 34 percent of Tracy households (8,713 households) overpaid for housing between 2015 and 2019. Housing cost burden typically varies by income level, tenure, household type, and household size. In Tracy:

- 42 percent of Tracy's renter-households (4,064 households) were cost burdened compared to 29 percent of owner-households (4,673 households).
- Severe cost burden impacted 17 percent of renter-households (1,627 households) and 11 percent of owner-households (1,833 households) in the City.
- 4,869 lower income households were cost burdened. This comprised almost three-fourths (74%) of lower income households in Tracy. Severe cost burden impacted 3,046 lower income households (46%). In terms of lower-income renters, 2,760 households (76%) faced cost burden and 2,110 lower income owners (2,110 households) spent more than 30 percent on housing.

More than 70 percent of lower income households face cost burden compared to 20 percent of moderate and above-moderate income households. In Tracy, renters face greater rates of cost burden compared to home-owners (42% versus 34%).

Severe cost burden occurs when a household spends more than 50 percent of its gross household income on housing. While only 13 percent of Tracy's households face severe cost burden, it disproportionately impacts households with lower incomes. Over 70 percent of extremely low income households and half of very low income households spend more than 50 percent of their income on housing.

2. Overcrowding

Overcrowding is typically defined as a housing unit occupied by more than one person per room. Severe overcrowding occurs when there are more than 1.51 persons per room. Overcrowding typically occurs when there are not enough adequately sized units within a community, when high housing costs relative to income force too many individuals to share a housing unit than it can adequately accommodate, or when families reside in smaller units than they need to devote income to other necessities, such as food and health care. Overcrowding tends to accelerate the deterioration of housing. Therefore, maintaining a reasonable level of occupancy and alleviating overcrowding are critical to enhancing quality of life.

According to the 2016-2020 ACS, approximately six percent of housing units in the City (1,733 units) were overcrowded (Table II-18). Overcrowding disproportionately affected renters (11.5% versus 3%), indicating overcrowding may be the result of an inadequate supply of larger sized rental units. While 78 percent of occupied housing units in the City had three or more bedrooms (the minimum size considered large enough to avoid most overcrowding issues for large households), only about a quarter of these units (26%) were occupied by renters. While severe overcrowding (more than 1.51 persons per room) impacts less than 3 percent of households in Tracy, it does impact a greater percentage of renters than homeowners (5% versus 1%).

II. Housing Needs Assessment

Table II-18: Overcrowding

Occupants per Room	Owner Occupied		Renter Occupied		Total	
	#	%	#	%	#	%
0 To 1 Occupants per Room	16,138	96.73%	9,136	88.50%	25,274	93.58%
1.01 To 1.50 Occupants per Room	388	2.33%	639	6.19%	1,027	3.80%
1.51 To 2.00 Occupants per Room	143	0.86%	484	4.69%	627	2.32%
2.01 Or More Occupants per Room	15	0.09%	64	0.62%	79	0.29%
Overcrowded Units	546	3.27%	1,187	11.50%	1,733	6.42%
Total Housing Units	16,684	100.00%	10,323	100.00%	27,007	100.00%

Source: American Community Survey, 2016-2020

E. Special Housing Needs

Certain groups have greater difficulty finding decent, affordable housing due to special needs and/or circumstances. Special circumstances may be related to one's employment and income, family characteristics, disability, and household characteristics, among other factors. Consequently, some residents in Tracy may experience a higher prevalence of housing overpayment, overcrowding, or other housing problems.

"Special needs" groups include the following: seniors, persons with disabilities, large households, single-parent households, farmworkers, persons living in poverty, and the homeless (Table II-19). This section provides a detailed discussion of the housing needs facing each particular group as well as programs and services available to address their housing needs.

Table II-19: Special Needs Groups

	Number of Persons	% of Tracy Population	Number of Households	% of Tracy Households
Seniors	8,438	9.2%	–	–
With a disability	3,162	3.4%	–	–
Households			4055	15%
Senior living alone			1,350	4.9%
Persons with Disabilities	7,918	8.7%	–	–
Female-Headed Households, No Spouse			5,174	19.2%
With own children			1,252	4.6%
Living Alone			2,152	8.0%
Male Headed Households, No Spouse			4,092	15.2%
With own children			401	1.5%
Living alone			2,199	8.1%
Large Households			5,617	20.8%
Renter			2,272	8.4%
Owner			3,345	12.3%
Households Living in Poverty			1,405	6.6%
Agricultural Workers	328	0.36%		
Homeless	124	0.14%		
Total Population/Households	91,462		27,007	

Sources: American Community Survey (ACS), 2016-2020; Homeless data from the San Joaquin Continuum of Care 2022 Point-in-Time Count.

1. Seniors

Seniors face unique housing circumstances because of three factors: a limited or fixed income; health care costs; and disabilities. Specifically, people aged 65 years and older often have four main concerns:

- *Housing*: Many seniors live alone and may have difficulty maintaining their homes.
- *Income*: People aged 65 and over are usually retired and living on a limited income.
- *Health care*: Seniors are more likely to have high health care costs.
- *Transportation*: Many of the elderly rely on public transportation; especially those with disabilities.

According to the ACS data, approximately 8,438 seniors (about 9% of the total population) lived in Tracy in 2020. In addition, there were 4,055 senior households. Approximately 1,350 seniors were living alone and 3,162 seniors have a disability.

Table II-20 shows the number of senior households by tenure between 2010 and 2020 in Tracy, the County and California. The percentage of owner occupied senior households increased from 69 percent in 2010 to 77 percent in 2020. Tracy has a higher percentage of senior owner occupied households than the County and the State.

Table II-20: Senior Households by Tenure Over Time

	Renter-Occupied 2010	Owner Occupied 2010	Renter-Occupied 2015	Owner Occupied 2015	Renter-Occupied 2020	Owner Occupied 2020
City of Tracy	804 30.6%	1,821 69.4%	777 25.5%	2,271 74.5%	938 23.1%	3,117 76.9%
San Joaquin County	9,508 24.9%	28,610 75.1%	11,300 25.3%	33,395 74.7%	13,300 25.6%	38,627 74.4%
California	605,590 25.5%	1,764,836 74.5%	737,696 26.9%	2,005,660 73.1%	858,161 26.8%	2,340,689 73.2%

Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

According to the CHAS data, more than 60 percent of senior renter households and 35 percent of senior owner households are lower income. Cost burden impacts senior households at a greater rate than households overall in Tracy (Table II-16). Approximately 44 percent of senior renter households and 39 percent of senior owner households face cost burden issues.

Senior homeowners, particularly elderly women, may require assistance in performing regular home maintenance or repair activities due to physical limitations or disabilities. These in-home needs and other senior needs can be met through a range of services, including congregate care, rent subsidies, shared housing programs, and housing rehabilitation assistance. For the frail or disabled elderly, housing with architectural design features that accommodate disabilities can ensure continued independent living. Those with a mobility or self-care limitation may require transportation alternatives or shared housing options.

Resources Available

The City recognizes the extensive housing needs of seniors in the community. There are currently two affordable senior housing complexes in the City of Tracy – Tracy Garden Apartments and Tracy Place Senior Apartments. In addition, the City contracts with the San Joaquin County Housing Authority to provide Housing Choice Vouchers to very low income households. The City also

II. Housing Needs Assessment

facilitates housing options for seniors through residential care facilities. As of November 2022, a total of four small residential care facilities (with a total capacity of 24 beds) were located in the City in addition to the 77-bed Astoria Gardens and 180-bed Brookdale Tracy facilities for the elderly.

In addition, the City operates the Lolly Hansen Senior Center, which offers a wide variety of classes, activities, special events and services, to benefit its senior residents. The Center's programs include:

- *Senior Link*: Specialist provides assistance with access to information, local agencies and service providers.
- *Lunch Program*: Home delivered hot meals available to homebound and/or temporarily ill persons.
- *Paralegal Services*: Paralegal service is provided free of charge by the El Concilio organization.
- *Brown Bag*: Delivers bags of supplemental groceries to low-income senior citizens throughout San Joaquin County provided by Second Harvest Food Bank.
- *TRACER*: The City provides a Fixed Route bus service via the TRACER that connects residents, including seniors, to amenities throughout the City. The City also provides an on-demand bus service (TracerPlus), and a paratransit service which is a door to door service available for ADA/Medicare passengers aged 65 and older.

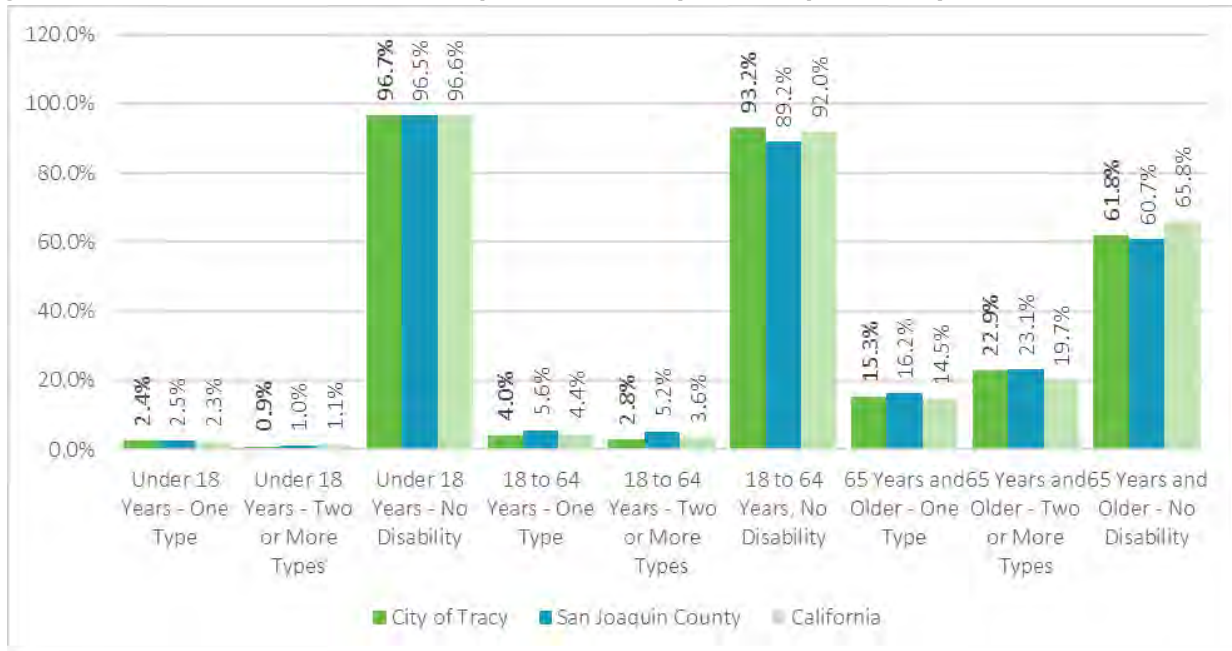
2. Persons with Disabilities

In Tracy and elsewhere, persons with disabilities have a wide range of different housing needs, which vary depending on the type and severity of the disability as well as personal preference and lifestyle. Physical, mental, and/or developmental disabilities may prevent a person from working, restrict one's mobility, or make it difficult to care for oneself. "Barrier-free design" housing, accessibility modifications, proximity to services and transit, and group living opportunities represent some of the types of considerations and accommodations that are important in serving this group. Also, some residents suffer from disabilities that require living in a supportive or institutional setting.

According to the 2016-2020 ACS, approximately 9 percent of Tracy residents (7,918 persons) over 5 years of age had a disability. Figure II-13 shows the percentage of the total population with a disability in Tracy, the County and California.

The ACS tallied the number of disabilities by type for residents with one or more disabilities. Among the disabilities tallied, ambulatory (46%) and cognitive (39%) difficulties were the most common (Table II-21). However, the prevalence of certain disabilities does vary by age. For example, cognitive difficulties accounted for 74 percent of disabilities tallied among 5 to 17 year olds, while 65 percent of disabilities tallied among seniors were ambulatory difficulties.

Figure II-13: Disabilities for the Total Population in Tracy, San Joaquin County and California



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Table II-21: Disabilities Talled by Age and Type

Type of Disability	Percent of Disabilities Talled			
	5 to 17	18 to 64	65+	Total
With a hearing difficulty	11.8%	17.3%	42.3%	27.3%
With a vision difficulty	25.1%	16.4%	15.0%	16.6%
With a cognitive difficulty	74.3%	41.1%	28.1%	38.9%
With an ambulatory difficulty	7.4%	38.5%	65.1%	45.8%
With a self-care difficulty	16.3%	17.5%	24.6%	20.1%
With an independent living difficulty	---	34.5%	45.7%	35.3%
Total Persons with Disabilities	785	3,919	3,162	7,918

Notes:

1. Persons under 5 years of age are not included in this table.

2. Persons may have multiple disabilities.

Source: Bureau of the Census, American Community Survey, 2016-2020.

Senate Bill 812, which took effect January 2011, requires housing elements to include an analysis of the special housing needs of the developmentally disabled in accordance with Government Code Section 65583(e). Developmental disabilities are defined as severe, chronic, and attributed to a mental or physical impairment that begins before a person turns 18 years old. This can include Down’s Syndrome, autism, epilepsy, cerebral palsy, and mild to severely impaired intellectual and adaptive functioning. Some people with developmental disabilities are unable to work, rely on Supplemental Security Income, and/or live with family members. In addition to their specific housing needs, they are at increased risk of housing insecurity after an aging parent or family member is no longer able to care for them.

The California Department of Developmental Services is responsible for overseeing the coordination and delivery of services to more than 330,000 Californians with developmental disabilities. The State has 21 regional centers that provides point of entry to services for people with developmental

II. Housing Needs Assessment

disabilities. Residents of Tracy utilize the Valley Mountain Regional Center (VMRC) located in Stockton. The VMRC provides services for persons with developmental disabilities in Amador, Calaveras, San Joaquin, Stanislaus, and Tuolumne counties.

The following information from the State Department of Developmental Services (DDS) provides a closer look at the disabled population. Data shown in Table II-22 estimates the number of individuals with developmental disabilities that used Regional Center services in the quarter ending in December 2021. Most persons (96%) experiencing a developmental disability reside in the home of a parent, family, or guardian.

Table II-22: Persons with Developmental Disabilities by Age

	City of Tracy	San Joaquin County	State
0-17 years	632	5,405	192,384
18+ years	359	3,953	185,353
Total Population	991	9,358	377,737

Source: California Department of Developmental Services Quarterly Consumer Report, December 2021

Resources Available

Housing options for persons with disabilities also include community care facilities. As of November 2022, the City of Tracy currently has:

- Ten Small Adult Residential Care facilities – 55 beds total
- One Adult Day Care facility – 60 clients

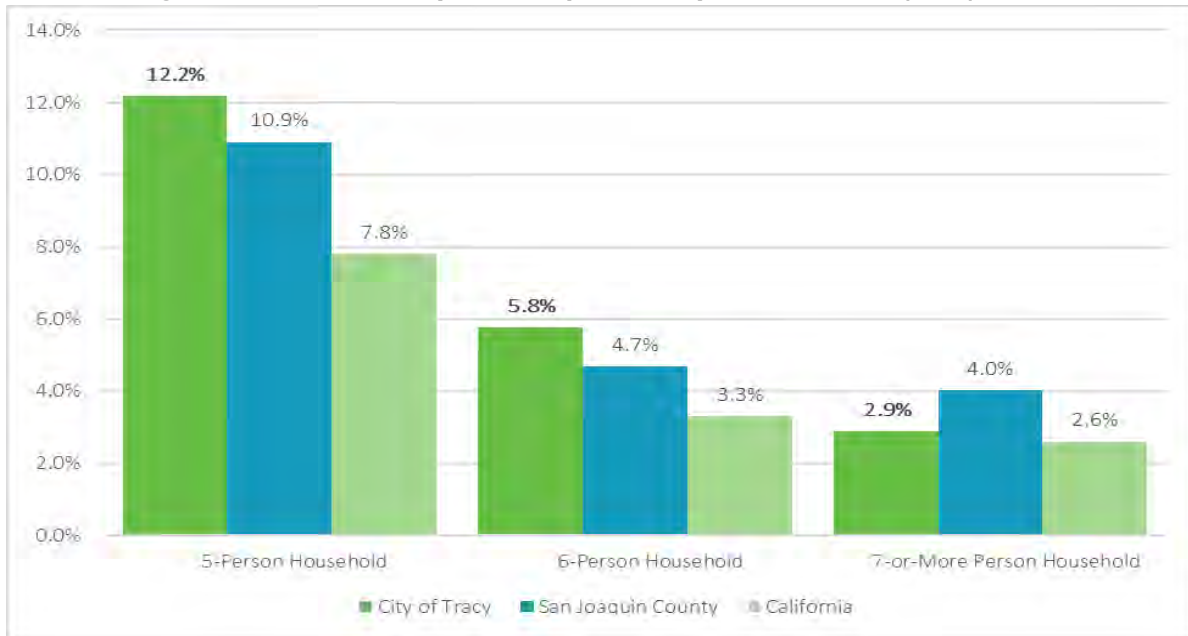
In addition, VMRC is a private, non-profit corporation that contracts with the State of California to provide diagnostic, evaluation, case management, and early intervention services to people with developmental disabilities. VMRC purchases services such as respite, out-of-home placement, adult day programs, transportation, behavior intervention, infant development services, clinical, and diagnostic services for people with developmental disabilities.

3. Large Households

Large households are defined as those consisting of five or more members. These households comprise a special need group because of the often limited supply of adequately sized and affordable housing units in a community. To save for other basic necessities such as food, clothing and medical care, it is common for lower income large households to reside in smaller units, which frequently results in overcrowding.

In 2020, approximately 21 percent of total households in Tracy were considered large households (Table II-19). Of these large households, approximately 60 percent owned the units they occupied, and 40 percent rented. Finding large rental units (with three or more bedrooms) is a common problem for large families, particularly large renter households earning lower incomes. Figure II-14 compares large households in Tracy, the County and the State. Tracy has a higher percentage of 5- and 6-person households compared to the County and State and has a similar percentage of 7-person households to California.

Figure II-14: Large Households in Tracy, San Joaquin County and California (2020)



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

According to the 2016-2020 ACS, while 78 percent of the 27,007 occupied housing units in the City had three or more bedrooms only about a quarter of these units (26%) were occupied by renters. Additionally, the CHAS data based on the 2015-2019 ACS showed that 71 percent of low-income large renter households and 73 percent of low-income large owner households were cost burdened (Table II-16).

As shown in Table II-16, large renter-families were more likely to experience housing problems than all other household types (59%).

Resources Available

The Section 8 Housing Choice Voucher program extends assistance to large households with overcrowding and cost burden issues. Homebuyer assistance and housing rehabilitation programs can also benefit large households with lower and moderate incomes.

4. Single-Parent Households

Single-parent families, particularly female-headed families with children, often require special consideration and assistance because of their greater need for affordable housing and accessible day care, health care, and other supportive services. Female-headed families with children are considered a vulnerable group because they must balance the needs of their children with work responsibilities, often while earning limited incomes.

The 2016-2020 ACS showed that over 1,600 households in Tracy were single-parent households (those with own children under the age of 18). Of these households, 1,252 were female-headed and 401 were male-headed households) (Table II-19). Female-headed households, and particularly those with children, often have a higher incidence of poverty when compared to other household types. Table II-23 shows the percentage of female-headed households with children living below the poverty line. Tracy’s percentage is lower than the County and State (20% versus 26% and 22%,

II. Housing Needs Assessment

respectively). Female-headed households need affordable housing in areas with access to transit networks, schools and parks, and daily services.

Table II-23: Female-Headed Households with Children by Poverty Status in Tracy, San Joaquin County, and California

	City of Tracy	Percent	San Joaquin County	Percent	California	Percent
Below Poverty Line	727	19.9%	8,916	25.6%	364,236	21.5%
Above Poverty Line	2,928	80.1%	25,869	74.4%	1,329,038	78.5%
Total	3,655	–	34,785	–	1,693,274	–

Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Resources Available

The City offers a number of housing programs and supportive services for lower and moderate income households in general that can also benefit female-headed households.

5. Farmworkers

Farmworkers are traditionally defined as persons whose primary incomes are earned through seasonal agricultural labor. They have special housing needs because of their relatively low income and the transient, seasonal nature of their job. [The following information is from the California Department of Public Health and Community and Labor Center at UC Merced, "Farmworker Health in California: Health in a Time of Contagion, Drought, and Climate Change" and the San Joaquin County 2020-2025 Consolidated Plan.](#)

[According to ACS estimates, over half of the state's farmworker population lives in the San Joaquin Valley \(61%\), and another third of the population lives in the Central Coast \(31%\). Farmworkers in this study were most likely to be renters \(92%\), to live in single-family homes \(55%\), and very few renters relied on employers to pay any or all of their rent \(2%\). Research suggests that farmworkers generally experience substandard housing \(e.g., older homes, apartments, mobile homes, motels, garages, or other similar spaces\), often requiring repairs such as new roofs, plumbing, heating and cooling systems, and termite clean-up. Poor ventilation and crowded spaces put farmworkers at increased risk for respiratory illnesses such as asthma and infectious diseases like tuberculosis and COVID-19.](#)

[FWHS respondents lived in large, overcrowded households with low incomes and several household problems, arrangements associated with decreased mental health. Farmworkers households were larger than the California average \(3.0 persons per household\), with a median household size of four persons. Over one-fourth \(29%\) of farmworkers' households had six or more persons. More than half \(55%\) of farmworkers reported that two persons \(including themselves\) slept in their room – a figure somewhat less than the percent married \(67%\) – but more than one-fourth \(25%\) slept in a room with three or more persons indicating over-crowding.](#)

[Children were a significant part of respondents' households. More than two-thirds \(70%\) of farmworkers lived in households with one or more children under the age of 18. The median number of children per household was two, and more than two in five \(42%\) households had three or more children. Only two percent of farmworkers lived in households with children who worked.](#)

The median household income reported by respondents was \$25,000 per year—a figure sharply different from that reported in the ACS by California farmworkers (\$62,021). This figure may have only accounted for immediate family members' earnings rather than those of all persons living under the same roof. This forces the farmworking community to compete for the lowest cost housing, which, as mentioned above, is typically substandard.

Housing affordability and overcrowding are critical issues among this special needs group. The ineligibility of undocumented workers for government-sponsored housing programs is a serious problem as well and only adds to constraints the farmworkers face.

The United States Department of Agriculture (USDA) Agricultural Census counted over 1,700 farms with more than 19,000 farm workers in San Joaquin County in 2017.² In terms of the number of days worked, the Agricultural Census found that 40 percent of the farm laborers worked 150 days or more, while 60 percent worked 150 days or less.

The 2016-2020 ACS found that 328 Tracy residents were employed in the agriculture, forestry, fishing hunting, and mining industry, making up approximately 0.4 percent of the population in Tracy (Table II-19). Given that the City of Tracy is highly urbanized with farming activities located primarily in the unincorporated areas outside the current city limits, the farmworker population in the City is limited.

Resources Available

Because the City's farmworker population is small, no special housing programs for this group are necessary—San Joaquin County has many resources for farmworkers and their families. According to the 2021-2023 County Consolidated Plan, the Housing Authority of San Joaquin County offers programs to assist very low to moderate income households with their housing costs, including the Housing Choice Voucher (Section 8) rental assistance program, public housing, and migrant centers in the county located in Lodi, French Camp and Thornton. In addition, the Housing Authority provides the Family Self-Sufficiency Program, supportive services centers, and the Residential Construction Program. The County has established an ongoing collaboration with the Housing Authority and is committed to expanding access to affordable housing and improving the living environment for low income families. The housing needs of farmworkers in the City can be met through the various affordable housing, supportive programs and other affordable housing programs that are available to all lower income households.

6. Households Living in Poverty and Extremely Low Income Households

Households living in poverty³ comprise about 7 percent of Tracy's total households (Table II-19). Table II-24 shows that Tracy has a lower percentage of households living in poverty compared to the County and the State, while Figure II-15 shows that the percentage of households in poverty has decreased in Tracy between 2010 and 2020. Figure II-16 illustrates that the highest percentages of

² USDA Agricultural Census, Table 7, 2017

³ Information from the Census Bureau: The poverty definition is based on money income before taxes and does not include capital gains or non-cash benefits. The official FPL is calculated annually in order to reflect inflation by the Census Bureau and is used primarily for statistical purposes. The Census Bureau assigns each person or family a singular threshold out of a possible 48, which can vary by family size (designated up to a nine-person family unit or more), number of children, and—in the case of one-person and two-person households—elderly status.

II. Housing Needs Assessment

households living in poverty are two or more races (11%), some other race alone (10.8%) and Hispanic or Latino of any race (10.4%).

Table II-24: Total Households in Poverty in Tracy, San Joaquin County and California

	City of Tracy	Percent	San Joaquin County	Percent	California	Percent
Income Below Poverty Level	1,405	6.6%	18,652	10.8%	806,599	9.0%

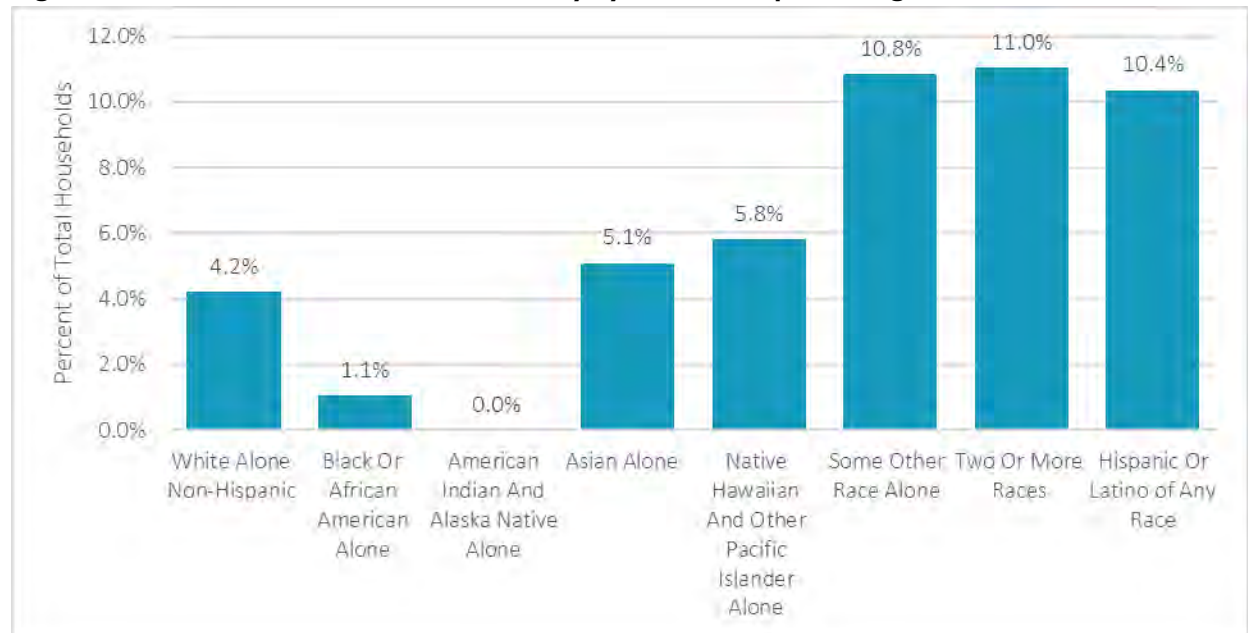
Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Figure II-15 Total Tracy Households in Poverty and Percent Change Over Time (2010-2020)



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Figure II-16: Percent of Households in Poverty by Race or Hispanic Origin



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Extremely low income (ELI) households are considered households earning 30 percent or less than the area median income (AMI). Extremely low income households are more likely to experience housing problems and cost burden.

Table II-25 shows the latest CHAS data **extremely-low income residents** based on the 2015-2019 ACS. **This data is from Table II-16, which shows housing problems for all income categories in the City. Analyzing these two tables shows that:**

II. Housing Needs Assessment

- Approximately six percent of households in Tracy are extremely low income.
- Of these 1,615 ELI households, 815 are renters and 800 are owners. The percentage of ELI renter households (50%) is higher than the percentage of renter households in Tracy overall (38%). This is most likely due to the high cost of housing which makes homeownership more of a challenge for lower income groups. The table also shows that m
- More than three-quarters of extremely low income households in Tracy experience cost burden compared to 33.7 percent of households overall in the city. This is similar to the cost burden experienced by very low income households (77.7%), higher than low income households (69.7%) and much higher compared to moderate and above moderate households (20%).
- According to the 2016-2020 ACS, approximately six percent of housing units in the City (1,733 units) were overcrowded. Overcrowding disproportionately affected renters (11.5% versus 3%), indicating overcrowding may be the result of an inadequate supply of larger sized rental units. While severe overcrowding (more than 1.51 persons per room) impacts less than 3 percent of households in Tracy, it does impact a greater percentage of renters than homeowners (5% versus 1%)
- The Affirmatively Furthering Fair Housing (AFFH) analysis for this Housing Element (Appendix C) looks at overcrowding in Tracy. Tracy has six tracts that exceed the Statewide average of 8.2 percent, all of which are adjacent to each other and located in the northern and central part of the City. Low- and moderate-income households and populations of people of color are also more concentrated in these areas.
- ~~Due to increases in rent and housing prices, these households will likely continue to face housing problems. The needs of this special needs group are taken into consideration and are generally addressed through the City's overall programs for housing affordability and by prioritizing funding and development opportunities for projects that include housing for ELI households.~~
- Table II-25: Extremely Low Income (ELI) Households by Tenure and Housing Problems

	Owner		Renter		Total	
	Households	Percent	Households	Percent	Households	Percent
ELI Households	800	4.9%	815	8.5%	1,615	6.3%
With Housing Problem	630	78.8%	630	77.3%	1,260	78.0%
With Cost Burden	630	78.8%	630	77.3%	1,260	78.0%
Total Households in Tracy	16,225	100%	9,630	100%	25,855	100%

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), (based on the 2015-2019 American Community Survey).

Affirmatively Furthering Fair Housing (A) analysis

Resources Available

The needs of this special needs group are taken into consideration and are generally addressed through the City's overall programs for housing affordability and by prioritizing funding and development opportunities for projects that include housing for ELI households.

In 2019, the City allocated \$112,000 in Home Investment Partnership Program funds to the San Joaquin County Housing Authority and Stone Pine Meadows, a 72-unit apartment complex for lower-income households. In fiscal year 2021, the City allocated \$163,461 in Home Investment Partnership Program funds to the San Joaquin County Housing Authority to support the demolition and reconstruction of a 6055-unit low-income apartment project (Tracy Senior Living). Phase 1 of

II. Housing Needs Assessment

the project involves the demolition of 17 obsolete units and Phase 2 involves the reconstruction of 55 energy-efficient units for very low income seniors. This project is anticipated to be completed in 2026. In 2020, City Council allocated \$4 million to the Housing Authority of San Joaquin County for the rehabilitation of existing low-income housing units.

The City continues to participate in the Housing Choice Voucher Program operated by the San Joaquin Housing Authority funded by HUD. About 162 Tracy households are currently receiving housing choice voucher assistance.

The Housing Resources Education and Bilingual Material program and Displacement Prevention program includes actions to distribute information about housing resources to residents of Tracy, including lower income residents.

Please also see Farmworker Resources above regarding other services the County provides to low income families.

7. Persons Experiencing Homelessness

According to the U.S. Department of Housing and Urban Development (HUD), a person is considered homeless if he/she is not imprisoned and:

- Lacks a fixed, regular, and adequate nighttime residence;
- The primary nighttime residence is a publicly or privately operated shelter designed for temporary living arrangements;
- The primary residence is an institution that provides a temporary residence for individuals that should otherwise be institutionalized; or
- The primary residence is a public or private place not designed for or ordinarily used as a regular sleeping accommodation.

The San Joaquin County Continuum of Care (SJCoC) conducted the 2022 Point-in-Time (PIT) Count during the last ten days in January 2022.⁴ The PIT Count found 2,319 persons experiencing homelessness in the County. Of those, 964 were sheltered and 1,355 were unsheltered. Table II-26 shows the homeless counts from 2017 to 2022. Please note that a PIT count of unsheltered persons was not conducted in 2020 or 2021. The number of homeless persons decreased by 310 individuals between 2019 and 2022. It is noted by the SJCoC that the decrease between 2019 and 2022 may indeed be due to a decline in individuals, but it may be also due to extenuating circumstances from COVID-19, such as a lower number of volunteers during the PIT count.⁵

⁴ San Joaquin Continuum of Care Report on the Point in Time Count of the Sheltered and Unsheltered Homeless, June 15, 2022.

⁵ SJCoC Point in Time Count Trends and Analysis – Homelessness and Disparity in San Joaquin County, updated June 9, 2022.

Table II-26: San Joaquin Continuum of Care Homeless Counts (2017-2022)

	2017	2018	2019	2020	2021	2022
Sheltered Count	985	1,118	1,071	1,119	885	964
Unsheltered Count	567	NA	1,558	NA	NA	1,355
Total Count	1,552	1,118	2,629	1,119	885	2,319

Source: SJCoC Point in Time Count Trends and Analysis – Homelessness and Disparity in San Joaquin County, updated June 9, 2022.
 NA = data not available

According to the SJCoC 2022 PIT, 124 persons were counted in the City of Tracy. This is a 20 percent decrease from the 155 individuals that were counted for the 2019 Point-In-Time count. Table II-27 provides information about the individuals in the 2022 PIT count.

Table II-27: 2022 Point-In-Time Data: Unsheltered Persons in Tracy

Gender	
Male	68%
Female	32%
Race	
Native/Indigenous	2%
Asian	0%
Black	18%
Pacific Islander	2%
White	74%
Multi-racial	5%
Ethnicity	
Hispanic	30%
Non-Hispanic	70%
Other Data	
Chronically Homeless	51%
Reported Substance Issue	24%
Reported Mental Health Issue	24%
Between Age of 18-24	2%
Age 62 or Older	12%
Veterans	5%
Total Unsheltered Persons	124

Source: San Joaquin Continuum of Care Report on the Point in Time Count of the Sheltered and Unsheltered Homeless, June 15, 2022.

Resources Available

In May 2020, the City Council adopted the Homeless Strategic Plan (Strategic Plan). This Strategic Plan identified four primary goals:

- Increase housing options in Tracy
- Increase access to coordinated support services for people experiencing homelessness
- Develop action plans for engaging with people experiencing homelessness
- Enact specific strategies for vulnerable subpopulations experiencing homelessness

The Strategic Plan includes objectives and a detailed implementation plan for each of these goals. Some of the implementation measures focused on emergency, transitional and permanent housing options in the City. Preparation of the Strategic Plan included a variety of stakeholders. A detailed list of available State resources was also included.

Services and facilities available to the homeless in and around Tracy are listed in Table II-28.

II. Housing Needs Assessment

Table II-28: Homeless Services

Organization	Services
Central Valley Low Income Housing Corporation (Stockton)	Provides rent assistance and supportive services to homeless families and individuals, including case management, budgeting assistance/ counseling, education assistance, and job search preparation.
New Directions (Stockton)	Serves homeless individuals who have a history of substance abuse. Program participants reside in dormitories and receive supportive services which include individual and group counseling.
Lutheran Social Services of Northern California (Stockton)	Provides rent assistance and support services to homeless former foster youth with disabilities. Supportive services include case management, education assistance, child care, and transportation assistance.
Coalition of Tracy Citizens to Assist the Homeless (CTCAH)	Operates Emerson House, a transitional shelter for homeless men.
Tracy Interfaith Ministries	Provides bagged groceries and clothing for homeless individuals and works with the Salvation Army to provide one-night vouchers for Tracy motels.
McHenry House Tracy Family Shelter	Provides shelter to homeless families and single women.
Tracy Interim Shelter Site	Provides a low barrier shelter option to men, women, couples and pets.
Tracy Community Connections Center	Provides intake and referral support for Tracy's shelter. Provides a Navigation Center for Tracy residents in need of housing and resources.

In September 2020, the City Council gave direction to move forward with the development of plans for the design and construction of a temporary emergency housing facility. The site is located on 4.8 acres at 370 W. Arbor Avenue. The 6,300 square-foot low-barrier navigation facility will accommodate people, pets, and possessions and is anticipated to provide shelter for approximately 68 residents within a congregate sprung shelter. Underground site work was completed in August 2022. This project has experienced significant delays in construction. Council directed the City to move on alternative housing options due to the delay in construction and ordered a declaration establishing an emergency shelter crisis (Resolution 2022-121). This resolution also directed the City Manager to take immediate and emergency actions necessary to implement interim housing solutions for Tracy's unsheltered population. These interim housing solutions provided a Phase 3 and Phase 4 of the Arbor Avenue site which allowed the City to procure goods and services to support additional units. Phase 3 consists of 48 units within modular dormitory facilities and Phase 4 includes 38 container units that are currently in construction. Today, there are 48 beds in service at the Arbor Avenue site. In addition, the City has contracted with ~~at two~~ providers, ~~one~~ which provides the oversight of the shelter's day to day operations, ~~and the other which provides the referral and intake process for entry into the shelter.~~

8. Cumulative Needs and Resources for Special Needs Groups in Tracy

The City was able to provide the following assistance to special needs households during the 2015-2023 Housing Element planning period:

- In 2019, the City allocated \$112,000 in Home Investment Partnership Program funds to the San Joaquin County Housing Authority and Stone Pine Meadows, a 72-unit apartment complex for lower-income households.
- In FY 2021, the City allocated \$163,461 in Home Investment Partnership Program funds to the San Joaquin County Housing Authority to support the demolition and reconstruction of a 60-unit low-income apartment project.

- In 2020, City Council allocated \$4 million to the Housing Authority of San Joaquin County for the rehabilitation of existing low-income housing units
- The City facilitated the rehabilitation of the McHenry House - Family Homeless Shelter and Emerson House (transitional housing facility for men) through the CDBG program.
- The City continues to participate in the Housing Choice Voucher Program operated by the San Joaquin Housing Authority funded by HUD. About 162 Tracy households are currently receiving housing choice voucher assistance.
- Several resources are available through San Joaquin County for farmworkers and other extremely low income families

F. Housing Stock Characteristics

A community’s housing stock is defined as the collection of all housing units located within the jurisdiction. The characteristics of the housing stock, including growth, type, age and condition, tenure, vacancy rates, housing costs, and affordability are important in determining the housing needs for the community. This section details the housing stock characteristics of Tracy to identify how well the current housing stock meets the needs of current and future residents of the City.

1. Housing Growth

In 2020, Tracy had 27,787 housing units, San Joaquin County had over 245,000 units and California had over 14 million units (Table II-29). Figure II-17 shows housing unit growth from 1980 to 2020 in Tracy while Table II-30 shows unit growth trends over the last 40 years in all of the jurisdictions in San Joaquin County. Similar to the increase in population within the County, the highest growth for housing units occurred between 1980 and 1990. The growth in Tracy during that decade was over 80 percent and all jurisdictions saw growth of at least 30 percent. Tracy experienced rapid housing growth from 1990 to 2010, while slower growth occurred between 2010 and 2022. The total number of housing units in the City increased 49 percent between 1990 and 2000, another 44 percent from 2000 to 2010 and seven percent between 2010 and 2022 (Figure II-17 and Table II-30). Much of the housing growth that occurred between 2000 and 2010, however, took place in the first half of the decade. Residential building permit data indicates that a tremendous amount of housing development occurred in Tracy between 2000 and 2004. Residential development declined sharply in 2005 due to decreased housing demand and the voter-approved Measure A initiative, which amended the City’s Growth Management Ordinance (GMO) by reducing the number of new residential building permits allowed each year from 1,500 to 750. New housing construction declined further since 2007 as a result of the economic downturn and tightening of the credit market. Since 2010, the greatest housing growth in San Joaquin County occurred in Escalon, Lathrop and Manteca.

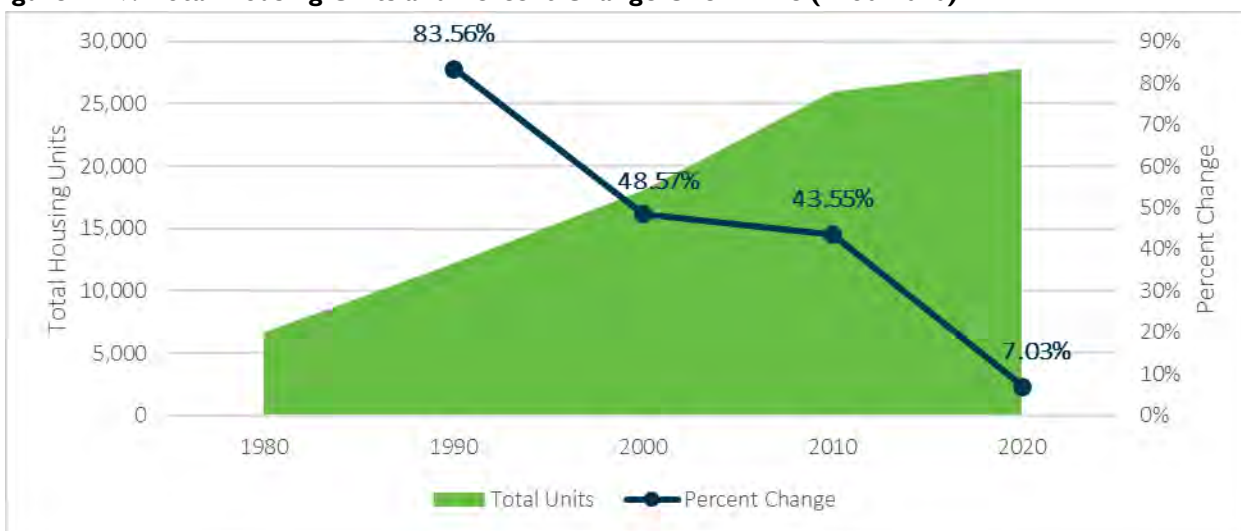
Table II-29: Housing Units in Tracy, San Joaquin County and California

	City of Tracy	City % of County	San Joaquin County	County % of State	California
Total	27,787	11.3%	245,192	1.7%	14,210,945

Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

II. Housing Needs Assessment

Figure II-17: Total Housing Units and Percent Change Over Time (1980-2020)



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Table II-30: Housing Growth Trends (1980-2020)

Jurisdiction	1980	1990	2000	2010	2020	% Change			
						1980-1990	1990-2000	2000-2010	2010-2022
Escalon	1,199	1,640	2,132	2,610	3,047	36.78%	30.00%	22.42%	16.74%
Lathrop	1,071	2,040	2,991	5,261	6,290	90.48%	46.62%	75.89%	19.56%
Lodi	14,015	19,676	21,378	23,792	24,190	40.39%	8.65%	11.29%	1.67%
Manteca	8,592	13,981	21,378	23,132	26,774	62.72%	52.91%	8.20%	15.74%
Ripon	1,244	2,567	3,446	5,129	5,785	106.35%	34.24%	49.84%	12.79%
Stockton	55,335	72,525	82,042	99,637	101,954	31.07%	13.12%	21.45%	2.33%
Tracy	6,632	12,174	18,087	25,963	27,787	83.56%	48.57%	43.55%	7.03%
County Total	-	166,274	189,160	233,755	245,192	-	13.80%	23.60%	10.61%

Sources: Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

2. Housing Type

Table II-31 shows the mix of housing units in Tracy, San Joaquin County and California in 2020. Tracy's housing stock is comprised mostly of single-family detached homes (81%). Another three percent of units are single-family attached units (such as zero lot line or second units). Just 16 percent of units in the City are multi-family units, while housing types such as mobile homes, boats, RVs, and vans make up about 2 percent of total housing units. Tracy and the County have a much greater percentage of detached single-family homes (81% and 74%) compared to the State (58%).

Table II-31: Housing Units By Type for Tracy, San Joaquin County and California

	City of Tracy	Percent	San Joaquin County	Percent	California	Percent
Total	27,787		245,192		14,210,945	
1, Detached	22,462	80.8%	181,875	74.2%	8,206,621	57.7%
1, Attached	914	3.3%	10,990	4.5%	1,009,488	7.1%
2	677	2.4%	4,823	2.0%	339,846	2.4%
3 or 4	693	2.5%	9,222	3.8%	773,994	5.4%
5 to 9	954	3.4%	9,029	3.7%	840,296	5.9%
10 to 19	455	1.6%	6,480	2.6%	721,132	5.1%
20 to 49	583	2.1%	5,638	2.3%	705,450	5.0%
50 or More	680	2.4%	8,877	3.6%	1,083,247	7.6%
Mobile Home	355	1.3%	8,074	3.3%	515,666	3.6%
Boat, RV, Van, etc.	14	0.1%	184	0.1%	15,205	0.1%

Sources: Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Table II-32 shows the growth in Tracy’s housing stock since 2010 and Table II-33 shows housing units by number of bedrooms since 2010. In the last decade, the percentage of multi-family developments with five or more units have increased from seven to ten percent.

Table II-32: Housing Units By Type Over Time in Tracy (2010-2020)

	2010	Percent	2015	Percent	2020	Percent
Total	25,449	–	25,286	–	27,787	–
1, Detached	20,707	81.4%	20,767	82.1%	22,462	80.8%
1, Attached	860	3.4%	864	3.4%	914	3.3%
2	718	2.8%	499	2.0%	677	2.4%
3 or 4	842	3.3%	617	2.4%	693	2.5%
5 to 9	744	2.9%	912	3.6%	954	3.4%
10 to 19	245	1.0%	361	1.4%	455	1.6%
20 to 49	346	1.4%	286	1.1%	583	2.1%
50 or More	529	2.1%	400	1.6%	680	2.4%
Mobile Home	458	1.8%	580	2.3%	355	1.3%
Boat, RV, Van, etc.	0	0.0%	0	0.0%	14	0.1%

Sources: Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Table II-33: Housing Units by Number of Bedrooms Over Time (2010-2020)

	2010	% of Total	2015	% of Total	2020	% of Total
Total	25,449	–	25,286	–	27,787	–
No Bedroom (BR)	165	0.6%	273	1.1%	422	1.5%
1 BR	1,111	4.4%	1,243	4.9%	1,551	5.6%
2 BR	3,648	14.3%	3,813	15.1%	4,031	14.5%
3 BR	9,101	35.8%	8,742	34.6%	10,123	36.4%
4 BR	8,674	34.1%	7,968	31.5%	9,089	32.7%
5+ BR	2,750	10.8%	3,247	12.8%	2,571	9.3%

Sources: Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

3. Housing Tenure and Availability

Housing tenure and vacancy rates are important indicators of the supply and cost of housing in a community. Housing tenure refers to whether a unit is owned or rented. According to 2016-2020 ACS data, approximately 62 percent of Tracy households were homeowners, while the remaining 38 percent were renters (Table II-34). The home ownership rate in Tracy was higher than the County average, but below that of the neighboring cities of Escalon, Lathrop, Manteca, and Ripon. Furthermore, comparing this tenure distribution with the composition of the City’s housing stock

II. Housing Needs Assessment

indicates that a significant number of single-family homes are used as rentals, reflecting a demand for rental housing in the community.

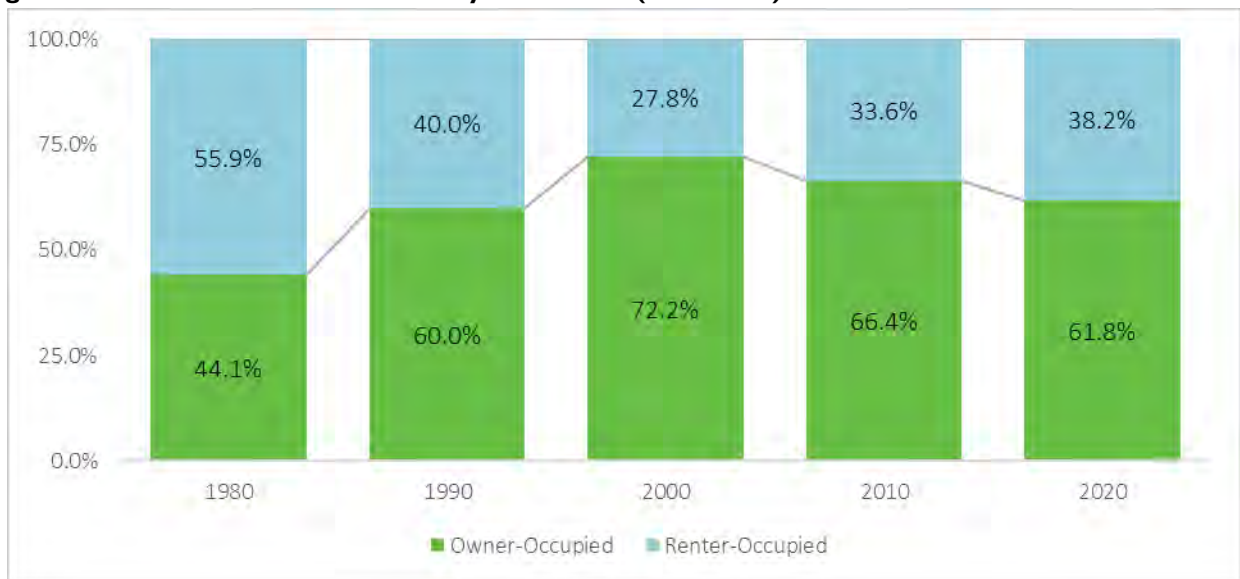
Table II-34: Housing Tenure

Jurisdiction	Owner-Occupied		Renter-Occupied	
	#	%	#	%
Escalon	2,180	72.5%	828	27.5%
Lathrop	4,640	79.7%	1,179	20.3%
Lodi	12,163	52.8%	10,854	47.2%
Manteca	16,748	65.2%	8,922	34.8%
Ripon	3,931	70.1%	1,673	29.9%
Stockton	47,481	49.9%	47,755	50.1%
Tracy	16,684	61.8%	10,323	38.2%
County Total	133,381	57.7%	97,711	42.3%

Source: Bureau of the Census, American Community Survey, 2016-2020

Figure II-18 shows housing tenure in Tracy over the last 40 years. The percentage of owner-occupied units increased from 44 percent in 1980 to 62 percent in 2020. The highest percentage of owner-occupied units occurred in 2000, at 72 percent.

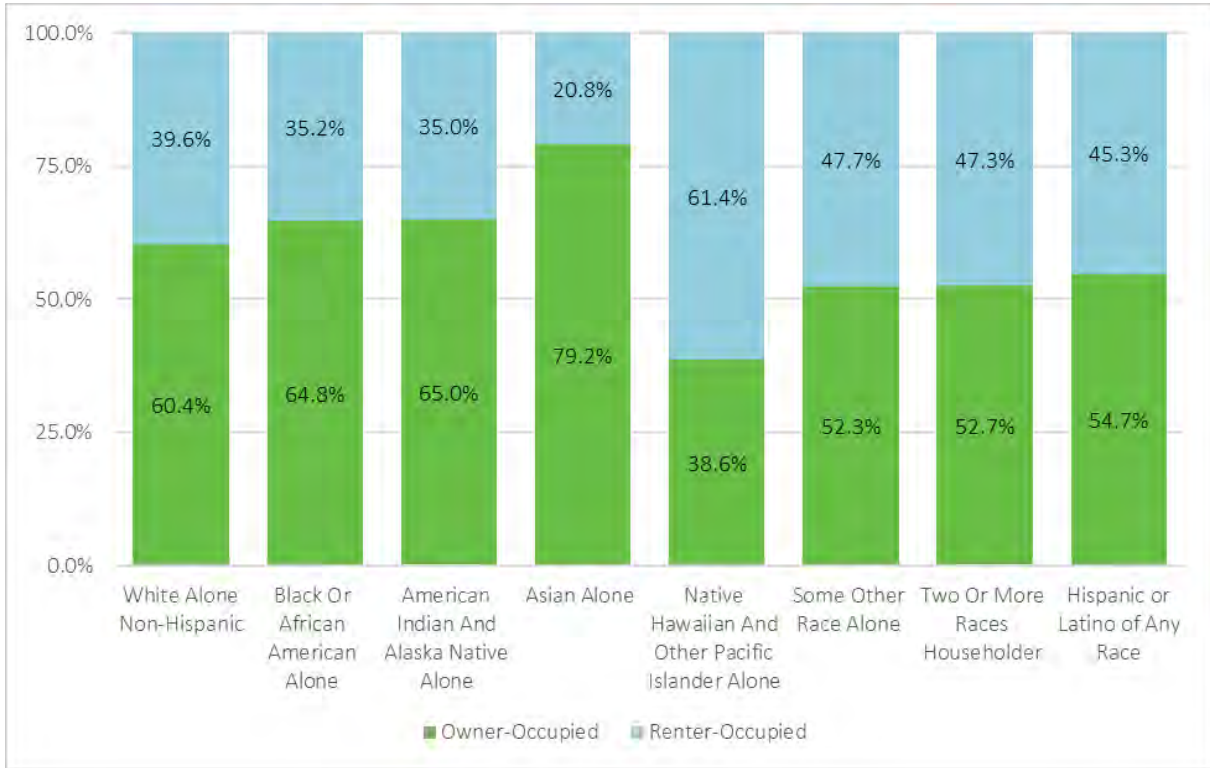
Figure II-18: Household Tenure in Tracy Over Time (1980-2000)



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

In terms of tenure by race and ethnicity in Tracy (Figure II-19), Asian households have the highest percentage of owner-occupied households (79%), followed by American Indian or Alaska Native and Black or African American households (65%) and White households (60%). Conversely, Native Hawaiian or Other Pacific Islander households have the highest percentage of renter households (61%), followed by Some Other Race Alone (48%), Two or More Races (47%) and Hispanic or Latino households (45%).

Figure II-19: Housing Tenure By Race Or Hispanic Origin



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Owner-households are larger in size on average than renter-households. Families with children usually represent many of the larger households in a community, and these households usually prefer owner-occupied housing. The homeownership rate in Tracy was equal or higher for all household size categories compared with the County (Table II-35).

Table II-35: Percentage Homeowner by Household Size

Household Size	Owner-Occupied			Renter-Occupied		
	Number	Percent	County Percent	Number	Percent	County Percent
1 person	2,271	52.2%	52.4%	2,080	47.8%	47.6%
2 people	4,416	72.7%	65.3%	1,659	27.3%	34.7%
3 people	2,780	54.0%	54.9%	2,369	46.0%	45.1%
4 people	3,872	66.6%	57.8%	1,943	33.4%	42.2%
5 person	1,959	59.6%	53.6%	1,328	40.4%	46.4%
6 person	970	62.4%	53.0%	584	37.6%	47.0%
7 + people	416	53.6%	60.1%	360	46.4%	39.9%

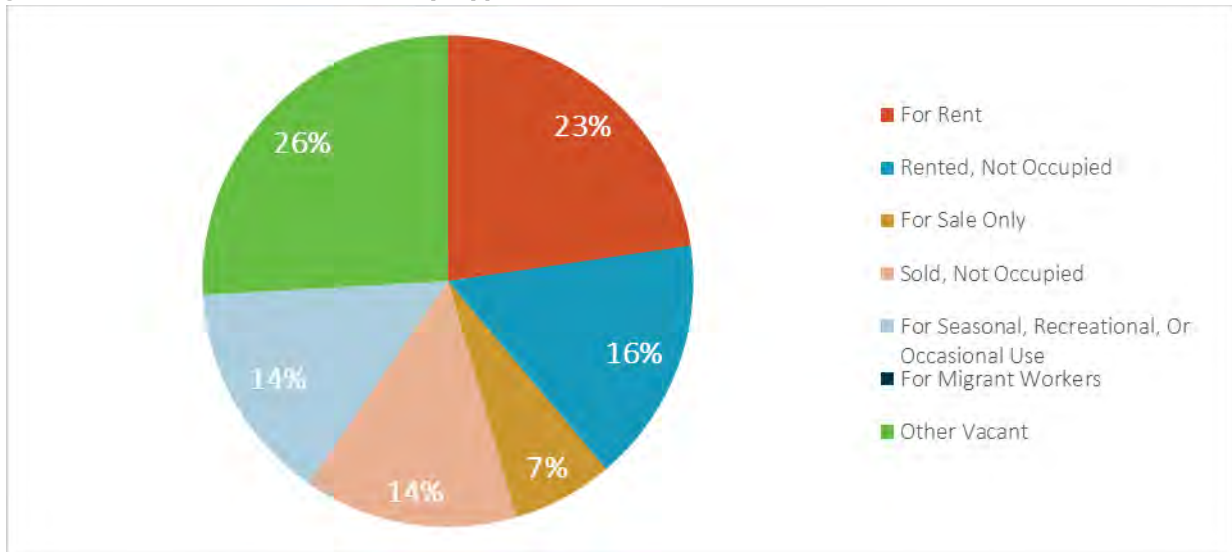
Source: Bureau of the Census, American Community Survey, 2016-2020

Vacancy rates can indicate whether there is a balance between the population and available housing units. A low vacancy rate means there is a high demand for housing in the area. A high demand for housing can increase the cost of housing as well as become a disincentive for property owners to maintain their property. A vacancy rate between 3 percent and 5 percent is considered optimal (essentially, suggesting full occupancy) for rental housing while 2 percent to 3 percent is ideal for ownership housing. Between 2016-2020, the City’s overall vacancy rate was 2.8 percent. During that same time period, the owner vacancy rate was 0.3 percent while the renter vacancy rate was 1.7 percent. These rates indicate an extremely tight housing market for both owner and renter housing

II. Housing Needs Assessment

in Tracy. Figure II-20 shows vacant units by type. “Other” vacant and units for rent comprised almost 50 percent of the vacant units in Tracy.

Figure II-20: Percent Vacant Units By Type



Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

4. Housing Age and Condition

Housing age can be an important indicator of housing condition within a community. Like any other tangible asset, housing is subject to gradual physical or technological deterioration over time. If not properly and regularly maintained, housing can deteriorate and discourage reinvestment, depress neighboring property values, and eventually impact the quality of life in a neighborhood. Thus, maintaining and improving housing quality is an important goal for the City.

Most of Tracy’s housing was built between 1980 and 2009 (Table II-36). Overall, the housing stock in the City is newer than housing in the County. A general rule in the housing industry is that structures older than 30 years begin to show signs of deterioration and require reinvestment to maintain their quality. An estimated 11,115 units (40% of the housing stock) in Tracy were constructed prior to 1990 and would be of sufficient age to require maintenance or rehabilitation.

Table II-36: Age of Local Housing Stock

Year Housing Unit Was Built	Tracy		County
	Number	%	
Built 2014 or later	1,078	3.9%	3.2%
2010 to 2013	293	1.1%	2.0%
2000 to 2009	7,841	28.2%	18.8%
1990 to 1999	7,460	26.8%	14.1%
1980 to 1989	4,654	16.7%	14.9%
1970 to 1979	2,163	7.8%	15.2%
1960 to 1969	1,046	3.8%	9.6%
1950 to 1959	1,448	5.2%	9.9%
1940 to 1949	772	2.8%	5.4%
1939 or earlier	1,032	3.7%	7.1%
Total	27,787	100.0%	100.00%

Source: Bureau of the Census, American Community Survey, 2016-2020

The 2016-2020 ACS data showing the condition of the City’s existing housing stock is in Table II-37. In general, the condition of the housing stock in Tracy is good. Only 0.2 percent of owner-occupied units lack complete kitchen facilities and 0.1 percent lack complete plumbing facilities. For renter-occupied units 0.4 percent lack complete kitchen facilities. The occurrence of substandard conditions in Tracy is lower than San Joaquin County.

Table II-37: Lack of Complete Facilities by Tenure

Facility Type	Owner-Occupied	Renter-Occupied	Total Households	County
Lacking complete kitchen facilities	0.2%	0.4%	0.3%	1.0%
Lacking complete plumbing facilities	0.1%	0.0%	0.1%	0.4%
Total Households	16,684	10,323	27,007	231,092

Source: Bureau of the Census, American Community Survey, 2016-2020

While the ACS data provides information about substandard conditions, the City’s Code Enforcement Division Unit is part of the City’s Police Department. Code Enforcement officers respond to reports of violations that can be submitted via phone or online through the City’s Government Outreach System, conducts visual surveys to determine housing conditions. The Code Enforcement Division reports there are approximately 20 substandard violations in 2023. Code enforcement data noted the following cases of substandard housing in 2023.

- 5 cases of grow houses with numerous electrical, mechanical and plumbing violations that are therefore unlivable and have been red tagged;
- 12 cases of hazardous conditions, including three cases roofs caving due to water damage and 3 cases of vehicles driven into buildings;
- 10 infestation cases – mostly rats and some roaches;
- 4 cases of no heat and/or water; and
- 1 leaky roof with dry rot.

Of these 32 cases, it is estimated that 22 of these units will need to be rehabilitated and possibly replaced due to water damage, vehicle damage, no heat and electrical, mechanical and plumbing issues. Cases of substandard housing were distributed throughout the City without clear pattern, with the exception of 3 cases in the same apartment complex on Eaton Avenue. Eaton Avenue is in northern Tracy where it is lower resource and has lower average incomes.

The City collaborates with the San Joaquin County Neighborhood Preservation Division on housing rehabilitation efforts. In 2020, City Council allocated \$4 million to the Housing Authority of San Joaquin County for the rehabilitation of existing low-income housing units.

G. Housing Costs and Affordability

The cost of housing is directly related to the extent of housing problems in a community. If housing costs are relatively high in comparison to household income, there will be a correspondingly higher prevalence of housing cost burden and overcrowding. This section summarizes the cost and affordability of the housing stock to Tracy residents.

1. Homeownership Market

In August 2022, the median home value in Tracy was \$823,750 per data from CoreLogic (Table II-38). This median home value was 10 percent higher than a year prior in August 2021 (\$751,000). Over

II. Housing Needs Assessment

the 12-month period, the increase in median home values in the County overall were similar to Tracy. The jurisdictions of Lathrop, Lodi and Manteca saw greater increases, while Escalon and Ripon's home values saw decreases.

Table II-38: Median Home Values (August 2021-August 2022)

Jurisdiction	# of Units Sold	Aug-21	Aug-22	% Change
Escalon	9	\$477,500	\$450,000	-5.8%
Lathrop	93	\$599,750	\$746,000	24.4%
Lodi	68	\$498,750	\$575,000	15.3%
Manteca	129	\$570,000	\$642,000	12.6%
Ripon	22	\$640,000	\$611,000	-4.5%
Stockton	360	\$411,500	\$424,500	3.2%
Tracy	182	\$751,000	\$823,750	9.7%
San Joaquin County	879	\$525,000	\$575,000	9.5%

Source: Corelogic.com, California Home Sale Activity by City, August 2022.

Table II-39 shows home sale prices in Tracy during November 2022. As shown, the majority of homes for sale were 4-bedroom units with a median price of \$825,000. The median price for 2-bedroom homes was \$485,000 and 6-bedroom homes was \$1,175,000. A few condos and townhomes were also listed and had median prices of \$427,500 (two bedrooms), \$620,000 (3 bedrooms) and \$764,000 (4 bedrooms).

Table II-39: Tracy Home Sale Prices (November 2022)

Unit Type	Bedrooms	Units Listed	Range	Median	Average
Detached Homes	1	1	\$170,000	---	---
	2	5	\$359,995 - \$774,500	\$485,000	\$563,139
	3	49	\$429,950 - \$1,095,000	\$640,000	\$670,141
	4	97	\$530,000 - \$2,350,000	\$825,000	\$868,091
	5	37	\$759,000 - \$2,500,000	\$995,950	\$1,045,192
	6	4	\$949,900 - \$1,450,000	\$1,175,000	\$1,187,475
Condos/Townhomes	2	3	\$375,000 - \$560,000	\$427,500	\$454,166
	3	3	\$539,888 - \$654,880	\$620,000	\$604,922
	4	3	\$723,880 - \$764,880	\$764,880	\$751,213

Source: Zillow.com, November 2022

2. Rental Market

As previously noted, while approximately 83 percent of the City's housing stock is comprised of single-family homes, about 62 percent of the households were owner-occupied households. This would suggest that many single-family homes in the City were being used as rentals. According to the U.S. Census, median gross rent has increased from \$225 a month in 1980 to \$1,862 a month in 2020 (Table II-40).

Table II-40: Median Gross Rent Over Time (1980-2020)

	1980	1990	2000	2010	2020
Median Gross Rent	\$225	\$598	\$807	\$1,290	\$1,862
Percent Change		165.78%	34.95%	59.85%	44.34%

Sources: Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

Market-rate rents for housing in Tracy are summarized in Table II-41. Rental rates were compiled based on a review of various online resources in November 2022. Rents varied by housing type and by the number of bedrooms. The majority of apartments available consisted of one- and two-bedroom units with median rents of \$2,295 and \$2,558, respectively. The single-family homes available for rent were typically much larger (three to five bedrooms) and had median rents of \$2,500 to \$3,300.

Table II-41: Rental Rates (November 2022)

Unit Type	Bedrooms	Units Listed	Range	Median	Average
Apartments	1	27	\$1,550 - \$2,624	\$2,295	\$2,236
	2	26	\$1,695 - \$2,920	\$2,558	\$2,535
	3	10	\$2,895 - \$3,370	\$3,279	\$3,186
Condos/Townhomes	3	1	\$2,100	–	–
Homes	1 (ADU)	2	\$1,650 - \$1,695	\$1,672	\$1,672
	3	9	\$2,200 - \$3,299	\$2,500	\$2,622
	4	16	\$2,650 - \$3,495	\$2,997	\$3,013
	5	7	\$2,999 - \$3,550	\$3,300	\$3,327

Source: Online rental survey on November 7, 2022, Apartments.com and Rent.com

3. Housing Affordability by Income Level

Housing affordability can be inferred by comparing the cost of renting or owning a home in the City with the maximum affordable housing costs for households at different income levels. Taken together, this information can generally show who can afford what size and type of housing and indicate the type of households most likely to experience overcrowding and overpayment.

The federal Department of Housing and Urban Development (HUD) conducts annual household income surveys nationwide to determine a household’s eligibility for federal housing assistance. Based on this survey, the California Department of Housing and Community Development (HCD) developed income limits that can be used to determine the maximum price that could be affordable to households in the upper range of their respective income category. Households in the lower end of each category can afford less by comparison than those at the upper end. Table II-42 shows the maximum amount that a household can pay for housing each month without incurring a cost burden (overpayment). This amount can be compared to current housing asking prices (Table II-39) and market rental rates (Table II-41) to determine what types of housing opportunities a household can afford.

Extremely Low Income Households

Extremely low income households earn 30 percent or less of the County area median income – up to \$17,400 for a 1-person household and up to \$32,470 for a 5-five-person household in 2015. Extremely low income households cannot afford market-rate rental or ownership housing in Tracy.

Very Low Income Households

Very low income households earn between 31 percent and 50 percent of the County area median income – up to \$29,000 for a one-person household and up to \$44,750 for a five-person household in 2022. A very low income household can afford homes offered at prices between \$54,136 and \$67,077, adjusting for household size. Given the costs of ownership housing in Tracy, very low income households would not be able to afford a home in the City. Similarly, very low income renters could not afford market-rate rental units in Tracy. After deductions for utilities, a very low income

II. Housing Needs Assessment

household at the maximum income limit can afford to pay approximately \$459 to \$646 in monthly rent, depending on household size.

Low Income Households

Low income households earn between 51 percent and 80 percent of the County's area median income - up to \$46,350 for a one-person household and up to \$71,500 for a five-person household in 2022. The affordable home price for a low income household at the maximum income limit ranges from \$128,439 to \$181,637. Based on the asking prices of homes for sale in November 2022 (Table II-39), ownership housing would be unaffordable to low income households. After deductions for utilities, a one-person low income household could afford to pay up to \$893 in rent per month and a five-person low income household could afford to pay as much as \$1,315. In 2022, low income households in Tracy would not be able to find affordable adequately sized apartment units (Table II-41).

Moderate Income Households

Moderate income households earn between 81 percent and 120 percent of the County's Area Median Income - up to \$110,150 depending on household size in 2022. The maximum affordable home price for a moderate income household is \$235,718 for a 1-person household and \$347,159 for a 5-person family. Moderate income households in Tracy will also have trouble purchasing adequately sized homes. The maximum affordable rent payment for moderate income households is between \$1,519 and \$2,281 per month. Appropriately sized market-rate rental housing may be difficult to secure for households in this income group.

Table II-42: Housing Affordability Matrix - San Joaquin County (2022)

Household	Annual Income	Affordable Costs	Estimated Utility Allowance, Taxes, and Insurance		Affordable Rent	Affordable Home Price
		(All Costs)	Utilities	Taxes, Ins., HOA (Ownership)		
Extremely Low Income (0-30% AMI)						
1-Person	\$17,400	\$435	\$266	\$152	\$169	\$4,458
2-Person	\$19,900	\$498	\$290	\$174	\$207	\$8,708
3-Person	\$23,030	\$576	\$347	\$202	\$229	\$7,178
4-Person	\$27,750	\$694	\$411	\$243	\$283	\$10,569
5-Person	\$32,470	\$812	\$473	\$284	\$339	\$14,487
Very Low Income (30-50% AMI)						
1-Person	\$29,000	\$725	\$266	\$254	\$459	\$54,136
2-Person	\$33,150	\$829	\$290	\$290	\$538	\$65,452
3-Person	\$37,300	\$933	\$347	\$326	\$586	\$68,291
4-Person	\$41,400	\$1,035	\$411	\$362	\$624	\$69,027
5-Person	\$44,750	\$1,119	\$473	\$392	\$646	\$67,077
Low Income (50-80% AMI)						
1-Person	\$46,350	\$1,159	\$266	\$406	\$893	\$128,439
2-Person	\$53,000	\$1,325	\$290	\$464	\$1,035	\$150,462
3-Person	\$59,600	\$1,490	\$347	\$522	\$1,143	\$163,792
4-Person	\$66,200	\$1,655	\$411	\$579	\$1,244	\$175,235
5-Person	\$71,500	\$1,788	\$473	\$626	\$1,315	\$181,637
Median Income (80-100% AMI)						
1-Person	\$59,500	\$1,488	\$266	\$521	\$1,222	\$184,755
2-Person	\$68,000	\$1,700	\$290	\$595	\$1,410	\$214,700
3-Person	\$76,500	\$1,913	\$347	\$669	\$1,566	\$236,168
4-Person	\$85,000	\$2,125	\$411	\$744	\$1,714	\$255,747
5-Person	\$91,800	\$2,295	\$473	\$803	\$1,822	\$268,573

Household	Annual Income	Affordable Costs	Estimated Utility Allowance, Taxes, and Insurance		Affordable Rent	Affordable Home Price
		(All Costs)	Utilities	Taxes, Ins., HOA (Ownership)		
Moderate Income (100-120% AMI)						
1-Person	\$71,400	\$1,785	\$266	\$625	\$1,519	\$235,718
2-Person	\$81,600	\$2,040	\$290	\$714	\$1,750	\$272,943
3-Person	\$91,800	\$2,295	\$347	\$803	\$1,948	\$301,692
4-Person	\$102,000	\$2,550	\$411	\$893	\$2,139	\$328,551
5-Person	\$110,150	\$2,754	\$473	\$964	\$2,281	\$347,159

Source: California Department of Housing and Community Development, 2022 Income limits; and Veronica Tam and Associates. Assumptions: 2022 HCD income limits; 30% gross household income as affordable housing cost; 35% of monthly affordable cost for taxes and insurance; 10.0% down payment; and 3.0% interest rate for a 30-year fixed-rate mortgage loan. Utilities based on the HACSJ Utility Allowance, July 1, 2022. Utility allowances based on the combined average assuming all electric and all natural gas appliances.

H. Affordable Housing

Government Code Section 65583 requires each city and county to conduct an analysis and identify programs for preserving assisted housing developments. The analysis is required to identify any low income units that are at risk of losing deed-restricted subsidies in the next 10 years. Thus, this at-risk housing analysis covers a ten-year period from January 1, 2023 through January 1, 2033. Consistent with State law, this section identifies publicly assisted housing units in Tracy, analyzes their potential to convert to market rate housing uses, and analyzes the cost to preserve or replace those units.

1. Assisted Housing

Housing that receives governmental assistance is often a significant source of affordable housing in many communities. Covenants and deed restrictions are the typical mechanisms used to maintain the affordability of publicly assisted housing, ensuring that these units are available to lower and moderate income households in the long term. Over time, the City may face the risk of losing some of its affordable units due to the expiration of covenants and deed restrictions.

The City of Tracy has seven publicly assisted housing developments, with a combined total of 659 units that are set aside as affordable for lower income households. These projects are presented in Table II-43. Section 8 eligibility for the 87-unit Tracy Garden Apartments will expire in July 2028. In 2031, the Low Income Housing Tax Credits (LIHTC) for the Chesapeake Bay Apartments complex are set to expire, which would impact 138 two-bedroom units and 12 three-bedroom affordable units. Therefore, 237 affordable units in Tracy are at-risk of becoming market rate during this 6th Housing Element cycle.

II. Housing Needs Assessment

Table II-43: Inventory of Assisted Units

Project Name	Total Units	Assisted Units	Unit Size	Type	Funding Source(s)	Expiration of Affordability
Tracy Garden Apartments	88	87	87 1-br	Seniors	Low Income Housing Tax Credit program; Project-based Section 8	11/1/2064; Section 8 expires 7/31/28
Tracy Village Apartments	72	71	24 1-br 32 2-br 15 3-br	Family	Low Income Housing Tax Credit program	9/9/2060
Chesapeake Bay Apartments	216	150	138 2-br 12 3-br	Family	Low Income Housing Tax Credit program	2031
Mountain View Townhomes	37	36	10 2-br 14 3-br 12 4-br	Family	Redevelopment set-aside funds; Low Income Housing Tax Credit program	2054
Stone Pine Meadows	72	71	15 1-br 23 2-br 27 3-br 6 4-br	Family	Redevelopment set-aside funds; Low Income Housing Tax Credit program; HOME funds	2047
Tracy Place Senior Apartments	50	49	41 1-br 8 2-br	Seniors	Redevelopment set-aside funds; Low Income Housing Tax Credit program	2063
Tracy Homes	195	195	24 1-br 32 2-br 15 3-br	Family	Housing Authority of the County of San Joaquin	None
The Vela Apartments	264	70	1 br to 3 br units	Family	City GMO Program – Moderate-Income Units	2038
Total	729	729				

Sources: City of Tracy, 2022

Preservation and Replacement Options

Preservation or replacement of at-risk projects can be achieved in several ways: 1) transfer of ownership to non-profit organizations; 2) provision of rental assistance other than through the Section 8 program; 3) replacement or development of new assisted multi-family housing units; 4) purchase of affordability covenants; and/or 5) refinance of mortgage revenue bonds on bond funded units. These options are described below, along with a general cost estimate for each.

1. Transfer of Ownership

The California Department of Housing and Community Development (HCD) keeps a current list of all of the qualified entities across the State. A “qualified entity” is a nonprofit or for-profit organization or individual that agrees to maintain the long-term affordability of housing projects.

Efforts by the City to retain low-income housing must be able to draw upon two basic types of preservation resources: organizational and financial. Qualified, non-profit entities need to be made aware of the future possibilities of units becoming at risk.

Available public and non-profit organizations with the capacity to preserve assisted housing developments include San Joaquin County, San Joaquin County Housing Authority, the City of Tracy, and various non-profit developers, including Self Help Enterprises and Bridge Housing Corporation. Financial resources available include bond financing, as well as CDBG and HOME funds, Section 8 rental assistance, low income housing tax credits, and Proposition 1C funds.

Current market value for the units is estimated on the basis of the project’s potential annual income and operating and maintenance expenses. As indicated in Table II-44, the estimated market value of the at-risk units is \$23.6 million. This estimate is provided for the purpose of comparison and understanding the magnitude of costs involved and does not represent the precise market value of this project. The actual market value at time of sale will depend on market and property conditions, and lease-out/turnover rates, among other factors.

Table II-44: Market Value of At Risk Units

Unit Information	At-Risk Units
1-bedroom	87
2- bedroom	138
3- bedroom	12
Annual Operating Cost	\$1,933,709
Gross Annual Income	\$3,822,876
Net Annual Income	\$1,889,167
Market Value	\$23,614,588

Market value for project is estimated with the following assumptions:

Average market rent based on Fair Market Rents (FY 2023) established by HUD for Stockton-Lodi MSA. One-bedroom unit = \$1,158; two-bedroom unit = \$1,513; three-bedroom unit = \$2,150; four-bedroom unit = \$2,577.

Average size is assumed to be 600 square feet for a one-bedroom, 850 square feet for a two-bedroom, 1,200 square feet for a three-bedroom, and 1,500 square feet for a four-bedroom.

Annual income is calculated on a vacancy rate = 5%

Annual operating expenses per square foot = \$10.52 (NAAHQ, Operating Income and Expense Data for All Subsidized Properties, 2021).

*Market value = Annual net project income*multiplication factor*

Multiplication factor for a building in good condition is 12.5.

2. Rental Assistance

In the event that funding is no longer available for the at-risk units, rental subsidies can be used to maintain affordability by using local, state or other funding sources. The subsidies can be structured to mirror the Section 8 program, whereby tenants receive the difference between the Fair Market Rent (determined by HUD and the local housing authority) and the maximum affordable rent of the tenant (30% of household income).

Given the bedroom mix of the 237 at-risk rental units, the total cost of subsidizing the rent for the units is \$200,091 per month, as shown in Table II-45. This translates into approximately \$2.4 million annually or \$48 million over a 20-year period.

Table II-45: Required Rental Subsidies for At-Risk Units

Unit Size	Total Units	Fair Market Rent	Household Size	Very Low Income Limits	Affordable Cost	Utility	Per Unit Subsidy	Monthly Subsidy
1- bedroom	87	\$1,158	2	\$33,150	\$829	\$290	\$619	\$53,853
2- bedroom	138	\$1,513	3	\$37,300	\$933	\$347	\$927	\$127,926
3- bedroom	12	\$2,150	4	\$41,400	\$1,035	\$411	\$1,526	\$18,312
Total	237							\$200,091

Sources: HUD FY 2023 Fair Market Rent, Stockton-Lodi, CA MSA FMRs, 2023;

HCD 2022 Income Limits; HACSJ 2022 Utility Allowance Schedule; Veronica Tam & Associates, 2023

II. Housing Needs Assessment

3. Construction of Replacement Units

The construction of new low income housing units is a means of replacing the at-risk units should they be converted to market-rate units. The cost of developing housing depends upon a variety of factors, including density, size of the units (i.e., square footage and number of bedrooms), location, land costs, and type of construction. Estimated new construction costs for the two at-risk affordable housing projects are shown in Table II-46. The replacement of the 237 at-risk units would require approximately \$174,589 per unit. However, this cost estimate does not include land, permits, on- and off-site improvements, and other costs.

Table II-46: Estimated Construction Costs to Replace At Risk Units

Unit Size	Total Units	Estimated Average Unit Size	Estimated Gross Building Size (C)	Estimated Gross Building Costs (D)
1- bedroom	87	600	62,640	\$11,745,000
2- bedroom	138	850	140,760	\$26,392,500
3- bedroom	12	1,200	17,280	\$3,240,000
4- bedroom	0	1,500	0	\$0
Total	237	--	--	\$41,377,500
Average Per Unit Cost				\$174,589

Notes:

(C) = (A) x (B) x 1.20 (i.e., 20% inflation to account for hallways and other common areas)

(D) = (C) x \$150 (per square foot construction costs) x 1.25 (i.e., 25% inflation to account for parking and landscaping costs)

Construction cost an estimate only.

4. Purchase of Affordability Covenants

Another option to preserve the affordability of the at-risk projects is to provide an incentive package to the owner to maintain the project as affordable housing. Incentives could include writing down the interest rate on the remaining loan balance, providing a lump-sum payment, and/or supplementing the rents to market levels. The feasibility and cost of this option depends on whether the complex is too highly leveraged and interest on the owner's part to utilize the incentives found in this option. By providing lump sum financial incentives or ongoing subsidies in rents or reduced mortgage interest rates to the owner, the City could ensure that some or all of the units remain affordable.

5. Cost Comparisons

The above analysis attempts to estimate the cost of preserving the at-risk units under various options. However, because each project may have unique circumstances and therefore different options available, the direct comparison would not be appropriate. In general, providing additional incentives/subsidies to extend the affordability covenant would require the least funding over the long run, whereas the construction of new units would be the most costly option. Over the short term, providing rent subsidies would be least costly but this option does not guarantee the long-term affordability of the units.

The cost to build new housing to replace the 237 at-risk units is high, with an estimated total cost of over \$41.3 million, excluding land, on- and off-site improvements, and permit fees. New construction would be more expensive than transfer of ownership (\$23.6 million). Both the construction of new housing and transfer of ownership would be substantially more expensive than providing rent subsidies (\$2.4 million annually). However, rent subsidies do not provide long-term

affordable housing. Further, rental subsidies over a 20-year period would ultimately be more costly than transfer of ownership and most likely cost more than constructing replacement units.

I. Future Housing Needs

Future housing need refers to the share of the regional housing need that has been allocated to the City. The State Department of Housing and Community Development (HCD) supplies a regional housing goal number to the San Joaquin Council of Governments (SJCOG). SJCOG is then mandated to allocate the housing goal to city and county jurisdictions in the region. In allocating the region's future housing needs to jurisdictions, SJCOG is required to take the following factors into consideration pursuant to Section 65584 of the State Government Code:

- Market demand for housing;
- Employment opportunities;
- Availability of suitable sites and public facilities;
- Commuting patterns;
- Type and tenure of housing;
- Loss of units in assisted housing developments;
- Over-concentration of lower income households; and
- Geological and topographical constraints.

The SJCOG Executive Board adopted its 2023-2031 Regional Housing Needs Plan (RHNP) on September 22, 2022. The Regional Housing Needs Allocation (RHNA) covers the June 30, 2023 through December 31, 2031 planning period and addresses housing issues that are related to future growth in the region. The RHNA allocates to each city and county a "fair share" of the region's projected housing needs by household income group. The major goal of the RHNA is to assure a fair distribution of housing among cities and counties within the San Joaquin region, so that every community provides an opportunity for a mix of housing affordable to all economic segments. The housing allocation targets are not building requirements, but goals for each community to accommodate through appropriate planning policies and land use regulations. State Housing Element laws are intended to assure that adequate sites and zoning are made available to address potential housing demand during the planning period and that market forces are not inhibited in addressing the housing needs of all economic segments of a community.

Tracy's share of regional future housing needs is 8,830 units for the June 30, 2023 to December 31, 2031 period. This allocation is distributed into five income categories, as shown below in Table II-47. Per State law, local jurisdictions are required to provide an estimate for their projected extremely low income households (those earning 30% or less of the area median income). Jurisdictions can use half of their very low income RHNA allocation to make this projection. Therefore, Tracy is dividing the very low income allocation of 2,994 units in half to meet this state requirement. The RHNA includes a fair share adjustment which allocates future (construction) need by each income category in a way that meets the State mandate to reduce the over-concentration of lower income households in one community.

II. Housing Needs Assessment

Table II-47: Tracy's RHNA for 2023-2031

Income Category (% of County AMI)	Number of Units	Percent
Extremely Low (30% or less)	1,497	16.9%
Very Low (31 to 50%)	1,497	16.9%
Low (51 to 80%)	1,879	21.3%
Moderate (81% to 120%)	1,175	13.3%
Above Moderate (Over 120%)	2,782	31.5%
Total	8,830	100.0%

Source: San Joaquin County Regional Housing Needs Plan (RHNP), SJCOG, September 2, 2022

Table of Contents

III Housing Constraints III-1

A. Market Constraints III-1

 1. Land and Construction Costs III-1

 2. Availability of Financing III-2

 3. Realized Densities and Approval Time III-3

B. Governmental Constraints III-3

 1. Transparency in Developmental Regulations III-3

 2. Land Use Controls III-4

 3. Residential Development Standards III-14

 4. Provision for a Variety of Housing Opportunities III-19

 5. Development and Planning Fees III-28

 6. On- and Off-Site Improvements III-34

 7. Building Codes and Enforcement III-35

 8. Local Permits and Processing Times III-35

 9. State Tax Policies and Regulations III-40

C. Environmental and Infrastructure Constraints III-41

 1. Geologic and Seismic Hazards III-41

 2. Flooding III-41

 3. Wildland Fires III-42

 4. Hazardous Materials and Waste III-43

 5. Water Supply III-44

 6. Wastewater Capacity III-45

 7. Habitat Protection III-46

List of Tables

Table III-1: Disposition of Home Loans (2021) III-2

Table III-2: Land Use Designations Permitting Residential Use III-4

Table III-3: Tracy Hills Specific Plan Permitted and Conditionally Permitted Residential Uses III-12

Table III-4: Ellis Specific Plan Permitted and Conditionally Permitted Residential Uses III-13

Table III-5: Residential Development Standards III-16

Table III-6: Parking Requirements III-18

Table III-7: Housing Types by Zone Category III-19

Table III-8: Permit Processing Fees III-29

Table III-9: Typical Single-Family and Multifamily Permit and Development Fees III-29

Table III-10: Street Design Criteria III-34

Table III-11: Processing Times III-36

Table III-12: Approximate Processing Times III-36

III Housing Constraints

This section describes various governmental, market, and environmental constraints on the development of housing that meets the needs of all economic segments of Tracy’s population.

A. Market Constraints

Market constraints significantly affect the cost of housing in Tracy and can pose barriers to housing production and affordability.

1. Land and Construction Costs

The City of Tracy is located in San Joaquin County, east of the Coastal Range that separates California’s Central Valley from the San Francisco Bay Area. The City has an adequate supply of vacant, unconstrained land; however, residential construction in Tracy is limited by the City’s Growth Management Ordinance (GMO), adopted in 1987 and later amended in 1994, 2000, 2009, 2012, 2013, and most recently in 2015. Significant future housing construction is anticipated in the City’s Specific Plan areas, including the Tracy Hills Specific Plan and the Ellis Specific Plan, as well as other residential areas identified in the General Plan. For land within City limits, the current land acquisition price for the City’s development impact fee program assumption is \$211,455 an acre.¹ An online survey found a quarter-acre property zoned PUD in the city that sold for \$195,000. For land outside of City limits, a 1.8-acre parcel zoned unincorporated residential zoning sold for \$925,000 (\$511,000/acre)².

Construction costs vary according to type of housing development, with multi-family housing being generally less expensive to construct, per dwelling unit, than single-family homes. However, variations within each construction type exist depending on the size of the unit, and the number and quality of amenities provided. Construction costs can be broken down into two primary categories: materials and labor. A major component of the cost of housing is the cost of building materials, such as wood and wood-based products, cement, asphalt, roofing materials, and pipe. The availability and demand for such materials affect prices for these goods. In addition to rising labor costs, material costs are also impacting development prices. Most notably, lumber prices are likely to continue going up until there is an end to the COVID-19 induced supply shocks; the same holds true with copper, steel and fuel prices.³

One indicator of construction costs is Building Valuation Data, compiled by the International Code Council (ICC). The unit costs compiled by the ICC include structural, electrical, plumbing, and mechanical work, in addition to interior finish and normal site preparation. The data is national and does not account for regional differences nor include the price of the land upon which the building is built. The most recent Building Valuation Data, dated February 2021, reports the national average for development costs per square foot for apartments and single-family homes as follows⁴:

- Type I or II, R-2 Residential Multi-family: \$157.74 to \$179.04 per square foot
- Type V Wood Frame, R-2 Residential Multi-family: \$120.47 to \$125.18 per square foot

¹ City of Tracy Engineering Division, September 2023.

² www.trulia.com, Accessed September 2023

³ Sonoma County Economic Development Board. July 2021. “Construction Industry Insider Report”. www.sonomaedb.org

⁴ <https://cdn-web.iccsafe.org/wp-content/uploads/BVD-BSJ-FEB21.pdf>

III. Housing Constraints

- Type V Wood Frame, R-3 Residential One- and Two-Family Dwelling: \$130.58 to \$138.79 per square foot
- R-4 Residential Care/ Assisted Living Facilities generally range between \$152.25 to \$211.58 per square foot

In general, construction costs can be lowered by increasing the number of units in a development to a certain extent, until the scale of the project requires a different construction type that commands a higher per square foot cost.

2. Availability of Financing

The availability of financing affects a person’s ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications by the income, gender, and race of the applicants. This applies to all loan applications for home purchases, improvements and refinancing, whether financed at market rate or with government assistance.

Table III-1 summarizes the disposition of loan applications submitted to financial institutions in 2021⁵ for home purchase, refinance, and home improvement loans in Tracy. Included is information on loan outcomes (i.e., the number of applications that were approved and originated, denied, withdrawn by the applicant, and incomplete).

Table III-1: Disposition of Home Loans (2021)

Loan Type	Total Applicants	% Approved	% Denied	% Other
Government-backed	284	64.1%	8.8%	27.1%
Conventional	4,999	70.3%	6.2%	23.5%
Refinance	12,484	68.0%	9.7%	22.3%
Home Improvement	601	53.6%	30.1%	16.3%
Total	18,368	68.1%	9.4%	22.5%

Source: 2021 Home Mortgage Disclosure Data: <https://ffiec.cfpb.gov>

Notes: 1. “Approved” includes loans approved by the lenders whether or not accepted by the applicant.

2 “Other” includes loan applications that were either withdrawn or closed for incompleteness.

Home Purchase Loans

In 2021, a total of 4,999 Tracy households applied for conventional loans to purchase homes. The overall loan approval rate was 70 percent and 6 percent of applications were denied. A total of 284 applications were submitted for the purchase of homes in Tracy through government-backed loans (e.g., FHA, VA) in 2021. Among these applications, 64 percent were approved, and 9 percent were denied.

Refinance Loans

The vast majority of loan applications filed by Tracy residents in 2021 were for home refinance loans (12,484 applications). About 68 percent of these applications were approved, while 10 percent were denied.

Home Improvement Loans

Within the City of Tracy, home improvement loans were the least likely to be approved. Approximately 30 percent of home improvement loan applications were denied, and 54 percent

⁵ 2022 HMDA data not yet available at the writing of this Housing Element.

were approved by lending institutions in 2021. The high proportion of denials may be explained by the nature of these loans. Most home improvement loans are second loans and therefore more difficult to qualify for due to high income-to-debt ratio requirements.

3. Realized Densities and Approval Time

Requests to develop housing at densities below those anticipated in the Housing Element may be a non-governmental constraint to housing development when the private sector prefers to develop at lower densities than shown in the Housing Element. Over the last few years multi-family projects developed at a typical density of 22 to 24 dwelling units per acre and single-family neighborhoods typically have a gross density of between three to five dwelling units per acre.

Non-governmental constraints can also affect the timing between project approval and requests for building permits. This may be due to delays in securing construction financing, finding contractors, or changes in the housing market since project approval. In Tracy, the estimated average timeline for building permit issuance is four to 12 months after discretionary review has been approved. The time lapse is largely dependent on the developer's design professional's response time to plan check comments and to prepare improvement plans, if necessary, for public right-of-way roads or utilities design.

B. Governmental Constraints

Aside from market factors, housing affordability is also affected by factors in the public sector. Local policies and regulations can impact the price and availability of housing and, in particular, the provision of affordable housing. Land use controls, site improvement requirements, fees and exactions, permit processing procedures, among other issues may constrain the maintenance, development and improvement of housing. This section discusses potential governmental constraints in Tracy.

1. Transparency in Developmental Regulations

To increase transparency and certainty in the development application process as required by law, the City provides a range of information online for ease of access, some of which is as follows:

- City General Plan: <https://www.cityoftracy.org/home/showpublisheddocument/904/637451218786230000>
- City Planning and Zoning Ordinance (Municipal Code Title 10): https://library.municode.com/ca/tracy/codes/code_of_ordinances
- Tracy's Residential Growth Management Ordinance: <https://www.cityoftracy.org/our-city/departments/planning/residential-growth-management>
- City Specific Plans, Environmental Reports: <https://www.cityoftracy.org/our-city/departments/planning/specific-plans-environmental-impact-reports-and-initial-studies>
- Developmental Review Process and Instructions: <https://www.cityoftracy.org/our-city/departments/planning/specific-plans-environmental-impact-reports-and-initial-studies>
- Master Fee Schedule: <https://www.cityoftracy.org/our-city/departments/finance-department/budget-financial-documents/-folder-221>

III. Housing Constraints

- Residential and Commercial and Industrial Pipeline Reports:
<https://www.cityoftracy.org/our-city/departments/planning>

2. Land Use Controls

The Land Use Element of the General Plan sets forth City policies for guiding local land use development. These policies, together with existing zoning regulations, establish the amount and distribution of land allocated for different uses. Table III-2 lists the land use designations of the General Plan that permit residential uses.

Table III-2: Land Use Designations Permitting Residential Use

Land Use Category	Zoning District	Density (du/acre)	Character
Residential Very Low (RVL)	Residential Estate Zone (RE)	0.1 to 2.0	Single-family dwelling units are the principal type of housing stock allowed in these areas. Attached units, zero lot line and clustered housing are also permissible and are encouraged within the overall framework of each community. These housing types can help to meet the City's desire to create unique neighborhoods and enhance the character of the community.
Residential Low (RL)	Low Density Residential Zone (LDR)	2.1 to 5.8	
Residential Medium (RM)	Medium Density Cluster Zone (MDC)	5.9 to 12.0	Includes small lot single-family detached homes, duplexes, triplexes, fourplexes, townhouses, apartments and includes condominiums as an ownership type.
	Residential Mobile Home Zone (RMH)		
	Medium Density Residential Zone (MDR)		
Residential High (RH)	High Density Residential Zone (HDR)	12.1 to 25.0	Includes triplexes, fourplexes, townhouses, apartments, and includes condominiums as an ownership type.
Traditional Residential (TR)	n/a	Varies	Applies only in combination with a Specific Plan or other project level plan.
Traditional Residential – Ellis (TR-Ellis)	Ellis Specific Plan	4.0 to 9.0	Applies to the Ellis Specific Plan area.
Downtown (D)	Central Business District Zone (CBD), General Highway Commercial Zone (GHC), Planned Unit Development (PUD), Professional Office and Medical Zone (POM)	15.0 to 50.0	A mix of retail, office, high-density residential, cultural and public-serving uses on a grid or modified grid, multi-modal street design, with direct pedestrian and bicycle connections to residential neighborhoods.
Village Center (VC)		12.1 to 25.0	Relatively small retail or mixed-use areas. Allowable uses in Village Centers include, but are not limited to, grocery stores, drug stores, banks, restaurants, retail stores for durable goods, small-scale professional offices or services such as travel agencies, beauty salons, daycare facilities, gyms, parks, and high density residential development, along with other neighborhood-serving uses.
Commercial	Professional Office and Medical (POM) and General Highway Commercial (GHC)	12.1 to 25	Multi-family condominiums, fourplexes, garden apartments, and similar; may include mixed use with multi-family residential and commercial.

Source: Land Use Element, City of Tracy General Plan, 2011.

Each General Plan land use designation is linked to one or more zone districts. As a result, the development intensity standards for the residential land use designations are dependent on the base zoning. In addition, the development density for the residential land use designations may vary

further, depending on the nature of development bonuses granted as part of a development approval. There is not a one-to-one correspondence between the City's General Plan residential land use designations and zoning districts. The General Plan has eight residential land use designations while the Zoning Code has ten zoning districts that allow residential development (Table III-2).

There are also two General Plan land use designations (Traditional Residential and Traditional Residential-Ellis) that are applied only in conjunction with a separate development-level plan (i.e., the Ellis Specific Plan). The City has several other Specific Plans that allow for the various General Plan residential land uses. These are discussed later in this chapter.

Growth Management Ordinance

The City of Tracy adopted the residential Growth Management Ordinance (GMO) and the GMO Guidelines in 1987. The GMO was amended from time to time with significant amendments occurring in 1994, 2000, 2009, 2012, 2013, 2014 and 2015. Growth management in the City is intended to:

- Achieve a steady and orderly rate of residential growth in the City, and encourage diverse housing opportunities balanced with the City's obligation to provide public facilities and services with available fiscal resources;
- Regulate the timing and annual amount of new development projects, so that necessary and sufficient public facilities and services are provided, and so that new development projects will not diminish the City's level of service standards;
- Encourage concentric (contiguous) growth of the City;
- Encourage development which will efficiently utilize existing, and planned future, public facilities;
- Encourage a balance of housing types in the City which will accommodate a variety of persons, including affordable housing projects which will accommodate persons of very low, low, and moderate income, and persons on limited or fixed incomes;
- Implement and augment the City policies related to the regulation of new development as set forth in the General Plan, specific plans, City ordinances and resolutions, master plans, finance and implementation plans, and design documents.

Under the GMO, builders must obtain a Residential Growth Allotment (RGA) to secure a residential building permit. The GMO limits the number of RGA's and building permits to an average of 600 housing units per year with a maximum of 750 units in any single year. The maximum of 750 units includes an annual allocation of 150 units reserved specifically for affordable housing (Affordable Housing Exception). Any of the 150 RGAs not used by affordable housing projects become available to market rate projects. The GMO is not intended to limit the production of affordable housing, small projects, or rehabilitation; therefore, a number of exemptions and exceptions were included in the GMO. The number of building permits issued to projects that meet the following requirements is not limited by the GMO:

- The rehabilitation or remodeling of an existing structure or conversion of apartments to condominiums.
- The replacement of legally established dwelling units that were demolished.

III. Housing Constraints

- Model homes for a development project when the number of model homes are either: lesser of 20 percent of the total dwelling units or seven dwelling units per project.
- The project is a fourplex or lesser number of dwelling units developed on a single existing lot.
- The project is an accessory dwelling unit.

Residential projects exempt from the GMO are not counted toward the 600 annual average or the 750 annual maximum. Exemptions for active adult residential uses (a type of senior housing) are allowed in the GMO; however, these projects must obtain active adult residential allotments through a ballot measure. RGAs and building permits for active adult residential allotments are not counted or included in the annual 600 average or 750 maximum.

The number of building permits available each year as Affordable Housing Exceptions is set at a maximum of 150. The maximum of 150 was put in place through Measure A, approved by Tracy voters; therefore, the text in the GMO cannot be amended without another ballot initiative approved by voters. The City of Tracy has provided Affordable Housing Project Exceptions to all residential developers who have applied for them.

Notably, the City adopted an amendment to the Growth Management Ordinance in 2015 that would ensure the RHNA could be entirely accommodated, notwithstanding the numerical limits stated in Measure A or the GMO. RGAs and building permits related to the RHNA exemption are not counted or included in the 750 annual maximum but are counted and included in the 600 annual average. The following discussion summarizes the substantial amendments made to the GMO since its adoption in 1987:

2009 Revisions

The GMO and the accompanying GMO Guidelines were modified in 2009 to minimize the prominence of RGAs in the development process. Since RGAs cannot be issued until after a Tentative Subdivision Map, Vesting Tentative Subdivision Map or (in the case of multi-family projects) a Development Review permit is approved, RGAs have effectively become a procedural precursor to building permit issuance and their role to ensure adequate provision of public facilities and services is minimal.

Accordingly, RGAs are not “carried over” because the provision of public services and utilities has already been reviewed with approval of the project’s discretionary approval and the public facilities finance and implementation plan. The fact that RGAs cannot be “carried over” has no effect on the cost of allocations or the ability to accommodate the City’s RHNA. The costs associated with residential development are outlined in the project’s finance and implementation plan or the City’s Infrastructure master plans and fee schedule, not through RGA allocations. With respect to the supply and availability of RGAs, the fact that RGAs cannot be “carried over” has no effect on the supply or availability of building permits to accommodate the RHNA because carryovers would have no relationship to the number of available building permits.

2012 Revisions

The GMO was amended in 2012 to allow the Ellis and Tracy Hills projects priority access to up to 600 RGAs per year. The 2009 revision also established “Primary Residential Growth Areas,” which are given first priority (aside from projects vested under any previous GMO Guidelines) when

issuing building permits. An amendment to the GMO in 2012 clarified the order of priority allocations for RGAs.

2013 Revisions

The 2009 GMO amendment defined Affordable Housing as a very low, low, or moderate income unit deed restricted for 55 years. The 2013 GMO amendment reduced this affordability restriction to ten years.

2014 Revisions

Resolution 2014-145, adopted by the City Council on September 2, 2014 repealed the GMO Guidelines adopted in 2012 and established new Guidelines. The revised Guidelines addressed the following components:

- Residential Growth Allotment and Building Permit activities including tracking and forecasting of all RGAs and Building Permits
- RGA Exemptions
- RGA issuance including application requirements, deadlines, expirations
- System for Allocation of RGAs/Building Permits

The GMO Guidelines include standards for application and eligibility requirements, affordable housing project exceptions, annual report requirements, RGA allocation criteria and timelines, among others. The allocation requirements are:

- **Primary Growth Areas.** Primary Growth Areas (which includes most of the existing City limits) Subject to the requirements of the GMO and these Guidelines, Primary Area projects shall be entitled to receive, at the beginning of each allocation cycle:
 - In years where 750 RGAs may be allocated, the Primary Growth Areas shall be entitled to receive 100 RGAs,
 - In years where 600 RGAs may be allocated, the Primary Growth Areas shall be entitled to receive 80 RGAs.
- **Development Agreements.** Development Agreement projects may receive allocations as specifically set forth in the applicable development agreement subject to the provisions in these Guidelines. In any conflict between the development agreement and these Guidelines, the development agreement provisions shall control.
- **Tracy Hills and Ellis Specific Plan Projects.** The following specific plan projects, more fully described in the General Plan and subject to the requirements of the GMO and these Guidelines, shall be entitled to receive, at the beginning of each allocation cycle:
 - In years where 750 RGAs may be allocated, Tracy Hills shall be eligible to receive 406 RGAs and Ellis shall be eligible to receive 194 RGAs.
 - In years where 600 RGAs may be allocated, Tracy Hills shall be entitled to receive 325 RGAs and Ellis shall be entitled to receive 155 RGAs.
 - If either Tracy Hills or Ellis receives less than the number of RGAs described above, the difference between the numbers of RGAs allocated and the numbers of RGAs described above shall be reserved.

III. Housing Constraints

- Other Projects. "Other Projects" development sites identified in the General Plan Objective LU 1.4 that are not within the Primary Areas as defined in these GMO Guidelines. Subject to the requirements of the GMO and these Guidelines, the Other Projects shall be entitled to receive, at the beginning of each allocation cycle:
 - In years where 750 RGAs may be allocated, Other Projects shall be entitled to receive 50 RGAs per year
 - In years where 600 RGAs may be allocated, Other Projects shall be entitled to receive 40 RGAs per year

The GMO Guidelines provide a high level of certainty and predictability for development. In fact, the GMO process only occurs after Tentative Map or other discretionary development approval. This allows projects that are closer to obtaining building permits to obtain RGAs and discourages more speculative projects from obtaining RGAs before the project is prepared to use them. Also, the City publishes a spreadsheet identifying all RGA applications being considered, which results in a high level of transparency and predictability in determining a project's chances for approval. The Guidelines are made available on the City's website.

2015 Revisions

The 2015 amendment allowed the City to issue building permits in excess of those allowed through the GMO in order to meet the City's RHNA, as required by the State Department of Housing and Community Development (HCD). The maximum number of building permits issued may be the limit prescribed in the GMO (in general, 600 annual average or 750 per year max) or the number of units identified in the RHNA (by income category), whichever is higher. The City Ordinance (No. 1201) related to these changes was adopted in November 2015. **RHNA projects are issued building permits and are effectively exempt from the GMO provisions. Since 2014 no RHNA based housing has been denied building permits to construct.**

Residential Growth Allotment Allocation Process

The City's Growth Management Ordinance, as amended, sets a schedule of allocating RGAs once per year, with the application deadline on the first Thursday of September, and the allocations to be used to obtain a building permit during the following calendar year. The only exceptions to this schedule occur with applications for affordable housing units (to be processed immediately as received) and for Development Agreement projects with timelines as determined within each agreement.

Applications for RGAs are due the first Thursday in September each year. Completeness determinations are made within 30 days. Allocations are made by the Growth Management Board (the City Manager, the Development Services Director, and the Operations and Utilities Director) before the end of that same year in order to permit the use of the RGAs to obtain building permits in the following calendar year.

The process to review applications and allocate RGAs would typically last less than 60 days. This simple, predictable process allows residential developers to wait until near the end of the calendar year (just prior to the year they intend to begin obtaining building permits) to obtain RGAs. This allows maximum flexibility for developers to schedule their entitlement process to coincide with market opportunities.

Furthermore, if a developer obtains Tentative Map approval in the early or mid-portion of the year before they intend to obtain building permits, they may work on their improvement plans, final map, grading, utilities, streets, and other in-tract improvements prior to or concurrent with applying for and obtaining RGAs.

If this program proves inconvenient for developers in the future, GMO Guidelines include provisions for periodic revisions. This Section acknowledges, in part, that the City recognizes the GMO Guidelines must be adaptable to evolving needs related to developers' timing or other issues. Amending the RGA allocation process by adding a second allocation cycle during the year, for example, would only require a Resolution of the City Council to modify the GMO Guidelines, and not a change to the Growth Management Ordinance.

The approval process for RGA issuance relates to the other development applications in that RGAs are required prior to building permit issuance but are not required prior to other approvals. The cumulative impact on timing and costs of development resulting from the RGA allocation process is that projects have the ability to wait until they are ready to develop before obtaining RGAs. A typical subdivision map has a "life" of many years, which can be extended at regularly scheduled public meetings of the Planning Commission or City Council throughout the year. The costs associated with the RGA process (RGA application fee) are not incurred until the applicant decides to move forward with their project and obtain RGAs.

Applications for RGAs are only considered for projects that have approved Tentative Subdivision Maps or other necessary project approvals if no subdivision will occur. This ensures that the Growth Management Board only considers the allocation of RGAs to projects that have access to water, sewer, storm drainage, and other requisite public facilities and services. The RGAs are allocated based on the criteria listed in the GMO guidelines.

RGA allocations are determined at a public hearing by the Growth Management Board, which consists of the City Manager, Development Services Director, and the Operations and Utilities Director.

The GMO approval process allows both small and large residential projects to obtain adequate RGAs. Projects of over 500 units have successfully been built in the past, and several very large ongoing projects are set to obtain their RGAs over the course of a number of years. The City's Residential Pipeline Report (2023) shows the status on several large-scale projects:

- Ellis Phases 2 and 3 are approved and under construction with a total of 664 residential units.
- Tracy Hills Phases 1A and 1B are approved and under construction with 1,637 units while Phase 2 has been approved for 1,517 units.
- Tracy Village has been approved for 594 units.
- The Avenues project has been approved for 480 units.

GMO and Affordability

The incremental effect on housing costs of limiting the number of residential units per year within a city depends on the position of that city economically and demographically within the region, the price (and relative price) of land, the existing local supply and types of housing, the regional and local demand for housing, and the relative level of residential choice and mobility in the area, among other elements beyond the scope of a housing element. The City does not believe that, to date, the GMO has had an effect on the cost of housing.

III. Housing Constraints

Historically, there are more RGAs (Residential Growth Allotments) and building permits available than the market can absorb in Tracy. Furthermore, the 2015 amendment to the GMO that established the RHNA exemption resulted in hundreds of additional building permits being made available in a calendar year than the 600 annual average or 750 annual limit. Therefore, the annual limits in the past and in the foreseeable future have not affected (and will not affect) the supply or cost of housing. The RHNA exemption provision will effectively result in a rolling average for each RHNA cycle in that to the extent that the City does not achieve its RHNA in any calendar year, the number of permits to achieve the RHNA will be available in each succeeding year.

On March 2, 2021, the City Council approved ~~a scope of work with PlaceWorks, Inc. to work with the City staff to begin working~~ on an action plan to address affordable/workforce housing, one item of which would allow more RGAs to be allocated to affordable housing projects but requires a change to Measure A with voter approval to implement: Provide additional market-rate Residential Growth allotments (RGAs) for projects that include a specified percentage of affordable units. Other action items are related to increased density allowances and other direct developer support efforts for affordable housing projects. The City secured grant funding in 2020 to begin work on these efforts. This Housing Element includes a program to outline the City's planned efforts to expand affordable and workforce housing opportunities in the community.

SB 330 and the GMO

SB 330, signed into law in 2019, restricts a jurisdiction from reducing residential zoning, enforcing new subjective design standards, imposing a moratorium on residential development, or limiting the number of approvals/permits that can be issued. However, the bill provides the following exceptions:

“an affected county or affected city may enforce a limit on the number of approvals or permits or a cap on the number of housing units that can be approved or constructed if the provision of law imposing the limit was approved by voters prior to January 1, 2005, and the affected county or affected city is located in a predominantly agricultural county. For the purposes of this subparagraph, “predominantly agricultural county” means a county that meets both of the following, as determined by the most recent California Farmland Conversion Report produced by the Department of Conservation:

(i) Has more than 550,000 acres of agricultural land.

(ii) At least one-half of the county area is agricultural land.

Tracy's GMO was first passed by the voters in 1987, prior to January 1, 2005. Additionally, according to the latest data available from the California Farmland Conversion Report, 742,687 acres of agricultural land was inventoried in 2018. This acreage accounted for approximately 82 percent of the total acreage in the County (912,597 acres). Tracy's GMO meets the exceptions outlined in SB 330. Additionally, as described above the annual limits in the past and in the foreseeable future have not affected (and will not affect) the supply or cost of housing. The RHNA exemption provision will effectively result in a rolling average for each RHNA cycle in that to the extent that the City does not achieve its RHNA in any calendar year, the number of permits to achieve the RHNA will be available in each succeeding year.

Planned Unit Development (PUD) Zone

In 2017, Ordinance 1236 replaced Article 13 in the Municipal Code that addressed the Planned Unit Development (PUD) Zone. The PUD Zone allows a single zoning district to combine a variety of uses, densities, and design characteristics. The PUD Zone is an optional tool and available applies

to projects that are of substantial public benefit or are in furtherance of a City objective in exchange for flexibility in land uses, densities, parking and other regulations. Projects must have one or more of the following characteristics: (i) common or public open space areas, (ii) the maintenance of common spaces at the expense of those directly benefitting from it, (iii) a mixture of uses, (iv) a variety of housing types and a mixture of densities and lot sizes in residential areas, (v) preservation of natural amenities and/or (vi) creation of additional amenities. Applicants must submit a zoning amendment application requesting the PUD zone for their project. Maximum height and bulk requirements, as well as the minimum setback, yard, parking and loading requirements are established for each PUD Zone.

Density Bonuses

State law requires the provision of certain incentives for residential development projects that set aside a certain portion of total units to be affordable to lower and moderate income households. Over the last few years, there have been many statutory changes to state density bonus law. Changes include new provisions for projects containing solely affordable units and increase of the maximum allowable density for other projects from 35 percent to 50 percent. The City has not updated its Density Bonus Ordinance (Article 36.5 of the Zoning Code) since its adoption in 2008. Therefore, staff currently references state density bonus law rather than the Zoning Code when reviewing density bonus applications. This Housing Element includes a program to amend the City's Density Bonus Ordinance to be consistent with state law, including:

- AB 1763 (Density Bonus for 100 Percent Affordable Housing) – Density bonus and increased incentives for 100 percent affordable housing projects for lower income households.
- AB 1227 (Density Bonus for Student Housing) – Density bonus for student housing development for students enrolled at a full-time college, and to establish prioritization for students experiencing homelessness.
- AB 2345 (Increase Maximum Allowable Density) – Revised the requirements for receiving concessions and incentives, and the maximum density bonus provided.

Cumulative Impacts of Local Ordinances

Tracy's local land use ordinances include the Growth Management Ordinance (GMO), Planned Unit Development Zone (PUD) and Density Bonus. The City has included components to each of these ordinances to minimize any potential negative impacts on residential land use development:

- Growth Management Ordinance - Historically, there are more RGAs (Residential Growth Allotments) and building permits available than the market can absorb in Tracy. Furthermore, the 2015 amendment to the GMO that established the RHNA exemption resulted in hundreds of additional building permits being made available in a calendar year than the 600 annual average or 750 annual limit. Therefore, the annual limits in the past and in the foreseeable future have not affected (and will not affect) the supply or cost of housing. The RHNA exemption provision will effectively result in a rolling average for each RHNA cycle in that to the extent that the City does not achieve its RHNA in any calendar year, the number of permits to achieve the RHNA will be available in each succeeding year.
- Planned Unit Development (PUD) –The PUD Zone allows a single zoning district to combine a variety of uses, densities, and design characteristics. It applies to projects that are of substantial public benefit or are in furtherance of a City objective. Development standards

III. Housing Constraints

are flexible and established for each PUD development. The combination of community benefits and flexible standards enhances the use of PUDs in Tracy.

- Density Bonus - The City has not updated its Density Bonus Ordinance (Article 36.5 of the Zoning Code) since its adoption in 2008. Therefore, staff currently references state density bonus law rather than the Zoning Code when reviewing density bonus applications. This Housing Element includes a program to amend the City's Density Bonus Ordinance to be consistent with state law. Updating this ordinance will remove potential barriers for the use of density bonuses where applicable for residential projects.

Specific Plans

The City has three specific plan areas to accommodate future residential growth. Brief descriptions of these plans are included below.

Tracy Hills Specific Plan

Upon buildout, Tracy Hills will consist of 7,265 dwelling units and will provide a distinct hierarchy of housing types that accommodate a wide range of housing objectives, buyer needs, and affordability. Planned housing types include custom homes, production homes, smaller detached homes, town-home units, condominiums and apartments. Table III-3 summarizes the permitted uses within the Specific Plan area.

Table III-3: Tracy Hills Specific Plan Permitted and Conditionally Permitted Residential Uses

	Land Use Zones			
	RE-TH	LDR-TH	MDR-TH	HDR-TH
Single-Family Dwellings	P	P	P	P
Two-Family Dwellings	--	P	P	P
Multiple-Family Dwellings	--	--	P	P
Residential Care Facilities (<6 persons)	P	P	P	P
Residential Care Facilities (>6 persons)	C	C	C	C
Mobilehome Parks	--	--	--	P

As of December 31, 2022, 1,952 units have been constructed in Tracy Hills.

Ellis Specific Plan

The Ellis Specific Plan (ESP) was originally approved by the City Council on January 22, 2013. This 321-acre specific plan area is located in the southern portion of Tracy. Since the original approval, a number of ordinances were adopted to amend the ESP. The most recent was in May 2021 (Ordinance No. 1305) when the ESP was amended to incorporate the Avenues Specific Plan area, which had been approved by the City Council in 2018. The 95-acre Avenues Specific Plan area shared a common boundary with the ESP project site. As a result of this amendment, the ESP is now approximately 416 acres. As amended, the ESP area now has two "Neighborhoods," the Ellis Neighborhood and the Avenues Neighborhood.

The Ellis Neighborhood is characterized by three residential neighborhoods that are all in close proximity to the Village Center: the Village Neighborhood, Garden Neighborhood, and Town & Country Neighborhood. The Village Center will be built out over time in response to market demand. The following is a brief description of the various residential land use designations that make up the Ellis Neighborhood.

III. Housing Constraints

- **Residential Estate (RE):** The approximate 17-acre area with this land use designation is intended to have nine large lots ranging in size from approximately one to two acres. The number and size of these lots is regulated by the San Joaquin County Airport Land Use Plan (ALUCP).
- **Residential Mixed Low (RML):** The Residential Mixed Low designation is intended to provide for relatively low-density housing, including single-family, detached one- and two-story houses. The allowed density will range from a minimum of 2.1 to a maximum of 8 dwelling units per acre (du/acre).
- **Residential Mixed Medium (RMM):** The Residential Mixed Medium designation is intended to provide for medium-density housing, including single-family detached and attached units, and will consist of one- and two-story houses and two- and three-story townhouses. Densities in this land use category will range from a minimum of 4 to a maximum of 16 dwelling units per acre (du/acre).
- **Residential Mixed High (RMH):** The Residential Mixed High designation is intended to provide for high-density housing. The units will be single- and multi-family detached and attached units, and will consist of compact housing, townhouses, apartments, condominiums, and live/work units generally located adjacent to commercial uses. Residential Mixed High densities will range from a minimum of 8 to a maximum of 25 du/acre.
- **Village Center (VC):** The Village Center designation will accommodate up to 60,000 square feet of nonresidential uses in the Village Center, as well as up to 50 high-density residential units, possibly in a mixed-use configuration with residential over commercial. Residential units in the Village Center may be apartments, townhouses, condominiums, and/or live/work units.

The 95-acre Avenues Neighborhood area is designated for low density residential, which permits 2.1 to 5.8 dwelling units per acre. The overall site density is between four to five dwelling units per gross acre.

Table III-4 summarizes the permitted uses allowed within each land use category in the ESP.

Table III-4: Ellis Specific Plan Permitted and Conditionally Permitted Residential Uses

	Land Use Zones			
	Village Center	Residential Mixed	Residential Estates	Residential Low
Attached Single-Family	P	P	--	--
Detached Single-Family	--	P	P*	P
Multiple-Family	P	P	--	--
Live/Work	P	--	--	--

*Note: *Permitted, subject to the restrictions of the San Joaquin County Aviation System Airport Land Use Compatibility Plan (ALUCP).*

As of December 31, 2022, 700 units have been constructed within the Ellis Specific Plan area.

Tracy Village Specific Plan

Approved in May 2018, the Tracy Village Specific Plan (TVSP) is for a 135-acre age-qualified residential community with 590 single family homes. Located at the southeast corner of Corral Hollow and Valpico Road in the central portion of Tracy, the TVSP site is surrounded on two sides by existing residential development and on the north side by a vacant lot zoned single family. The

III. Housing Constraints

TVSP includes development standards, design guidelines, and infrastructure and services plan for the single-family homes. As of May 2023, 57 units have been constructed within the Tracy Village Specific Plan area.

3. Residential Development Standards

Outside the specific plan areas, the City regulates the type, location, density, and scale of residential development primarily through the Zoning Ordinance. The following zoning districts allow residential uses:

Residential Estate Zone (RE) - 0.0 to 2.0 du/acre - The Residential Estate (RE) Zone is characterized by open space and very low density development. This zone also allows for educational, cultural, institutional, and recreational uses serving local residential areas.

Low Density Residential Zone (LDR) - 2.0 to 5.8 du/acre - The Low Density Residential (LDR) Zone is intended to be utilized in the areas designated low-medium density residential. Mobile homes on individual lots are permitted, and mobile home parks are permitted through issuance of a conditional use permit, as are convalescent hospitals, rest and nursing homes, and board and care facilities, and planned residential developments of one-family dwellings on individual lots.

Medium Density Cluster Zone (MDC) - 5.9 to 12.0 du/acre - The Medium Density Cluster (MDC) Zone classification is designed to provide for single-family, two-family or three-family dwellings, dwelling groups, and supporting uses. Dwelling group is defined as a group of two or more detached dwellings located on a parcel of land in one ownership and having one yard or court in common. Crop and tree farming is also permitted by right. Condominiums, one- and two-family residential planned developments, mobile home parks and subdivisions, and Single-Room Occupancy Facilities are permitted through the issuance of a conditional use permit. A minimum of 3,500 square feet of net lot area for each dwelling unit is required, and not more than 45 percent of the net lot area shall have buildings.

Residential Mobile Home Zone (RMH) - up to 10.0 du/acre - The Residential Mobile Home (RMH) Zone is to provide an exclusive district designation to land for use as mobile home parks, and to establish rules and regulations by which the City may regulate the standards of lots, yards, or park areas, landscaping, walls or enclosures, signs, access, and vehicle parking. A minimum 2,400-square-foot lot is required for each unit. Each mobile home park is required to provide 1,000 square feet of usable open space plus 150 square feet for each individual trailer space if the mobile home park provides more than 10 spaces.

Medium Density Residential Zone (MDR) - 5.9 to 12.0 du/acre - The Medium Density Residential (MDR) Zone is designed to provide for apartments, multiple-family dwellings, dwelling groups, and supporting uses. One-, two-, and multiple-family dwellings are permitted by right in this zone, as are dwelling groups and apartment houses, boarding and rooming houses, and crop and tree farming. Mobile home parks and subdivisions, condominiums and planned residential developments, board and care facilities, and rest or nursing homes are permitted through issuance of a conditional use permit. A minimum 2,900-square-foot lot area is required for each unit, and buildings shall not cover more than 45 percent of the lot. In addition, residential uses proposed for this zone must provide 100 square feet of usable open space for each of the first 10 dwelling units, 50 square feet for each of the second 10 units, and 25 square feet for each unit in excess of 20. Usable open space is defined as lawn,

pool, or a garden courtyard, and shall not include the required front yard or street side yard, off-street parking, driveways, or service areas.

High Density Residential Zone (HDR) - 12.0 to 25.0 du/acre - The High Density Residential (HDR) Zone classification is designed to provide for single-family, two-family dwellings, apartments, multiple-family dwellings, dwelling groups, and supporting uses. Multiple-family dwellings, dwelling groups, apartments, and boarding and rooming houses are allowed by right. Crop and tree farming and single-family and two-family dwellings are also allowed by right in the High Density Residential zone. Mobile home parks and subdivisions, condominiums and planned residential developments are allowed via a use permit. There is no height limit in the HDR zone, but at least 1,400 square feet of net lot area is required of each unit. The maximum building coverage is 45 percent and the same usable open space required for development in the MDR district is required for the HDR district.

Professional Office and Medical Zone (POM) - 12.0 to 25.0 du/acre - The Professional Office and Medical (POM) Zone specialized classification is designed to provide for local serving offices supporting uses and facilities consistent with the General Plan. This zone permits the development of multiple family dwelling units, with the exception of apartment hotels.

General Highway Commercial (GHC) - The General Highway Commercial (GHC) Zone is to provide areas for commercial activities which are automobile-oriented or for those uses which seek independent locations outside shopping centers or other business clusters. Multiple-family dwellings are also conditionally permitted in this zone without a maximum prescribed density.

Central Business District (CBD) - 50 du/ac - The Central Business District (CBD) Zone is to provide areas in which pedestrian-oriented establishments, commercial business, service, and office facilities for the convenience of residents of the entire City may locate. Multiple-family dwellings are also conditionally permitted in this zone at a density of up to 50 units per acre, as prescribed in the General Plan.

Development standards specific to each zone district are designed to protect and promote the health, safety, and general welfare of residents as well as implement the policies of the General Plan. These standards also serve to preserve the character and integrity of existing neighborhoods. Specific residential development standards are summarized in Table III-5. Generally, development standards can limit the number of units that may be constructed on a particular piece of property. These include density, minimum lot and unit sizes, height, and open space requirements.

III. Housing Constraints

Table III-5H-5: Residential Development Standards

Zoning District	Maximum Building Height	Minimum Net Lot Area (sq. ft.)	Minimum Lot (feet)		Setbacks (feet)			Maximum Lot Coverage
			Width	Depth	Front	Rear	Side	
RE	35' (2½ stories)	15,000	75	n/a	50	30	20	30%
LDR		5,600	56	90	15	10	3-10	45%
MDC		3,500	45	n/a			4-10	
RMH	35' (2 stories)	2,400	35	60	5	5	5	n/a
MDR	35' (2½ stories)	6,000	60	n/a	15-20	10	3-10	45%
HDR				n/a	15-20		10	
POM		none	7,500	70	n/a	10		10
GHC	none	none	n/a	n/a	15	15	15	none
CBD			none		none			

Source: City of Tracy Zoning Ordinance, 2023.

n/a = No prescribed minimum or maximum standard.

Lot Coverage, Height and Allowable Density

Lot coverage requirements for lower densities in residential zones are 30 percent in Residential Estate and 45 percent in the Low Density Residential zones. For higher density uses, lot coverage is 45 percent in the Medium Density Residential and 50 percent in the High Density Residential zones. The Professional Office and Medical Zone permits the development of multifamily dwellings and has lot coverage requirements of 50 percent. The General Highway Commercial and Central Business District zones conditionally permit multifamily uses and do not have any lot coverage minimum or maximum standards. Due to this, The City's lot coverage standards provide there is flexibility in design and density for multifamily and mixed-use developments in these commercial areas. The lot coverage requirements do not constrain residential development in Tracy, including multifamily development.

Building height requirements are typical of other communities for the lower density residential zones at 35 feet (2 ½ stories). The High Density Residential zone, as well as the commercial zones that allow residential uses, do not have any building height restrictions. This allows for a variety of residential types and densities and does not constrain higher density development.

The City of Tracy regulates density by two different measurements: gross density and net density. The General Plan establishes an allowable gross density range for residential land use designations. The gross density includes the number of residential units divided by the entire area of the project, including the finished lots, streets, and may include public parks, schools, fire stations, or utility areas such as storm drain basins.

The zoning districts' regulations which implement the General Plan are consistent with the allowed gross density ranges of the General Plan. However, the zoning districts also regulate the net density which includes only the size of the finished lot. Therefore, the net density of a multi-family project on one lot is higher than the gross density. As the allowed projects' densities discussed above relate to gross density (as measured by the General Plan), some residential projects are identified as exceeding the maximum density. In those cases, they do not exceed the allowed density; instead, their density, as expressed in net terms, is higher than the gross density.

In order to be consistent with the General Plan, an action has been included in the Zoning Ordinance Amendment program in this Housing Element to remove the net density regulations in the Zoning Ordinance or any other applicable land use plans (specific plans, etc.)-Densities will be regulated by gross density ranges

As described in Chapter 4 of this Housing Element, multifamily developments in the City have had success in meeting the densities allowed by the Zoning Ordinance. However, in order to accommodate the RHNA for the 6th Cycle, the City of Tracy is proposing to amend its zoning and development standards. These changes are addressed in programs of this Housing Element and include:

- Increasing the Medium Density Residential (MDR) and Medium Cluster Residential (MDC) zone maximum density to 20 dwelling units/acre (du/acre);
- Increasing the High Density Residential (HDR) zone density to 20-35 du/acre;
- Increasing the General Highway Commercial (GHC) zone density to 20-35 du/acre; and
- Rezoning certain parcels to ~~to~~ HDR and a new Mixed Use zone.

Parking

Parking requirements for single-family and multi-family residential uses in Tracy are summarized in Table III-6. Although the provision of off-street parking can increase the cost of housing, Tracy’s standards are reasonable as requirements for multi-family developments are equal to or less than requirements for single-family detached dwellings. Furthermore, given the commute pattern of residents, the parking requirements match the demand in the community. Tracy offers moderately priced housing and a range of housing choices to workers in the region. As described in the Needs Assessment of this Housing Element, 54 percent of Tracy’s workforce traveled to another county for employment. This rate is significantly higher than San Joaquin County (29 percent) and the highest among surrounding counties. Approximately 36 percent of employed Tracy residents had commutes of 60 minutes or longer, compared to 22 percent of employed San Joaquin County residents and 13 percent of employed residents throughout California. A vast majority of Tracy residents (90%) drove alone to work between 2016 and 2020.

Guest space requirements for multi-family developments are also reasonable because these types of developments do not have private driveways for each unit to accommodate parking for guests as is required for new single-family homes. Nonetheless, because the increased cost of off-street parking can make financing the development of senior housing and housing affordable to lower and moderate income households more difficult, reduced parking and other incentives, concessions, or waivers and modifications of development standards are available for developers of affordable projects that are eligible for a density bonus.

III. Housing Constraints

Table III-6: Parking Requirements

Type of Residential Development	Required Parking Spaces
Single-Family Residential	Two non-tandem enclosed (in garage) spaces per unit*
<i>Multi-Family Dwellings</i>	
Studio units and one-bedroom units	One and one-half spaces per unit, one of which shall be covered, plus one additional space marked "Guest" per every five units
Two-bedroom or more units	Two spaces with one covered per unit, plus one space marked "Guest" for every five residential units

Source: City of Tracy Zoning Ordinance, 2023.

* Except for housing designated by the City as in a very low or low income housing program where only one of the two spaces per unit is required to be enclosed.

The City adopted amendments to the Zoning Ordinance to incorporate Affordability by Design principles. For example, any use, including multi-family residential, may request a reduction in required parking based on a study or survey that illustrates that required parking is not warranted. Applicants may receive up to a 20 percent reduction of the otherwise required number of parking spaces pursuant to T.M.C. Section 10.08.3470(e). As mentioned in the Sites Chapter of this Housing Element, recent multifamily developments in the City have had success in meeting the densities allowed by the Zoning Ordinance and have not been impacted by the City's parking standards. The City of Tracy has also relaxed the required distance between structures in the HDR Zoning District from the average height of the two buildings to 10 feet. This has provided for greater flexibility for the allowance and maximum usage of residential sites. Two recent multi-family projects which received parking space reductions are the 264-unit Vela Apartments at 351 E. Valpico Road and the 454-unit Gateway Crossing Apartments at 3480 W. Grant Line Road.

Cumulative Impacts of Land Use Controls

Tracy's development regulations include parking, building height and lot requirements. While some of these requirements may have an impact on achieving maximum allowable density in certain residential zones, the following shows that the City has or is working to remove these constraints:

- Residential uses in the High Density Residential (HDR) and multi-family uses in the Central Business District (CBD) do not have any maximum height limits;
- Density in the CBD is 50 du/are allowing for flexible residential development in the City core;
- In order to be consistent with the General Plan, an action has been included in the Zoning Ordinance Amendment program in this Housing Element to remove the net density regulations in the Zoning Ordinance or any other applicable land use plans (specific plans, etc). Densities will be regulated by gross density ranges.
- Tracy's parking standards are reasonable as requirements for multi-family developments are equal to or less than requirements for single-family detached dwellings. As described in the Needs Assessment of this Housing Element, 54 percent of Tracy's workforce traveled to another county for employment. This rate is significantly higher than San Joaquin County (29 percent) and the highest among surrounding counties. Furthermore, Given the commute pattern of residents, the parking requirements match the demand in the community. In addition, reduced parking and other incentives, concessions, or waivers and modifications of development standards are available for developers of affordable projects that are eligible for a density bonus.

- The City adopted amendments to the Zoning Ordinance to incorporate Affordability by Design principles. For example, any use, including multi-family residential, may request a reduction in required parking based on a study or survey that illustrates that required parking is not warranted.
- As discussed in the next section, programs have been included in this Housing Element to help facilitate housing for a variety of housing types to serve the residents of Tracy. This includes increasing the allowable densities in certain residential and commercial/mixed use zones in order to accommodate the RHNA for the 6th Cycle.

4. Provision for a Variety of Housing Opportunities

Housing element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of a variety of housing types for all economic segments of the population. This includes single-family homes, multi-family housing, second units, mobile homes, and residential care facilities. Table III-7 below summarizes the various housing types permitted within the City’s zoning districts.

Table III-7: Housing Types by Zone Category

Housing Types	RE	LDR	MDC	RMH	MDR	HDR	POM	GHC	CBD
Single-Family Dwelling	P	P	P		P	P			P*
Accessory Dwelling Units	P	P	P		P	P			
Manufactured/Mobile Homes	P	P	<u>P</u>	P	P	<u>P</u>			
Mobile Home Parks	C	C	C	P	C	C			
Multi-Family			P		P	P	P	C	P*
Residential Care Facility (less than 6 persons)	*	*	*		*	*	*		
Residential Care Facility (more than 6 persons)	*	*	*		*	*			
Emergency Shelter					P	P			
Transitional Housing	P	P	P		P	P			
Supportive Housing	P	P	P		P	P			
Single-Room Occupancy			C		P	P			

Source: City of Tracy Zoning Ordinance, 2015.

Notes: P = Permitted C = Use Permit Required; *In the CBC zone, residential uses are not permitted on the ground floor with elevations that face certain streets/intersections as outlined in Section 10.08.2380 of the Zoning Code

*For information about the City’s policies regarding Residential Care Facilities, please refer to the “Residential Care Facilities” discussion later in this chapter.

Single-Family Dwellings

A “single-family dwelling” is defined in the Zoning Ordinance as a detached building arranged, designed, or used for, and intended to be occupied by, not more than one family, and which building has not more than one primary kitchen and not less than one bathroom. Single-family dwellings are permitted in all of the City’s residential zones, with the exception of the RMH zone.

Accessory Dwelling Unit

As defined in Tracy’s Zoning Ordinance an “Accessory dwelling unit” (ADU) means:

an attached or detached residential dwelling unit that provides complete independent living facilities for one or more persons. It includes permanent provisions for living, sleeping, eating, cooking and sanitation on the same lot as one single-family dwelling is situated. An accessory

III. Housing Constraints

dwelling unit also includes the following: (1) an efficiency unit, as defined in Health and Safety Code section 17958.1; and (2) a manufactured home, as defined in Health and Safety Code section 18007.

Currently, ADUs are permitted in the RE, LDR, MDC, MDR and HDR zones and in PUD zones that allow residential development. In 2018, Tracy amended the Zoning Ordinance (Ordinance 1254) to comply with the State amendments from January 2017. Since the City's last ADU ordinance update in 2018, changes to State law (such as AB 68, AB 587, AB 881 and SB 13) have modified requirements to further facilitate and encourage ADU development. The bills modify the fees, application process and development standards for accessory dwelling units, with the goal of lowering barriers to accessory dwelling unit development and increasing overall numbers of accessory dwelling units. Some of the key provisions include:

- Allowing the development of ADUs on multifamily properties.
- Allowing for Junior ADUs, which are units no more than 500 square feet in size and contained entirely within an existing single-family structure. A junior accessory dwelling unit may include separate sanitation facilities or may share sanitation facilities with the existing structure.
- Prohibiting standards related to lot coverage standards, lot size, FAR, or open space that have the effect of limiting ADU development.
- Allowing ADUs within or attached to garages, storage areas, or accessory structures.
- Prohibiting maximum sizes for ADUs that are less than 850 square feet (1,000 for units with 2+ bedrooms).
- Increases in the maximum allowable height for ADUs.

To comply with the most recent State laws, a program has been included in this Element to amend Tracy's Zoning Ordinance provisions related to ADUs and Junior ADUs.

Since 2018, the City has issued the following number of ADU building permits on an annual basis:

- 2018 - 7 permits
- 2019 - 18 permits
- 2020 - 10 permits
- 2021 - 54 permits
- 2022 - 120 permits

The City has six pre-approved ADU plans that streamline the process and reduce preconstruction fees. The plans range from a 600-square foot studio to a 3 bedroom, 1 bath 1200-square foot unit. The plans, electronic plan check requirements and other resources and information are available on the City's website. The first submittal for permits with these pre-approved plans is 20 business days.

Manufactured Homes, Mobile Homes and Mobile Home Parks

Manufactured homes are defined in the City Zoning Ordinance as, "a building that is transportable in one or more sections, is eight (8) feet or more in width, or forty (40) feet or more in length, in the traveling mode, or, when erected on site, is 320 or more square feet, is built on a permanent chassis and designed to be used as a single-family dwelling with or without a foundation when connected to required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained in it". While manufactured homes are permitted in zones that allow single family homes,

the Zoning Code currently states that they are only permitted in the LDR zone (Section 10.08.1080). The Zoning Ordinance Amendment program in this Element will modify Section 10.08.1080 to reflect that manufactured housing is permitted in all zones where single-family homes are allowed.

Mobile homes can be an affordable housing option for low and moderate income households. The California Department of Finance reported in 2022 that Tracy’s housing stock included 473 mobile homes, or approximately two percent of the total housing units in the City. A mobile home built after June 15, 1976, certified under the National Manufactured Home Construction and Safety Act of 1974, and built on a permanent foundation may be located in any residential zone where a conventional single-family detached dwelling is permitted subject to the same restrictions on density and to the same property development regulations. Tracy’s Zoning Ordinance permits the development of manufactured homes in the RE, LDR, MDR, and HDR zones.

The City’s Zoning Ordinance conditionally permits mobile home parks in all of its residential zones, with the exception of the RMH zone where they are permitted by right.

Multiple-Family Housing

According to the California Department of Finance, multiple-family housing comprised approximately 16 percent of the housing stock in Tracy in 2022 (Needs Assessment, Table II-31). Multiple-family housing is permitted within the MDC, MDR, HDR and POM zones. Conditional use permits are required for the construction of multiple-family housing in the GHC and CBD zone districts. Residential units above the ground floor in CBD zone districts require a conditional use permit. The City’s workforce/affordability work plan includes a code amendment to make them permitted by right.

Residential Care Facilities

The Lanterman Developmental Disabilities Services Act (Sections 5115 and 5116) of the California Welfare and Institutions Code declares that mentally and physically disabled persons are entitled to live in normal residential surroundings. The use of property for the care of six or fewer persons with mental disorders or disabilities is required by law. A State-authorized, certified or authorized family care home, foster home, or group home serving six or fewer persons with disabilities or dependent and neglected children on a 24-hour-a-day basis is considered a residential use to be permitted in all residential zones. No local agency can impose stricter zoning or building and safety standards on these homes (commonly referred to as “group” homes) of six or fewer persons with disabilities than are required of the other permitted residential uses in the zone.

In accordance with the Lanterman Act, all residential care facilities serving six or fewer persons are permitted without discretionary review in Tracy wherever a single-family home is permitted. In addition, the City allows residential care facilities of seven or more persons in all of its residential zones with a Conditional Use Permit. Despite this policy, the City’s Zoning Ordinance makes no specific provisions for residential care facilities of any size. A program action is included in this Housing Element to amend the Zoning Ordinance to address the provisions of residential care facilities. This program will include allowing residential care facilities of seven or more persons in all zones where residential uses of the same type are permitted and removing the requirement of a CUP.

According to the State Department of Social Services Community Care Licensing Division, as of November 2022, a total of four small residential care facilities for the elderly (with a total capacity of

III. Housing Constraints

24 beds) were located in the City in addition to the 77-bed Astoria Gardens and 180-bed Brookdale facilities. There are ten small adult residential facilities with a combined capacity of 55 beds.

Emergency Shelters

As discussed in the Housing Element Needs Assessment, there were 124 persons counted in the City of Tracy as part of the San Joaquin County 2022 Point-In-Time (PIT) Unsheltered Homeless Count. This is a 20 percent decrease from the 155 individuals that were counted for the 2019 Point-In-Time count.

Senate Bill 2, enacted in October 2007, requires local governments to identify one or more zoning categories that allow emergency shelters without discretionary review. The statute permits the City to apply limited conditions to the approval of ministerial permits for emergency shelters. The identified zone must have sufficient capacity to accommodate at least one year-round shelter and accommodate the City's share of the regional unsheltered homeless population. Additionally, with the passage of AB 2339 in 2022, the identified zone must be a zone where residential uses are permitted or in a nonresidential zone where the city can demonstrate that the emergency shelter would be near necessary amenities and services for homeless individuals.

The City's Zoning Ordinance permits the development of emergency shelters in the MDC, MDR, and HDR zones by right, without discretionary review. Emergency shelters are also subject to the following additional development standards:

- Concentration. An emergency homeless shelter may not be located closer than 300 feet from another emergency homeless shelter.
- On-site resident manager. An emergency homeless shelter shall have a resident, on-site manager.

The Zoning Ordinance does not specify any parking requirements for emergency shelters. Per Section 10.08.3490 of the Zoning Ordinance, the Planning Commission has the authority to determine parking requirements for uses not specified. However, AB 139 specifies that local governments may impose a parking requirement, but that it shall only be an amount adequate for parking for shelter staff may not exceed the requirements for residential and nonresidential uses in the same zone.

The City has over 20 acres of vacant land zoned MDC, MDR, and HDR. In addition, the City's residential sites inventory identifies 11 acres of vacant MDR and HDR land and 158 acres of land proposed to be rezoned HDR. Adequate capacity would be available to potentially accommodate emergency shelters for the unsheltered homeless in the City. Many of these parcels are located in close proximity to local bus routes, the Tracy Transit Station (Central Avenue and 6th Street), the Civic Center Plaza (East Street) and the Tracy Community Connections Center, located at 11th Street and Central Avenue, which provides a navigation center/clearinghouse for Tracy residents in need of housing and resources.

III. Housing Constraints

In May 2020, the City Council adopted the Homeless Strategic Plan (Strategic Plan). This Strategic Plan identified four primary goals:

- Increase housing options in Tracy
- Increase access to coordinated support services for people experiencing homelessness
- Develop action plans for engaging with people experiencing homelessness
- Enact specific strategies for vulnerable subpopulations experiencing homelessness

The Strategic Plan includes objectives and a detailed implementation plan for each of these goals. Some of the implementation measures focused on emergency, transitional and permanent housing options in the City. Preparation of the Strategic Plan included a variety of stakeholders. A detailed list of available State resources was also included. The City's Homeless Advisory Committee, which is comprised of two seated City Council members, meets four times a year and helps to implement the Strategic Plan.

According to the Strategic Plan, there are 28 local service providers that make up the Tracy Community Homeless Task Force. The services offered include shelters; subsidized housing; community meals; food delivery to encampments; food pantries, markets, and produce; and hygiene programs.

In September 2020, the City Council gave direction to move forward with the development of plans for the design and construction of a temporary emergency housing facility. The site is located on 4.8 acres at 370 W. Arbor Avenue. The 6,300 square-foot low-barrier navigation facility will accommodate people, pets, and possessions and is anticipated to provide nightly shelter for approximately 68 residents within a congregate sprung shelter. Underground site work was completed in August 2022. -This project has experienced significant delays in construction. Council directed the City to move on alternative housing options due to the delay in construction and ordered a declaration establishing an emergency shelter crisis (Resolution 2022-121). This resolution also directed the City Manager to take immediate and emergency actions necessary to implement interim housing solutions for Tracy's unsheltered population. Site work is underway, and the Council authorized a rebid for the project in August 2022 (Resolution 2022-121). This resolution also directed the City Manager to take immediate and emergency actions necessary to implement interim housing solutions for Tracy's unsheltered population.

While the City is working on the Low Barrier Navigation Center on Arbor Avenue, the Zoning Ordinance does not address this type of facility. AB 101 requires cities to allow a Low Barrier Navigation Center development by right in areas zoned for mixed uses and nonresidential zones permitting multifamily uses if it meets specified requirements. A "Low Barrier Navigation Center" is defined as "a Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing." Low Barrier shelters may include options such as allowing pets, permitting partners to share living space, and providing storage for residents' possessions. AB 101 also sets a timeline for jurisdictions to act on applications for Low Barrier Navigation Center developments. The requirements of this bill are effective through the end of 2026, at which point they are repealed.

The Housing Plan of this Housing Element includes a program to amend the Zoning Ordinance to allow Low Barrier Navigation Centers by right in areas zoned for mixed use and nonresidential zones permitting multi-family uses as well as to meet the parking requirements for emergency shelters set out in AB 139.

III. Housing Constraints

Transitional and Supportive Housing

State law (AB 2634 and SB 2) requires local jurisdictions to allow for transitional and supportive housing subject to the same standards as similar residential uses within the same zone. Under Housing Element law, transitional housing means buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculation of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance (California Government Code Section 65582(h)).

Supportive housing means housing with no limit on length of stay, which is occupied by the target population and is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Target population means persons with low incomes who have one or more disabilities, including mental illness, HIV/AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people (California Government Code Sections 65582(f) and (g)).

The City of Tracy Zoning Ordinance has a definition of transitional housing and supportive housing. Transitional housing is defined as “a building configured for rental housing, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time that is not less than six months from beginning of assistance. Transitional housing that is provided in single-family, two-family, or multi-family dwelling units will be permitted, conditionally permitted or prohibited in the same manner as other single-family, two-family, or multi-family dwelling units under this code.”

Supportive housing is defined as “housing with no limit on the length of stay, that is occupied by persons with disabilities and individuals or families that are homeless at the time approved for occupancy, and that is linked to on-site services that assist the supportive housing resident in retaining the housing, thereby improving the residents health status, and maximizing his or her ability to live and, when possible and applicable, work in the community. Supportive housing that is provided in single-family, two-family, or multi-family dwelling units will be permitted, conditionally permitted or prohibited in the same manner as other single-family, two-family, or multi-family dwelling units under this code.” This definition is not precisely consistent with the Government Code. The City will be amending its Zoning Ordinance to ensure compliance with State law.

The Tracy Zoning Ordinance permits transitional and supportive housing in all residential zones, with the exception of the RMH zone and applies no additional standards or permit requirements to these developments that are not applied to other residential development. However, AB 2162 (2018) requires that supportive housing meeting specific criteria to be permitted by right in zones where multi-family and mixed-use developments are permitted. Specific criteria include the size of the project and percentage set aside for target population, and specified amount of floor area for supportive services, among others. For projects locating within 0.5 mile from transit, no minimum parking requirements may be applied. The Tracy Zoning Ordinance will be amended to include the requirements of AB 2162.

Single Room Occupancy Units (SROs)

SRO units are one-room units intended for occupancy by a single individual. They are distinct from a studio or efficiency unit, in that a studio is a one-room unit that must contain a kitchen and bathroom. Although SRO units are not required to have a kitchen or bathroom, many SROs have one or the other and could be equivalent to an efficiency unit. AB 2634 mandates that local jurisdictions address the provision of housing options for extremely low income households—specifically the provision of SROs. The definition of SROs in the City’s Municipal Code is, “a residential building that includes multiple single-room dwelling units that are the primary residence of their occupant or occupants” (Section 10.08.808). In Tracy, SROs are permitted in the MDR and HDR zones and conditionally permitted in the MDC zone. The Municipal Code does not outline any specific requirements for SROs, including parking. The Municipal Code states that, “When the parking requirements for a use are not specifically set forth in this article, the parking requirements for such use shall be determined by the Commission, and such determination shall be based upon the requirements for the most comparable use set forth in this article” (Chapter 10.08.3490). Therefore, the development of SROs are is not constrained in Tracy. Since this can be a constraint to SRO development, the Zoning Ordinance Program in this Element includes adding standards, including parking, for SROs in the Municipal Code.

Farmworker Housing

The California Employee Housing Act requires that housing for six or fewer employees be treated as a regular residential use. The Employee Housing Act further defines housing for agricultural workers consisting of 36 beds or 12 units be treated as an agricultural use and permitted where agricultural uses are permitted.

The City of Tracy permits crop and tree farming in the A, LDR, MDC, MDR, and HDR zones. However, farm employee housing is not similarly permitted in these zones. The City’s Zoning Ordinance also has no provisions for employee housing. The City will amend the Zoning Ordinance to include provisions for farm employee housing and employee housing pursuant to the California Employee Housing Act.

Housing for Persons with Disabilities

Both the federal Fair Housing Amendments Act (FHAA) and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. The City conducted an analysis of the zoning ordinance, permitting procedures, development standards, and building codes to identify potential constraints for housing for persons with disabilities. The City’s policies and regulations regarding housing for persons with disabilities are described below.

Land Use Controls: Under State Lanterman Developmental Disabilities Services Act (aka Lanterman Act), small licensed residential care facilities for six or fewer persons must be treated as regular residential uses and permitted by right in all residential districts.

All residential care facilities serving six or fewer persons are permitted without discretionary review in Tracy wherever a single-family home is permitted. All residential zones also allow residential care facilities of seven or more persons with a Conditional Use Permit. The City will amend its Zoning Ordinance to reflect this current policy and fully comply with the provisions of the Lanterman Act.

III. Housing Constraints

Definition of Family: Local governments may restrict access to housing for households failing to qualify as a “family” by the definition specified in the Zoning Ordinance. Specifically, a restrictive definition of “family” that limits the number of and differentiates between related and unrelated individuals living together may illegally limit the development and siting of group homes for persons with disabilities, but not for housing families that are similarly sized or situated.⁶ The City’s current definition of “family” is “one or more persons occupying a single dwelling unit, under no more than one written or oral rental agreement.” This definition may act as a constraint on housing for persons with disabilities. For example, there are some service providers that require individual lease agreements for residents within a residential care facility or transitional housing. The City will revisit this definition of family to ensure that it places no negative impacts for persons with disabilities.

Building Codes: The Building and Safety Division actively enforces 2022 California Building Code provisions that regulate the access and adaptability of buildings to accommodate persons with disabilities. No unique restrictions are in place that would constrain the development of housing for persons with disabilities. Government Code Section 12955.1 requires that 10 percent of the total dwelling units in multi-family buildings without elevators consisting of three or more rental units or four or more condominium units subject to the following building standards for persons with disabilities:

- The primary entry to the dwelling unit shall be on an accessible route unless exempted by site impracticality tests.
- At least one powder room or bathroom shall be located on the primary entry level served by an accessible route.
- All rooms or spaces located on the primary entry level shall be served by an accessible route. Rooms and spaces located on the primary entry level and subject to this chapter may include but are not limited to kitchens, powder rooms, bathrooms, living rooms, bedrooms, or hallways.
- Common use areas shall be accessible.
- If common tenant parking is provided, accessible parking spaces are required.

Reasonable Accommodation: Both the Federal Fair Housing Act and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standard of the Zoning Ordinance to ensure that homes are accessible for the mobility impaired. Whether a particular modification is reasonable depends on the circumstances. The City of Tracy adopted an amendment to the Zoning Ordinance in 2015 that added a formal reasonable accommodations procedure to the Municipal Code. [The link](#)

⁶ California court cases (City of Santa Barbara v. Adamson, 1980 and City of Chula Vista v. Pagard, 1981, etc.) have ruled an ordinance as invalid if it defines a “family” as (a) an individual; (b) two or more persons related by blood, marriage, or adoption; or (c) a group of not more than a specific number of unrelated persons as a single housekeeping unit. These cases have explained that defining a family in a manner that distinguishes between blood-related and non-blood related individuals does not serve any legitimate or useful objective or purpose recognized under the zoning and land use planning powers of a municipality, and therefore violates rights of privacy under the California Constitution.

for a reasonable accommodation application is \$2,145. This planning fee is higher than other cities, including the cities of Livermore (\$205), Modesto and Stockton (no fees). An action has been included in this Housing Element to review this fee and consider reducing/waiving this fee for lower income applicants.

Within 30 days of submittal, the Director of Development Services reviews and approves applications for reasonable accommodation administratively; however, the Director may refer the application to the Planning Commission at their discretion. If a reasonable accommodation request is submitted as part of an application that requires other discretionary approval, then the applicant shall submit the reasonable accommodation application first for a determination by the Director, before proceeding with the other applications. This allows the reasonable accommodation request be considered separately based on the merits of the application. No periodic inspections are conducted for reasonable accommodations.

Per Section 10.08.3199 of Tracy's Municipal Code, the findings for granting a reasonable accommodation request are as follows:

(1) Findings. The reviewing authority shall approve the application, with or without conditions, if it can make the following findings:

- A. The housing will be used by a disabled person;
- B. The requested accommodation is necessary to make specific housing available to a disabled person;
- C. The requested accommodation would not impose an undue financial or administrative burden on the City; and
- D. The requested accommodation would not require a fundamental alteration in the nature of a City program or law, including land use and zoning.

(2) Other requirements.

- A. An approved request for reasonable accommodation is subject to the applicant's compliance with all other applicable zoning regulations.
- B. A modification approved under this chapter is considered a personal accommodation for the individual applicant and does not run with the land.
- C. Where appropriate, the reviewing authority may condition its approval on any or all of the following:
 - i. Inspection of the property periodically, as specified, to verify compliance with this section and any conditions of approval;
 - ii. Removal of the improvements, where removal would not constitute an unreasonable financial burden, when the need for which the accommodation was granted no longer exists;
 - iii. Time limits and/or expiration of the approval if the need for which the accommodation was granted no longer exists;
 - iv. Recordation of a deed restriction requiring removal of the accommodating feature once the need for it no longer exists;

III. Housing Constraints

- v. Measures to reduce the impact on surrounding properties;
- vi. Measures in consideration of the physical attributes of the property and structures;
- vii. Other reasonable accommodations that may provide an equivalent level of benefit and/or that will not result in an encroachment into required setbacks, exceedance of maximum height, lot coverage or floor area ratio requirements specified for the zone district; and
- viii. Other conditions necessary to protect the public health, safety or welfare.

The City's Reasonable Accommodation procedures ensure that the requests are reviewed in a timely manner. However, the condition relating to impacts on surrounding properties may potentially constrain and do not constrain housing for persons with disabilities. This Housing Element includes a program action to remove this potential consideration. The program will also include an action for the City to look at the application fee to ensure that it does not impede residents from submitting applications and consider waiving/reducing the fee for lower income applicants.

5. Development and Planning Fees

Residential developers are subject to a variety of fees and exactions to process permits and provide necessary services and facilities as allowed by State law. In general, these development fees can be a constraint to the maintenance, improvement, and development of housing because the additional cost borne by developers contributes to overall increased housing unit cost. However, the fees are necessary to maintain adequate planning services and other public services and facilities in the City. The City's permit processing fees are listed in Table III-8.

Most permit processing fees are levied on a full cost recovery basis to recoup actual administrative costs incurred to the City during the development review process. Development impact fees are levied to offset fiscal impacts of new developments.

Table III-8: Permit Processing Fees

Type	Amount
Conditional Use Permit	\$3,969
Development Review	
Class A	\$10,680
Class B	\$8,654
Environmental Initial Study/Negative Declaration	Cost Recovery Agreement
Environmental Impact Report	\$2,728
General Plan Amendment	Cost Recovery Agreement
Planned Unit Development	\$5,945
Planning Commission Determination	\$5,117
Residential Growth Allotment	\$4,021
Specific Plan Amendment	
Minor	\$4,904
Major	\$19,632
Tentative Parcel Map	\$8,865
Tentative Subdivision Map	
5-100 lots	\$16,011
101+ lots	\$79,312
Variance	\$7,663
Zone Change	\$3,717

Source: City of Tracy, Development and Engineering Services (DES) Department Master Fee Schedule, 2023.

Notes:

- Class A = Single Family (4 or more units) new Multifamily Residential
- Class B = Single Family (1-3 units) changes to existing Multifamily Residential

A typical development is also expected to pay a variety of impact fees to ensure the adequate provision of infrastructure, services, and facilities. The exact fees to be paid depend on the location of the projects. Estimated fee schedules for single family and high density residential development are shown in Table III-9, displayed in Figure III-1 and Figure III-2. Typical application processing costs to the City for a residential project range between \$15,000 to \$40,000. Technical studies (such as traffic, sewer, water, or CEQA) can cost between \$10,000 to \$60,000 per residential subdivision or apartment complex. Development impact fees for a typical single-family home are approximately \$73,036 per unit. Typical multi-family development fees are approximately \$43,197 per unit. Overall, planning and development fees total approximately \$95,548 per single-family unit and \$51,936 per multi-family unit. It should be noted that approximately 24 percent of the single-family fees and 18 percent of the multifamily fees are from outside agencies, including the County and the School District, beyond the control of the City. The City's fee structure is not partial to single-family development.

While the City's fees are tied to the costs of providing necessary services, they can impact the development of affordable housing. The City has several policies in place to facilitate the development of affordable housing, including: increased priority under the Growth Management Ordinance, decreased construction costs through reduced standards (i.e., reduced parking, etc.).

Table III-9: Typical Single-Family and Multifamily Permit and Development Fees

Fee Type	Single-Family Dwelling	4-Unit Multifamily Dwelling
City Application/Permit Fees		
Development Review Permit	\$8,654	\$10,680

III. Housing Constraints

Environmental Assessment	\$636	\$636
CBCS Fee (State Fee)	\$17	\$19
Plan Check Fee	\$323.00	\$646.00
Building Permit/Inspection Fee	\$3,999.61	\$4,974.41
Building Plan Check Fee	\$2,567.47	\$3,258.16
Photovoltaic Residential	\$450.00	\$1,650.00
SMI (State Seismic Fee)	\$53.07	\$126.48
Fire Sprinkler	\$542.00	Note 4.2
Subtotal - Application and Permit Fees	\$17,242.15	\$1,990.08
City Impact Fees		
Traffic	\$7,312.00	\$17,944.00
Water Distribution	\$5,972.00	\$12,476.00
Water Supply	\$2,555.00	\$5,316.00
Water Treatment	\$4,646.00	\$9,472.00
Recycled Water	\$3,742.00	\$8,684.00
Wastewater Treatment Plant	\$2,483.00	\$5,292.00
Wastewater Conveyance - East	\$3,390.00	\$9,040.00
Wastewater Conveyance - West	\$2,269.00	\$6,052.00
Neighborhood Park	\$8,095.00	\$1,588.00
Community Park	\$2,539.00	\$6,824.00
Fire	\$297.00	\$2,124.00
Police	\$963.00	\$2,768.00
Communication Facilities	\$325.00	\$868.00
Public Facilities	\$4,163.00	\$11,104.00
Subtotal - City Impact Fees	\$56,273.00	\$148,852.00
Outside Agency Fees		
County Agricultural Mitigation Fee	\$763.72	\$664.12
County Habitat Mitigation Fee	\$4,428.63	\$3,851.00
County Facilities Fee	\$3,249.00	\$9,632.00
Regional Transportation Impact Fee	\$4,053.28	\$9,727.80
School Impact Fee (Tracy Unified School District)	\$10,538.00	\$12,028.80
Subtotal - Outside Agency Fees	\$23,032.63	\$36,903.72
Total Cost	\$96,547.78	\$207,745.80
Cost Per Unit	\$95,547.78	\$1,936.45

Source: City of Tracy, Development and Engineering Services (DES) Department 2024 Master Fee Schedule

City of Tracy Development Services Department, City of Tracy 2024-25 Development Impact Fees

Tracy Unified School District Developer Fees Effective 6/30/25

Note 1. Assumptions: 2,200 square-foot Single-Family Residence, 2-unit Multifamily project - city soil is SR04B or SR2

Note 2. Fire Sprinkler fee for multifamily projects with more than 3 units are considered commercial fees. This is handled separately through the Fire Department.

Note 3. Stormwater fees are not included since they vary greatly depending on the location within the city.

Figure III-1: Development Impact Fees—Single Family Residential

Fees	Account Numbers	Unit Fees	Units = 1		Net Acres = 0.23	
			Total Fees	Total Fee Credits	Total Remaining Fee	Program Management Split
City of Tracy Development Impact Fees ^{1,3}						
Traffic	363-4231	\$ 7,307.00	\$ 7,307.00	\$ -	\$ 7,307.00	\$ 7,046.04
Program Management Fee	391-4239-XMP91					\$ 260.96
Water Distribution	365-4236-XMP61	\$ 5,968.00	\$ 5,968.00	\$ -	\$ 5,968.00	\$ 5,754.66
Program Management Fee	391-4239-XMP91					\$ 213.14
Water Supply	365-4236-XMP62	\$ 2,553.00	\$ 2,553.00	\$ -	\$ 2,553.00	\$ 2,461.82
Program Management Fee	391-4239-XMP91					\$ 91.18
Water Treatment	365-4236-XMP63	\$ 4,643.00	\$ 4,643.00	\$ -	\$ 4,643.00	\$ 4,477.18
Program Management Fee	391-4239-XMP91					\$ 165.82
Recycled Water	368-4236-XMP64	\$ 3,739.00	\$ 3,739.00	\$ -	\$ 3,739.00	\$ 3,605.46
Program Management Fee	391-4239-XMP91					\$ 133.54
Wastewater Treatment Plant	364-4237-XMP71	\$ 9,476.00	\$ 9,476.00	\$ -	\$ 9,476.00	\$ 9,137.57
Program Management Fee	391-4239-XMP91					\$ 338.43
Wastewater East Conveyance ²	364-4237-XMP72	\$ 3,388.00	\$ 3,388.00	\$ -	\$ 3,388.00	\$ 3,267.00
Program Management Fee	391-4239-XMP91					\$ 121.00
Neighborhood Parks	361-4233-XMPNP	\$ 8,089.00	\$ 8,089.00	\$ -	\$ 8,089.00	\$ 7,800.11
Program Management Fee	391-4239-XMP91					\$ 288.89
Community Parks	361-4233	\$ 2,557.00	\$ 2,557.00	\$ -	\$ 2,557.00	\$ 2,465.68
Program Management Fee	391-4239-XMP91					\$ 91.32
Fire	369-4234	\$ 796.00	\$ 796.00	\$ -	\$ 796.00	\$ 796.00
Police	367-4234	\$ 964.00	\$ 964.00	\$ -	\$ 964.00	\$ 964.00
Communication Facilities	360-4234	\$ 325.00	\$ 325.00	\$ -	\$ 325.00	\$ 325.00
Program Management Fee	391-4239-XMP91					\$ 105.00
Public Facilities	366-4234	\$ 4,160.00	\$ 4,160.00	\$ -	\$ 4,160.00	\$ 4,011.43
Program Management Fee	391-4239-XMP91					\$ 148.57
Storm Drainage - Westside Residential ⁴	362-4232	\$ 6,438.00	\$ 6,438.00	\$ -	\$ 6,438.00	\$ 6,208.07
Program Management Fee	391-4239-XMP91					\$ 229.93
Total Development Impact Fees		\$ 60,508.00	\$ 60,508.00	\$ -	\$ 60,508.00	\$ 60,508.00
City of Tracy Fees (other fees due at BP) ^{1,3}						
New Address Mapping Fee	206-4540	\$ 83.00	Per Address	1	\$ 83.00	
Water Meter Radio Read MXV Fee	511-4818	\$ 11.00	Per Meter	1	\$ 11.00	
Total other fees due at BP					\$ 94.00	
San Joaquin County Fees ^{1,3}						
Agricultural Mitigation Fee	207-2426-D6006	\$ 3,320.53	Per Acre	0.23	\$ 763.72	Program Management Total \$ 2,187.78
Habitat Mitigation Fee (Agricultural)	391-2426-XMP45	\$ 19,255.00	Per Acre	0.23	\$ 4,428.65	Total Development Impact Fees due prior to Final Inspection \$ 73,096.63
County Facilities Fee	391-2426-D6011	\$ 3,249.00	Per Unit	1	\$ 3,249.00	
Regional Transportation Impact Fee	392-2426	\$ 4,053.26	Per Unit	1	\$ 4,053.26	
Total San Joaquin County Fees					\$ 12,494.63	

Notes

1) Fees are for estimating purposes only and calculated based on a proposed single family residential unit on a 0.23 acre parcel (based on 4.35 SFDU/Ac). Fees are subject to change based on the final acreage and location.

2) It is assumed that the single family residential unit will pay the Wastewater – East Conveyance fee and Storm Drainage – Westside Residential. Fees are subject to change pending location.

3) Fees are due at the time the building permit is pulled; fees are subject to change upon fee updates.

This table does not include reduced or other impact fees that may be levied.

Capital In Lieu Fees are adjusted twice per year in accordance with ENR index and as otherwise directed by City Council. These are Capital In Lieu Fees only, determined by specific identified assumptions about a project. They do not include building permit, plan check, inspection, school encroachment permit, engineering, or any other applicable fees. The City does NOT guarantee accuracy of these fees. The fee is based on City staff's understanding of the project's scope, impacts, and variables such as acreage, building size, number of water meters, and size of water meters.

Figure III-2: Development Impact Fees—High Density Residential

Fees	Account Numbers	Unit Fees	Units =		Net Acres =		Program Management Split
			Total Fees	Total Fee Credits	Total Remaining Fee	0.05	
City of Tracy Development Impact Fees ^{1,2}							
Traffic	363-4231	\$ 4,458.00	\$ 4,458.00	\$ -	\$ 4,458.00	\$ 4,298.79	
Program Management Fee	391-4239-XMP91					\$ 159.21	
Water Distribution	365-4236-XMP61	\$ 3,042.00	\$ 3,042.00	\$ -	\$ 3,042.00	\$ 2,933.56	
Program Management Fee	391-4239-XMP91					\$ 108.64	
Water Supply	365-4236-XMP62	\$ 1,303.00	\$ 1,303.00	\$ -	\$ 1,303.00	\$ 1,256.46	
Program Management Fee	391-4239-XMP91					\$ 46.54	
Water Treatment	365-4236-XMP63	\$ 2,366.00	\$ 2,366.00	\$ -	\$ 2,366.00	\$ 2,281.50	
Program Management Fee	391-4239-XMP91					\$ 84.50	
Recycled Water	368-4236-XMP64	\$ 2,169.00	\$ 2,169.00	\$ -	\$ 2,169.00	\$ 2,091.54	
Program Management Fee	391-4239-XMP91					\$ 77.46	
Wastewater Treatment Plant	364-4237-XMP71	\$ 6,319.00	\$ 6,319.00	\$ -	\$ 6,319.00	\$ 6,093.32	
Program Management Fee	391-4239-XMP91					\$ 225.68	
Wastewater East Conveyance ³	364-4237-XMP72	\$ 2,258.00	\$ 2,258.00	\$ -	\$ 2,258.00	\$ 2,177.36	
Program Management Fee	391-4239-XMP91					\$ 80.64	
Neighborhood Parks	361-4233-XMPNP	\$ 5,393.00	\$ 5,393.00	\$ -	\$ 5,393.00	\$ 5,200.39	
Program Management Fee	391-4239-XMP91					\$ 192.61	
Community Parks	361-4233	\$ 1,705.00	\$ 1,705.00	\$ -	\$ 1,705.00	\$ 1,644.11	
Program Management Fee	391-4239-XMP91					\$ 60.89	
Fire	369-4234	\$ 531.00	\$ 531.00	\$ -	\$ 531.00	\$ 531.00	
Police	367-4234	\$ 642.00	\$ 642.00	\$ -	\$ 642.00	\$ 642.00	
Communication Facilities	360-4234	\$ 217.00	\$ 217.00	\$ -	\$ 217.00	\$ 217.00	
Program Management Fee	391-4239-XMP91					\$ 70.00	
Public Facilities	366-4234	\$ 2,774.00	\$ 2,774.00	\$ -	\$ 2,774.00	\$ 2,674.93	
Program Management Fee	391-4239-XMP91					\$ 99.07	
Storm Drainage - Westside Residential ³	362-4232	\$ 3,847.00	\$ 3,847.00	\$ -	\$ 3,847.00	\$ 3,709.61	
Program Management Fee	391-4239-XMP91					\$ 137.39	
Total Development Impact Fees		\$ 37,094.00	\$ 37,094.00	\$ -	\$ 37,094.00	\$ 37,094.00	
City of Tracy Fees (other fees due at BP) ^{1,3}							
	Account Numbers	Unit Fees	Units	Total Fee			
New Address Mapping Fee	206-4640	\$ 83.00	Per Address	\$ 83.00			
New Address Mapping (Bldg w 5 units or more)	206-4640	\$ 41.00	Per DU	\$ 41.00			
Water Meter Radio Read MXV Fee	511-46*8	\$ 11.00	Per Meter	\$ 11.00			
Total other fees due at BP				\$ 135.00			
San Joaquin County Fees ^{1,3}							
	Account Numbers	Unit Fees	Units	Total Fee	Program Management Total	\$ 1,342.63	
Agricultural Mitigation Fee	207-2426-D6006	\$ 3,320.53	Per Acre	\$ 166.03	Total Development Impact Fees due prior to Final Inspection	\$ 43,197.73	
Habitat Mitigation Fee (Agricultural)	391-2426-XMP46	\$ 19,255.00	Per Acre	\$ 962.75			
County Facilities Fee	391-2426-D6011	\$ 2,408.00	Per Unit	\$ 2,408.00			
Regional Transportation Impact Fee	392-2426	\$ 2,431.95	Per Unit	\$ 2,431.95			
Total San Joaquin County Fees				\$ 5,968.73			

Notes:

1) Fees are for estimating purposes only and calculated based on a proposed 1 high density residential unit on a 0.05-acre lot parcel (based on 18.75 high density residential units/acre). Fees are subject to change based on the number of dwelling units, acreage, and location.

2) It is assumed that the high residential units will pay the Wastewater—East Conveyance fee and Storm Drainage—Westside Residential. Fees are subject to change pending location.

3) Fees are due at the time the building permit is pulled; fees are subject to change upon fee updates.

This table does not include school or other impact fees that may be levied. Capital In-Lieu Fees are adjusted twice per year in accordance with ENR index and as otherwise directed by City Council. These are Capital In-Lieu Fees only, determined by specific, identified assumptions about a project. They do not include building permit, plan check, inspection, school, encroachment permit, engineering, or any other applicable fees. The City does NOT guarantee accuracy of these fees. The fee is based on City staff understanding of the project's scope, impacts, and variables such as acreage, building size, number of water meters, and size of water meters.

III. Housing Constraints

6. On- and Off-Site Improvements

Requirements for on- and off-site improvements vary depending on the presence of existing improvements, as well as the size and nature of the proposed development. In general, the City requires the following improvements and facilities for new developments:

- *Frontage improvements.* The frontage of each lot is required to be improved consistent with the geometric sections of the Roadway Master Plan, including street structural section, curbs, gutters, sidewalks, driveway approaches, transitions, landscaping and street lighting
- *Storm drainage.* Stormwater runoff must be collected and conveyed by an approved storm drain system that provides for the protection of abutting and off-site properties. Off- and/or on-site storm drain improvements and/or detention or retention basins may be required to satisfy this requirement.
- *Water supply.* Each unit or lot must be served by the City water system, with a separate water meter.
- *Underground utilities.* All existing and proposed utilities must be placed underground. Street lighting must also be provided to the standards specified in the City's design documents. Developers must deposit with the City sufficient money to pay for the energy and maintenance of such street-lighting for a period of 18 months or secure funding for lighting through a landscape and lighting maintenance district.
- *Other improvements.* Other improvements, including but not limited to, street lights, fire hydrants, signs, street trees and shrubs, landscaping, irrigation, and monuments, or fees in lieu of any of the above may also be required.
- *Street Design.* The City of Tracy street design criteria are summarized in the table below (Table III 10). Alternative street designs are permitted within specific plan areas.

Table III-10: Street Design Criteria

Design Criteria	Right of Way	Curb to Curb
Residential Streets (<500 VPD)	56'	36'
Minor Residential Collector (500-2,000 VPD)	60'	40'
Major Residential Collector (2,000-5,000 VPD)	86'	56'
Minor Arterial (5,000-12,000 VPD)	114'	64'

Source: City of Tracy, 2023.
VPD=Vehicles per day

The City requires that curbs, gutters, and sidewalks be installed along the frontage of every lot on which new construction or significant alteration occurs. The absence of curbs and gutters may contribute to unsafe pedestrian and vehicular travel. In addition, potential flooding problems may result due to the lack of infrastructure improvements. While off-site improvements are more costly than on-site improvements, they are necessary to achieve consistency within neighborhoods and contribute to systems that benefit the entire community. The cost of many of these onsite and offsite improvements are described in Table III 9 above. The cost of curbs, gutters and sidewalks depends on the type and size of project and are proportional to each individual project

The City's improvement standards are similar to many other communities and do not constrain development or impact housing affordability. In addition, the San Joaquin Council of Governments provides grants for infrastructure improvements. As mentioned in the Sites Chapter of this Housing

Element, recent multifamily developments in the City have had success in meeting the densities allowed by the Zoning Ordinance.

7. Building Codes and Enforcement

In addition to land use controls, local building codes also affect the cost of housing. The City currently implements the 2022 California Building Codes, which are based on the International Building Codes. The California Building Codes establish standards and requires inspections at various stages of construction to ensure code compliance and minimum health and safety standards. Although these standards may increase housing production costs, these standards are mandated by the State of California and are intended to provide structurally sound, safe, and energy-efficient housing.

The City's Municipal Code outlines the local amendments that Tracy has adopted for the Building Code (Section 9.04.040). These amendments include:

- Permitted size of tool and storage sheds;
- Height of fences, including masonry fences;
- Time limitations on applications: deemed to have been abandoned 180 days after the date of filing, unless such application has been pursued in good faith or a permit has been issued. The building official is authorized to grant one or more extensions of time for additional periods not exceeding 180 days each.
- Permit expiration: Every permit issued shall become invalid unless the work on the site authorized by such permit is commenced within 12 months after its issuance, or if the work authorized on the site by such permit is suspended or abandoned for a period of 180 days after the time the work is commenced. The building official is authorized to grant, in writing, one or more extensions of time, for periods not more than 180 days each.
- Address identification (size and color)
- Slab-on-grade installation requirements
- Loft guards for safety

These local amendments do not negatively impact the development of housing or costs.

The City's Code Enforcement Unit is part of the Tracy Police Department. The enforcement is complaint-based, and the City website has a page to report or resolve a suspected violation. At that time, a violation notice is mailed to the property owner. Abatement measures are navigated through coordinated and cooperative steps. The Code Enforcement webpage has information about tenant rights and contact information ~~of~~for the San Joaquin Fair Housing Office.

The City collaborates with the San Joaquin County Neighborhood Preservation Division on housing rehabilitation efforts. In 2020, City Council allocated \$4 million to the Housing Authority of San Joaquin County for the rehabilitation of existing low-income housing units.

8. Local Permits and Processing Times

The processing time needed to obtain development permits and required approvals is commonly cited by the development community as a prime contributor to the high cost of housing. Depending on the magnitude and complexity of the development proposal, the time that elapses from application submittal to project approval may vary considerably. Factors that can affect the length

III. Housing Constraints

of development review on a proposed project include: completeness of the development application submittal, responsiveness of developers to staff comments and requests for information, and projects that are not exempt from the California Environmental Quality Act (CEQA), require rezoning or general plan amendment, or are subject to a public hearing before the Planning Commission or City Council.

Certainty and consistency in permit processing procedures and reasonable processing times is important to ensure that the development review/approval process does not discourage developers of housing or add excessive costs (including carrying costs on property) that would make the project economically infeasible. The City is committed to maintaining comparatively short processing times. Total processing times vary by project, but most residential projects are approved in three to eight months. **Table III-11** provides a detailed summary of the typical processing procedures and timelines of various types of projects in the City.

Table III-11: Processing Times

Project Type	Reviewing Body	Public Hearing Required	Appeal Body (if any)	Estimated Total Processing Time
Single-Family Subdivision	Planning Commission*	Yes	City Council	3-8 months
Multiple-Family	DES Director	Yes	Planning Commission	3-8 months
Multiple-Family (with subdivisions)	Planning Commission*	Yes	City Council	3-8 months
Mixed Use	Planning Commission	Yes	City Council	3-8 months

*City Council would grant final approval if the Tentative Map is a "Vesting" Map. If not Vesting, Planning Commission has final approval authority. All projects are assumed to have proper general plan, zoning, and CEQA clearance.

The processing time for the most common residential development applications are summarized in **Table III-12**. These applications are often processed concurrently. Depending on the level of environmental review required, the processing time for a project may be lengthened.

Tracy follows the requirements of the Subdivision Map Act and the Permit Streamlining Act. Timing between a tentative and final map, as well as between planning approval and the submittal of building permit, applications are often reliant on the property owners and developers as they work through their financing and construction management. Given the relatively short time periods required for processing residential development applications in Tracy, the City's permit processing procedures are not a significant constraint on residential development.

Table III-12: Approximate Processing Times

Process/Application	Time
Conditional Use Permit	3-5 months
Development Review	3-8 months
General Plan Amendment	3-8 months
Environmental Impact Reports	6-18 months
Plan Check/Building Permits	1-4 months
Tentative Map	3-8 months
Variance	1-2 months
Zone Change	3-8 months

Source: City of Tracy Planning Department, 2015.

Development Review

Development Review is a discretionary review of the design of a project, including the site plan, landscape plan, building elevations, grading plan, and utility plan. The purpose of Development Review is to ensure that a project is compatible with the surrounding environment and consistent with the City's goals and policies. New buildings (commercial, industrial, and residential of three units or greater) and substantial modifications to the exterior of existing buildings require Development Review. Questions related to Development Review requirements can be answered by a Planner in the City's Community & Economic Development Department.

Other residential projects that require a General Plan Amendment, Rezone, Tentative Subdivision Map and potential Development Agreement will require a longer review and approval process that are consistent with the Permit Streamlining Act and the Subdivision Map Act.

A Development Review Permit is required for all multifamily and mixed-use housing developments or improvements that require a building permit. Single-family home projects that include more than four units are also required to obtain a development review permit. Individual single-family homes, duplexes and single-family development projects with four or fewer units are exempt. ~~except for single family and two family residences.~~ An application, including an initial environmental study and site/architectural plans, must be submitted to the City's Development and Engineering Services (DES) Department. Site plan and architectural reviews are completed within the Development Review process.

The approval body is determined by the scope of the project:

Tier 1

An application reviewed by the City Council, following recommendation by Planning Commission and occurs when:

- the development review permit application is paired with another application being reviewed by the City Council (including an appeal);
- the affected property is located within the I-205 overlay zone (Article 21.2);
- a specific plan or design guidelines require City Council review.

Tier 2

An application is reviewed by the Planning Commission and occurs when:

- the development review permit application is paired with another application being reviewed by the Planning Commission (including an appeal);
- the development review permit application is for a site located within 500 feet of a freeway;
- a specific plan or design guidelines require Planning Commission review; or
- the Director refers a development review permit application to the Planning Commission.

Tier 3

An application is reviewed by the Director and occurs when not covered by Tier 1 or Tier 2, above. The Director may refer review and approval of an application to the Planning Commission.

Referring applications to the Planning Commission occurs when there are questions about General Plan and Zoning consistency. Most projects are consistent with the City of Tracy General Plan and

III. Housing Constraints

zoning code. These projects are approved at a Development and Economic Department Director review. Most projects under the RHNA identified sites will require only Development Review at the Director level, unless there are extenuating circumstances. Director review timeframes are identified below (see Table III-13).

The ~~DES Director~~decision-making body reviews applications and has the authority to approve, conditionally approve, or deny an application. In reviewing and evaluating an application, the decision-making body ~~Director~~ considers the following aspects:

- Conformity with various zoning provisions;
- The height, bulk, and area of buildings;
- The types of buildings and installations;
- The physical and architectural relationship with the existing and proposed structures;
- The site layout, orientation, and location of the buildings and relationships with open areas and topography;
- The height, materials, colors, and variations in boundary walls, fences, and screen plantings;
- The location and type of landscaping, including, but not limited to, off-street parking areas; and
- The appropriateness of the sign design and exterior lighting.

Article 30 of the City’s Municipal Code outlines the findings used by the decision-making body when reviewing a design review permit application. These are:

- (1) the proposal increases the quality of the project site, and enhances the property in a manner that therefore improves the property in relation to the surrounding area and the citizens of Tracy.
- (2) the proposal conforms to this chapter, the general plan, any applicable specific plan, the Design Goals and Standards, any applicable Infrastructure Master Plans, and other City regulations.

These findings are subjective and can serve as a constraint to development. On March 2, 2021, the City Council approved staff to begin working on an action plan to address affordable/workforce housing, among which include changes to density and development regulations. The action plan will include objective design standards for multi-family and mixed-use development. However, since Development Review Permits are required for single-family projects with five or more units, this Housing Element includes a program to revise the two above findings to remove subjective language and allow for approval certainty.

Table III-13: Development Review Processing Times

	Application Steps	Time
Step 1	Submit Application Development application forms, general submittal requirements and instructions, electronic submittal instructions, and the fee schedule are available on the City’s website.	

<p>Step 2</p>	<p>City Review City review includes routing application materials to multiple City departments and other agencies for comments. The comments are compiled into a comprehensive letter to the applicant, which details incomplete items, applicable requirements and staff recommendations. Once the application is deemed complete and all requirements are met, City staff will prepare the project for public hearing (step 4).</p>	<p>30 days</p>
<p>Step 3</p>	<p>Applicant Response Some projects require additional information or clarification by the applicant and/or revisions to the plans. This step is the applicant's response to those requirements. The applicant's response will be reviewed by the City and steps 2 and 3 may be repeated if necessary.</p>	<p>30 days (typical)</p>
<p>Step 4</p>	<p>Public Hearing Public hearings before the Community & Economic Development Director are required for all Development Review applications. Director-level hearings are scheduled on an as-needed basis. A public notice of the hearing will be sent to all property owners within 300 feet of the subject property and posted in a local newspaper.</p>	<p>30 - 180 days (typical)</p>
<p>Estimated Total Timeframe</p>		<p>90 - 240 days (typical)**</p>
<p>Source: City of Tracy Planning Department, 2013</p> <p>Notes: * PUD new districts require a public hearing with both Planning Commission and City Council, which could add additional time, typically, 45 - 60 days.</p> <p>** The time frame may be extended for complex projects or to meet requirements of environmental review.</p>		

Conditional Use Permit

In all zoning districts, specified conditional uses are permitted subject to the granting of a Conditional Use Permit. Because of their potentially incompatible characteristics, conditional uses require special consideration so that they may be located properly with respect to their effects on surrounding properties. To achieve these purposes, the Planning Commission has the authority to grant or deny applications for use permits and to impose reasonable conditions upon the granting of Conditional Use Permits.

A public hearing is required for each application for a Conditional Use Permit. Hearings are typically held within 90 days after the date the application was filed. Notice of the public hearing must given at least 10 days, but not more than 20 days, prior to the date of the hearing. At the public hearing, the Commission reviews each application and receives applicable evidence and testimony concerning the proposed use and the proposed conditions. The Commission must decide on each application within 40 days of the closing of the public hearing.

In recommending the approval of a Conditional Use Permit, the Commission can impose a variety of conditions that are deemed necessary to protect the public health, safety, and general welfare. Such conditions may include:

- Special yards, spaces, and buffers;
- Fences and walls;

III. Housing Constraints

- The surfacing of parking areas and provisions for surface water drainage, subject to City specifications;
- Requiring street dedications and improvements, including service roads or alleys when practical;
- The regulation of the points of vehicular ingress and egress;
- The regulation of signs;
- Requiring the maintenance of the grounds;
- Requiring landscaping and the maintenance thereof;
- The regulation of noise, vibration, odors, and other similar characteristics;
- The regulation of the time for certain activities to be conducted on the site;
- The time period within which the proposed use shall be developed;
- A bond, deposit of money, or letter of credit for the completion of the street improvements and other facilities or for the removal of such use within a specified period of time to assure faithful performance on the part of the applicant.

Development Review Team Meetings

The Development Services Director, Chief Building Official, and staff from Planning, Engineering, Building and Fire Safety, Economic Development, and Public Works convene every other Monday to review recently submitted projects and projects in the pipeline.

The intent of these meetings is to share with each other upcoming regulations that may affect permitting or processing and to discuss individual projects, if necessary, to make sure that they are on track for approval. Issues such as additional engineering analysis, more in-depth environmental review, or revised submittals are discussed in these meetings.

Any updates from these meetings are conveyed to the applicants via their single point of contact. Applicants are welcome to attend these meetings, even if it is to elicit feedback prior to their initial submittal.

9. State Tax Policies and Regulations

Proposition 13

Proposition 13 is a voter initiative that limits increases in property taxes except when there is a transfer of ownership. This initiative may have increased the cost of housing by forcing local governments to pass on more of the costs of housing development to developers.

Federal and State Environmental Protection Regulations

Federal and State regulations require environmental review of proposed discretionary projects (e.g., subdivision maps, use permits, etc.). Costs, resulting from fees charged by local government and private consultants needed to complete the environmental analysis and from delays caused by the mandated public review periods, are also added to the cost of housing development and may be passed on to the consumer. However, the presence of these regulations helps preserve the environment and ensure environmental quality for Tracy residents.

C. Environmental and Infrastructure Constraints

A community's environmental setting affects the feasibility and cost of developing housing. Environmental issues range from the availability of water to the suitability of land for development due to potential exposure to seismic, flooding, wildfire and other hazards. If not properly recognized and accommodated in residential design, these environmental features could potentially endanger lives and property. This section summarizes these potential constraints on residential development in Tracy.

1. Geologic and Seismic Hazards

There are four Seismic Zones in the United States, which are ranked according to their seismic hazard potential. Zone 1 has the least seismic potential and Zone 4 has the highest seismic potential. The City of Tracy lies primarily within Seismic Zone 3, while parts of the Tracy Hills Specific Plan area lie in Zone 4. The California Building Code contains special standards and regulations for each zone to ensure that all new construction will withstand forces associated with a major earthquake.

There are numerous faults within and around the City of Tracy. Major faults near the City include the San Andreas, Calaveras, Hayward and Concord-Green Valley faults. These faults have historically been the source of earthquakes felt in Tracy. The Carnegie/Corral Hollow fault, considered active, runs roughly northeast-southeast along the southern boundary of the Lawrence Livermore National Laboratory Site 300. The Black Butte and Midway faults, which are potentially active, lie near the City's boundaries and may pose potential seismic hazards for the Planning Area. The Tracy-Stockton fault, which passes beneath the City of Tracy in the deep subsurface, is considered inactive. The Elk Ravine fault, which is considered inactive, lies between the Carnegie/Corral Hollow, Black Butte and Midway faults.

There are a series of specific hazards that are caused by earthquakes, including ground rupture, ground shaking, liquefaction and expansive soils. Due to its seismic and geologic conditions, the City of Tracy is subject to several of these hazards, including a moderate potential for liquefaction, as well as a moderate to high potential for expansive soils depending on the specific soil conditions and location. The Safety Element of the City's General Plan includes goals, policies, and actions that are designed to reduce the risks of these hazards, including requiring underground utilities and geotechnical reports.

For all new construction, the City requires geotechnical reports and other analyses, where necessary, to analyze potential soils or geologic hazards. The California Building Code, enforced by the City's Development Services Department, contains design and development regulations to ensure that all new construction will withstand forces associated with geologic and seismic hazards.

2. Flooding

Floodplain zones are determined by the Federal Emergency Management Agency (FEMA) and used to create Flood Insurance Rate Maps (FIRMs) that designate these zones. These maps assist cities in mitigating flooding hazards through land use planning and building permit requirements. FEMA outlines specific regulations for any construction, whether residential, commercial or industrial within 100-year floodplains. A floodplain is the relatively level land area on either side of the banks of a stream subject to flooding. The 100-year floodplain is the area subject to flooding based on a storm event that is expected to occur every 100 years on average, based on historical data.

III. Housing Constraints

The most recent FIRM for the City of Tracy is dated October 16, 2009. According to this FIRM, the majority of land within City limits is included in Zone X, the designation for lands outside of the 100-year floodplain. Two areas along the northern portion of the City fall within FIRM Zone AE, which indicates the 100-year floodplain. Furthermore, the majority of land within the city limit and SOI is located outside of the 200-year floodplain, although there are small areas in the northern portions of the city limit and SOI that are within the preliminary 200-year floodplain boundary. New construction and substantial improvements to structures are required to “have the lowest floor (including the basement) elevated at least one foot above the base flood level” or be of flood-proof construction.

The Safety Element of the City’s General Plan also includes goals and policies that are designed to reduce the risks of flooding hazards in the City. These policies include:

- Limiting development on lands within the 100-year flood zone
- Preventing the construction of flood barriers within the 100-year flood zone that divert flood water or increase flooding in other areas
- Encouraging property owners to purchase National Flood Insurance, which reduces the financial risk from flooding and mudflows
- Implementing floodplain overlay zones provided by FEMA

The Federal Emergency Management Agency (FEMA) determines the locations of floodplains and designates the locations of flood zones on Flood Insurance Rate Maps. Specific regulations are enforced by the City on all new construction to ensure that the lowest floor is at least one foot above the base flood level or that the structure is flood-proof. All sites zoned for residential development or identified to provide sites to meet the RHNA, however, are outside the 100-year floodplain.

3. Wildland Fires

The risk of wildland fires is related to a combination of factors, including winds, temperatures, humidity levels and fuel moisture content. Of these four factors, wind is the most crucial. Steep slopes also contribute to fire hazard by intensifying the effects of wind and making fire suppression difficult. Features in some parts of the Planning Area, including highly flammable vegetation, and warm and dry summers with temperatures often exceeding 100 degrees Fahrenheit, create a situation that results in potential wildland fires. Where there is easy human access to dry vegetation, fire hazards increase because of the greater chance of human carelessness. High hazard areas include outlying residential parcels and open lands adjacent to residential areas.

To quantify this potential risk, the California Department of Forestry and Fire Protection (Cal Fire) has developed a Fire Hazard Severity Scale that utilizes three criteria in order to evaluate and designate potential fire hazards in wildland areas. The criteria are fuel loading (vegetation), fire weather (winds, temperatures, humidity levels and fuel moisture contents) and topography (degree of slope).

The Safety Element of the City’s General Plan also includes goals and policies that are designed to reduce the risks of wildland fire hazards in the City. These policies include:

- Limiting development in areas with steep terrain
- Requiring new developments to satisfy fire flow and hydrant requirements
- Incorporating drought-resistant and fire-resistant plants in areas subject to wildland fires.

- Regularly training the South San Joaquin County Fire Authority (Fire Authority) for urban and wildland firefighting conditions.

High fire hazard areas include outlying residential parcels and open lands adjacent to residential area. All new development in Tracy is required to satisfy fire flow and hydrant requirements.

4. Hazardous Materials and Waste

Products as diverse as gasoline, paint solvents, film processing chemicals, household cleaning products, refrigerants and radioactive substances are categorized as hazardous materials. What remains of a hazardous material after use or processing is considered to be a hazardous waste. The handling, transportation and disposal of such waste is of concern to all communities. Improper handling of hazardous materials or wastes may result in significant effects to human health and the environment.

Many businesses and residents in Tracy use hazardous materials and generate some amount of hazardous waste. The most common hazardous waste in Tracy are generated from gasoline service stations, dry cleaners, automotive mechanics, auto body repair shops, machine shops, printers and photo processors, and agriculture. Most of these wastes are petroleum-based or hydrocarbon hazardous waste and include cleaning and paint solvents, lubricants and oils. However, medical wastes, defined as potential infectious waste from sources such as laboratories, clinics and hospitals, are also included among the hazardous wastes found in Tracy.

Hazardous materials and hazardous wastes in Tracy are heavily regulated by a range of federal, State and local agencies. One of the primary hazardous materials regulatory agencies is the California Environmental Protection Agency, Department of Toxic Substances Control (DTSC). DTSC is authorized by the U.S. Environmental Protection Agency (EPA) to enforce and implement federal hazardous materials laws and regulations.

San Joaquin County has prepared a Hazardous Material Area Plan, in accordance with the California Health and Safety Code (HSC) (Division 20, Chapter 6.95, §25500 et seq.) and California Code of Regulations (CCR) (Title 19, Article 3, §2270 et seq.). The Plan is designed to protect human health and the environment through hazardous materials emergency planning, response and agency coordination and community right-to-know programs. The Plan outlines the roles and responsibilities of federal, State, and local agencies in responding to hazardous material releases and incidents. The City of Tracy's Department works with San Joaquin County to implement this plan.

The City of Tracy participates with San Joaquin County in a household hazardous waste program. Tracy residents can also access the permanent household hazardous waste consolidation facility located in Stockton.

The County Office of Emergency Services (OES) administers the Emergency Planning and Community Right-to-Know program for the Tracy Planning Area. Under Chapter 6.95 of the California Health and Safety Code and the Federal Resource Conservation and Recovery Act, any business storing quantities of hazardous materials greater than 55 gallons of liquid, 500 pounds of solid or 200 cubic feet of some compressed gasses must file a hazardous materials business plan annually that establishes incident prevention measures, hazardous material handling protocols and emergency response and evacuation procedures.

The Safety Element of the City's General Plan also includes goals and policies that are designed to reduce the risks associated with hazardous materials and waste in the City. These policies include:

III. Housing Constraints

- Requiring developers to conduct the necessary level of environmental investigation to ensure that soils, groundwater and buildings affected by hazardous material releases from prior land uses and lead or asbestos potentially present in building materials, will not have a negative impact on the natural environment or health and safety of future property owners or users.
- Requiring new pipelines and other channels carrying hazardous materials avoid residential areas and other immobile populations to the extent possible.
- Maintaining formally designated hazardous material carrier routes to direct hazardous materials away from populated and other sensitive areas.

Most hazardous wastes in Tracy include cleaning and paint solvents, lubricants and oils. Medical wastes are also included among the hazardous wastes found in Tracy. The City works with appropriate County and State agencies to ensure compliance with all hazardous materials and waste safety regulations. No new residential development will be subject to significant risks from hazardous materials or waste.

5. Water Supply

Tracy's 2020 Urban Water Management Plan (UWMP) was adopted in June 2021.⁷ The UWMP provides information about the City's historical and projected water demands, water supplies, supply reliability and potential vulnerabilities, water shortage contingency planning and demand management programs. The information provided below is from the 2020 UWMP.

The City of Tracy obtains water from both surface and groundwater sources. The City purchases imported surface water from two wholesale water suppliers: (1) the United States Bureau of Reclamation (USBR), which supplies the City with Central Valley Project (CVP) water, and (2) the South San Joaquin Irrigation District (SSJID), which supplies Stanislaus River water through the South County Water Supply Project (SCWSP). The City overlies the Tracy Subbasin and approximately six percent of the City's water supply was from local groundwater supply wells during 2020. The City manages the multiple supply sources based on contractual agreements, climate, City policy, regulatory requirements, and various other factors. In the future, the City intends to continue utilizing its existing supplies. However, future supply reliability of imported water is projected to decrease. The City plans to increase its future supply by increasing groundwater production and implementing the following water projects:

- Expansion of the Aquifer Storage and Recovery (ASR) program and installation of additional ASR wells. This expansion will provide up to 1,000 acre-feet per year of water supplies by 2040. The ASR supply will be used to meet demands during dry years
- Expand the recycled water system to serve future development areas. Pursuant to the City's Recycled and Non-Potable Water Ordinance, all new subdivisions are required, to the extent practicable, to install the required infrastructure (such as dual-distribution pipelines) to provide recycled water to meet non-potable water demands at parks, golf courses, sports fields, schools, median island landscapes, and industrial sites.
- Indirect reuse of its recycled water.

⁷ City of Tracy, *2020 Urban Water Management Plan*, June 2021. Prepared by EKI Environment & Water.

The City is projected to have a total population of approximately 166,700 people by the year 2045, which represents a 73 percent increase over the 2020 population. The population projection is based on the Tracy Municipal Services Review (June 2019).

The City estimates that approximately 33,868 AFY of potable water supply and 6,300 AFY of non-potable water supply will be available in 2045 under normal conditions. The City is expected to have adequate water supplies during normal years to meet its projected demands through 2045. However, the reliability of the City's surface water supplies is estimated to be significantly reduced during a single dry year. As a result, total water supplies are projected to be insufficient to meet the projected demands. During multiple dry years, the sufficiency of the City's water supplies to meet the projected demands depends on the drought year. In 2035 to 2045, as demand increases, supply shortfalls are expected, with the largest shortfall being approximately 7,308 AFY in 2045, or 19 percent of the projected demands.

Although there remains large uncertainty in future supply availability, the City has developed strategies and actions to address the projected supply shortfalls. These include: additional recycled water options, expanding the existing water supply and obtaining new supply sources and direct potable reuse of recycled water. In addition, the City has been implementing, and plans to continue to implement, demand management measures and has developed a robust Water Shortage Contingency Plan (WSCP) that systematically identifies ways in which the City can reduce water demands. **Fees for new residential development include water fees to help meet capacity needs from increased population growth.**

~~A program in this Housing Element calls for the City to adopt an ordinance policy, within one year of Housing Element certification, to that grant establishes specific procedures to grant priority service within a year of the certification of the Housing Element to housing with units affordable to lower-income households whenever capacity is limited and warrants allocation.~~

6. Wastewater Capacity

The City of Tracy's wastewater facilities include a collection system consisting of gravity sewer lines, pump stations, force mains, and a Wastewater Treatment Plant (WWTP). Wastewater flows toward the northern part of the City where it is treated at the WWTP and then discharged into the Old River in the southern Sacramento-San Joaquin Delta.

The City of Tracy is the wastewater treatment service provider in Tracy. According to the 2022 Wastewater Master Plan Update, the City is currently implementing capital improvements to increase WWTP capacity to serve current demand. Anticipated growth through 2040 will cause services needs to increase greatly in the coming years. To ensure that system capacity meets future demand, additional system upgrades are necessary and have been outlined in the Wastewater Master Plan Update as the "Revised Phase 1 Upgrades." **Fees for new residential development include wastewater fees to help meet capacity needs from increased population growth.**

~~A program in this Housing Element calls for the City to adopt a policy, within one year of Housing Element certification, to grant priority service to housing with units affordable to lower-income households when capacity is limited and warrants allocation.~~

~~A program in this Housing Element calls for the City to adopt an ordinance that establishes specific procedures to grant priority service within a year of the certification of the Housing Element to housing with units affordable to lower income households whenever capacity is limited.~~

III. Housing Constraints

7. Habitat Protection

The Tracy Planning Area currently contains a range of vegetation and habitat types including urban, agricultural, riparian woodlands, seasonal wetlands, farmed wetlands and non-native grasslands. These vegetation areas and habitats, which are described below, host a wide range of wildlife and plant species that reflect the diversity in San Joaquin County and the Central Valley.

There are numerous special status plant and animal species known to be located in the Tracy Planning Area. Special-status species include plants and animals that are legally protected under state and federal Endangered Species Acts or other regulations, as well as species considered sufficiently rare by the scientific community to qualify for such listing.

As of 2009, there are six special-status mammals, 24 special-status birds, six special-status reptiles and amphibians, two special-status invertebrates, and twelve special-status plant species potentially occurring in the Planning Area. These include the San Joaquin kit fox, the Swainson's hawk, the San Joaquin pocket mouse, and the giant garter snake.

In an effort to protect sensitive and threatened species throughout the county, the San Joaquin Council of Governments (SJCOG) has prepared the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP). The purpose of the SJMSCP is to provide a county-wide strategy for preserving open space, provide for the long-term management of plant, fish and wildlife species, especially those that are currently listed or may be listed in the future under the ESA or the California Endangered Species Act, and provide and maintain multiple-use Open Spaces that contribute to the quality of life of the residents of San Joaquin County. The City of Tracy has adopted the SJMSCP. Sites used to fulfill the RHNA are not impacted by the SJMSCP.

There are numerous special status plant and animal species known to be located in the vicinity of Tracy. In an effort to protect sensitive and threatened species, the City of Tracy participates in the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP). The SJMSCP allows development to occur in the City limits while land is conserved elsewhere in San Joaquin County for long-term management of plant, fish, and wildlife species.

Table of Contents

IV.	Housing Sites and Resources	IV-1
A.	Land Inventory	IV-1
B.	Realistic Capacity	IV-3
C.	Assumed Affordability - Density and Size	IV-5
1.	Density	IV-5
2.	Size of Development Sites	IV-6
3.	Environmental and Infrastructure Constraints	IV-22
4.	Entitled and Pending Projects	IV-25
5.	Accessory Dwelling Units	IV-29
D.	Site Inventory and Rezoning Strategy	IV-29
E.	Ability to Meet the RHNA	IV-31
F.	Overall Capacity	IV-32
G.	Financial Resources	IV-48
1.	Administrative Resources	IV-48
2.	Countywide Programs	IV-48
3.	Statewide Resources	IV-49
4.	Department of Housing and Urban Development Grants	IV-50
H.	Energy Conservation	IV-50

List of Tables

Table IV-1:	2023-2031 RHNA	IV-1
Table IV-2:	Pending Projects and ADUs Progress Towards RHNA	IV-1
Table IV-3:	2023-2031 Target Sites Capacity: RHNA plus 20% Buffer	IV-2
Table IV-4:	Recently Built, Approved, or Proposed Multifamily Projects	IV-3
Table IV-5:	Assumed Yields	IV-5
Table IV-6:	Densities, Affordability, and Implementing Zones	IV-6
Table IV-7:	Small Lot Consolidations	IV-7
Table IV-8:	Recently Built Large Site Multifamily Projects Affordability	IV-8
Table IV-9:	Entitled and Pending Projects	IV-25
Table IV-10:	Status of Entitled and Pending Projects	IV-26
Table IV-11:	ADU Building Permit	IV-29
Table IV-12:	ADU Affordability Assumptions	IV-29
Table IV-13:	Proposed Multifamily Zone Densities	IV-30
Table IV-14:	Opportunity Sites Rezoned to HDR	IV-31
Table IV-15:	Opportunity Sites Rezoned to MU-1	IV-31
Table IV-16:	RHNA Capacity and Buffer	IV-32
Table IV-17:	Lower Income RHNA Capacity	IV-33
Table IV-18:	Vacant Site Capacity	IV-34
Table IV-19:	Non-Vacant Site Capacity	IV-34
Table IV-20:	Non-Vacant Opportunity Trend Details	IV-35
Table IV-21:	Non-Vacant Opportunity Site Criteria	IV-36
Table IV-22:	Non-Vacant Opportunity Sites by Use	IV-36

List of Figures

Figure IV-1:	Very High Fire Hazard Severity Zones	IV-23
Figure IV-2:	Tracy Flood Hazards Areas	IV-24

IV. Housing Sites and Resources

A. Land Inventory

This section provides an overview of available land resources and residential sites for future housing development and evaluates how these resources can work toward satisfying future housing needs. It provides an overview of the methodology and approach for the City of Tracy to meet its Regional Housing Needs Allocation (RHNA). Also discussed are the financial and administrative resources available to support affordable housing and energy conservation opportunities.

Housing Allocation

California State law requires that a community provide an adequate number of sites to allow for and facilitate production of the regional share of housing. To determine whether a jurisdiction has sufficient land to accommodate its share of regional housing needs for all income groups, each jurisdiction must identify “adequate sites.” Under State law (California Government Code Section 65583[c][1]), adequate sites are those with the appropriate zoning and development standards, with the services and facilities to encourage the development of a variety of housing for all income levels.

The California Department of Housing and Community Development (HCD) and the California Department of Finance are responsible for assessing the housing needs for different regions across the state. Tracy is in the San Joaquin Council of Governments (SJCOG) region, which received a regional allocation of 52,719. Tracy’s RHNA for the 2023–2031 planning period has been determined by SJCOG to be 8,830 housing units, spread among different income categories, as shown in Table IV-1.

Table IV-1: 2023-2031 RHNA

Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
2,994	1,879	1,175	2,782	8,830

Source: Regional Housing Needs Plan, SJCOG, 2023-2031.

*Note: Pursuant to AB 2634, local jurisdictions are also required to project the needs of extremely low income households (0–30% of area median income). The projected extremely low-income need can be assumed as 50 percent of the total need for the very low-income households.

As shown in Table IV-2, the pending projects and projected accessory dwelling units (ADUs) have already met and exceeded the above moderate RHNA for Tracy by 9 percent.

Table IV-2: Pending Projects and ADUs Progress Towards RHNA

		Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
A	RHNA	2,994	1,879	1,175	2,782	8,830
B	Pending Projects	118	23	-	3,008	3,149
C	ADUs	99	99	99	33	330
D	Surplus / (Deficit) of RHNA	(2,777)	(1,757)	(1,076)	259	-
E	Percent Surplus Met by ADUs and Pending Projects	-	-	-	9%	-

IV. Housing Sites and Resources

20 Percent No Net Loss Buffer

Recent changes to State law (Senate Bill 166 – 2017) require cities to continually maintain adequate capacity in their sites inventories to meet their RHNA for all income levels. In the event that a site is developed below the density projected in the Housing Element, or at a different income level than projected, the City must have adequate sites available to accommodate the remaining balance of the RHNA. The City may identify and add new sites or rezone sites to continue to accommodate the remaining need. If the City does not have any additional capacity within the existing zoning, it must identify and rezone new sites that can accommodate the remaining need within six months. For this reason, the City is including a buffer of 20 percent above the RHNA not met by ADUs or pending projects in each income category.

5th Cycle Carryover Sites

In addition to the 6th Cycle RHNA and 20% buffer, the City has yet to complete the rezoning of 31.7 acres to meet the shortfall for the 5th Cycle Housing Element RHNA. The 31.7 acres consists of four parcels to be rezoned from Light Industrial to HDR. This means that there is a carryover of 500 lower-income units from the previous cycle. With the addition of the 500-unit carryover lower-income units from the 5th Cycle, the City has a total RHNA obligation of 9,330 units (5,373 lower-income).

The City is rezoning to meet its RHNA obligation through Program 11.

Total Target Capacity

Table IV-3 identifies the total target capacity based on the RHNA plus 20 percent of any unmet RHNA. As shown, the pending projects (Row D) and projected ADUs (Row E) are subtracted from the 6th Cycle RHNA (Row B) to determine the unmet RHNA (Row F). The unmet RHNA of 2,777 very low-, 1,757 low-, and 1,076 moderate-income units is multiplied by 20 percent (Row G). Note that because the RHNA has been met for the above moderate-income category, there is no unmet RHNA and no target buffer for that income level. Row H sums the Total Need (Row C) and the 20 percent buffer of the unmet 6th Cycle RHNA (Row G) to show the total target sites capacity.

Table IV-3: 2023-2031 Target Sites Capacity: RHNA plus 20% Buffer

Row Identifier	Category	Very Low	Low	Moderate	Above Moderate	Total
A	5th Cycle Carryover	250	250	-	-	500
B	6th Cycle RHNA	2,994	1,879	1,175	2,782	8,830
C	Total Need (A + B)	3,244	2,129	1,175	2,782	9,330
D	Pending Projects	118	23	-	<u>2,972</u> <u>3,008</u>	<u>3,113</u> <u>3,149</u>
E	ADUs	99	99	99	33	330
F	Unmet 6 th Cycle RHNA (B-D-E)	2,777	1,757	1,076	-	5,610
G	Target Buffer (20% of Unmet 6 th Cycle RHNA) (F*0.20)	555	351	215	-	1,121
H	Total Need + Target Buffer (C+G)	3,799	2,480	1,390		10,400

B. Realistic Capacity

State law requires that a city project realistic estimates for housing capacity on its RHNA sites. Realistic capacity may be estimated by utilizing recent project history, using a minimum density, or through other methods.

As the majority of the City’s new housing growth to meet the lower-income ranges is expected to take the form of multifamily housing, the City reviewed multifamily projects constructed during the 5th Cycle to understand historical trends for multifamily housing production.

Multifamily developments in the City have had success in meeting the densities allowed by the Zoning Ordinance. Table IV-4 lists the recent multifamily projects built, approved, or proposed in the City within the last few years. The table shows the project, land use, zoning, density, number of units, maximum density of the zone, and actual and assumed site yields as a percentage of the maximum allowed. Seven of the fourteen projects have achieved a yield over 100 percent of the maximum density with density bonuses for affordable housing. The average yield for all fourteen projects is 106 percent. However, the RHNA opportunity sites capacity is based on assumed yields that were reduced to a maximum of 100 percent. In this manner, the assumed yield is reduced to 91 percent, demonstrating that most multifamily developments are able to meet the maximum density and are achieving very high yield percentages.

The City of Tracy regulates density by two different measurements: gross density and net density. The General Plan establishes an allowable gross density range for residential land use designations. The gross density includes the number of residential units divided by the entire area of the project, including the finished lots, streets, and may include public parks, schools, fire stations, or utility areas such as storm drain basins.

The zoning districts’ regulations which implement the General Plan are consistent with the allowed gross density ranges of the General Plan. However, the zoning districts also regulate the net density which includes only the size of the finished lot. Therefore, the net density of a multi-family project on one lot is higher than the gross density. As the allowed projects’ densities discussed above relate to gross density (as measured by the General Plan), some residential projects are identified as exceeding the maximum density. In those cases, they do not exceed the allowed density; instead, their density, as expressed in net terms, is higher than the gross density.

In order to be consistent with the General Plan, an action has been included in the Zoning Ordinance Amendment program in this Housing Element to remove the net density regulations in the Zoning Ordinance or any other applicable land use plan (specific plans, etc). Densities will be regulated by gross density ranges.

Table IV-4: Recently Built, Approved, or Proposed Multifamily Projects

Project	General Plan Land Use	Zone	Project Density (du/ac)	# of Units	Max Density	Actual Yield (%)	Assumed Yield (%)
The Junction	Downtown	CBD	105.0	46	50	186%	100%
1000 N. Central Ave	Downtown	CBD	55.2	6	50	110%	100%
15 Duplexes, 2 Triplexes and 1 SFD	Residential Medium	MDR	11.1	37	12	92%	92%
Byron Road Duplexes	Residential Medium	MDR	12.7	12	12	106%	100%
Collin Avenue Duplexes	Residential High	HDR	24.8	10	25	99%	99%
Diaz Duplexes	Residential Medium	MDR	12.7	4	12	106%	100%

IV. Housing Sites and Resources

Project	General Plan Land Use	Zone	Project Density (du/ac)	# of Units	Max Density	Actual Yield (%)	Assumed Yield (%)
East 8th Street Apartments	Downtown	CBD	24.6	5	50	49%	49%
Rod-Singh Apartments	Commercial	GHC	17.7	12	25	71%	71%
SANSUB Apartments	Residential Medium	MDR	11.6	9	12	96%	96%
Tracy Apartments	Residential Medium	MDR	14.1	12	12	117%	100%
Vela Apartments	Residential High	HDR	22.7	246	25	91%	91%
321 Grant Line Rd	Commercial	GHC	24.0	40	25	96%	96%
Tracy Senior Living	Residential Medium	HDR	47.8	110	25	227%	100%
Aspire Apartments	Residential High	PUD	32.2	348	25	129%	100%
Average						106%	91%

**Proposed project, not included in the RHNA*

The City is proposing to make changes to its zoning and development to accommodate the 8,830-unit RHNA. The City of Tracy will:

- Increase the Medium Density Residential (MDR) and Medium Cluster Residential (MDC) zone maximum density to 20 dwelling units/acre (du/acre);
- Increase the High Density Residential (HDR) zone density to 20-35 du/acre (affects 304 parcels, 101.4 acres);
- Increase the General Highway Commercial (GHC) zone density to 20-35 du/acre (affects 253 parcels, 182.6 acres); and
- Rezone approximately 240.2 acres, which includes 88 opportunity sites, 85 of which will be rezoned to HDR (199.7 acres) and 3 parcels which will be rezoned to a new Mixed Use zone (40.3 acres).

Table IV-5 shows the assumed yields for the higher density zones in the City, taking into consideration the City's upzoning (increasing the permitted densities) and rezoning (changing the zone to a more intensive zone) strategy. The yields were determined based on recent multifamily trends shown above (see Table IV-4) and development standards assessed in the constraints section. Though recent projects suggest that most projects in Tracy are achieving the maximum, or close to the maximum, density on sites, conservative yields were assumed for the RHNA Projection. For recent projects, the density yields range from 49 to 227 percent, which is an average yield of 106 percent of the maximum permitted density.

To project future development yields a conservative approach was taken. Rather than use the actual average yield (106%), the City deducted all additional units derived from density bonuses. In this manner, the yields from the recent projects were limited to a maximum of 100 percent of the maximum density. This lowered the average yield from 106 percent to 91 percent, as shown in Table IV-5. All of the assumed yields in Table IV-5 are significantly less than the observed yields and averages of recent projects shown in Table IV-4. For example, recent multifamily projects in the HDR zones have been developed at densities of 24.8, 22.7, and 47.8 du/acre, the average assumed yield was calculated at 97 percent, and the projected yield for HDR zones was conservatively assumed at 85 percent of 35 du/acre.

The five MDR projects listed in Table IV-4 average 98 percent yield compared to the assumed yield of 85 percent and the CBD projects averaged 83 percent yield compared to the assumed yield of 50 percent.

Table IV-5: Assumed Yields

Zone	Maximum Density	Yield	Estimated Yield Density
MDC	20 du/ac	85%	17.0 du/ac
MDR	20 du/ac	85%	17.0 du/ac
HDR	35 du/ac	85%	29.75 du/ac
GHC	35 du/ac	50%	17.5 du/ac
GHC-TH	35 du/ac	50%	17.5 du/ac
MUBP-TH	35 du/ac	50%	17.5 du/ac
HDR-TH	35 du/ac	85%	29.75 du/ac
CBD	50 du/ac	50%	25.0 du/ac
MU-1*	35 du/ac	50%	17.5 du/ac

*Proposed Mixed Use zone

This substantial rezoning and upzoning of residential and commercial properties as well as the creation of a new mixed use zone (Program 9), along with new City policies and programs promoting infill development, will help increase the variety of housing types and provide more market incentives to maximize the residential development on each property. This includes Program 7, Affordable/Working Housing, that allows and encourages duplexes, triplexes, and fourplexes in new single-family home subdivisions. The new City programs will increase housing yield and facilitate the development of more higher density housing. The City of Tracy has already approved multiple housing development projects that demonstrate the feasibility of the proposed maximum densities (see Table IV-4).

C. Assumed Affordability – Density and Size

1. Density

The California Government Code Section 65583.2(c)(3) states that if a local government has adopted density standards consistent with the population-based criteria set by State law, HCD is obligated to accept sites with those density standards as appropriate for accommodating the jurisdiction’s share of regional housing need for lower-income households. The City of Tracy is identified as a suburban jurisdiction¹, therefore the default density is 20 du/acre. Per Government Code Section 65583.2(c)(3)(B), the City’s HDR, CBD, GHC, POM and new MU-1 zones, as well as the HDR-TH, MUBP-TH, and GHC-TH in the Tracy Hills Specific Plan, are consistent with the default density standard (20 du/ac) for Tracy, and therefore are considered appropriate to accommodate housing for lower-income households.

The City is including a program to upzone the minimum and maximum densities of the HDR zone from 12-25 du/acre to 20-35 du/acre, upzoning the maximum density of the MDR and MDC zones from 12 du/ac to 20 du/acre and creating a new mixed use zone with densities from 20-35 du/acre(Program 9). The minimum density of 20 du/ac will ensure that all developments on properties zoned HDR and GHC will meet the requirements for lower-income units.

Moderate-income housing can be accommodated through medium- and higher-density zones, with densities ranging from 12 to 20 du/acre. These densities support a variety of multifamily housing typologies, including townhomes and garden-style apartments, which may be affordable to

¹ Jurisdictions (cities/counties) located within a Metropolitan Statistical Area (MSA) with a population of less than 2 million unless a city has a population of greater than 100,000 in which case it would be considered metropolitan.

IV. Housing Sites and Resources

moderate-income households. Above moderate-income housing needs may be met through lower-density, single-family typologies, typically in the 0 to 11 du/acre range. Many of the higher-density sites in the inventory are assumed at a mix of very low-, low-, and moderate-incomes.

Table IV-6 shows the income levels, densities, and their implementing zones in Tracy.

Table IV-6: Densities, Affordability, and Implementing Zones

Income	Density Range (du/ac)	Tracy Implementing Zones
Above Moderate	0-11	LDR, MDC, MDR
Moderate	12-20	MDC, MDR, MU-1
Low	20+	CBD, HDR, GHC, HDR-TH, GHC-TH, MUBP-TH, MU-1, POM
Very Low	20+	CBD, HDR, GHC, HDR-TH, GHC-TH, MUBP-TH, MU-1, POM

2. Size of Development Sites

Pursuant to Government Code Section 65583.2, sites presumed to be affordable to lower income households must have a size of 0.5 to 10 acres. The lower-income eligible sites have gross acreages within the size range of 0.5 to 10.0 acres. Sites that may otherwise meet the 20 du/acre default density but are smaller than 0.5 acres or greater than 10.0 acres are presumed to be affordable to moderate-income households.

Small Opportunity Sites

The Sites Inventory includes [29-26](#) properties with common ownership adjacent to each other that have cumulative areas of 0.5 acres or larger as eligible for the lower-income sites, which creates an opportunity for nine lot consolidations. Because these properties have common ownership, a larger project could be pursued by simply moving or removing property lines, without the need for lot consolidation or additional land purchases, and the small size of each individual parcel would not act as a constraint to the development of lower-income housing. While specific parcels may be smaller than 0.5 acres, each consolidated “site” is larger than 0.5 acres.

Due to the cumulative areas exceeding 0.5 acres, these smaller properties were grouped together and classified as eligible for accommodating lower-income capacity. These sites provide capacity for [253](#) [255](#) lower-income units, which is less than 5 percent of the total lower-income unit capacity. The cumulative acreages and adjacent ownership ensure that the small parcel size will not constrain or preclude the development of affordable housing. Based on this evidence, these small sites are appropriate for accommodating the lower-income RHNA.

The Junction (46 lower-income units) and the E 8th St Apartments (5 above moderate-units) are two pending multifamily projects that demonstrate the viability and interest in developing/consolidating lots under 0.5 acres in Tracy (see Table IV-11). The Junction consists of six parcels totaling 0.47 acres and the E 8th St Apartments consist of three parcels totaling 0.23 acres. Both pending projects are smaller in total acreage than any of the consolidated sites shown in Table IV-7 and both projects are examples of vacant (The Junction) and non-vacant (E 8th St Apartments) consolidation development. Additionally, [six-all nine](#) of the ~~ten~~ proposed consolidation sites are located within/adjacent to downtown Tracy which is also where the two pending lot consolidation projects are located.

The City processes lot consolidations through a standard lot line adjustment process as part of the Final Map Review and can be processed as one application or approved separately with conditions of joining lots. It is a routine process and does not cost additional fees to the applicant. Therefore, there is no additional constraint for the applicant to consolidate small lots.

Table IV-7: Small Lot Consolidations

<u>Sites Consolidated Group</u>	<u>APNs</u>	<u>Total Acreage</u>	<u>Common Ownership?</u>
A	23336913, 23336914, 23336915, 23336916, 23336917, 23336918, 23336919	0.79	Yes
B	23405003, 23405004	0.51	Yes
C	23505305 , 23505306, 23505307	0.750 0.62	Yes
D	23512001, 23512002	3.24	Yes
E	23516206, 23516207, 23516208, 23516209	0.68	No
F	23542005, 23542007	0.82	Yes
G	23543009, 23543011	0.55	Yes
H	23543012 , 23543013, 23543014	0.560 0.90	No Yes
I	23506311 , 23506312, 23506316, 23310314, 23310315	1.220 0.34	Yes
J	23506311 , 23506312, 23506316	1.22	Yes

The following 9 sets of parcels (26 total parcels) with potential for lot consolidation are detailed below.

- **Group A** is composed of seven contiguous parcels totaling 0.79 acres, with a realistic capacity of 20 lower income units. This site area forms a rectangular regular shaped half block and is bounded by Holly Drive, E 11th Street, and El Portal Street. All seven parcels are under common ownership. The sites are vacant, fenced off in some areas, and used informally for parking and function as one site.
- **Group B** is composed of two parcels totaling 0.51 acres, with a realistic capacity of nine lower income units. These two adjacent parcels are under common ownership, vacant, function as a single use, and accessible only by W 11th Street. Consolidating these parcels allows for improved access and greater development feasibility as the parcels are currently only accessible by a single road and are irregularly shaped.
- **Group C** is composed of two parcels totaling 0.62 acres, with a realistic capacity of 16 lower income units. This site area forms a rectangular half block and is bounded by W 11th and B Street and is alley-loaded. These are adjacent parcels under common ownership and function as a single use. There are no active uses on the sites, however there is a vacant building and an unmaintained paved area. Consolidating these parcels allows for improved access and greater development feasibility as one site will be difficult to develop at its size (0.17 acres).
- **Group D** is composed of two adjacent parcels totaling 3.24 acres, with a realistic capacity of 95 lower income units. These parcels are under common ownership and consist of a single-family home which consists of approximately 6-percent of the total site. Consolidating these parcels allows for improved access and greater development feasibility as one site will be difficult to develop at its size (0.29 acres) and shape (narrow and deep ~ 35 ft x 350 ft).
- **Group E** is composed of four contiguous parcels totaling 0.68 acres, with a realistic capacity of 17 lower income units. This site area forms more than a half block and is bounded by N Central Avenue, E 7th Street, and Jackson Alley. Three of the parcels are under common ownership and vacant, the other is a single family residence between the vacant parcels. Two

IV. Housing Sites and Resources

of the sites function as a single use. The sites currently have good access and are rectangular in shape.

- Group F is composed of two parcels totaling 0.82 acres, with a realistic capacity of 24 lower income units. These two adjacent parcels function as a single use, are under common ownership one of which is vacant and one is consists of a single-family home. This site area is also only accessible by W 4th Street. Consolidating these parcels allows for improved access and greater development feasibility as the parcels are currently only accessible by a single road and are irregular shaped.
- Group G is composed of two parcels totaling 0.55 acres, with a realistic capacity of 16 lower income units. These two adjacent parcels are under common ownership, function as a single use, vacant, and accessible only by W Mount Diablo Avenue. Consolidating these parcels allows for improved access and greater development feasibility due to the potential parcel size (100 ft x 185 ft). The sites currently have good access and are rectangular in shape.
- Group H is composed of two parcels totaling 0.9 acres, with a realistic capacity of 27 lower income units. These two adjacent parcels are under common ownership, function as a single use, vacant, and accessible only by W Mount Diablo Avenue. The sites currently have common access and are regular in shape.
- Group I is composed of three parcels totaling 1.22 acres, with a realistic capacity of 31 lower income units. These three adjacent parcels function as a single use, are under common ownership, consist of vacant land and a dilapidated structure, and accessible only by W 6th Street. Consolidating these parcels allows for improved access and greater development feasibility as the parcels are currently only accessible by a single road and are irregular shaped.

Large Opportunity Sites

Due to the availability of vacant land in the City limits, the City is expecting and planning to grow in these areas. However, several vacant parcels the City is including in the RHNA sites inventory are larger than 10 acres. The City has a strong track record of developing large parcels with multifamily residential. Table IV-8 lists four projects on sites larger than 10 acres, which have an average actual built density of 93 percent of the allowed density for each site. Additionally, there is precedence of affordable units constructed on large sites in Tracy, as highlighted in Table IV-8. The Vela Apartments is a 246 unit project on 11.88 acres. The project has 70 deed restricted moderate income units, which is 28 percent of the total.

Table IV-8: Recently Built Large Site Multifamily Projects Affordability

<u>Project</u>	<u>Project Size</u>	<u>Low Units</u>	<u>Moderate Units</u>	<u>Above Moderate Units</u>	<u>Total Units</u>	<u>% of Affordable Units</u>	<u>Project Density (du/ac)</u>	<u>% of Max Density</u>
<u>Gateway Crossing/Gateway Station</u>	<u>10.15</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231</u>	<u>-</u>	<u>22.8</u>	<u>91%</u>
<u>Aspire Apartments</u>	<u>10.80</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>348</u>	<u>-</u>	<u>32.2</u>	<u>129%</u>
<u>The Vela Apartments</u>	<u>11.88</u>	<u>-</u>	<u>70</u>	<u>194</u>	<u>246</u>	<u>28%</u>	<u>20.7</u>	<u>83%</u>
<u>Harvest in Tracy</u>	<u>17.14</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>301</u>	<u>-</u>	<u>17.6</u>	<u>70%</u>

Source: City of Tracy

Additionally, Table IV-9 highlights the regional large sites trend assumptions for jurisdictions compared to the City of Tracy. The following factors were identified.

- Located within the San Joaquin Valley,

- Site acreage,
- Permitted densities, and
- Affordability distribution

The regional examples in Table IV-9 support the conservative affordability assumptions used in Tracy (see Table IV-5). The affordability distribution of lower-income units in these jurisdictions ranges from 50 to 100 (average of 70 percent). This observed trend of 70% lower income is higher than the conservative 40 percent affordability assumptions used in Tracy (20% very low, 20% low, and 60% moderate). These regional examples are also similar in permitted density (average max 34 du/ac), realistic density (average 23.1 du/ac), and parcel size (average 19.5 acres), to the large opportunity sites in Tracy.

Table IV-9: Regional Large Sites Trends

<u>Jurisdiction</u>	<u>Site Acreage Range/Average</u>	<u>Density</u>	<u>Realistic Density</u>	<u>Lower Income Distribution</u>
<u>Stockton</u>	<u>12.16 – 19.35/14.8</u>	<u>17.5-30 du/ac</u>	<u>24</u>	<u>100%</u>
<u>Clovis</u>	<u>11.17 – 37.5/ 25</u>	<u>15-43 du/ac</u>	<u>25.1</u>	<u>60%</u>
<u>Fresno County</u>	<u>11.82</u>	<u>20-29 du/ac</u>	<u>20.1</u>	<u>50%</u>
<u>Tracy*</u>	<u>11.4 – 14.3/13.3</u>	<u>20-35 du/ac</u>	<u>17.5</u>	<u>40%</u>

Note: Does not include sites where <10 acre portions of a site were identified to accommodate lower-income units.

~~Therefore, the~~The City will createis including a program to facilitate the development and subdivision of large lots and vacant portions of non-vacant parcels to sizes appropriate for the development of affordable housing units (.5 – 10 acres) through master plans or specific plans and will give high priority to processing subdivision maps that include affordable housing units as well as other large parcel development incentives (Program 10).

~~Additionally,~~In addition to the regional trends and implementation of Program 10, the City is currently conducting an analysis for an inclusionary housing ordinance which will determine the City’s options to ensure affordable units in new multifamily housing projects.

The City has identified ~~41-10~~ 11-10 large opportunity sites for lower-income units that meet a portion of its lower-income RHNA obligation (see Table IV-10). The ~~41-10~~ 11-10 opportunity sites consist of parcels ranging in size from 11.4 ~~_to~~ to 104.1 acres. ~~The sites inventory does not utilize the entirety of each large parcel, as subdivision is anticipated.~~

~~Three of the sites (between 11.9-4 and 14.3 acres) are projected to develop the entire property, while the other eight, larger parcels are only projected to develop a portion of the property. Both types of large sites are described below. Eight of the eleven large sites are being rezoned to HDR, a total of 58.7 acres and 1,748 units.~~

~~The first three sites are being and will be rezoned from Light Industrial (M1) to the new Mixed Use zone (MU-1), for a total of 40.3 acres and 706 units. The large To account for the potential for non-residential development, these opportunity sites are not assumed at a total of 50 percent total capacity to be entirely lower income and are projected at mixed-income with both moderate and lower-income units for a total of 282 lower income and 424 moderate income units. Additionally, a conservative 40 percent lower-income affordability assumption is being used in Tracy (20% very low, 20% low, 60% moderate) lower income units are only being projected as 20 percent of the maximum yield of the sites.~~

IV. Housing Sites and Resources

~~while~~ ~~†~~ ~~The other eight, larger parcels are only projected to develop a portion of the property. Both types of large sites are described below. Eight of the eleven large sites are being and will be rezoned to HDR, a total of 58.78 acres and 1,748~~ 1,450 units.

Table IV-10: Large Sites

<u>APN</u>	<u>Total Acres</u>	<u>Use of Entire Parcel</u>	<u>Zoning</u>	<u>Estimated Yield Density (du/ac)</u>	<u>Very Low Income Units</u>	<u>Low Income Units</u>	<u>Moderate Income Units</u>	<u>Total Units</u>
<u>24802017</u>	<u>14.3</u>	<u>Yes</u>	<u>MU-1</u>	<u>17.5</u>	<u>50</u>	<u>50</u>	<u>150</u>	<u>250</u>
<u>24803005</u>	<u>14.3</u>	<u>Yes</u>	<u>MU-1</u>	<u>17.5</u>	<u>50</u>	<u>50</u>	<u>150</u>	<u>250</u>
<u>24803010</u>	<u>11.4</u>	<u>Yes</u>	<u>MU-1</u>	<u>17.5</u>	<u>41</u>	<u>41</u>	<u>124</u>	<u>206</u>
<u>21205052</u>	<u>42.1</u>	<u>No</u> <u>(5.0 acres)</u>	<u>HDR</u>	<u>29.75</u>	<u>90</u>	<u>56</u>	<u>-</u>	<u>146</u>
<u>24614001</u>	<u>34.2</u>	<u>No</u> <u>(10.0 acres)</u>	<u>HDR</u>	<u>29.75</u>	<u>59</u>	<u>59</u>	<u>180</u>	<u>298</u>
<u>23213010</u>	<u>70.1</u>	<u>No</u> <u>(3.8 acres)</u>	<u>HDR</u>	<u>29.75</u>	<u>70</u>	<u>43</u>	<u>-</u>	<u>113</u>
<u>20925050</u>	<u>71.5</u>	<u>No</u> <u>(10.0 acres)</u>	<u>HDR</u>	<u>29.75</u>	<u>184</u>	<u>114</u>	<u>-</u>	<u>298</u>
<u>25105008</u>	<u>104.1</u>	<u>No</u> <u>(10.0 acres)</u>	<u>HDR</u>	<u>29.75</u>	<u>184</u>	<u>114</u>	<u>-</u>	<u>298</u>
<u>25105008</u>		<u>No</u> <u>(5.0 acres)</u>	<u>HDR</u>	<u>29.75</u>	<u>92</u>	<u>57</u>	<u>-</u>	<u>149</u>
<u>24014027</u>	<u>21.7</u>	<u>No</u> <u>(5.0 acres)</u>	<u>HDR</u>	<u>29.75</u>	<u>91</u>	<u>57</u>	<u>-</u>	<u>148</u>

~~The first three sites are being~~

~~Additionally, the City is currently conducting an analysis for an inclusionary housing ordinance which will determine the City's options to ensure affordable units in new multifamily housing projects.~~

The following are descriptions of these 10 large opportunity sites.

24802017 – South Tracy Blvd and Gandy Dancer Drive



This site has a total area of approximately 14.3 acres, which is entirely vacant. This opportunity site is anticipated to be mixed income and accommodate 100 lower-income units and 150 moderate-income units. To account for the potential for non-residential development, the sites inventory ~~This capacity~~ assumes a conservative 50 percent yield and 40 20 percent yield-distribution for the lower-income units. The site is located off a major thoroughfare (South Tracy Blvd) providing great access, adjacent to existing residential, and approximately less than 0.5 miles from a grocery store. This site is also similar in characteristics and zoning to the Vela Apartments site (seen in Table IV-8, this project yielded a total of 264-246 units on 11.611.88 acres (22.720.7 du/acre).

IV. Housing Sites and Resources

24803005 – 4800 South Tracy Blvd



4800 South Tracy Blvd has a total area of approximately 14.3 acres, which is entirely vacant. This opportunity site is anticipated to [be mixed income and](#) accommodate 100 lower-income units and 150-moderate income units. [To account for the potential for non-residential development, the sites inventory](#)~~This capacity~~ assumes a conservative [50 percent yield and 40 20-percent yield-distribution](#) for the low-income units. The site is located off a major thoroughfare (South Tracy Blvd) providing great access, adjacent to existing residential, and approximately 0.5 miles from a grocery store. This site is nearly identical in characteristics and directly south of the site at the intersection of South Tracy Blvd and Gandy Dancer Dr. It is also similar in characteristics and zoning to the Vela Apartments site (seen in Table IV-11), this project yielded a total of ~~264~~ [246](#) units on ~~11.6~~ [11.88](#) acres (~~22.7~~ [20.7](#) du/acre).

24803010 – 4100 South Tracy Blvd



4100 South Tracy Blvd has a total area of approximately 11.4 acres, which is entirely vacant. This opportunity site is anticipated to [be mixed income and](#) accommodate 82 lower-income units and 124 moderate-income units. [To account for the potential for non-residential development, the sites inventory](#)~~This capacity~~ assumes a conservative [20 percent yield-distribution](#) for the low-income units. The site is located off a major thoroughfare (South Tracy Blvd) providing great access, there is a bus stop on the western edge of the parcel as well as an adjacent park to the southeast. The site has existing curb cuts and sidewalks along the western and southern edge, making the site ready for development. This site is similar in characteristics and zoning to the Vela Apartments site (seen in Table IV-11), this project yielded a total of ~~264~~ [246](#) units on ~~11.6~~ [11.88](#) acres (~~22.7~~ [20.7](#) du/acre).

21205052 - West Valley Mall

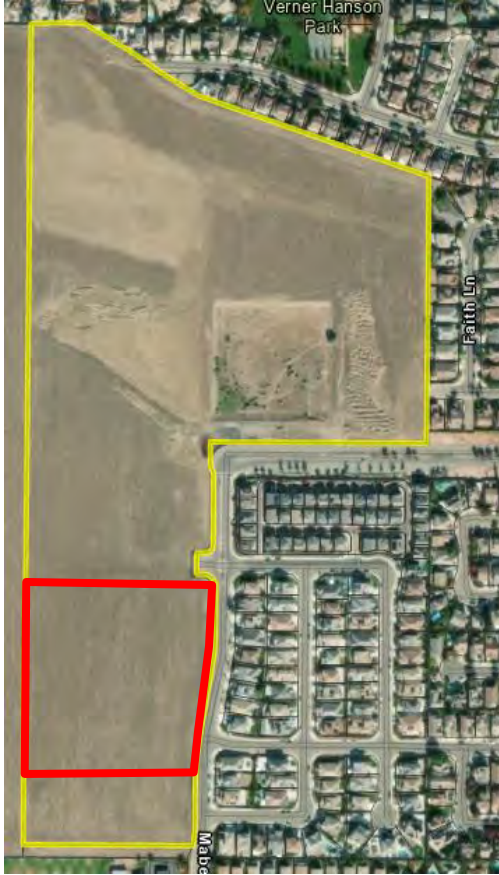


West Valley Mall has a total area of approximately 42.1 acres, which includes a majority of the mall structure, parking lots, and drive aisles. Located on this parcel is an approximately 5-acre vacant area towards the southeastern part of the site along Interstate 205. This opportunity site is anticipated to accommodate 146 lower-income units. Discussions with real estate professionals and developers during outreach reflected the opportunity to develop this property and area of the City. The site is within the I-205 Specific Plan and has a General Plan designation of Commercial, which allows for 25 du/acre. One of the most recent projects completed in the City (Aspire Apartments, see Table IV-11) is located just west of this parcel and is also in the I-205 Specific Plan. This project yielded a total of 348 units on ~~12.98~~10.80-acres (32.2 du/acre). [Program 10 will help the City process the](#)

IV. Housing Sites and Resources

[subdivision of these larger parcels to smaller parcels appropriate for lower-income housing development.](#)

24005037 – Mabel Josephine Drive and West. Schulte Road



The parcel located at the intersection of Mabel Josephine Drive and W. Schulte Road is approximately 48.7 acres of vacant Planned Unit Development (PUD) zoned land. The parcel contains a 10-acre RHNA opportunity site that is anticipated to accommodate 298 lower-income units after rezoning from PUD to HDR. The 10-acre RHNA opportunity site is located at the intersection of Patrick McCaffrey Sr. Avenue and Mabel Josephine Drive. The parcel is surrounded by single-family residential uses along the eastern and northern boundary; northeast of the site there is recently completed multifamily housing project developed by Bright Homes. The owner of the property (Bright Homes) [confirmed interest in the site and has identified this location for the opportunity site and determined it was one of two locations which were the most feasible to develop low-income multifamily housing on the parcel.](#) [Program 10 will help the City process the subdivision of these larger parcels to smaller parcels appropriate for lower-income housing development.](#)

24614001 - West Valpico Road (West of Vela Apartments)



The parcel located on Valpico Road about 0.5 mile east of Tracy Blvd is approximately 34.2 acres of vacant Light Industrial (M-1) zoned land. The parcel contains a 10.0-acre RHNA opportunity site that is anticipated to [be mixed income and accommodate 298-118 lower-income units and 180 moderate-income units](#) after rezoning from M1 to HDR. The site is located at the southern half of the parcel that is fronting Valpico Road. The site is surrounded by single-family residential uses to the northeastern corner, a warehouse to the west, and multifamily housing located directly adjacent to and east of the site (Vela Apartments; see [Table IV-8](#)). The Vela Apartments are comparable in size (11.8-acres) and the owner has expressed interest to the City in developing this portion of the parcel in the future as a continuation of the Vela Apartments project. [Program 10 will help the City process the subdivision of these larger parcels to](#)

[smaller parcels appropriate for lower-income housing development.](#)

23213010 - Merrill F West High School



IV. Housing Sites and Resources

The parcel located at 1775 West Lowell Ave is approximately 70.1 acres of LDR zoned land. The non-contiguous parcel contains a 3.8-acre vacant opportunity site that is anticipated to accommodate 113 lower-income units. The vacant 3.8-acre site is located in southeastern portion of the property on the south side of West Lowell Ave across the street from Merrill F West High School. The vacant 3.8-acre portion of the parcel is underutilized and is located adjacent to existing residential, three schools, bus stops, and an opportunity site which has the potential for consolidation. The realistic capacity for the site before rezoning would be 18 above moderate-income units, but after rezoning from LDR to HDR, the realistic capacity is 113 net new lower-income units. [Program 10 will help the City process the subdivision of these larger parcels to smaller parcels appropriate for lower-income housing development.](#)

20925050 – West of North Lammers Road



The parcel located west of North Lammers Road is approximately 71.5 acres of vacant PUD zoned land. The parcel contains a 10.0-acre RHNA opportunity site that is anticipated to accommodate 298 lower-income units after rezoning from PUD to HDR. The identified vacant 10.0-acre site is located along the eastern boundary of the property southwest of the intersection of North Lammers Road and Capitol Park Drive. The vacant site is surrounded by vacant land and single family with agricultural activity. The City of Tracy views this area as having great development potential and

has identified several other RHNA opportunity sites in this area of the City as well. [Program 10 will help the City process the subdivision of these larger parcels to smaller parcels appropriate for lower-income housing development.](#)

IV. Housing Sites and Resources

25105008 -27901 North Lammers Road

The parcel located at 27901 North Lammers Road is approximately 104.1 acres of vacant MDR zoned land in the Tracy Hills Specific Plan. The parcel contains a 5.0-acre RHNA opportunity site that is anticipated to accommodate 149 lower-income units after rezoning from MDR to HDR and a 10.0-acre RHNA opportunity site that anticipated to accommodate 298 lower-income units after rezoning. Through Program 10, these sites can be developed as part of a phased development or subdivided individually. The ~~identified vacant 5.0-acre site is~~ sites are located in the eastern portion of the property along North Lammers Road. The vacant sites ~~is~~ are surrounded by vacant land and single family residential with agricultural activity. Additionally, the site is adjacent to several other identified RHNA opportunity sites as well as Tracy Hills Phase 5 to the southeast (see Table IV-4). The City is anticipating and preparing for growth in this area and is currently planning infrastructure improvements to support development and access to these RHNA opportunity sites. Program 10 will help the City process the subdivision of these larger parcels to smaller parcels appropriate for lower-income housing development.

The realistic capacity for the 5.0-acre site before rezoning would be 51 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 98 net new ~~lower-income~~ units (149 total lower-income units). The capacity for the 10-acre site before rezoning would be 102 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 196 net new units (298 total lower-income units).



IV. Housing Sites and Resources



IV. Housing Sites and Resources

24014027 - 4720 North Lammers Road

The parcel located at 4720 North Lammers Road is approximately 21.7 acres of M1 zoned land in the Tracy Hills Specific Plan. The parcel contains a 5.0-acre RHNA opportunity site that is anticipated to accommodate 148 lower-income units after rezoning from M1 to HDR. The identified vacant 5.0-acre site is located in the western portion of the property along S Lammers Rd. The single-family residential site is surrounded by vacant land and other single family residential with agricultural activity. Additionally, the site is adjacent to several other identified RHNA opportunity sites as well as Tracy Hills Phase 5 to the south (see Table IV-4). The City is anticipating and preparing for growth in this area and is currently planning infrastructure improvements to support development and access to these RHNA opportunity sites. [Program 10 will help the City process the subdivision of these larger parcels to smaller parcels appropriate for lower-income housing development.](#)

The existing zoning does not allow residential, but after rezoning from M1 to HDR, the realistic capacity is 148 net new lower-income units.



25105009 – 28281 North Lammers Road

The parcel located at 28281 North Lammers Road is approximately 26.9 acres of MDR-zoned land in the Tracy Hills Specific Plan. The parcel contains a 10.0-acre RHINA opportunity site that is anticipated to accommodate 298 lower income units after rezoning from MDR to HDR. The identified vacant 10.0-acre site is located in the eastern portion of the property along S Lammers Rd. The single family residential site is surrounded by vacant land and other single family residential with agricultural activity. Additionally, the site is adjacent to several other identified RHINA opportunity sites as well as Tracy Hills Phase 5 to the west (see). The City is anticipating and preparing for growth in this area and is currently planning infrastructure improvements to support development and access to these RHINA opportunity sites.

The realistic capacity for the site before rezoning would be 102 moderate income units, but after rezoning from MDR to HDR, the realistic capacity is 196 net new lower income units.



IV. Housing Sites and Resources

3. Environmental and Infrastructure Constraints

The sites inventory analysis takes into account any environmental constraints such as habitat, flood, noise hazards, [easements](#), [airport compatibility](#), [Williamson Act contracts](#), [environmental overlays](#), [property conditions](#) and steep slopes. Any environmental constraints that would lower the potential yield have already been accounted for in the site/unit capacity analysis through a reduction of the developable acreage of the site. [There are no other known conditions on the sites that would preclude development in the planning period.](#)

In general, the deductions in the yield from the maximum will cover and accommodate any reductions in site capacity due to environmental constraints. [Other than those conditions described herein, there are no other known environmental constraints or conditions within the City that could preclude development on identified sites within the planning period, including hazards, airport compatibility, and related land use controls, shape, contamination, easements or overlays.](#)

Contamination

According to the Department of Toxic Substances Control's data management system (EnviroStor), there is only one parcel in the sites inventory that have cleanup, permitting, enforcement, and investigation efforts open and no sites have known or suspected contamination issues.

The 34.2-acre parcel located on Valpico Rd (West of Vela Apartments) previously operated as a gravel mine in the early 1900's and later used to dispose of crude oil tank bottoms. In 1989 a series of environmental assessments were completed. From 2004 to 2009, a series of soil and groundwater investigations have been conducted to delineate the extent of contaminant impacts. Per EnviroStor the affected soil appears to be limited to the northeast section of the site. This should not compromise the development capacity for the portion of the site (southern half) that has been identified in the sites inventory (see 24614001 - West Valpico Road (West of Vela Apartments)). Additionally, there is adjacent property owner interest in developing this site.

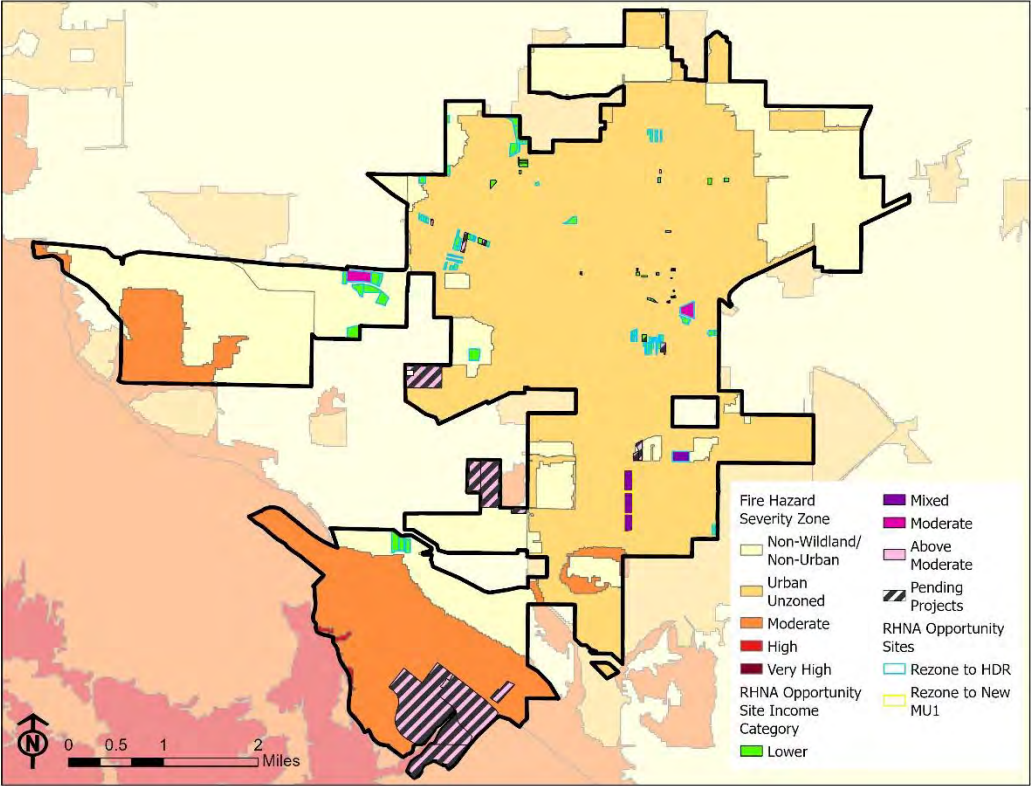
Therefore, the RHNA opportunity sites inventory has no identified conditions that would preclude or impact housing development.

Fires

The risk of wildland fires is related to a combination of factors, such as winds, temperatures, humidity levels, and fuel moisture content. Of these four factors, wind is the most crucial. Steep slopes also contribute to fire hazard by intensifying the effects of wind and making fire suppression difficult. Features in some parts of Tracy, including highly flammable vegetation and warm, dry summers with temperatures that often exceed 100 degrees Fahrenheit, create situations that potentially result in wildland fires.

There are no severe fire zones within the City of Tracy, according to the Very High Fire Hazard Severity Zone (VHFHSZ) as shown in Figure IV-1. The City is located just outside a moderate to high fire hazard zone along the southwest border. Since there are no VHFHSZs within the City, none of the RHNA sites are in these zones.

Figure IV-1: Very High Fire Hazard Severity Zones

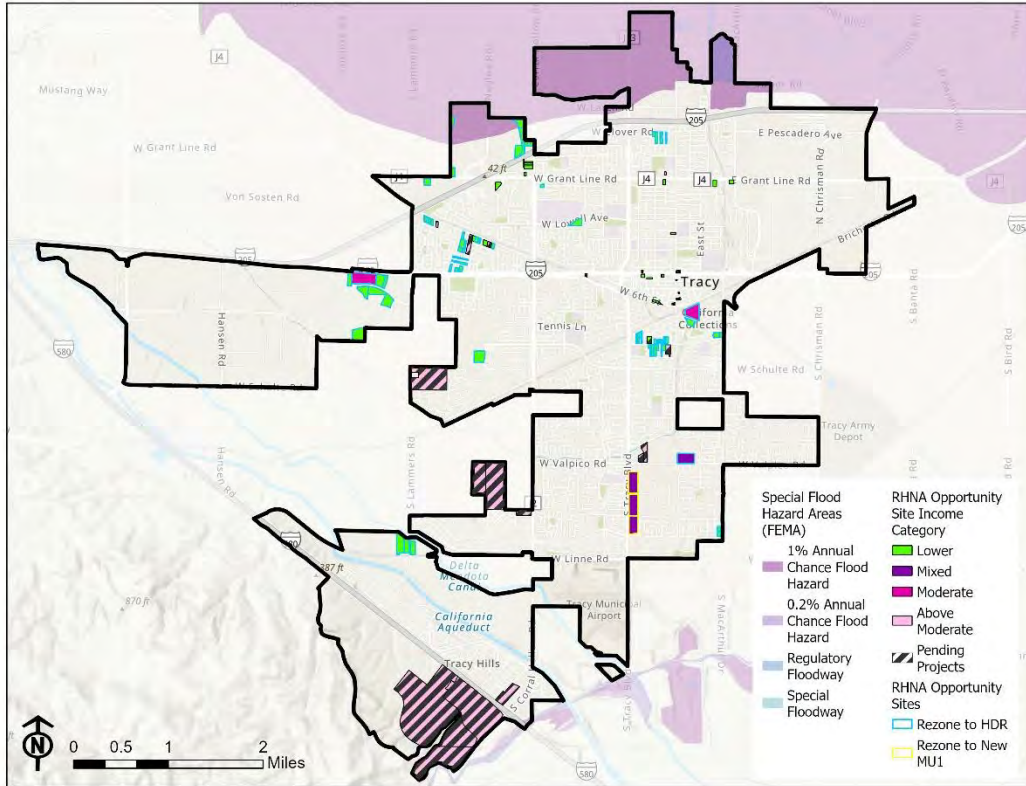


Flooding

Figure IV-2 displays the flood hazard zones as identified by the Federal Emergency Management Agency (FEMA). The vast majority of Tracy falls into an area with no identified flood risk, but there is a 1 percent chance flood area located in the northernmost portion of the City. There are only two opportunity sites that fall within this designation; however, this should not preclude or constrain the development of any housing as the built environment is already disturbed and developed. Additionally, all new construction shall comply with the applicable flood hazard reduction provisions of Tracy Municipal Code Sections 9.52.150 through 9.52.190.

IV. Housing Sites and Resources

Figure IV-2: Tracy Flood Hazards Areas



Infrastructure

All vacant or underutilized land currently available for development in the City of Tracy can be served by the infrastructure necessary for development. Additionally, the City is currently planning infrastructure improvements that will service and support the development of the northwestern portion of Tracy Hills in the southern part of the City. Such services are (or will be) in place prior to development and adequate for the potential unit yield on each site. There are several parcels in the opportunity sites that are on septic. They are generally large, single-family parcels, previously part of San Joaquin County; however, this condition is not anticipated to prevent their development as the sites are all surrounded by newer existing housing all with dry and wet utilities. Water and sewer services are available to all parcels within the City, including each opportunity site in this inventory. The City has the water and sewer capacity to service the number of units necessary to meet, and substantially exceed, the regional share goals. Dry utilities are also available throughout the City, PG&E, and other service providers and on each RHNA site.

4. Entitled and Pending Projects

Per the HCD Sites Inventory Guidebook, the City may credit sites that have been proposed, approved, or given a certificate of occupancy since the beginning of the RHNA projected period.² The beginning of the RHNA projection period for Tracy is July 1, 2022. Thus, any pending projects that did not receive certificates of occupancy prior to June 30, 2022, are eligible to be counted towards the RHNA. Table IV-11 includes pending projects (proposed, entitled, permits issued) that had not received certificates of occupancy as of June 30, 2022. The City has approved or received multiple applications for housing developments in the City. Pending project unit counts were based on City-approved entitlements, building permits issued, and submitted applications. The City has reviewed the pending projects and there are no known barriers to development, phasing, or other relevant factors that would prohibit the pending projects from being completed. Any phasing or build-out horizons are considered in unit counts. There are ~~3,1373,149~~ pending and recently approved units that did not obtain a certificate of occupancy by June 30, 2023. Over 95 percent (~~2,9963,008~~) are presumed to be above-moderate income units, resulting in a surplus of 226 above moderate-income units above the RHNA.

There are also 141 lower-income pending units across two projects, as follows:

- The Junction consists of 56 total units, 23 very low and 23 low income units, in a mixed-use development. The units will be deed restricted for no less than 55-years and affordability is included as a condition of approval of the project.
- Tracy Senior Living consists of 110 age-restricted, multi-family apartment units to be available for rent at 50% of the AMI. This project is replacing 15 existing affordable units for a total of 95 net new units. This is a project by the Housing Authority County of San Joaquin (HACSJ), utilizing local and federal funding sources. The project will be completed in two phases of 55-units each. The first phase is anticipated to be completed by mid-2026 with the second phase to follow closely after.

All pending project units are anticipated to be completed in the planning period. [Table IV-11 describes the status, remaining steps, timelines, and expiration dates for each of the entitled and pending project counted toward the RHNA as of April 2024.-](#)

The City will monitor the actual units constructed and income/affordability when the pending projects are developed. If the pending projects are not developed or are developed with fewer RHNA units than anticipated, the City will identify additional RHNA sites needed to make up the loss. The City will maintain an independent inventory of suitable backup opportunity site. Replacement or additional sites will be identified from the No Net Loss Inventory List.

Table IV-11: Entitled and Pending Projects

Approved and Pending Projects	Status	Very Low	Low	Moderate	Above Moderate	Total
15 Duplexes, 2 Triplexes and 1 SFD	Under Review	-	-	-	37	37
The Junction	Approved	23	23	-	-	46
Avenues	Approved	-	-	-	480	480
Byron Road Duplexes	Approved	-	-	-	12	12
Byron Road TSM	Under Review	-	-	-	46	46
Collin Avenue Duplexes	Approved	-	-	-	10	10

² HCD Sites Inventory Guidebook, https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

IV. Housing Sites and Resources

Approved and Pending Projects	Status	Very Low	Low	Moderate	Above Moderate	Total
East 8th Street Apartments	Approved	-	-	-	5	5
Ellis Village Center North	Under Review	-	-	-	3	3
Larkspur Basin Lots	Approved	-	-	-	14	14
Rocking Horse	Approved	-	-	-	226	226
Rod Singh Apartments	Approved	-	-	-	24	24
1000 N. Central Avenue	Approved	-	-	-	6	6
Tracy Senior Apartments	Under Review	95	-	-	-	95
SANSUB Apartments	Under Review	-	-	-	9	9
Tracy Apartments	Under Review	-	-	-	12	12
Tracy Hills Phase 2	Approved	-	-	-	1,517	1,517
Tracy Hills Dr & Corral Hollow Rd	Under Review	-	-	-	375	375
Red Maple Village Apartments	Under Review	-	-	-	232	232
Total		118	23	-	2,9723,008	3,1133,149

Source: City of Tracy

Table IV-12: Status of Entitled and Pending Projects

Approved and Pending Projects	Status	Remaining Steps	Anticipated Timelines	Expiration Dates on Entitlements
15 Duplexes, 2 Triplexes and 1 SFD	In review – pending applicant resubmittal	Complete project review and bring to public hearing for action; building permits; construct project	Likely to be approved in 2024	N/A
The Junction	Development Review approved; Pending Building Permit submittal	Apply for building permit and construct project	Applicant dependent	11/22/2024
Avenues	VTSM approved; No architecture submitted yet	Architectural review/approval; Issuance of RGAs; Building permits; Construct project	=	3/29/2024
Byron Road Duplexes	Soon to be under construction	Construct project	Construction anticipated to begin 2024/2024	6/6/2024
Byron Road TSM	VTSM and Rezone pending approval	Public hearing with PC and CC hearings; Final map approval; Building permits; Construct project	Anticipated to be approved in 2024	N/A
Collin Avenue Duplexes	Building permits approved; Not yet under construction	Construct project	=	=
East 8th Street Apartments	Building permit under review	Construct project	Construction anticipated to begin 2024/2024	1/20/2024

IV. Housing Sites and Resources

<u>Approved and Pending Projects</u>	<u>Status</u>	<u>Remaining Steps</u>	<u>Anticipated Timelines</u>	<u>Expiration Dates on Entitlements</u>
<u>Ellis Village Center North</u>	<u>In review – pending applicant resubmittal</u>	<u>Final map, building permit; construct project</u>	<u>Within Housing Element planning period</u>	<u>N/A</u>
<u>Larkspur Basin Lots</u>	<u>Under Construction</u>	<u>Complete construction</u>	<u>Within Housing Element planning period</u>	<u>Active as long as the building permit is active and they are pursuing construction</u>
<u>Rocking Horse</u>	<u>Pending Approval</u>	<u>=</u>	<u>=</u>	<u>=</u>
<u>1000 N. Central Avenue</u>	<u>Development Review approved; Pending building permit submittal</u>	<u>Receive building permit application; Construct project</u>	<u>Applicant dependent</u>	<u>4/30/2024</u>
<u>Tracy Senior Apartments</u>	<u>Approved in May 2024</u>	<u>Building permits; Construct project</u>	<u>Construction anticipated to begin by end of 2024</u>	<u>N/A</u>
<u>SANSUB Apartments</u>	<u>Development Review approved; Building Permit in review</u>	<u>Building Permit approval/issuance; Construct project</u>	<u>Within Housing Element planning period</u>	<u>9/18/2024 unless a building permit is issued and construction is diligently pursued</u>
<u>Tracy Hills Phase 2</u>	<u>Phase 2A - under construction</u>	<u>Approval of final maps and issuance of building permits for Phase 2B. Complete construction</u>	<u>Completion in four to six years</u>	<u>Active as long as the building permit is active and they are pursuing construction</u>
<u>Tracy Hills Dr & Corral Hollow Rd</u>	<u>In review – pending applicant resubmittal</u>	<u>Complete project review and bring to public hearing for action; Construct project</u>	<u>=</u>	<u>N/A</u>
<u>Red Maple Village Apartments</u>	<u>In review – pending applicant resubmittal</u>	<u>Complete project review; Rezone/Specific Plan Amendment to allow land use; Public hearings for approval; Building permits; Construct project</u>	<u>Resubmittal anticipated by end of 2024</u>	<u>N/A</u>

Source: City of Tracy

The City of Tracy has been historically a development driven City and has supported residential, commercial, and industrial development. This is a City that has entitled projects and ensured that the process was completed to construction. The population of Tracy has tripled since 1990 from 33,558 to 98,337 in 2024.

The City has historically been proactive working with the development community to ensure that entitled projects were constructed, dedicated staff to track and assist during the building and improvement plan process. The track record for development projects in the last five years has

IV. Housing Sites and Resources

highlighted the commitment the City has to moving projects forward in as timely of a manner as possible.

The two largest residential development projects in the City are Tracy Hills and Ellis Village. These projects have weekly or bi-weekly coordination meetings to verify the projects are moving forward and to identify any issues that could slow or stall development so they can be resolved as soon as they arise.

Projects are conditioned to build infrastructure as necessary for sewer, water, storm drainage and access to be provided in order to provide necessary services. City staff work on projects to ensure that infrastructure is available prior to occupancy. A project may be phased and there have been instances where temporary infrastructure is constructed to support the project. Staff monitors the timing and progress of projects and facilitates and assists in the process as necessary for projects to move forward.

The Community and Economic Development Department tracks development projects to ensure that projects move forward and the City heads up all infrastructure needs, staff requirements and other resources that might be necessary. It is typical to follow up with developers if a project has not been active for over 90 days. This is done to encourage projects to move forward and eliminate any perceived obstacles.

Once a project is approved/entitled, the developer will work with various departments to satisfy conditions of approval. This could include building plans, improvement plans or infrastructure studies. The building department has a turnaround time of 20 business days for first round review and 10 business days for the second round review. In engineering, an improvement plan check is 45 to 60 days depending on the submittal type and the number of technical studies included. The completeness of a submittal is key to the quality and timeliness of a review.

Project phasing for larger projects in Tracy is typically done to ensure that necessary infrastructure and design features are available. Infrastructure requirements can pose a significant upfront cost for builders and limit a project start time. Project phasing can potentially alleviate those upfront costs and allow for a variety of financing options for builders so project construction is ensured. Additionally, the City is required to update and prepare a municipal service review and ensure that utility and service capacity are available for projects within the city limits. Projects and vacant land within the City boundaries have available services and utilities, there are no service or capacity constraints for any RHINA opportunity sites.

Post entitlement delays and construction timeframes are typically driven by the developer and their design team. The preparation of construction documents and securing project financing is in most cases completely independent of City processes. The value of a project, labor, material supply and delivery timeframes determine when and how a project moves forward. The City works with the developer to make sure no obstructions come from the City as long as project design and conditions are met. Additionally, the City will include an action in the Adequate Sites and No Net Loss Program Program ~~as an ongoing action~~ to evaluate the progress on pending projects counted towards the RHINA at the midpoint of the housing element planning cycle. If it is determined after consultation with developers that the projects are not proceeding as planned and would result in a shortfall in RHINA sites, the City will identify alternative sites strategies (including potential rezoning) within six months.

5. Accessory Dwelling Units

Tracy has been approving ADUs at an increased pace since passage of recent state laws that remove constraints on ADU production. While the City can meet its RHNA capacity without using ADUs, ADUs will contribute to the 20 percent no net loss buffer and provide an additional source of affordable housing and housing options across the City.

Production Trends

Table IV-13 illustrates trends in ADU production since 2018. ADU production in Tracy has grown significantly and is expected to continue expanding throughout the 6th Cycle. Additional changes to State law in 2019 led to a significant increase in ADU production in the last three years. Importantly, the City of Tracy issued 120 permits for ADUs in the 2022 calendar year. Additional ADU incentives and public education will further increase ADU production above the recent trends (see Program 12). Based on the average number of building permits for ADUs in the last five years (41.5), the City is conservatively projecting 332 ADUs over the 2023–2031 6th Cycle. The City is not relying heavily on projected ADUs to meet its RHNA (less than 3 percent of the RHNA plus the buffer).

Table IV-13: ADU Building Permit

2018	2019	2020	2021	2022	Average
7	18	10	54	120	41.5

Source: City of Tracy

Assumed Affordability

ADU affordability data specific to Tracy is not available, so the levels of affordability assumed for the 332 ADUs projected during the 6th Cycle is based off the Association of Bay Area Governments’ affordability survey data.³ The City predicts that this trend will continue and that future ADU production will also be largely affordable to moderate-, low-, and very low-income households. Many ADU applicants from 2018 to 2022 indicated intent for the unit to remain affordable at no or negligible cost for immediate family members, such as adult parents or children.

Table IV-14: ADU Affordability Assumptions

Percent	Income Category	# of ADUs
30%	Very Low	99
30%	Low	99
30%	Moderate	99
10%	Above Moderate	33

Source: City of Tracy

D. Site Inventory and Rezoning Strategy

Shortfall

The City has a shortfall for portions of its lower- and moderate-income RHNA, which necessitates specific rezoning programs and development standards pursuant to Government Code Section 65583.2. Under existing zoning, the City has realistic capacity for 1,016 lower-income units and 754 moderate-income units, creating a lower-income shortfall of 3,857 units and a moderate-income shortfall of 421 units.

³ ABAG ADU Technical Assistance Memo. <https://abag.ca.gov/sites/default/files/documents/2022-03/ADUs-Projections-Memo-final.pdf>

IV. Housing Sites and Resources

The City's overall strategy is to accommodate the RHNA shortfall through increasing the permitted densities of existing multifamily zones, rezoning limited single-family and commercial areas to multifamily residential, and creating programs to facilitate increased ADU production in single-family zones. These strategies will allow the City to fully meet its housing needs for all income levels during the 6th Cycle Housing Element.

Rezoning will meet all requirements pursuant to Government Code Section 65583.2, subdivisions (h) and (i).

Multifamily and Mixed-Use Density Increase

A key component of the City's RHNA strategy is to increase the permitted densities of the multifamily zones and to rezone more land to the multifamily zones. Overall, multifamily zones are expected to accommodate 7,028 units, all for lower- and moderate-income housing.

Currently, Tracy's MDR and MDC zones have maximum densities set to 12 du/acre and the HDR and GHC zones have maximum densities set to 25 du/acre. The City will increase the maximum densities of these zones to allow for housing at densities suitable for lower-income households and to provide a significant increase in housing capacity across the City. As shown in Table IV-15, the City will increase the maximum densities of the MDR and MDC zones from 12 to 20 du/acre and amend the minimum and maximum densities of the HDR and GHC zones from 12-25 du/acre to 20-35 du/acre.

Table IV-15: Proposed Multifamily Zone Densities

Zone	Existing Density (Min)	Existing Density (Max)	Proposed Density (Min)	Proposed Density (Max)
MDR	5.9 du/ac	12 du/ac	5.9 du/ac	20 du/ac
MDC	5.9 du/ac	12 du/ac	5.9 du/ac	20 du/ac
HDR	12 du/ac	25 du/ac	20 du/ac	35 du/ac
GHC	12 du/ac	25 du/ac	20 du/ac	35 du/ac
MU-1	-	-	20 du/ac	35 du/ac

MDR and MDC Rezoning to HDR

In addition to increasing the allowed densities in the multifamily zones (MDR, MDC, HDR, GHC), the City will rezone multiple blocks where a significant amount of housing capacity was identified from MDR and MDC to HDR. These blocks include approximately 109 MDR parcels totaling 78.3 acres and 39 MDC parcels totaling 15.0 acres.

These areas can be characterized as underutilized (building occupies less than 35 percent of the parcel) or vacant lots adjacent to arterial roadways surrounded by other existing residential uses. This rezoning will provide increased housing capacity in key nodes with excellent access to transit, commercial, and educational facilities.

Of these rezoned MDR and MDC parcels, [46.345.8](#) acres ([1,3361,331](#) lower income units) have been identified in the sites inventory as opportunity sites (see Table IV-16).

Rezoning to HDR

The City will also rezone approximately [152.9198.7](#) additional acres from LDR, PUD, NS, GHC, M1-TH, MDR-TH, and M1 to HDR as shown in Table IV-16. This includes approximately [34.728.9](#) acres in zones that do not currently allow for multifamily residential (LDR, M1, ~~HS~~, and NS). The rezoning

of these parcels will provide increased housing capacity (3,465,442 lower-income units) in prime areas with excellent access to employment centers and educational facilities.

Table IV-16: Opportunity Sites Rezoned to HDR

Existing Zone	Acres	Very Low Units	Low Units	Moderate Units	Total Units
LDR	463.8	7084	4352	-	136113
MDC	5.5	98	64	-	162
MDR	40540.3	700703	469471	-	1,1691,174
PUD	75.4	1,029	641	575	2,245
NS	3.2	59	37	-	96
I-205 - GC	7.9	146	91	-	237
I-205 - CC	19.6	357	227	-	584
M1	21.9	59	59	534	652
M1-TH	5.0	91	57	-	148
MDR-TH	15.0	276	171	-	447
GHC	1.1	17	12	-	29
Total	1997198.7	2,9022,919	1,8711,882	1,109	5,8825,910

Proposed Mixed Use Zone

Through Program 9, the City of Tracy will create a new mixed-use zone (MU-1) to allow properties to be developed with a mix of commercial retail office and/or residential uses. The allowable residential density will range from 20 to 35 dwellings units per acre similar to the existing HDR and GHC zones (see Table IV-15). The creation of the MU-1 zone will provide a new option for mixed use and multifamily development that doesn’t currently exist in the City.

As shown in Table IV-17, three parcels (40.3 acres) will be rezoned to MU-1 which will provide a mix of lower and moderate-income units. The assumed yield for the new MU-1 zone is based off the GHC zone (50% yield) in Table IV-5 and is significantly less than the observed yields and averages of recent projects shown in Table IV-4.

Table IV-17: Opportunity Sites Rezoned to MU-1

Existing Zone	Acres	Very Low Units	Low Units	Moderate Units	Total Units
M1	40.3	141	141	424	706

The City is rezoning to accommodate capacity beyond identified RHNA sites. As the City is increasing the maximum densities of the MDR, MDC, HDR, and GHC zones and rezoning areas to HDR and MU-1, the RHNA sites inventory is only calculating the impact of the zoning changes on the specifically identified and listed opportunity sites; not all parcels that are rezoned are counted in the RHNA. As such, other parcels within these zones will also benefit from the zoning changes and may develop during the 6th Cycle planning period. The total capacity of additional rezones is about 880 units. This includes the following:

- 36.0 acres of MDR to HDR (maximum capacity of 720 units)
- 8.0 acres of MDC to HDR (maximum capacity of 160 units)

E. Ability to Meet the RHNA

Using the realistic assumptions listed above, the City will have adequate sites to accommodate the RHNA for all income levels after rezoning.

IV. Housing Sites and Resources

Many factors outside the City’s control influence a property owner’s desire and ability to develop, including market conditions and constraints.

The new residential capacity associated with the rezoning program creates a strong market incentive for these properties to be developed or redeveloped within the planning period.

Table IV-18 illustrates the residential capacity that is being counted toward the RHNA. The City has adequate sites at all income levels. The inventory includes a total lower-income capacity of 5,828~~5,797~~ units. The inventory also supports 3,041~~3,005~~ above-moderate units, exceeding the RHNA requirement of 2,782 units. The 259~~463~~ excess moderate units can provide a buffer for any net loss of units with above-moderate capacity.

Table IV-18: RHNA Capacity and Buffer

	Type	Very Low	Low	Moderate	Above Moderate	Total
A	5th Cycle Carryover	250	250	-	-	500
B	6th Cycle RHNA	2,994	1,879	1,175	2,782	8,830
C	Total Need (A + B)	3,244	2,129	1,175	2,782	9,330
D	Pending Projects (Table IV-11)	118	23	-	<u>2,972</u> 3,008	<u>3,113</u> 3,149
E	ADUs (Table IV-13)	99	99	99	33	330
F	Unmet RHNA (B-D-E)	2,777	1,757	1,076	-	5,610
G	Vacant Opportunity Sites (Table IV-20)	<u>2,482</u> - <u>2,497</u> -	<u>1,657</u> - <u>1,668</u> -	1,539	-	<u>5,678</u> 5,704
H	Non-Vacant Opportunity Sites (Table IV-21)	<u>795</u> 798	<u>524</u> 526	-	-	<u>1,319</u> 1,324
I	Total Opportunity Sites Capacity (G+H)	<u>3,277</u> 3,295	<u>2,181</u> 2,194	1,539	—	<u>6,997</u> 7,028
J	Total Capacity (D+E+I)	<u>3,494</u> 3,512	<u>2,303</u> 2,316	1,638	<u>3,005</u> 3,041	<u>10,440</u> 10,507
K	Surplus of Total Need (J-C)	<u>250</u> 268	<u>174</u> 187	463	<u>223</u> 259	<u>1,110</u> 1,177
L	% Buffer Above Unmet RHNA (K/F)	<u>9%</u> 10%	<u>10%</u> 11%	43%	-	-

F. Overall Capacity

Opportunity Site Details

The opportunity site selection process examined zoned capacity, existing uses, and recent development trends to determine which parcels to include to meet the remaining RHNA after considering pending projects and ADUs. Both vacant and non-vacant sites are included in the Opportunity Sites Inventory. The opportunity site selection process took site characteristics, surrounding uses, and development constraints into consideration when evaluating each site’s development potential. To meet the RHNA for lower-income households, the Opportunity Sites Inventory relies on sites with densities that allow for at least 20 du/acre. To meet the RHNA for moderate-income households, the inventory relies on sites zoned for up to 20 du/acre in the medium density General Plan land use category. In addition, sites zoned for up to and greater than 20 du/acre but smaller than 0.5 acre or larger than 10.0 acres were counted toward the moderate-income household RHNA.

For a detailed analysis of the sites as they relate to affirmatively furthering fair housing, see the Affirmatively Furthering Fair Housing chapter.

Lower Income Capacity

Government Code Section 65583.2(g)(2) states that housing elements relying on non-vacant sites for greater than 50 percent of its lower-income households need to demonstrate that the existing use does not constitute an impediment to additional residential development. The requirements of Government Code Section 65583.2(g)(2) do not apply to Tracy, since only 29.227.1 percent of the proposed lower-income RHNA sites are met through non-vacant sites ($\frac{1,3191,324}{4,8734,534} = 29.227.1$ percent). The remaining lower-income (low and very low) RHNA units are met through pipeline projects, ADUs, and vacant sites, as illustrated in Table IV-19 below.

Table IV-19: Lower Income RHNA Capacity

Category	Very Low Income Capacity	Low Income Capacity	Total Lower Income Capacity	% of Lower Income RHNA (4,873 units)
Pipeline Projects (Table IV-11)	118	23	141	3.1 2.9%
ADUs (Table IV-13)	99	99	198	4.4 4.1%
Vacant Opportunity Sites (Table IV-20)	2,482 2,497	1,657 1,668	4,139 4,165	84.9 91.9%
Non-Vacant Opportunity Sites (Table IV-21)	795 798	524 526	1,319 1,324	27.1 29.2%
Total Lower Income Sites	3,494 3,572	2,303 2,353	5,797 5,925	119.0 130.7%

Moderate and Above Moderate Income Capacity

Pursuant to Government Code Section 65583.2(c)(4), at least 25 percent of the remaining moderate- and above moderate-income RHNA sites are zoned for at least four units of housing (e.g., fourplex or greater). As shown in Table IV-2, above moderate-income sites are met entirely through pending projects and ADU projections (3,008- and 33 units, respectively). The 3,041 units exceed the above moderate-income RHNA allocation (2,782) by 259 units. There is no remaining above moderate-income RHNA that needs to be identified.

There is a remaining need of 1,076 moderate-income units after pending projects and projected ADUs. The Opportunity Sites Inventory identifies 1,539 moderate-income RHNA opportunity site units, all of which will allow for at least four units of development once rezoned. Thus, the City is compliant with Government Code Section 65583.2(c)(4).

Vacant Sites

A portion of the RHNA will be met on vacant land that is zoned for residential use. Per HCD’s Housing Element Sites Inventory Guidebook, a vacant site is one “without any houses, offices, buildings, or other significant improvements [...] or structures on a property that are permanent and add significantly to the value of the property.”⁴ Table IV-20 displays the capacity of residentially zoned vacant sites included in the Opportunity Sites Inventory. A total of 5,678~~5,704~~ lower- and moderate-income units can be accommodated with currently vacant land with the existing and proposed zoning. This includes 2,482~~2,497~~ very low-units, 1,657~~1,668~~ low-units, and 1,539 moderate-income units.

⁴ HCD. Housing Element Sites Inventory Guidebook. https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sites_inventory_memo_final06102020.pdf.

IV. Housing Sites and Resources

Table IV-20: Vacant Site Capacity

Zone (Existing & Proposed)	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Total Capacity
HDR	2,200-2,214	1,414-1,423	1,109	4,7234,746
MU-1	141	141	424	706
CBD	31-32	28-30	-	5962
GHC	110	74	6	190
Total	2,4822,497	1,6571,668	1,539	5,6785,704

Non-Vacant Sites

A total of ~~1,3191,324~~ lower-income units will be met by the 43 non-vacant RHNA opportunity sites; this is approximately ~~27-25~~ percent of the lower-income RHNA (4,873). All ~~1,3191,324~~ of the potential units on the non-vacant opportunity sites are being allocated toward the lower-income RHNA (~~798-795~~ very low- and ~~526-524~~ low-income). As shown in Table IV-21, the ~~1,3191,324~~ units are located in the HDR zone (~~1,1971,202~~ units), the CBD zone (25 units), and the GHC zone (97 units).

Table IV-21: Non-Vacant Site Capacity

Zone (Existing & Proposed)	Very Low Income Capacity	Low Income Capacity	Total Capacity
HDR	724-727	473-475	1,1971,202
CBD	14	11	25
GHC	57	40	97
Total	795798	524526	1,3191,324

Non-Vacant Development Trends

Recently completed projects, approved projects, and projects under review were analyzed in order to understand development trends in the City and aid in the non-vacant site selection process. Error! Reference source not found. displays the characteristics of these analyzed sites. Characteristics identified by the review of these sites included:

1. **Building Coverage.** Building coverage shows the percent of the parcel that was occupied by the structure of the use before residential redevelopment. All six trend projects had a building coverage of less than 20 percent and two projects had less than 5 percent building coverage prior to redevelopment.
2. **Land-improvement ratio (LIR).** LIR compares the value of the land to the value of improvements (structures) on the land, using data from the County Assessor's office. The trend projects had LIRs that ranged from 0.45 to 13.04. Two projects have a LIR that is greater than one, meaning that the land is greater in value than the improvements (buildings/structures). Three projects have a LIR that is less than one.
3. **Age of the existing structure.** Building age was also considered for each non-vacant site. An older building indicates potential for redevelopment. All of the existing buildings in the project trends were built prior to 1982, many of which were built prior to 1950.
4. **Previous Use.** Many of the trend projects included existing single-family residential structures with some agricultural uses.

Table IV-22: Non-Vacant Opportunity Trend Details

<u>ID</u>	<u>Project</u>	<u>Project Type</u>	<u>Building Coverage</u>	<u>LIR</u>	<u>Year Built</u>	<u>Previous Non-Vacant Use</u>
1	<u>East 8th Street Apartments</u>	<u>Approved</u>	<u>18%</u>	<u>0.66</u>	<u>1910, 1893</u>	<u>Two single family homes; Vacant</u>
2	<u>Byron Road TSM</u>	<u>Under Review</u>	<u>1%</u>	<u>13.04</u>	<u>1940</u>	<u>Single family home; Large vacant land</u>
3	<u>Tracy Apartments</u>	<u>Under Review</u>	<u>10%</u>	<u>0.45</u>	<u>1947</u>	<u>Two single family homes; Large vacant land</u>
4	<u>Gateway Crossing/Gate way Station</u>	<u>Completed</u>	<u>-</u>	<u>NA</u>	<u>Between 1982 and 1974</u>	<u>Agricultural; Single family home</u>
5	<u>Rod-Singh Apartments</u>	<u>Approved</u>	<u>3%</u>	<u>1.49</u>	<u>Before 1957</u>	<u>Single family home; Large vacant land</u>
6	<u>Collin Avenue Duplexes</u>	<u>Approved</u>	<u>12%</u>	<u>0.57</u>	<u>1948</u>	<u>Two single family homes; Large vacant land</u>

These development applications demonstrate the viability and interest in redeveloping non-vacant sites in Tracy, including for both affordable and market-rate housing. These sites have similar zoning and characteristics to the proposed RHNA sites and therefore demonstrate the strong likelihood of meeting the projected construction of units within the next eight years.

Non-Vacant Site Details

The following section provides further detail on each of the non-vacant sites identified in the inventory. Based on the trends of redevelopment of non-vacant sites in Tracy detailed above, a set of criteria was used for evaluating the redevelopment potential of sites and selecting opportunity sites. The selection process utilized five factors. The determination of factors was based, in part, off of the characteristics of the non-vacant trend projects described in Table IV-22. Each of the sites has at least four of the five factors. The factors utilized include:

- A. **Significantly Underutilized (LIR > 0.50).** The comparison of assessed values for land and improvements (land-improvement ratios, LIR) is a reliable indicator of whether and to what extent sites are underutilized. Recently developed sites have LIRs prior to development as low as 0.45.
- B. **Building Age.** A building age greater than 40 years. This matches the trends set by the recently developed sites, as the existing buildings were all built prior to 1982 (approximately 42 years old).
- C. **Similar Types of Non-Vacant uses.** If the site had a similar non-vacant use to the non-vacant trend sites. Uses specified by the recently developed nonvacant sites include religious facilities, parking, single-family homes, and educational facilities.
- D. **Building Coverage.** Another factor to quantify the underutilization of a site is the building coverage, which is the percentage of the site that has a building footprint. A low building coverage indicates ample land available for infill development. As the majority of the trend projects had building coverage under 20%, for this calculation, the threshold is 20%.

IV. Housing Sites and Resources

E. Adjacent to Services. Sites were reviewed for their location within one mile of services such as daycares, grocery stores, and schools.

The full non-vacant sites list of which sites meet which criteria is provided in Appendix D.

Table IV-23: Non-Vacant Opportunity Site Criteria

<u>Opportunity Sites</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
<u>1241 Berg Road</u>	✓	✓	✓	✓	✓ ¹
<u>1240 Berg Road</u>	✓	✓	✓	✓	✓ ¹
<u>1191 Berg Road</u>	✓	✓	✓	✓	✓ ¹
<u>1180 Berg Road</u>	✓	✓	✓	✓	✓ ¹
<u>1121 Berg Road</u>	✓ ²	✓	✓	✓	✓
<u>2881 Fabian Road</u>	✓	✓	✓	✓	✓
<u>1150 Berg Road</u>	✓	✓	✓	✓	✓
<u>489 West Mount Diablo Avenue</u>	✓	✓		✓	✓
<u>491 West Mount Diablo Avenue</u>	✓	✓		✓	✓
<u>2640 West Byron Road</u>	✓	✓	✓	✓	✓ ¹
<u>2520 West Byron Road</u>	✓	✓	✓	✓	✓ ¹
<u>104 West 11th Street</u>	✓	✓	✓		✓
<u>306 West 6th Street</u>	✓	✓	✓	✓	✓

1. Within a mile of a daycare, grocery store, or school, but not all three.

2. No actual Land Improvement Ratio was able to be calculated by the County Assessor because parcel was designated as vacant. However, through the sites inventory process, it was identified as an underutilized non-vacant parcel (small structure on large lot which would yield a high land improvement ratio).

A majority of the existing uses on non-vacant opportunity sites fall into three categories. Table IV-24 provides the three use categories that were identified as well as the number of parcels for each, the total acreage of parcels, as well as the anticipated number of lower-income units. As most of the properties within each existing use category share similar site characteristics (detailed in the non-vacant site criteria above), this Housing Element describes examples from each land use typology, instead of describing each site in detail.

Table IV-24: Non-Vacant Opportunity Sites by Use Details

<u>Existing Use</u>	<u># of Parcels</u>	<u>Acreage</u>	<u># of Low Income Units</u>
Single-family residential	3635	34.4	952948
Religious/Education Facilities	3	5.2	155
Commercial/Office/Retail	5	8.6	217216
Total	4443	47.248.2	1,295,1319

~~As most of the properties within each category included toward the RHINA are similar, this Housing Element describes examples from each typology, instead of describing each site in detail. Each of the commercial, religious, and multifamily non-vacant sites have a similar lack of impediments to~~

~~redevelopment. Specifically, many sites with existing single and multifamily residential uses are similar and can be grouped together for the purposes of the non-vacant sites analysis. The commercial sites are each majority underutilized surface parking lots prime for redevelopment. The site selection process considered four different factors that indicate high potential for near-term redevelopment of the sites. Each of these four factors alone indicate positive potential for redevelopment of a site. All of the non-vacant sites included in the inventory have at least three of the four indicators of redevelopment.~~

~~**Significant underutilization.** The building takes up less than 30% of the parcel. On many parcels in the inventory, the site could be redeveloped and maintained the existing use.~~

~~**Land improvement ratio (LIR).** All sites included have a LIR that is greater than one, meaning that the land is greater in value than the improvements (buildings/structures).~~

~~**Similarity to recently developed non-vacant sites.** The City has seen a number of recent residential projects develop on prior non-vacant uses. These projects have similar uses and characteristics to the sites included in the RHNA inventory.~~

~~Tracy Senior Living Apartments~~

~~Byron Road Duplexes~~

~~Byron Road TSM~~

~~Tracy Apartment~~

~~**Age of the existing structure.** A building that is older than 30 years old.~~

Single-family Residential

There are 35 sites with existing single-family uses that provide redevelopment opportunities. As a part of Program 9, these sites will be rezoned to accommodate additional units. The rezoning will also make the redevelopment of these sites more financially feasible. As existing uses do not significantly vary site by site, the section below describes three examples of sites with similar characteristics to other single-family homes in the area. ~~Characteristics include an existing, non-conforming use, a parcel larger than 0.5 acres, and significant amounts of vacant land on the parcel. The existing uses are not anticipated to act as an impediment to redevelopment of the parcels.~~

Additionally, the City has seen recent redevelopment of residential uses into lower-income housing in the Tracy Senior Living Project. This project consists of demolishing 15 existing residential units and replacing them with 110 affordable units.

Note that the single-family homes in the MDR and MDC zones, which ~~has~~ have a minimum density of 5.9 du/acre may already be a non-conforming use. The increased density in these zones will increase the capacity for high density housing in areas with already non-conforming uses. The upzone from MDR/MDC to HDR provides capacity for an additional 589-608 units beyond what is currently allowed.

There is a total of 36-35 sites with existing residential uses included in the RHNA. These sites provide capacity for 952-948 new lower-income units (905 net new units). None of the existing units are lower-income units. Furthermore, the development on any site listed in the Sites Inventory that proposes to demolish existing housing units shall be subject to a policy requiring the replacement of affordable units as a condition of any development on the site pursuant to Government Code Sec.

IV. Housing Sites and Resources

65583.2(g)(3). Replacement requirements shall be consistent with those set forth in Section 65915(c)(3).

Additionally, the City will implement Program 20 to ensure a no net loss of housing by income category when existing housing is demolished so that, at a minimum, an equivalent number of replacement units are created at the same level of affordability.

<u>Residential Sites</u>	<u>Description</u>						
<u>Address</u>	<u>1241 Berg Road</u>	<u>1240 Berg Road</u>	<u>1191 Berg Road</u>	<u>1180 Berg Road</u>	<u>1121 Berg Road</u>	<u>2881 Fabian Road</u>	<u>1150 Berg Road</u>
<u>APNs</u>	<u>23806024</u>	<u>23806005</u>	<u>23806021</u>	<u>23806009</u>	<u>23806029</u>	<u>23806018</u>	<u>23806013</u>
<u>Size (Acres)</u>	<u>0.80</u>	<u>0.49</u>	<u>0.82</u>	<u>1.00</u>	<u>0.79</u>	<u>1.07</u>	<u>1.23</u>
<u>Existing Zoning</u>	<u>MDR</u>	<u>MDR</u>	<u>MDR</u>	<u>MDR</u>	<u>MDR</u>	<u>MDR</u>	<u>MDR</u>
<u>General Plan Designation</u>	<u>Residential Medium</u>	<u>Residential Medium</u>	<u>Residential Medium</u>	<u>Residential Medium</u>	<u>Residential Medium</u>	<u>Residential Medium</u>	<u>Residential Medium</u>
<u>Current Use</u>	<u>Single-Family Residential</u>	<u>Manufactured home</u>	<u>Single-Family Residential</u>				
<u>Land Improvement Ratio</u>	<u>0.9</u>	<u>1.10</u>	<u>1.13</u>	<u>0.82</u>	<u>NA</u>	<u>1.69</u>	<u>1.22</u>
<u>Year Built Prior To</u>	<u>1995</u>	<u>1948</u>	<u>1957</u>	<u>1955</u>	<u>NA</u>	<u>1948</u>	<u>1948</u>
<u>Building Coverage</u>	<u>6%</u>	<u>9%</u>	<u>6%</u>	<u>5%</u>	<u>2%</u>	<u>6%</u>	<u>4%</u>
<u>Income Category</u>	<u>Lower</u>	<u>Lower</u>	<u>Lower</u>	<u>Lower</u>	<u>Lower</u>	<u>Lower</u>	<u>Lower</u>
<u>Total Units</u>	<u>23</u>	<u>14</u>	<u>22</u>	<u>29</u>	<u>23</u>	<u>29</u>	<u>36</u>
<u>Non-Vacant Site Characteristics</u>	<u>B,C,D,E</u>	<u>A,B,C,D,E</u>	<u>A,B,C,D,E</u>	<u>B,C,D,E</u>	<u>B,C,D,E</u>	<u>A,B,C,D,E</u>	<u>A,B,C,D,E</u>
<u>Within 1 mile of:</u>							
<u>Daycare</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>
<u>Grocery</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>
<u>School</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Yes</u>	<u>Yes</u>

Berg Road Cluster

The parcels at 1241, 1240, 1191, 1180, 1121, and 1150 Berg Road, and 2881 Fabian Road range in size from 0.5 to 2.6 acres in area. Because they are in close proximity to one another, there is an opportunity and strong incentive for consolidation of adjacent lots. The sites are near a grocery store and several daycares and parks, which provide necessary resources for residents. The structures vary in age, with many built prior to 1949. The combined acreage is 6.2 acres. The land improvement ratio for these sites range from 0.8 to 3.0. The combined realistic capacity for these sites is 181-176 units. All of these parcels will be rezoned from MDR to HDR, resulting in a minimum density of 20 du/acre and a maximum density of 35 du/acre.



1121 Berg Road

This 0.79-acre site is currently partially occupied by a manufactured home that appears to be currently vacant. The majority of the lot is vacant, underutilized land. It is located within an existing residential community, making this site optimal for further residential development and potential lot consolidation. The realistic capacity for the site before rezoning would be 7 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 23 net new lower-income units.



IV. Housing Sites and Resources

2881 Fabian Road

This 1.07-acre site is currently occupied by three units, and the majority of the parcel is vacant, underutilized land. It is located within an existing residential community, making this site optimal for further residential development and potential lot consolidation. The realistic capacity for the site before rezoning would be 8 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 29 net new lower-income units.



1150 Berg Road

This 1.23-acre site is currently partially occupied by a single-family home. The majority of the lot is vacant, underutilized land. It is located within an existing residential community, making this site optimal for further residential development and potential lot consolidation. The realistic capacity for the site before rezoning would be 12 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 36 net new lower-income units.



1240 Berg Road

This 0.49-acre site is currently partially occupied by a single-family home. The majority of the lot is vacant, underutilized land. It is located within an existing residential community, making this site optimal for further residential development and potential lot consolidation. The realistic capacity for the site before rezoning would be 4 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 14 net new lower-income units.



1241 Berg Road

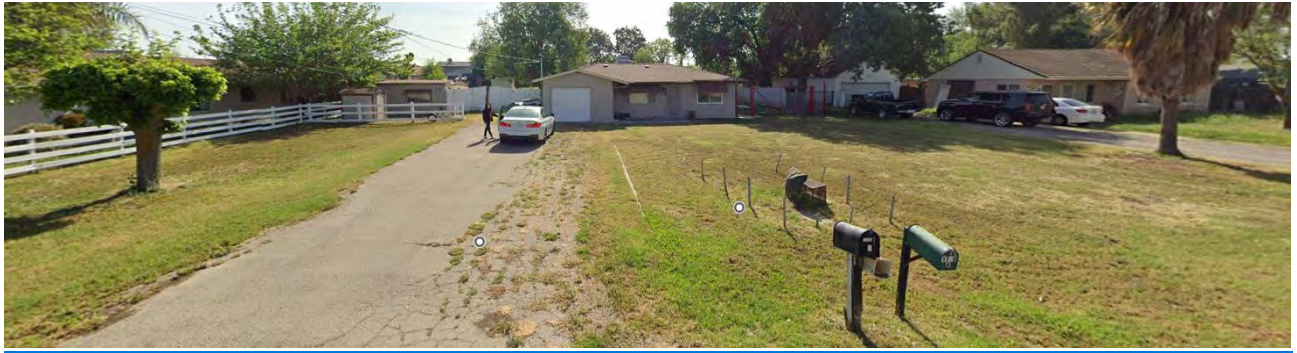
This 0.80-acre site is currently partially occupied by a manufactured home that appears to be currently vacant. The majority of the lot is vacant, underutilized land. It is located within an existing residential community, making this site optimal for further residential development and potential lot consolidation. The realistic capacity for the site before rezoning would be 7 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 23 net new lower-income units.



1180 Berg Road

This 1.0-acre site is currently partially occupied by a manufactured home that appears to be currently vacant. The majority of the lot is vacant, underutilized land. It is located within an existing residential community, making this site optimal for further residential development and potential lot consolidation. The realistic capacity for the site before rezoning would be 9 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 29 net new lower-income units.

IV. Housing Sites and Resources



1191 Berg Road

This 0.82-acre site is currently partially occupied by a manufactured home that appears to be currently vacant. The majority of the lot is vacant, underutilized land. It is located within an existing residential community, making this site optimal for further residential development and potential lot consolidation. The realistic capacity for the site before rezoning would be 6 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 22 net new lower-income units.



Religious and Educational Facilities

Senate Bill (SB) 4, the Affordable Housing on Faith Lands Act, provides a streamlined process for religious organizations and nonprofit colleges to develop affordable housing on their property. City staff have received positive feedback from faith leaders in the community about their desire to provide affordable housing on religious properties. Several religious facilities have extensive amounts of surface parking, underdeveloped, and vacant land that is suitable for re-use and re-development for housing. The existing religious uses have potential to be redeveloped and reconfigured to maintain the existing use, while still accommodating new housing units on the same site. The City is including Program 7 to facilitate the development of affordable housing for persons with special needs and to capture the potential of developer interest on religious and educational properties. Program 7 will also incentivize the production of affordable housing on underutilized lots owned by religious and educational facilities through actions such as outreach, technical assistance, and promotional materials.

The designated opportunity sites that are currently being used by a church or educational facility span the Low Density Residential (LDR), Medium Density Residential (MDR), and High Density Residential (HDR) zones. Parcels that are not currently zoned HDR will be rezoned to HDR. These parcels are largely underutilized lots with smaller building footprints (<30% lot coverage). It is

IV. Housing Sites and Resources

possible the existing uses could be maintained with the redevelopment of the parcel. The existing uses are not anticipated to act as an impediment to redevelopment of the parcels.

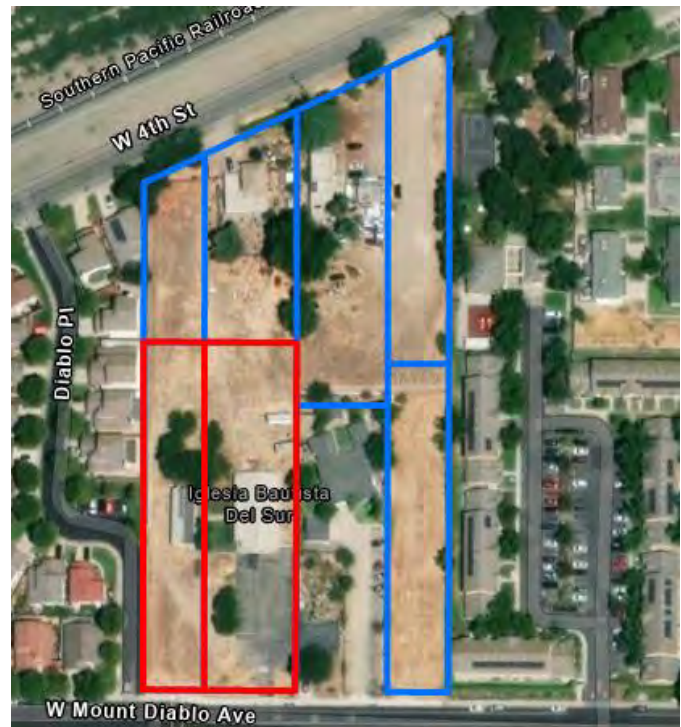
There are three sites with existing uses by a church or school in the RHNA. These sites provide capacity for 155 net new lower-income units.

<u>Residential Sites</u>	<u>Description</u>	
<u>Address</u>	<u>489 West Mount Diablo Avenue</u>	<u>491 West Mount Diablo Avenue</u>
<u>APNs</u>	<u>23542008</u>	<u>23542006</u>
<u>Size (Acres)</u>	<u>0.85</u>	<u>0.57</u>
<u>Existing Zoning</u>	<u>MDR</u>	<u>MDR</u>
<u>General Plan Designation</u>	<u>Residential Medium</u>	<u>Residential Medium</u>
<u>Current Use</u>	<u>Religious facility</u>	<u>Religious facility</u>
<u>Land Improvement Ratio</u>	<u>2.0</u>	<u>2.0</u>
<u>Year Built Prior To</u>	<u>1967</u>	<u>Manufactured home</u>
<u>Building Coverage</u>	<u>11%</u>	<u>6%</u>
<u>Income Category</u>	<u>Lower</u>	<u>Lower</u>
<u>Total Units</u>	<u>25</u>	<u>17</u>
<u>Non-Vacant Site Characteristics</u>	<u>A, B, D, E</u>	<u>A, B, D, E</u>
<u>Within 1 mile of:</u>		
<u>Daycare</u>	<u>Yes</u>	<u>Yes</u>
<u>Grocery</u>	<u>Yes</u>	<u>Yes</u>
<u>School</u>	<u>Yes</u>	<u>Yes</u>

489 and 491 West Mount Diablo Avenue

The parcels at 489 and 491 West Mount Diablo Avenue are adjacent to one another, and to several other vacant and non-vacant sites, which create the opportunity for a larger, consolidated development. These sites are near a grocery store, a daycare, and several schools, which provide necessary resources for residents. Each parcel has a single-story, church-owned structure which both occupy less than ~~10~~12 percent of the lot area. The majority of each parcels is underutilized land. The buildings were built between ~~1993~~1967 and 2005 and have had no apparent significant improvements to the structure since construction.

The parcels are 0.85 and 0.57 acres, respectively; there is a combined 4 acres among the seven adjacent selected parcels. The realistic capacity for these sites before rezoning would be 16 and 11 moderate-



IV. Housing Sites and Resources

income units respectively, but after rezoning from MDR to HDR, the realistic capacity is 42 net new lower-income units.



Merrill F West High School

This 3.8-acre site is a non-contiguous parcel currently partially occupied by Merrill F West High School. The southeastern portion of the parcel (shown in the image) is located across the street from the high school and is functionally vacant, however the APN is the same as the high school. As described in the Error! Reference source not found. section, Program 10 will facilitate the development and subdivision of large lots and vacant portions of non-vacant parcels as is the case for this site.



No ~~piece~~ portion of the parcel currently occupied by the school is included in the RHNA calculations, only the non-contiguous, vacant piece of the parcel is included in calculations for the RHNA. This vacant piece of land on the south side of West Lowell Ave is currently owned by the Tracy Unified School District. This vacant 3.8-acre portion of the parcel is underutilized and is located adjacent to existing single family residential as well as a bus stop at the intersection of West Lowell Ave and Lincoln Blvd, making this site optimal for further residential development. The realistic capacity for the site before rezoning would be 19 above moderate-income units, but after rezoning from LDR to HDR, the realistic capacity is 94 net new lower-income units.



Commercial/Office/Retail

The majority of the designated All opportunity sites that have existing commercial development are in the Central Business District (CBD) or General Highway Commercial (GHC) zones (2 sites in both the CBD and GHC zones), which also currently allow residential development. The CBD zone allows development with a minimum density of 15 du/acre and a maximum density of 50 du/acre. The GHC zone currently allows residential development at 12–25 du/acre, but it is being upzoned to allow development between 20 and 35 du/acre. The existing uses are not anticipated to act as an impediment to redevelopment of the parcels.

For the commercial and office non-vacant sites, the land-improvement ratio (LIR) was used to determine the underutilization of a site. The comparison of assessed values for land and improvements (land-improvement ratios) is a reliable indicator of whether and to what extent sites are utilized. Typically, a newly improved site will have a ratio of well under 0.2, or where the improvements are valued at five times the value of the land. All of the commercial and office sites included have a LIR greater than one, meaning that the land is worth more than the improvements (existing buildings/structures) on the site.

The one exception to this is a medical office site located at 2185 W Grant Line Rd, which has a LIR of 0.47. However, anticipated development is only being included on the vacant portion of this site. While the site totals 9 acres only 2.9 acres is included in the RHNA sites inventory. This portion of the site is vacant, dirt land with no existing structure of use. It is adjacent to multiple vacant, RHNA opportunity sites that are also being upzoned. There is a total of five four sites with existing commercial uses included in the RHNA. These sites provide capacity for 217 71 new lower-income units.

<u>Residential Sites</u>	<u>Description</u>			
<u>Address</u>	<u>2640 West Byron Road</u>	<u>2520 West Byron Road</u>	<u>104 West 11th Street</u>	<u>306 West 6th Street</u>
<u>APNs</u>	<u>23805014</u>	<u>23805019</u>	<u>23505307</u>	<u>23506311</u>
<u>Size (Acres)</u>	<u>1.10</u>	<u>1.73</u>	<u>0.44</u>	<u>0.48</u>
<u>Existing Zoning</u>	<u>GHC</u>	<u>GHC</u>	<u>CBD</u>	<u>CBD</u>
<u>General Plan Designation</u>	<u>Commercial</u>	<u>Commercial</u>	<u>Downtown</u>	<u>Downtown</u>
<u>Current Use</u>	<u>Liquor Store/Single-family residential</u>	<u>Automobile services/shop</u>	<u>Vacant commercial building</u>	<u>Dilapidated warehouse building</u>
<u>Land Improvement Ratio</u>	<u>1.50</u>	<u>1.74</u>	<u>1.16</u>	<u>1.58</u>
<u>Year Built Prior To</u>	<u>1982</u>	<u>1957</u>	<u>1940</u>	<u>1957</u>
<u>Building Coverage</u>	<u>12%</u>	<u>9%</u>	<u>48%</u>	<u>11%</u>
<u>Income Category</u>	<u>Lower</u>	<u>Lower</u>	<u>Lower</u>	<u>Lower</u>
<u>Total Units</u>	<u>18</u>	<u>30</u>	<u>11</u>	<u>12</u>
<u>Non-Vacant Site Characteristics</u>	<u>A, B, C, D, E</u>	<u>B, C, D, E</u>	<u>A, B, C, E</u>	<u>A, B, C, D, E</u>
<u>Within 1 mile of:</u>				
<u>Daycare</u>	<u>No</u>	<u>No</u>	<u>Yes</u>	<u>Yes</u>
<u>Grocery</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>
<u>School</u>	<u>No</u>	<u>No</u>	<u>Yes</u>	<u>Yes</u>

IV. Housing Sites and Resources

West Byron Road Corridor

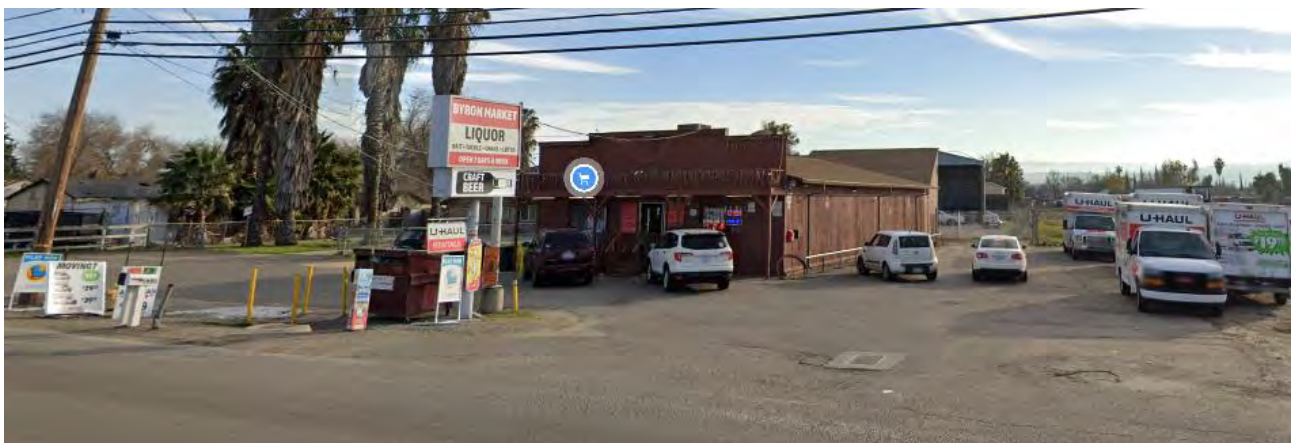
The parcels at 2640 and 2520 West Byron Road are adjacent to several RHNA opportunity sites, which provides for a larger lower-income multifamily community. The sites are located along a major thoroughfare and are within one mile of local amenities including a grocery store, a bank, a school, and several restaurants, which provide necessary resources for residents. Additionally, these sites are surrounded by single family residential.



Their combined acreage is 1.82.8 acres. The combined realistic capacity after the proposed rezoning from GHC to HDR is 48 new lower-income units.

2640 West Byron Road

This 1.1-acre site is occupied with a structure that was built prior to 1982 and is currently a market, liquor store, and U-Haul pick up location. Since 2007 the building has had three different tenants. A large percent of the lot is used as parking, sheds, or laydown areas and is underutilized land. It is adjacent to an existing residential community, making this site optimal for further residential development. The land-improvement ratio is 1.5. The realistic capacity for this site is 18 new lower-income units.



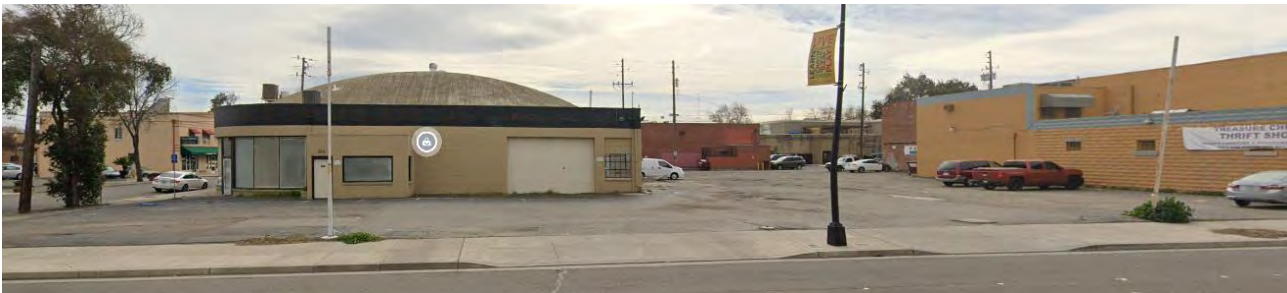
2520 West Byron Road

This 1.7-acre site is occupied with a structure that was built prior to 1957 and is currently an automotive recycle center. Over 90 percent of the lot is used as staging areas for cars and car parts and is underutilized land. It is adjacent to an existing residential community, making this site optimal for further residential development. The land-improvement ratio is 1.7. The realistic capacity for this site is 30 new lower-income units.



104 West 11th Street

The ~~three~~-two consolidated parcels at this address currently total 0.690.62 acres. The non-vacant parcel is currently partially occupied by a structure that was built prior to 1957 and is currently vacant. About half of the lot is a parking lot or for vehicle access and is underutilized. It is near an existing residential community, making this site optimal for further residential development. The land-improvement ratio is 1.611.58. The realistic capacity for these combined parcels is 19-12 net new lower-income units.



IV. Housing Sites and Resources

306 West Sixth Street

The three consolidated parcels at this address currently total 1.3-acres. The non-vacant parcel is currently partially occupied with a structure that was built prior to 1982 and is currently dilapidated and vacant. Over 90 percent of the lot is paved and deemed under-utilized land. It is adjacent to an existing residential community, making this site optimal for further residential development. The land-improvement ratio is [1,581.16](#). The realistic capacity for this site is [12](#) [11](#) new lower-income units.



G. Financial Resources

The Housing Element serves, in part, to identify what actions can be taken to support the production of housing. Through collaboration with City staff, service providers, and the community, the City's Housing Element identifies financial resources that support housing production.

1. Administrative Resources

The City of Tracy's Development Services Department is responsible for implementing City policies that direct the physical development and community character of the City. This includes reviewing land use proposals and implementation of City development policies, including the General Plan. The Building Safety Division processes and issues building permits, conducts plan reviews, and conducts building inspections. The City Police Department resolves land use-related violations through the Code Enforcement Division.

2. Countywide Programs

Housing Authority of the County of San Joaquin

The Housing Authority of the County of San Joaquin (HACSJ) is the agency responsible for providing decent, safe, and affordable housing for low-income, elderly, and disabled individuals and families. The HACSJ manages the Housing Choice Voucher (HCV) program, providing rent

subsidies in the form of housing assistance payments to private landlords on behalf of eligible families. The HCV program provides housing assistance to extremely low- and very low-income families, senior citizens, and disabled persons. Its objective is to provide affordable, decent, and safe housing for eligible families, while increasing residential mobility and choice.

Housing Choice Voucher

The Housing Choice Voucher (HCV) program is the federal government's major program for assisting very low-income families, elderly, and disabled households to afford decent, safe, and sanitary housing in the private market. A housing subsidy is paid to the landlord directly by the HACSJ on behalf of the participating household. The household then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program. This is generally 30 percent of their adjusted income. Households who participate in the HCV program are selected from the HACSJ's waitlist.

3. Statewide Resources

There are a variety of statewide programs and resources available. The City receives regular notification regarding state and federal funding and grant opportunities. Additionally, the City pursues grants on a programmatic and project basis for active programs and projects.

Senate Bill (SB) 2 Grant

In 2017, a 15-bill housing package was signed into law aimed to address the state's housing issues; the package included the Building Homes and Jobs Act. This established a \$75 recording fee on real estate documents to increase the supply of affordable homes in California.

This funding was designed to help cities and counties accomplish the following:

- Accelerate housing production;
- Streamline the approval of housing development affordable to owner and renter households at all income levels;
- Facilitate housing affordability, particularly for lower- and moderate-income households;
- Promote development consistent with the State Planning Priorities (Government Code Section 65041.1); and
- Ensure geographic equity in the distribution and expenditure of the funds.

Local Early Action Planning Grant

The Local Early Action Planning (LEAP) grant provides one-time grant funding to cities and counties to update their planning documents and implement process improvements that will facilitate the acceleration of housing production and help local governments prepare for their 6th Cycle RHNA, much like the SB 2 planning grants.

The 2019-20 Budget Act provides a spectrum of support, incentives, resources, and accountability to meet California's housing goals. Some specific elements include:

- Local and regional planning grants (LEAP and REAP)
- Pro-housing preference points on competitive funding applications
- Additional funding resources
- Accountability (penalties for noncompliant housing plans)
- Reform (collaborative processes to reform regional housing needs)

IV. Housing Sites and Resources

4. Department of Housing and Urban Development Grants

HOME Investment Partnership Act (HOME)

HOME, like CDBG, is a formula-based block grant program. HOME funds must be spent only on housing, and are intended to provide incentives for the acquisition, construction, and rehabilitation of affordable rental and home ownership. HOME requires local governments to provide matching funds, though the matching ratio depends on the specific uses to which HOME funds are to be put. The federal-to-local matching ratio for tenant assistance is currently four-to-one, while the match for rental construction is two-to-one. The City participates in the HOME program through San Joaquin County and received an estimated \$180,173 in fiscal year 2023-2024.

Community Development Block Grant (CDBG) Funds

CDBG is the largest federal housing-related program for affordable housing. It is a "pass-through" program that allows local governments to use federal funds to alleviate poverty and blight. HUD makes allocations based on a formula that takes population, poverty, and housing distress into account. CDBG funds are used for a variety of housing efforts including activities aimed at reducing costs for private development (helping fund site acquisition, improvement, and other soft costs); housing acquisition and rehabilitation through short- and long-term loans, grants or loan guarantees; direct payment of rent or mortgage and housing counseling services; and fair housing activities. Tracy receives CDBG funds through the San Joaquin Urban County program. The City uses 15 percent of its CDBG funds for public services with the remainder of the allocation going toward public facilities. Tracy received an estimated \$495,584 in CDBG funding in the 2023-2024 fiscal year.

H. Energy Conservation

Energy Conservation State law (Government Code Section 65583(a)(7)) requires a Housing Element to provide an analysis of opportunities for energy conservation in residential development. Not only do such energy conservation measures reduce consumption of non-renewable or limited resources, but they can also substantially lower housing maintenance costs.

Pacific Gas and Electric (PG&E) provides electrical and gas service for the City. PG&E also provides several programs, incentives, and rebates for qualified renters and homeowners to save energy and money.

As of January 1, 2020, the State of California began requiring solar on newly constructed low-rise residential buildings including single-family homes, duplexes, townhouses of three stories or less, and ADUs, through the 2019 California Building Standards Energy Code (Title 24, Part 6). The City has adopted the 2022 California Building Code, including the 2022 California Green Building Standards Code (Title 24, Part 11), which intends to improve public health, safety, and general welfare by enhancing the design and construction of buildings through the use of building concepts having a reduced negative impact or positive environmental impact and encouraging sustainable construction practice in planning, energy efficiency, water efficiency and conservation, material conservation and resource efficiency, and environmental quality.

The City has a number of local efforts to encourage energy conservation through its Water Conservation and Efficiency Rebates and Incentives. These are programs for qualifying single-family, multifamily, commercial, and industrial properties. Programs include an Ultra Low-Flush Toilet Rebate Program, a Smart Irrigation Controller Replacement Program, a Lawn and Turf Removal and Replacement Program, and a Water Use Survey Program.

IV. Housing Sites and Resources

Additionally, the City adopted a Sustainability Action Plan in 2011 to achieve sustainability in the sectors of greenhouse gas emissions, energy, transportation and land use, solid waste, water, agriculture and open space, biological resources, air quality, public health, and economic development.

The San Joaquin County Human Services Agency, through its Home Energy Assistance Programs, operates a weatherization program. The weatherization program can assist income-qualifying renters or owners by installing energy-saving measures and through repairs to homes, multiunit dwellings, and mobile homes. Weatherization efforts include repair or replacement of a refrigerator, stove, water heater, or microwave, insulation, minor home repair, LED light bulbs, smoke and carbon monoxide detectors, shade screens, and weather-stripping.

Table of Contents

V.	Housing Plan	V-1
A.	Conservation of the Existing Supply of Housing	V-1
B.	Assist in the Development of Affordable Housing	V-3
C.	Provide Adequate Housing Sites	V-6
D.	Remove Governmental Constraints	V-12
E.	Provide Equal Housing Opportunities	V-16
F.	Summary of Quantified Objectives	V-20

List of Tables

Table V-1: Opportunity Sites Rezoned to HDR	V-8
Table V-2: Opportunity Sites Rezoned to MU-1	V-8
Table V-3: Summary of Quantified Objectives	V-20

V. Housing Plan

The City of Tracy’s long-term housing goal is to provide housing that fulfills the diverse needs of the community. In the short term, this will be accomplished with the objectives, policies, and programs set forth in this Housing Plan. The goals, policies, and programs in the Plan build upon the identified housing needs in the community, constraints confronting the City, and resources available to address the housing needs, and will guide City housing policy through the 2023-2031 planning period.

Goals are statements of community desires which are broad in both purpose and aim but are designed specifically to establish direction. Policies provide specific standards and/or end states for achieving a goal. Essentially, goals represent desired outcomes the City seeks to achieve through the implementation of policies. Further articulation of how the City will achieve the stated goals is found in the programs. Programs identify specific actions the City will undertake toward putting each goal and policy into action. Quantified objectives identified in particular programs are estimates of assistance the City will be able to offer, subject to available financial and administrative resources.

To make adequate provision for the housing needs of all economic segments of the community, the programs in the Housing Plan aim to:

- Conserve and improve the condition of the existing affordable housing stock;
- Assist in the development of housing for low- and moderate-income households;
- Identify adequate sites to encourage the development of a variety of types of housing for all income levels;
- Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing; and
- Promote housing opportunities for all persons.

[Table V-3](#) [Table V-3](#) [Table V-3](#) [Table V-3](#) at the end of this section summarizes the quantified objectives of the various housing programs for the period of December 31, 2023 through December 31, 2031.

A. Conservation of the Existing Supply of Housing

Conserving and improving the housing stock is an important goal for the City of Tracy. The City supports neighborhood preservation and improvement through code enforcement.

Goal 1.0 **Conserve and improve the condition of the existing housing stock, especially affordable housing.**

Policy 1.1 Promote the continued maintenance and enhancement of residential units.

Policy 1.2 Work to preserve affordable units in publicly assisted housing developments that are at risk of converting to market-rate housing.

Policy 1.3 Facilitate the removal of existing housing that poses serious health and safety hazards to residents and adjacent structures.

Policy 1.4 Work with property owners and nonprofit housing providers to preserve existing housing for low and moderate income households.

Policy 1.5 Promote energy conservation in housing.

V. Housing Plan

Program 1: Housing Rehabilitation

The San Joaquin County Home Rehabilitation Program assists property owners in making residential building improvements. It offers low interest (two percent) amortized and deferred payment loans. The program is designed to make needed renovations affordable for low income homeowners (up to 80 percent AMI). San Joaquin County will make rehabilitation loans that, combined with the existing mortgage, do not exceed 110% of the value of the property.

Objectives and Timeframe:

- Assist 15 lower income households in Tracy with the rehabilitation of their homes during the planning period.

Responsible Agency: San Joaquin County Neighborhood Preservation

Funding Sources: Urban County CDBG

Program 2: Code Enforcement

The Code Enforcement Division handles the enforcement of the City's zoning regulations and building and housing codes. Complaints received are investigated for possible violations and compliance is handled first by direct person to person visit or by telephone to discuss the violations and obtain voluntary compliance. The Code Enforcement Division also works with other city departments and outside state and county agencies.

Objectives and Timeframe:

- Investigate possible code violations.
- Disseminate information on available housing rehabilitation assistance to address code violations and other housing issues.

Responsible Agency: Tracy Code Enforcement Division

Funding Sources: General Fund

Program 3: Graffiti Abatement Program

The majority of graffiti is done by graffiti vandals known as "taggers." The City of Tracy operates a Graffiti Abatement Program. Residents can report any graffiti around the City on public or private property to the City's Graffiti Hot Line. This hot line is available 24 hours a day and is completely anonymous.

Objectives and Timeframe:

- Continue to operate the Graffiti Hot Line and promote program through City website and social media platforms.

Responsible Agency: Operations and Utilities Department

Funding Sources: General Fund

Program 4: Affordable Housing Monitoring

The City of Tracy has seven publicly assisted housing developments, with a combined total of 659 units that are set aside as affordable for lower income households. Project-based Section 8 contract for the 87-unit Tracy Garden Apartments will expire in July 2028. In 2031, the Low Income Housing

Tax Credits (LIHTC) for the Chesapeake Bay Apartments complex are set to expire, which would impact 138 two-bedroom units and 12 three-bedroom affordable units. Therefore, 237 affordable units in Tracy are considered at-risk of becoming market rate during this 6th Housing Element cycle.

The City will work to preserve the long-term affordability of its affordable housing inventory, including 237 units at risk during this planning cycle.

Objectives and Timeframe:

- Annually monitor status of affordable units by maintaining contact with property owners and updates from HUD’s Multi-Family Housing division.
- If a Notice of Intent is filed to opt out of low income housing use, work with property owners to ensure compliance with noticing requirements (three years, one year, and six months advance notices required). [Education of alternative housing options should be provided to tenants.](#)
- Annually solicit interest and participation of nonprofit housing developers to acquire and preserve housing to be maintained as affordable units.
- Annually pursue funding available from state and federal programs to improve and preserve existing affordable housing.

Responsible Agency: Tracy Economic Development Division

Funding Sources: General Fund

B. Assist in the Development of Affordable Housing

Providing affordable housing is essential for a healthy community. In addition to a diverse mix of housing types, it is necessary to make available housing for residents of all income levels. Seeking funding from varied sources increases the opportunities for development of affordable housing units. The Tracy Development and Engineering Services (DES) Department actively works with both non-profit and for-profit developers in the production of affordable for-sale and rental housing. Recognizing that homeownership plays a significant role in establishing strong neighborhoods and a sense of community pride, the City supports programs that make purchasing a home a realistic option for lower and moderate income households.

- Goal 2.0** Assist in the provision of housing that meets the needs of all economic segments of the community.
- Policy 2.1** Facilitate homeownership opportunities for low and moderate income households.
- Policy 2.2** Use density bonuses and other incentives to facilitate the development of new housing for extremely low, very low, and low income households.
- Policy 2.3** Work with non-profit and for-profit developers to maximize resources available for the provision of housing affordable to lower income households.
- Policy 2.4** Address the housing needs of special populations and extremely low income households through a range of housing options, including emergency shelters, transitional housing, supportive housing, and single-room occupancy units.
- Policy 2.5** Promote the use of energy conservation features in the design of residential development to conserve natural resources and lower energy costs.

V. Housing Plan

Program 5: DAP Loan Program

The Tracy Down Payment Assistance (DAP) Loan Program provides deferred down payment assistance loans, for 20 percent of the sales price up to \$40,000 (whichever is the lesser), to low income, first-time homebuyers for the purchase of a home in Tracy. The loans are intended to bridge the “gap” between the cost of a home and what a low income household can afford. The program is administered by the San Joaquin County Neighborhood Preservation Division.

Objectives and Timeframe:

- Provide down payment assistance to ten qualified lower income households (up to 80 percent AMI) during the Housing Element planning period.
- Disseminate information through City website and social media platforms.

Responsible Agency: San Joaquin County Neighborhood Preservation

Funding Sources: Urban County HOME funds

Program 6: Homebuyer and Financial Literacy Training

Homebuyer and financial literacy education represents a key step to introducing households to the challenges, responsibilities, and benefits of homeownership. These programs also serve as critical components of asset-building, helping families build wealth – savings and equity – rather than living paycheck to paycheck. In particular, homebuyer education programs help first-time buyers evaluate their financial readiness, understand the home buying process, explore different financing options, access homebuyer assistance programs, resolve credit issues, and avoid predatory lending practices. Other asset-building education programs address financial literacy more broadly. Homebuyer and financial literacy programs are best offered in tandem with demand-side initiatives such as a down payment assistance program.

Objectives and Timeframe:

- Require a “Certificate of Completion” from a HUD-approved homebuyer class in order to participate in the DAP Loan Program.
- Partner with qualified local non-profit agencies to offer homebuyer education classes and publicize the availability of these classes to residents [twice during the planning period](#).

Responsible Agency: San Joaquin County Neighborhood Preservation Division; Visionary Home Builders; Neighbor Works; NID-HCA (Housing Counsel Agency)

Funding Sources: Urban County HOME funds

Program 7: Affordable/Workforce Housing

The City will continue to facilitate the development of affordable housing in the community through a number of strategies:

- Density bonus incentives
- GMO exemptions and exceptions for affordable housing units
- Support in funding applications by nonprofits
- Expedited review of affordable housing development

Furthermore, on March 2, 2021, the City Council approved a scope of work for an action plan to address affordable/workforce housing. Completing this action plan will be a priority project for the City upon adoption of the Housing Element. Estimated timelines for this plan are late 2025 and early 2026 in coordination with other Development Code updates. Some of the actions are already included in the rezoning program to accommodate the RHNA under Program 11: Adequate Sites for RHNA. Additional actions to pursue over the 2023-2031 planning period include:

These include:

- Amend Zoning Ordinance to permit high density housing by right in certain commercial zones.
- Update the Zoning Ordinance with the most recent State law changes regarding ADUs (Program 12).
- Rezone two sites, currently zoned Industrial, to accommodate the City’s 5th cycle RHNA (Program 9).
- Increase maximum densities in higher density residential zones (Program 9).
- Remove minimum lot size in favor of floor area ratio and/or units per acre in residential zones.
- Increase minimum density in medium density residential zones (Program 9).
- Allow and encourage duplexes, triplexes, and fourplexes in new single-family home subdivisions.
- Create and apply an overlay zone that allows clusters of tiny homes.
- Amend the City’s parking ordinance to reduce the number of off-street parking spaces required for new multi-family housing development projects (Program 14).
- Develop objective design standards for multi-family development (Program 15).
- Consider inclusionary housing (Program 13).

Objectives and Timeframe:

- Complete the Affordable/Workforce Housing Action Plan by March 2026. As part of the plan, Pursue rezoning and zoning code amendments as outlined in various programs to facilitate affordable and workforce housing.
- Annually during City budgeting process, prioritize actions to pursue to expand housing choices and opportunities.
- Facilitate the development of 500 affordable housing units over eight years, with the goal of prioritizing housing for persons with special needs, including extremely-low income households and farmworkers. Utilize the incentives listed above in this program and work with interested local developers, the County’s Housing Authority, religious and educational facilities and organizations and nonprofits toward the development of the affordable units. At least every other year, beginning in 2026, the City will take the following actions:
 - c. Outreach to property owners of educational and religious facilities;
 - c. Informational materials, including what is allowed under SB4, and

V. Housing Plan

c. Technical assistance with the application process.

- Annually identify potential housing opportunities and provide information about affordable housing opportunities to interested developers via a list of properties that can be updated as needed.

Responsible Agency: Tracy Development Services Department

Funding Sources: General funds

Program 8: Housing Choice Voucher Program

The City of Tracy contracts with the Housing Authority of the County of San Joaquin (HACSJ) to manage the Housing Choice Voucher (HCV) program, which provides rent subsidies in the form of housing assistance payments to private landlords on behalf of eligible families. The HCV program, funded by HUD, provides housing assistance to extremely low and very low income families, senior citizens, and disabled or handicapped persons. Its objective is to provide affordable, decent and safe housing for eligible families, while increasing a family's residential mobility and choice. The Voucher Program also includes programs such as Family Self-Sufficiency and Welfare to Work. These are designed to assist families in becoming economically self-sufficient.

Objectives and Timeframe:

- Disseminate information to the public regarding the HCV program and promote participation by rental property owners.
- By- July 2023the end of 2024, create a Fair Housing Factsheet to be included in the ADU application packet.
- Annually contact the HACSJ to obtain information on the status of the HCV program and other available resources.
- Continue to support HACSJ's petition for increased funding from HUD.
- Continue to work with HACSJ to provide HCVs to Tracy residents, with the goal of increasing HCV use in the City by 20 percent (from 160 recipients) by the end of 2031.
- Continue to work with the HACSJ to assist households through the Family Self-Sufficiency Program.

Responsible Agency: Housing Authority of the County of San Joaquin

Funding Sources: HUD funds

C. Provide Adequate Housing Sites

A key element in meeting the housing needs of all segments of the community is the provision of adequate sites for all types, sizes and prices of housing. Persons and households of different ages, types, incomes, and lifestyles have a variety of housing needs and preferences that evolve over time and in response to changing life circumstances. Providing an adequate supply and diversity of housing accommodates changing housing needs of residents. The Tracy General Plan and Zoning Ordinance, as well as Specific Plans, establish where housing may locate. To provide adequate housing and maximize use of limited land resources, new development should be constructed at appropriate densities that maximize the intended use of the land.

- Goal 3.0** Provide suitable sites for housing development which can accommodate a range of housing by type, size, location, price, and tenure.
- Policy 3.1** Provide for a range of residential densities and products, including low-density single-family uses, moderate-density townhomes, and higher-density apartments, condominiums, and units in mixed-use developments.
- Policy 3.2** Encourage development of residential uses in strategic proximity to employment, recreational facilities, schools, neighborhood commercial areas, and transportation routes.
- Policy 3.3** Encourage compatible residential development in areas with recyclable or underutilized land.
- Policy 3.4** Promote the adaptive reuse of existing commercial/industrial buildings as a conservation measure.
- Policy 3.5** Promote flexible development standards to provide for a variety of housing types.

Program 9: Provision of Adequate Sites and Monitoring of No Net Loss

RHNA Obligations

For the 6th cycle Housing Element, the City has been assigned a Regional Housing Needs Assessment (RHNA) of 8,830 units, including:

- Very Low Income: 2,994 units
- Low Income: 1,879 units
- Moderate Income: 1,175 units
- Above Moderate: 2,782 units

In addition, the City has yet to complete the rezoning of 31.7 acres to meet the shortfall for the 5th Cycle Housing Element RHNA. The 31.7 acres consists of four parcels to be rezoned from Light Industrial to HDR. This means that there is a carryover of 500 lower-income units from the previous cycle. With the 500 unit carryover lower-income units from the 5th Cycle, the City has a RHNA obligation of 9,330 units (5,373 lower-income).

RHNA Shortfall

The City is committed to providing adequate sites at appropriate densities to fully accommodate its RHNA obligations. Specifically, the City already has pending projects that account for ~~3,113~~^{4,274} units (118 very low income, 23 low income, and ~~2,972~~^{4,133} above moderate income units). Projected ADUs also account for 330 units. Overall, the City has a remaining RHNA obligation of 5,610 units (2,777 very low income, 1,757 low income, and 1,076 moderate income units).

Under existing zoning, the City has realistic capacity for ~~1,126~~^{1,016} lower income units and ~~655~~⁷⁵⁴ moderate income units, creating a lower income shortfall of ~~3,747~~^{3,857} units and a moderate-income shortfall of ~~520~~⁴²¹ units.

Sites Strategy

The City’s overall strategy is to accommodate the RHNA shortfall through increasing the permitted densities of existing multi-family zones, rezoning limited single-family and commercial areas to multi-family residential, and creating programs to facilitate increased ADU production in single-family zones, as outlined in Section IV of this Housing Element and summarized below. These

V. Housing Plan

strategies will allow the City to fully meet its housing needs for all income levels during the 6th Cycle Housing Element. Rezoning will meet all requirements pursuant to Government Code Section 65583.2, subdivisions (h) and (i). The following zones are proposed for increased densities:

- MDR – from 5.9-12 du/ac to 5.9-20 du/ac
- MDC – from 5.9-12 du/ac to 5.9-20 du/ac
- HDR – from 12-25 du/ac to 20-35 du/ac
- GHC – from 12-25 du/ac to 20-35 du/ac

~~And a new MU-1 at 20-35 du/acre will be established. The appropriate development standards will be established to ensure that maximum allowable densities can be achieved.~~

Table V-1: Opportunity Sites Rezoned to HDR for Rezoning

Existing Zone	Acres	Very Low		Moderate	
		Units	Low Units	Units	Total Units
LDR	3.84 6	708 4	435 2	-	1131 36
MDC	5.5	98	64	-	162
MDR	40.3 5	700 3	469 471	-	1,169 4, 174
PUD	75.4	1,029	641	575	2,245
NS	3.2	59	37	-	96
I-205 – GC	7.9	146	91	-	237
I-205 – CC	19.6	357	227	-	584
M1	21.9	59	59	534	652
M1-TH	5.0	91	57	-	148
MDR-TH	15.0	276	171	-	447
GHC	1.1	17	12	-	29
<u>M1 (to be rezoned to new MU-1)</u>	<u>40.3</u>	<u>141</u>	<u>141</u>	<u>424</u>	<u>706</u>
Total	<u>198,824</u>	<u>3,060,902</u>	<u>1,871,203</u>	<u>424,533</u>	<u>5,882,616</u>

~~And a~~ The City of Tracy will create a new mixed-use zone (MU-1) with a density of 20-35 du/ac to allow properties to be developed with a mix of commercial retail office and/or residential uses. new MU-1 at 20-35 du/acre will be established. The appropriate development standards will be established to ensure that maximum allowable densities can be achieved. As illustrated in Table V-22, this new zone will allow for 706 residential units, including 141 very low, 141 low and 424 moderate income units.

Table V-2: Opportunity Sites Rezoned to MU-1

Existing Zone	Acres	Very Low Units	Low Units	Moderate Units	Total Units
<u>M1</u>	<u>40.3</u>	<u>141</u>	<u>141</u>	<u>424</u>	<u>706</u>

By-Right Approval

As required by law, the following types of sites are subject to by-right approval without discretionary review if the project includes 20 percent of the units as housing affordable to lower income households:

- Reuse Sites: Vacant sites that were used to meet the City's 4th and 5th cycles RHNA for lower income units;

- Reuse Sites: Nonvacant sites that were used to meet the City’s 5th cycle RHNA for lower income units; and
- Rezone Sites: Sites to be rezoned to meet the 6th cycle RHNA for lower income units.

Monitoring of No Net Loss

To ensure that the City complies with SB 166 (No Net Loss), the City will monitor the consumption of residential and mixed-use acreage to ensure an adequate inventory is available to meet the City’s RHNA obligations. To ensure sufficient residential capacity is maintained to accommodate the RHNA, the City will develop and implement a formal ongoing (project-by-project) evaluation procedure pursuant to Government Code Section 65863. Should an approval of development result in a reduction in capacity below the residential capacity needed to accommodate the remaining need for lower and moderate income households, the City will identify and if necessary, rezone sufficient sites to accommodate the shortfall and ensure “no net loss” in capacity to accommodate the RHNA.

Objectives and Timeframe:

- By ~~July 2025~~~~December 31, 2024~~, establish a formal procedure to monitor no-net-loss of capacity in meeting the City’s RHNA and amend the Zoning Ordinance to provide for by-right approval for projects that include 20 percent of the units for lower income households.
 - By-right approval is available to reuse sites (not requiring rezoning) effective December 31, 2023
 - By-right approval is available to rezone sites effective upon rezoning
- By ~~July 2025~~~~December 31, 2024~~, complete rezoning of the sites identified in the sites inventory for rezoning. Appropriate development standards will be established to ensure maximum allowable densities are achievable.
- Make the inventory of sites available to interested developers after adoption of the Housing Element.
- In 2027, the City will evaluate the progress of pending projects counted toward the RHNA to ensure that development of housing units is occurring as projected. If it is determined after consultation with developers that the projects are not proceeding as planned and would result in a shortfall in RHNA sites, the City will identify alternative sites strategies (including potential rezoning) within six months.

Responsible Agency: Tracy Development Services Department

Funding Sources: Departmental Budget

Program 10: Development of Large Sites

The sites inventory for meeting the RHNA includes ~~101~~ large sites (larger than 10 acres) that are expected to offer affordable housing opportunities for lower income households. The ~~101~~ opportunity sites consist of parcels ranging in size from 11.4 to 104.1 acres. The sites inventory does not utilize the entirety of each large possible, as subdivision is anticipated. Three of the sites (between 11.49 and 14.3 acres) are projected to develop the entire property, ~~while the other eight, larger parcels are only projected to develop a portion of the property during the eight year Housing Element planning period.~~ To facilitate the development of these large sites, the City will:

V. Housing Plan

- Facilitate the development and subdivision of large lots and vacant portions of non-vacant parcels to sizes appropriate for the development of affordable housing units (0.5-10 acres) through master plans or specific plans and will give high priority to processing subdivision maps that include affordable housing units. Facilitate the subdivision of large sites into smaller parcels for development. To facilitate the development of these large sites, the City will include incentives similar to what is already provided to large-scale projects in Tracy.
 - o Provide technical assistance, incentives, and strategies as appropriate to facilitate development of affordable housing, including parceling at appropriate sizes or other site planning tools such as clustered development, allowing flexibility for the transferring of densities within the property.
 - o Provide technical assistance, incentives, and strategies (such as community outreach) during the development phases and when applications come into the City for the identified parcels.
 - o Annually meet with property owners and developers to encourage the development of mixed income housing with a mix of unit sizes, types and prices.
 - o Allow the development in phases within 8 years of the Housing Element planning period.
 - o Offer expedited processing and fee deferrals, reductions, or waivers for affordable units in development on large sites identified in the sites inventory.
- Provide site planning tools such as clustered development, allowing flexibility for the transferring of densities within the property.
- Meet with property owners and developers to encourage the development of mixed income housing with a mix of unit sizes, types, and prices.
- Allow the development in phases within eight years of the Housing Element Planning period.

Objectives and Timeframe:

- Meet with developers/property owners at least semi-annually beginning 2024 to facilitate development of sites.
- By the end of 2025, establish objective development standards for clustered development to facilitate large-site development.

Responsible Agency: Tracy Development Services Department

Funding Sources: Departmental Budget

Program 11: Property Acquisition and Improvement

The City will continue to identify and seek partnerships with organizations and the County in order to acquire, improve, and develop affordable housing.

Objectives and Timeframe:

- Annually identify and seek partnerships with organizations and the County in order to acquire, improve, and develop affordable housing.
- Annually pursue funding available at the state and federal levels for affordable housing development.

- As funding permits, prioritize funding assistance to affordable housing projects that set aside units for seniors, persons with disabilities, and extremely low income households.

Responsible Agencies: Tracy Development Services Department; Economic Development Division; San Joaquin County Neighborhood Preservation Division; and local nonprofits

Funding Sources: CDBG funds and other funding sources, as available

Program 12: Accessory Dwelling Units

The City last updated its ADU ordinance in 2018. Since that time, the law on ADUs has substantially changed. The City will update its ADU ordinance to comply with California Government Code Sections 65852.2 and 65852.22. The City will facilitate the construction of ADUs as an alternative source of affordable housing.

Timeline and Objectives:

- Facilitate construction of 330 ADUs within the planning period.
- ~~Twice during the planning period, Annually~~ monitor permitted ADUs and their affordability as part of the ~~Annual Progress Reports~~. ~~If ADUs are not affordable to lower-income residents, reach out to community groups and advertise the tools being developed below to encourage ADU construction—adjust ADU assumptions made in this Element within a year.~~ ~~By the end of 2027, the number of ADUs are not meeting the projections in this Housing Element, the City will identify additional residential development sites (including rezoning if needed) within six months of the identified ADU shortage.~~
- By ~~July 2025 (the end of 2024)~~, achieve the following:
 - Update the Zoning Code to comply with State requirements for ADUs.
 - Update City website to provide a link to California Housing Finance Agency (CalHFA) ADU Grant Program.
 - Develop an information sheet/brochure on ADUs, including building requirements and the permitting process, which may be given to interested property owners and kept at the Planning/Development Services Department. This information should also be included on the City website.
 - Develop and include a Fair Housing Factsheet, especially on Source of Income protection (i.e., use of public subsidies such as Housing Choice Vouchers for housing payments) in the ADU application packet.
 - Develop incentives to encourage development of ADUs, including financial assistance (from state programs if available) to assist lower income homeowners with construction, pre-approved plans, and dedicated counter time for technical assistance, among others.
 - ~~Modify the building permit tracking system records to document and monitor ADU construction and demolition permits.~~

Responsible Agency: Tracy Development Services Department

V. Housing Plan

Program 13: Inclusionary Housing

Inclusionary programs are established through local ordinances that require market rate residential developers to set aside a certain portion of units in a development for income-restricted affordable housing (both rental and homeownership). In order to make affordable housing more accessible to workforce-income households, the City could consider ways to incorporate voluntary inclusionary housing incentives into the GMO to increase the supply of low, moderate, and/or workforce income units.

The City Council conducted a workshop on workforce and affordable housing on June 4, 2019, during which inclusionary housing was discussed. On March 2, 2021, the City Council approved a scope of work for an action plan that would encourage more affordable/workforce housing, for which the City subsequently received grant funding. The City Council directed City staff to evaluate inclusionary housing on June 1, 2021. The City is working through each item in the action plan toward implementation.

Objectives and Timeframe:

- Explore the potential and set the stage for an inclusionary housing program that includes an extremely low income housing component by the end of 2025.

Responsible Agency: Tracy Development Services Department

Funding Sources: Departmental Budget

D. Remove Governmental Constraints

Pursuant to State law, the City is obligated to address, and where legally possible, remove governmental constraints affecting the maintenance, improvement, and development of housing. Removing constraints on housing development can help address housing needs in the City by expediting construction, and lowering development costs.

Goal 4.0 Mitigate any potential governmental constraints to housing production and affordability.

Policy 4.1 Review and adjust as appropriate residential development standards, regulations, ordinances, and processing procedures that are determined to constrain housing development, particularly housing for lower and moderate income households and for persons with special needs.

Policy 4.2 Allow more than 150 affordable housing units as exceptions under the GMO.

Program 14: Zoning Ordinance

The City will amend the Zoning Code to address the following to facilitate the development of a variety of housing types:

Objectives and Timeframe:

- Complete Zoning Ordinance amendments to address the provision of affordable and special needs housing by July 2025the end of 2024. Specifically:

- Net Densities. Currently, project densities are regulated by net densities in the Zoning Ordinance. However, in order to be consistent with the General Plan, the

Zoning Ordinance will be amended to remove the net density regulations. Densities will be regulated by gross density ranges only.

- **Density Bonus:** The City's Density Bonus must be updated to reflect recent changes to State law, such as AB 1763, which made several changes to density bonus requirements for 100 percent affordable projects, and AB 2345, that further incentivizes the production of affordable housing.
- **Residential Care Facilities:** In accordance with the Lanterman Act, amend the Zoning Ordinance to permit residential care facilities serving six or fewer persons as a single-family residential use and permitted by right in all residential zones. In addition, ~~consistent with City practice,~~ amend the Zoning Ordinance ~~to remove the CUP language and to~~ allow residential care facilities of seven or more persons ~~in all in all zones where residential uses of the same type are permitted. residential zones with a Conditional Use Permit. Objective conditions for approval will be established to ensure certainty in outcomes.~~
- **Farmworker Housing:** The California Employee Housing Act further defines housing for agricultural workers consisting of 36 beds or 12 units be treated as an agricultural use and permitted where agricultural uses are permitted. The City of Tracy permits crop and tree farming in the A, LDR, MDC, MDR, and HDR zones. The City will amend the Zoning Ordinance to address the provision of farmworker housing consistent with the Employee Housing Act.
- **Employee Housing:** The California Employee Housing Act requires that housing for six or fewer employees be treated as a regular residential use. The City will amend the Zoning Ordinance to address the provision of farmworker housing consistent with the Employee Housing Act.
- **Low Barrier Navigation Center:** While the City is working on the Low Barrier Navigation Center on Arbor Avenue, the Zoning Ordinance does not address this type of facility. AB 101 requires cities to allow a Low Barrier Navigation Center development by right in areas zoned for mixed uses and nonresidential zones permitting multifamily uses if it meets specified requirements. The City will amend the Zoning Ordinance to be in compliance with AB 101.
- **Emergency Shelter Parking Standards:** The Zoning Ordinance does not specify any parking requirements for emergency shelters. AB 139 specifies that local governments may impose a parking requirement, but that it shall only be an amount adequate for parking for shelter staff may not exceed the requirements for residential and nonresidential uses in the same zone. The City will amend the Zoning Ordinance to be in compliance with AB 139.
- **Transitional and Supportive Housing:** State law (AB 2634 and SB 2) requires local jurisdictions to allow for transitional and supportive housing subject to the same standards as similar residential uses within the same zone. AB 2162 requires that supportive housing that meets specific criteria to be permitted by right in zones where multi-family and mixed-use developments are permitted. Specific criteria include the size of the project and percentage set aside for target population, and specified amount of floor area for supportive services, among others. For projects locating within 0.5 mile from transit, no minimum parking requirements may be

V. Housing Plan

applied. The City will amend the Zoning Ordinance to be in compliance with these state laws.

- **SROs:** Add specific standards, including parking requirements, for SROs permitted in the MDR and HDR zones and conditionally permitted in the MDC zone.
- **Parking Standards:** Amend the City's parking ordinance to reduce the number of off-street parking spaces required for new multi-family housing development projects, particularly for smaller bedroom types (i.e. studio and one-bedrooms). This reduction should take into account a project's proximity to transit and amenities.
- **Definition of Family:** The City's current definition of "family" is "one or more persons occupying a single dwelling unit, under no more than one written or oral rental agreement." This definition may act as a constraint on housing for persons with disabilities. The City will revisit this definition of family to ensure that it poses no negative impacts for persons with disabilities.
- **SB 35 and SB 330 Processing:** In compliance with State law, the City will establish written procedures for processing SB 35 and SB 330 development applications.
- **Manufactured Housing:** Amend Section 10.08.1080 to show manufactured homes permitted in all zones where single-family homes are permitted.
- **Reasonable Accommodation:** Amend the conditions for approval of a reasonable accommodation to remove the consideration on impacts on surrounding properties. This consideration may be subjective and potentially constrain the development of housing for persons with disabilities. Staff shall also look at review the reasonable accommodation application fee and revise if needed to ensure that it does not impede residents from submitting applications. In addition, the City will consider waiving/reducing fees for lower income applicants.
- **Development Review Permits:** revise the two required findings to remove subjective language and allow for approval certainty.

Responsible Agency: Tracy Development Services Department

Funding Sources: Departmental Budget

Program 15: Objective Design/Development Standards

As part of the City's rezoning efforts to accommodate the RHNA, the City will establish objective design/development standards to facilitate multi-family and mixed use development in the City.

Objectives and Timeframe:

- Adopt objective design/development standards by the end of 2025.

Responsible Agency: Tracy Development Services Department

Funding Sources: Departmental Budget

Program 16: Growth Management Ordinance (GMO)

The City of Tracy adopted the residential Growth Management Ordinance (GMO) and the Guidelines in 1987. The GMO was amended from time to time with significant amendments occurring in 1994, 2000, 2009, 2012, 2013, 2014, and 2015. Under the GMO, builders must obtain a Residential Growth Allotment (RGA) in order to secure a residential building permit. The 2015

amendment account for projects that were identified in the RHNA sites list and projects that would contribute to meeting the City's RHNA obligation for the various income categories, ensured that the RHNA could be entirely accommodated, notwithstanding the numerical limits stated in Measure A of the GMO. The maximum number of building permits issued may be the limit prescribed in the GMO (in general, 600 annual average or 750 per year max) or the number of units identified in the RHNA (by income category), **whichever is higher.** RHNA projects are issued building permits and are effectively exempt from the GMO provisions. Since 2014 no RHNA based housing has been denied building permits to construct.

Other exemptions in the GMO include the following: (1) rehabilitation, remodeling or additions to existing structures; (2) replacement of previously existing dwelling units that had been demolished; (3) construction of "model homes" until they are converted to residential units; (4) development of a project with four or fewer dwelling units; and (5) secondary residential/accessory dwelling units. Residential projects exempt from the GMO are not counted toward the 600 annual average or the 750 annual maximum. The City will continue to monitor the GMO for any potential constraints to the development of housing on an ongoing basis and process amendments, as necessary.

Tracy's GMO meets the exceptions outlined in SB 330. Additionally, the annual limits in the past and in the foreseeable future have not affected (and will not affect) the supply or cost of housing. The RHNA exemption provision will effectively result in a rolling average for each RHNA cycle in that to the extent that the City does not achieve its RHNA in any calendar year for any income category, the number of permits to achieve the RHNA will be available in each succeeding year.

Objectives and Timeframe:

- Annually monitor and evaluate the Growth Management Ordinance for the impacts on the cost, supply and timing of housing including seeking input from residential developers and affordable housing stakeholders in reviewing the effects of the GMO. The review will reflect the RHNA as a minimum and consider impacts on overall housing supply in addition to accommodating the RHNA. Information will be included and evaluated as part of the annual Growth Management Status report, published in the fourth quarter of each calendar year.
 - When evaluations determine that the GMO is negatively impacting the cost, supply and timing of housing, the GMO shall be revised by the fourth quarter of the subsequent year.
- Based on the City Council approved scope of work in March 2021, results of the affordable/workforce action plan will determine the increased number of market-rate Residential Growth Allotments (RGAs) for projects that included a specified percentage of affordable units.

Responsible Agency: Tracy Development Services (DS) Department

Funding Sources: Departmental Budget

Program 17. Water and Wastewater Service

The City's Public Works Department is the provider of water, wastewater, and sanitation services within city limits. The City confirms that adequate water is available through 2045 under normal weather conditions. The 2020 Urban Water Management Plan has several

V. Housing Plan

projects outlined to address future capacity issues during alternative weather conditions. There are sewer services available to meet the RHNA. The City has a Phase 1 Upgrade plan in the 2022 Wastewater Master Plan Update for future wastewater capacity needs. Fees for new residential development include water and wastewater fees to help meet capacity needs from increased population growth.

Objectives and Timeframe

- By December 31, 2025, adopt a policy to grant priority water and wastewater services to housing with affordable housing units (SB 1087).
- Continue to collect water and wastewater fees from new residential developments.
- Carry out the projects outlined in the 2020 Urban Water Management Plan and 2022 Wastewater Master Plan Update.
- Annually conduct outreach and education on water conservation measures through a social media campaign.

Responsible Agency: Tracy Development Services Department, Tracy Public Works Department

Funding Sources: Departmental Budget

E. Provide Equal Housing Opportunities

To meet the housing needs of all segments of the community, the Housing Plan includes a program to promote housing opportunities for all persons consistent with Federal and State fair housing laws. The City works with the Stockton-San Joaquin Community Housing Resource Board, which provides several fair housing and tenant/landlord services.

Goal 5.0 Continue to promote equal housing opportunity in the City's housing market consistent with Federal and State fair housing laws.

Policy 5.1 Comply with federal, state, and local Fair Housing and anti-discrimination laws, and affirmatively further fair housing for all, ensuring equal access to housing regardless of their special circumstances as protected by fair housing laws.

Policy 5.2 Provide fair housing services to Tracy residents and ensure that residents are aware of their rights and responsibilities regarding fair housing.

Policy 5.3 Promote housing mobility by expanding housing choices and increasing housing opportunities in higher resource areas.

Policy 5.4 Protect tenants from discriminatory housing practices and displacement.

Policy 5.5 Promote the integration of affordable and special needs housing projects in existing neighborhoods.

Program 18: Fair Housing

The City actively furthers fair housing in the community. Specifically, the City contracts the San Joaquin Fair Housing Association to promote fair housing and provide fair housing services for its

residents. The City participates in providing an annual direct allocation to the San Joaquin Fair Housing Association through the CDBG program.

Objectives and Timeframe:

- Continue to support the San Joaquin Fair Housing Association, or other qualified fair housing agencies, annually with CDBG funds and refer residents seeking fair housing assistance on an ongoing basis.
- Advertise the services provided by the San Joaquin Fair Housing Association (or other qualified fair housing agencies) on an ongoing basis in City buildings and other public buildings (such as public libraries, community centers, County Housing Authority offices, and post offices, etc.)
- By July 2024, begin promoting housing programs and fair housing services via social media platforms in addition to information on City website and public counters.
- Expand Spanish engagement to target outreach to the Hispanic population (especially in areas with concentration of Hispanic residents, such as Downtown).

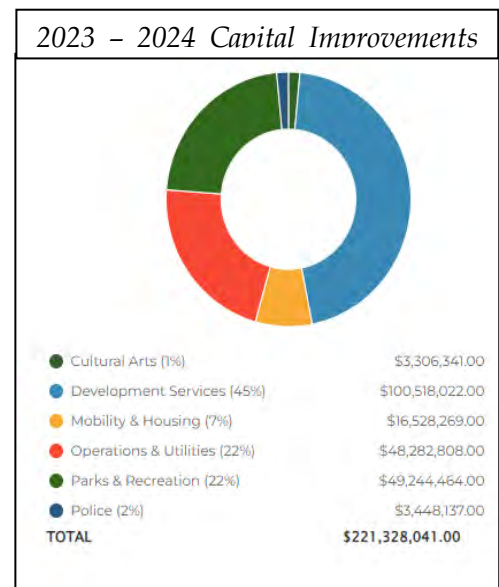
Responsible Agency: Tracy Mobility and Housing Department and San Joaquin Fair Housing Association

Funding Sources: CDBG funds

Program 19: Place-Based Improvements

The City is pursuing a number of investments, long-range planning efforts, and improvements in various geographic areas of the City with greater need, specifically downtown Tracy and central areas of the City. These place-based improvements will help improve quality of life and spur economic investment in areas of the City with greater need.

The City will continue to prioritize the Capital Improvement Program and implement broader planning efforts, such as the Active Transportation Plan, the Parks, Recreation and Trails Master Plan and the Downtown TOD Specific Plan, including seeking additional funding. These plans will serve to continue to improve communities through neighborhood improvements such as enhanced streetscapes, multi-modal and active transportation, pedestrian safety improvements, safe routes to schools, community facilities, park improvements, and other community amenities.



Objectives and Timeframe:

Specific place-based efforts including the following ([Completion of two CIPs in each of the top three prioritized key areas identified in the 10-Year Economic Development Strategic Plan](#)):

- City has multiple projects in its Capital Improvements Plan identified to improve mobility, and active transportation opportunities, and park quality in the downtown and central parts of the City. The 2023-2024 Capital Improvements Plan includes investment

V. Housing Plan

of \$221,382,041 into 104 capital improvement projects. Many of these identified projects are in the downtown and central areas of the City, including:

- **Grand Theater Repair.** Exterior repair for the historic Grand Theater/Center of the Arts building in downtown Tracy.
- **Holly Drive Pedestrian & Bikeway Improvements:** The City is investing 1.83 million dollars to improve pedestrian and bikeway infrastructure in the central area of the City on Holly Drive between 11th Street and Clover Road, including installing a Class 3 bike route, Class 2 bicycle lanes, sidewalk, pavement patching, slurry seal, signage, striping, and pavement markings.
- **Tracy Boulevard Sidewalk.** This project will close the missing sidewalk gap to the ACE Train Station parking lot immediately south of the project area. (\$852,465)
- **Valpico Roadway Improvements - Tracy Blvd to MacArthur Drive.** This project will involve the roadway widening of Valpico Road from Tracy Blvd to MacArthur Drive, with two lanes in each direction, complete with all necessary improvements like curb, gutter, sidewalk, median, irrigation facilities, landscaping, drainage facilities, street lighting, signage and striping. (\$6,053,140)
- **A.R. Glover Park Improvements:** Renovation of the playground, a new picnic area, renovation of the sport court, pathway lighting, ADA barrier removal, landscaping, and site furnishing replacements (\$725,000).
- **Hoyt Park - Per Capita Improvements.** The City of Tracy has the opportunity to rehabilitate existing infrastructure at Hoyt Park through the Proposition 68, Per Capita Program. (\$348,835)
- **Clyde Bland Park BMX Pump Track.** Construction of a new 1/2 acre BMX pump track (bike park) in an existing City park. The project would create a looped asphalt track with a sequence of rollers and berms for bike riders. Associated improvements would include: earthwork, drainage, accessibility, shaded seating as well as related site furnishings, and landscaping. (\$999,416)

- **The City will annually prioritize the capital improvement program to improve mobility, active transportation opportunities and other community services in targeted neighborhoods**

- Ten-Year Economic Development Strategic Plan: In September 2023, the City adopted a Ten-Year Economic Development Strategic Plan to help the City focus implementation efforts on strategic economic development priorities. The strategic plan identified and prioritized eight key areas as opportunity sites. The top priority identified is the downtown area, the second is the west side, and the third is commercial corridors in the center of the City. The downtown area and commercial corridors are lower resource areas, compared to the rest of the City. The strategic plan helps support growth in these areas and makes recommendations to enhance economic resilience, expand market access, encourage investment, improve quality of life, and improve infrastructure in these areas.

- **The City will annually apply for funding to assist with implementation**

- Downtown Transit-Oriented Development (TOD) Plan: The Downtown Transit-Oriented Development (TOD) Plan will identify the community’s vision and establish goals, objectives, and policies for future development in Downtown Tracy. In 2020, the City released the Downtown TOD Study which comprises the first phase of the Downtown TOD Project. The study provides recommendations for planning tools that the City can prepare and adopt to implement the concept, along with possible grant funding sources to help fund the preparation of the planning tools, catalyze development, and pay for infrastructure improvements.

- The City will annually apply for funding to assist with implementation.

The study highlights circulation improvement recommendations for 11th Street, Central Avenue - Downtown, 3rd Street, Central Avenue, and Mt Diablo Avenue to improve the following:

- Decrease crossing distances for pedestrians,
- Improve safety for bicyclists, and
- Increase the visibility of both pedestrians and bicyclists.

Responsible Agency: Tracy Development Services Department

Funding Sources: Capital Improvement Fund; General Fund

Program 20: Housing Resources Education and Bilingual Materials

The City will promote and advertise available housing resources to residents through a variety of media and methods. The City will continue to promote homebuyer assistance programs available through the City, County, and State, such as the Tracy Down Payment Assistance Loan Program, the San Joaquin County Home Rehabilitation Program, the Mortgage Credit Certificate (MCC) program and California Housing Finance Agency’s down payment assistance programs.

Objectives and Timeframe: Specific actions shall include:

- The City will provide bilingual (Spanish and English) information on housing resources to at least 200 households annually, through the following methods (utilize a minimum of 4 mediums of outreach):
 - Providing information regarding housing resources on the City website.
 - Pamphlets on the programs available at City Hall and other community locations such as the Senior Center and Library.
 - Advertising housing resources through social media.
 - Presence at a booth at community events at least once per year.
 - Provision of materials in Spanish and English.
- The City will continue to encourage improved community participation and representation in all official city business, events, and communications. The City will make translation service available as needed for meetings, including a standard note on all hearing notices and communications in Spanish indicating that interpretation and translation services are available upon request.
- The City will review demographic changes in the City to determine if translation should be provided for new or additional languages every four years. Translation to additional languages added as determined by demographic analysis.

Responsible Agency: Tracy Development Services Department

V. Housing Plan

Funding Sources: General Fund

Program 21: Displacement Prevention

Providing residents with adequate information on upcoming development projects, new housing opportunities, and available programs and services will help residents deal with displacement risks.

Objectives and Timeframe:

The City will outreach to 100 households or landlords annually to provide information and resources regarding displacement prevention and income protection through the following efforts:

- By Q2 2025, coordinate with a qualified fair housing service provider to conduct a meeting/workshop to inform residents and landlords of sources of income protection and state rent control laws such as AB 1482. This may be done in coordination with the City’s fair housing service provider.
- Coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter’s financial eligibility.
- Pursuant to SB 330, AB 1397, and State Density Bonus law, ensure a no net loss of housing units by income category when existing housing is demolished so that, at a minimum, an equivalent number of replacement units are created at the same level of affordability. The City’s GMO also exempts permits for the replacement of demolished units.
 - Objective: No net loss of affordable housing units

Responsible Agency: Tracy Development Services Department

Funding Sources: General Fund

F. Summary of Quantified Objectives

The following objectives are based on the assumption that funding and partnership opportunities will become available to implement the housing programs detailed above.

Table V-3: Summary of Quantified Objectives

	Extremely		Low	Moderate	Above		Total
	Low	Very Low			Moderate	Moderate	
New Construction	1,622	1,622	2,129	1,175	2,782	9,330	
Rehabilitation	2	3	10	0	0	15	
Conservation	118	119	0	0	0	237	
Assistance							
Down Payment Assistance	0	5	5	0	0	10	
Housing Choice Vouchers	80	80	0	0	0	160	

APPENDIX A: PUBLIC OUTREACH

Appendix A Public Outreach

The City of Tracy solicited community input throughout the Housing Element update planning process in a variety of ways. The main strategies to gather public participation are summarized below. Between March and June 2023, the City conducted its primary Community Outreach and Engagement initiative, incorporating a series of events such as study sessions, virtual community workshops, stakeholder interviews, and a Balancing Act exercise. During this time residents were also encouraged to participate in a survey to provide their input about housing needs. These activities are detailed below.

Outreach Activities

Community members were engaged using the following methods:

- Survey available in hard copy and online in both English and Spanish
- Stakeholder focus group interviews
- Dedicated Webpage on City website
- Email list
- Community workshops
- Joint City Council and Planning Commission study session
- Public hearings

Organizations Contacted and Consulted

Organizations contacted and interviewed included:

- McHenry House Tracy Family Shelter
- Souza Realty and Development
- City of Tracy Homeless Services
- City of Tracy Code Enforcement
- Housing Authority of the County of San Joaquin
- The Surland Companies
- Lennar Homes of California
- Meritage Homes
- Bright Development
- Coalition of Tracy Citizens to Assist Homeless
- San Joaquin County Homeless Initiatives
- Tracy Community Connections Center
- San Joaquin Fair Housing
- BIA of the Greater Valley
- Neighborhood Preservation Division, San Joaquin County
- Tracy Family Resource Center
- Tracy Seniors Association
- Central Valley Low Income Housing Corporation
- HBR Rentals
- Crown Key Realty
- At Home Real Estate
- HERO Real Estate

The City made a comprehensive effort to reach lower- and moderate-income individuals to participate in the Housing Element Update. As noted above, the City developed a multi-lingual

outreach campaign, contacted a variety of local organizations including advocacy groups and the fair housing service provider, local service providers, and community centered organizations.

Housing Element Update Website

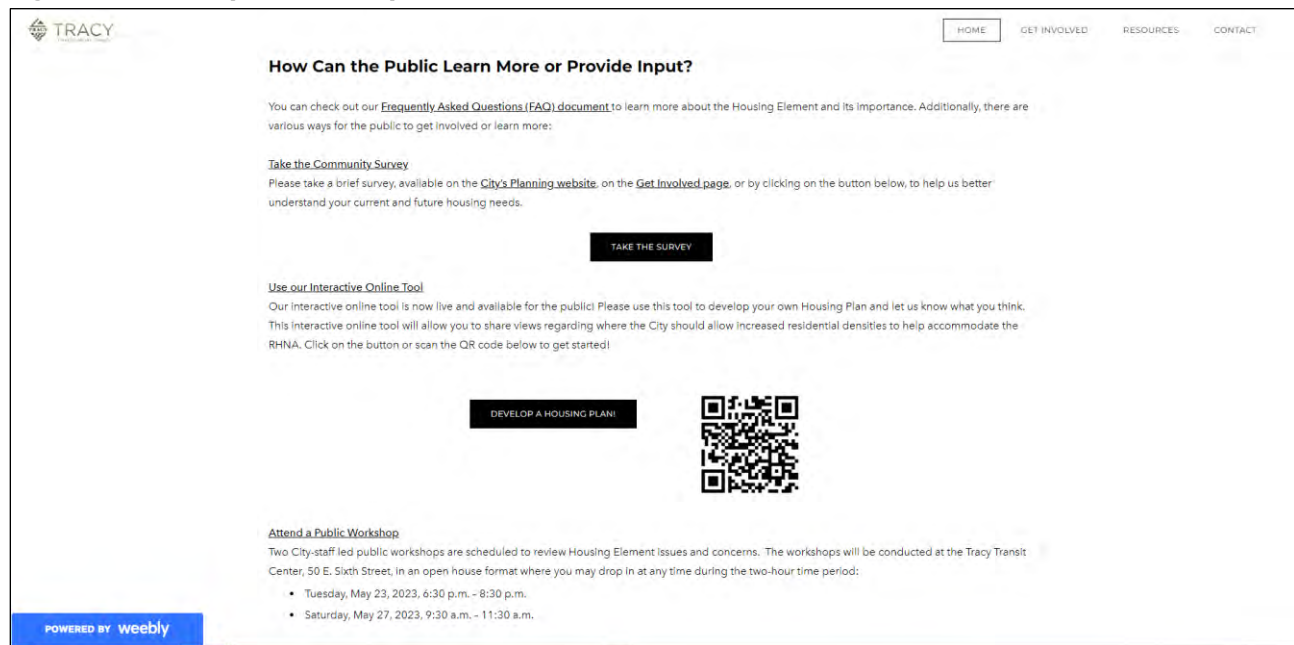
The City created the Housing Element update webpage on the City’s website to provide:

- Background and information on the Housing Element process;
- Link to the Housing Element update survey;
- Documents related to the Housing Element, including the first public review draft;
- Presentation materials and recordings of presentations
- Notification to the public of future events

Figure A-1: Housing Element Update Website



Figure A-2: Survey Link on City Website



Stakeholder Interviews

The City contacted over 30 individuals and groups including service providers nonprofits, and other identified stakeholders to participate in focus group interview about the housing needs and issues in Tracy. Out of the 30 individuals and groups that were contacted, 17 individuals participated in the three focus group held: April 10, 2023 at 12:00 PM; April 17, 2023 at 12:00 PM, and one on April 19, 2023 at 12:00 PM where the group was divided into 2 breakout rooms for discussion. Multiple dates and times were offered for increased flexibility to accommodate various schedules; however, all of the participants requested a 12:00 PM time. The stakeholders who participated discussed a variety of concerns including:

- Residential Growth Allotment (RGA) as a possible constraint to growth and the development review process;
- A lack of affordable housing options and how to incentivize senior and affordable development in the City;
- High development and impact fees;
- Tracy does not have the capacity to support people experiencing homelessness, most of the social services and housing resources are located in Stockton; and
- Need for more education and outreach to inform residents of housing law and what affordable housing is, to shift the perceived stigma.


Detailed responses are provided in the Supplementary Documents section at the end of this chapter.

Balancing Act

The City utilized the Balancing Act online interactive tool to gather input and help inform staff, the Planning Commission, and City Council on decisions regarding the Housing Element. The Balancing Act allows the public to allocate density/housing units to areas of the City that correspond to the opportunity sites identified in the sites inventory, with the goal to allocate housing units and density until the RHNA is reached. The results provide the City with the preferences of the public as well as an educational tool for the public that describes the challenges and choices related to the Housing Element opportunity sites strategy. The tool received 400 total pageviews and 14 completed housing element simulations (https://tracy_housing.abalancingact.com/tracy-heu). The following areas were the top three areas identified by the participants where housing should be allocated and increased.

1. Valpico Rd sites (Areas 8A, 8B, and 8C)
2. The Bowtie sites (Areas 7A, 7B, 7C, and 7D)
3. I-205 Corridor sites (Areas 1A and 1B)

Figure A-3: Balancing Act Page—English

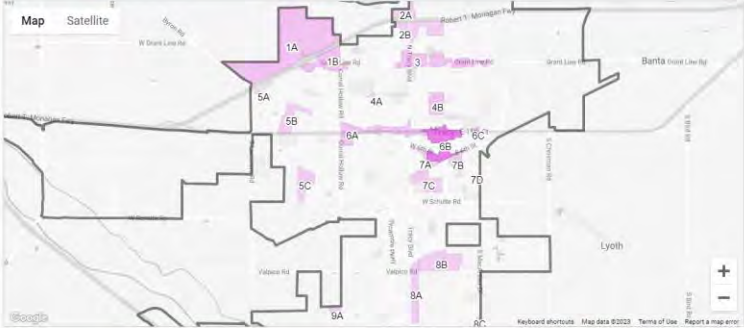


Tracy Housing Element - A Balancing Act

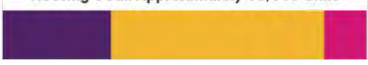
Help

You do not have a housing plan.... yet. Keep trying!


-3,923 housing units



Housing Goal: Approximately 10,000 Units



Housing Plan - Density Allocation



You do not have a housing plan.... yet. Keep trying!

-4,185 housing units

Recent & Pending Projects: 2,974 housing units

Remaining / Unmet RHNA Requirement: 5,856 housing units

20% RHNA Buffer (20% of 5,856): 1,172 housing units

Total: 10,002 housing units

Recent & Pending Housing Projects: 2,974 housing units

- 1 I-205 Corridor:** 561 housing units
- 2 North Tracy Boulevard:** 239 housing units
- 7 The Bowtie:** 207 housing units
- 7A Bowtie West:** 0 housing units
 - Should about 20 acres in this area be rezoned from Industrial to CBD - Central Business District to allow a mix of uses including multifamily housing?
 - No. Leave the area zoned for industrial.
 - Yes, rezone to CBD to allow housing at up to 50 du/acre +530 housing units
 - Yes, rezone to CBD to allow housing at up to 60 du/acre +625 housing units
 - Yes, rezone to CBD to allow housing at up to 70 du/acre +728 housing units
 - Yes, rezone to CBD to allow housing at up to 80 du/acre +832 housing units

Figure A-4: Balancing Act Page—Spanish

Public Workshops

Two City-staff led public workshops were held to review Housing Element issues and concerns. The workshops were conducted at the Tracy Transit Center in an open house format where the public could drop in at any time during the two-hour time period. The Balancing Act was available as an interactive element during the workshops. The workshops were held on the following dates:

- Tuesday, May 23, 2023, 6:30 p.m. – 8:30 p.m.
- Saturday, May 27, 2023, 9:30 a.m. – 11:30 a.m.
- Saturday, June 3, 2023, 11:00 a.m. – 1:00 p.m.

Study Session

The City held a special joint City Council and Planning Commission study session on March 22, 2023. The session included a detailed presentation of the requirements of the 6th cycle Housing Element Update, the RHNA requirements and the preliminary opportunity site selection strategy and results. This included identification of the need to increase densities through zoning amendments and rezones to meet the RHNA. The presentation was followed by a robust question and answer session, including comments and questions from members of the public, Planning Commission and City Council, and city staff. The session served to establish a foundation of understanding of the requirements and challenges facing the City of Tracy. It was recorded and posted on the City housing element update webpage for future reference and to increase knowledge and understanding throughout the update period.

Public Hearings

Comments and requests were received during the joint meeting held before the City Council and Planning Commission on October 24 2023. The letters received are located at the end of this Appendix. The responses in the Housing Element are explained in Chapter 1, Introduction.

Housing Element Survey

Respondents were presented with specific questions based on tenure, alongside general inquiries about housing needs that were applicable to all participants.

The survey received 138 respondents.¹ Respondent characteristics are as follows:

- 59 percent were homeowners and 17 percent were owners;
- 58 percent have lived in Tracy over 10 years;
- 19 percent were seniors (over 65 years old); and
- 16 percent were experiencing housing insecurity in Tracy (i.e. trouble paying rent, poor housing quality)

When asked about their improvement plans within the next five years, interior remodels, exterior remodels, and solar panels were the top three improvement types reported. Homeowners also expressed interest in considering Accessory Dwelling Units (ADUs) for accommodating their parents, relatives, and children, as well as for generating additional income. However, homeowners identified the main obstacles for ADU construction as costs and challenges related to technical design, permitting, and construction processes.

According to renter respondents, their housing options were primarily limited by monthly costs. Despite this limitation, a significant majority (87 percent) of renters reported that their rental units were either well maintained or very well maintained.

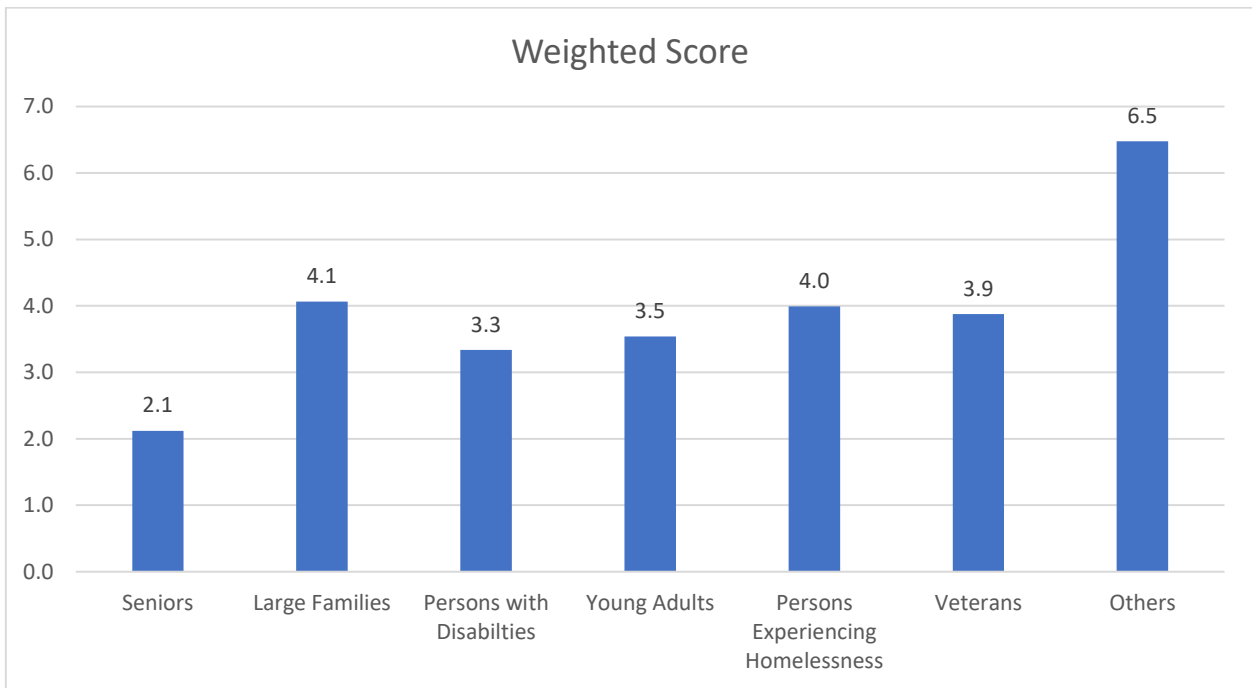
All respondents were asked to whether they “Strongly Agree,” “Somewhat Agree,” “Neither Agree nor Disagree,” “Somewhat Disagree,” or “Strongly Disagree” with statements.

- Over 50 percent of respondents strongly agreed that it is difficult to find affordable rental housing in Tracy;

¹ The Spanish survey only received one response. Responses from the Spanish response were incorporated into the English responses.

- 60 percent strongly agreed that it is difficult to find affordable homes for purchase in the City;
- 45 percent strongly or somewhat agreed that conditions of neighborhoods (streetlights, sidewalks, parks, etc.) were the foremost challenge in the community; and
- 39 percent strongly or somewhat agreed that the condition of existing housing and property maintenance is the foremost challenge facing the community.

Respondents were also asked to rank the groups by order of need of housing. According to their rankings, seniors, persons with disabilities, and veterans were deemed to have the highest need (lowest score). Moreover, the respondents provided written feedback expressing that single-person households, single-parent households, single-income households, and low-income households also face significant housing needs.



Supplementary Documents

Michael Baker

I N T E R N A T I O N A L

We Make a Difference

MEMORANDUM

Date: Tuesday, May 9, 2023

Subject: **Tracy Housing Element Update Focus Group Summary**

Focus Group #1 – April 10, 2023 12:00 PM

Facilitator: Cameron Savoie (Michael Baker Intl.)

Individual	Organization/Affiliation
Virginia Carney	Homeless Services Manager for the City of Tracy
David Eveler	Community Development Manager at Community Partnership for Families of San Joaquin (which serves Tracy)

Virginia- Sits on Continuum of Care (C.O.C.) The city has opportunities to be in conversations with bigger stakeholders like Cal Cities and is encouraging this kind of collaboration. Housing Connector (based out of Seattle Washington) has recently come up as a new partner and has begun discussions with the City on how they can help. It's best to start conversations with affordable housing providers in the region – which is just now beginning. Shared housing, transitional housing (Tracy has a couple – with not ideal conditions like 4 people to a room (Cal Lane).

David – Sees many families struggling with rent in Tracy. Tracy is the gateway to the Bay Area so people purchase there to access higher paying jobs in the Bay Area. Competition for the units have driven up rent and mortgages. This problem is exacerbated by COVID and the current economy. People frequent his organization to pay rent or back rent and meet other financial needs related to housing. His organization deals more with low-income families rather than homeless. Also sees people double and triple up in housing. Also seeing lots of refugees – Brazil last year, Colombia this year mostly but also Afghans, Iraqis, Pakistanis, etc. Three of the four families this year has found housing. Seniors are also part of the population he serves.

What is the number one housing priority the City should try to address in the next 3 years?

- There are currently 48 people in the shelter. People sharing housing vouchers to get housing – it's too expensive. Connect housing services with other social services – job help, mental services.
- Housing support services to address financial assistance, overcrowding, seniors, refugee status and assistance.

Are there any geographic areas of the City with racial, ethnic, or income segregation? Describe the advantages/disadvantages that one area may have compared to another.

- Central core from Clover (along I-205) all the way to Schulte Street. Tracy Blvd. west to MacArthur – predominant Hispanic (immigrant too) and more impoverished areas.

What are some of the housing issues that the community is experiencing?

- Gospel hospital mission. Has beds that people can use as an opportunity.
- Cost of living – rents are sky rocketing. Apartments by Costco around \$2,800 a month. Bay Area cost of living has affected the cost of living in Tracy. From 2009 – to present the City has grown by 6 times the cost (based off what Virginia's family has experienced).
- Same housing issues as the Bay Area counties, permeated into Tracy – people leave the Bay expecting to get relief from the high prices but this has only brought the same problems to Tracy.
- People experiencing homelessness in Tracy want to stay there since lots of them grew up there in the first place. However, there is a lack of services in / close to the city.
- Lots of high-end apartments have been built recently. Biggest industry in Tracy happens to be mostly in labor like warehousing / construction. High-end housing being built is displacing the residents. Higher paying local jobs would help (on one end of the issue).
- There is a large population of baby boomers that cannot afford to live here anymore either. Lots of homeless seniors with high medical bills being pushed out by housing / skilled nursing facilities because the costs are too high. Even the nurses can't afford the rent to an extent.

What factors may be contributing to or compounding these housing issues in the City?

- History of the county/city has made the problem worse. Both have denied affordable housing resources and funding for homeless services with the intention that it would attract people with those needs. But it has only exacerbated the issue. Cities aren't collaboratively working together still – or at least as efficiently as they can be.
- Tracy has begun to address this issue – the fact that Virginia has been appointed to her current position is even evidence that the region is starting to take the issue more seriously.

Are you aware of any program or policies that have been implemented to address some of these issues?

How are they working/how did they work? Would you suggest any changes to them?

- Tracy Homeless Advisory Committee - established by City Council Resolution 2021-033 on March 16, 2021. This is a serious step towards addressing the issue which Virginia is looking forward too. Lots of State and Federal Grants to look into.

How should the City address these issue(s) for the 2023-2031 housing element planning period?

- Needs state funds, land owned or donated to the city for development of supportive housing, and there already is an agreed supportive housing provider to help operate.
- Needs list of developers – Eden Housing potential.

What do you see as the biggest impediments to housing production? (Land, zoning, NIMBY, historic, regulatory process, environmental, infrastructure, etc.)

- Most of social services and housing resources that Tracy needs are located in Stockton which are particularly difficult to get to. Tracy has a new bus line that connects the shelter to other services and there's also a shuttle now too. However, most who struggle with homelessness have a hard time still accessing these services – considering a significant portion of people struggle with behavioral issues.

INTERNATIONAL

- County is now making monthly visits to the shelter to help this population. Tracy is just starting conversation on issues of homelessness and social services. Better late than never, but Tracy is behind the curve due to the history of how local government has dealt with and funded the issue.

What else can be done to produce housing for low- to moderate-income households?

- Federal funding to support refugees who have come to Tracy.
- Needs state funds, land owned or donated to the city for development of supportive housing, and there already is an agreed supportive housing provider to help operate.

Can you identify or recommend any specific sites or geographic areas to build or locate high-density and/or affordable housing? (Vacant, underutilized, commercial, industrial, institutional, etc.)

- Most of the central core is built out. South southwest is hard to build too. North of I-205 has lots of opportunities for building (this is within unincorporated county land). East of town is mostly zoned for warehouse or light industrial uses and some Agriculture. Making this more accessible to development with transit would help.

Takeaways:

- Lack of services and funding (housing and social) to support the homeless population.
- Need for workforce, supportive/transitional, and senior housing.
- Tracy has received an influx of population from the Bay Area which has put a burden on housing stock and cost.

Focus Group #2 – April 17, 2023 12:00 PM

Facilitator: Cameron Savoie (Michael Baker Intl.)

Individual	Organization/Affiliation
John Beckman (JB)	COO of BIA; trade association representing home builders and land developers
Kathy Bergthold (KB)	President of Tracy Seniors Association, 11 years, St Bernard’s Ministry of Caring, board for museum
Robert Brooke-Munoz (RBM)	Director of San Joaquin Fair Housing; serving San Joaquin County for 40; to ensure tenants and landlords know rights and responsibilities
Connie Diestler (CD)	CEO of Coalition of Tracy Citizens, run two men’s homes in City; one more rehab, elderly disabled, VLI men,
Mike Souza (MS)	Owner of Souza Realty and Development; Real Estate development in Tracy; PM of Tracy hills project

What is the number one housing priority the City should try to address in the next 8 years?

- KB: contact with seniors, many seniors cannot afford housing; low-income housing has long waitlist; (housing for individuals on a fixed income);

INTERNATIONAL

- RBM: “handful of calls from Tracy”; biggest complaint seniors who cannot afford housing on a fixed income; people who grew up there having to leave because of influx from people from the Bay Area; waiting lists are long
- JB: w/o government subsidies there is no affordable housing
 - Trying to promote the inclusion of smaller units, ADUs, townhouses, missing middle in existing subdivisions and credits for that on Regional Growth Allocation
 - Restriction of the “Residential Growth Allocation”
- MS: RGA is 750 then down to 600 RGA and same # of building permits
 - Exempting just the very low and low is not enough
 - Not a lot of areas that are within the right demographic region to qualify for tax credits in Tracy;

Are there any geographic areas of the City with racial, ethnic, or income segregation? Describe the advantages/disadvantages that one area may have compared to another.

- CD: All demographics come in through programs; greater need for the disabled; need for one story units
 - Would back and support something like that to remove the RGA; would need to be advertised really well and targeted and understood
- RBM: has served 183 female headed households in
 - Need for support for female-headed households; can lead to overcrowding

What are some of the housing issues that the community is experiencing?

- CD: homelessness is a large problem
- KB: Not enough deed-restricted affordable housing

What do you see as the biggest impediments to housing production? (Land, zoning, NIMBY, historic, regulatory process, environmental, infrastructure, etc.)

- MS: Residential Growth Allotment – adopted by voters in 2000 to restrict vote
 - People have tried to get exemptions; successful exemption was given to age restricted community
 - Community has “spoken loud and clear”, they wanted to keep Tracy as is
- CD: “slow growth” focus for many years in Tracy; has not taken care of the people in the community; Seniors on SSI and retirement and they cannot make it on their own
 - Young people cannot afford to live in Tracy; single-income young people (first time homebuyers or affordable housing for younger people);
- CD: waiting lists are longer than people are saying
 - Waiting lists are even harder for people who may have ADA
 - Emergency shelter that is new even has a waitlist already
- KB: try to cut out the red tape to make it easier to build housing

What else can be done to produce housing for low- to moderate-income households?

- JB: have promoted “affordable by design”; smaller units, lot sizes, missing middles, extra ADUs built in; RGA exemption for missing middle
- CD: need for getting information to people who need it
- KB: need clear, simple information for seniors;

Can you identify or recommend any specific sites or geographic areas to build or locate high-density and/or affordable housing? (Vacant, underutilized, commercial, industrial, institutional, etc.)

- KB: one down on “Valpico”
 - Why does the City allow buildings to stay vacant?

Would you like to share anything else with us today?

- City has made it difficult for businesses to come into the City

Takeaways:

- Regional Growth Allotment is a constraint to growth
 - Need more exemptions; exemptions for smaller units?
- Encouraging senior housing
- Lack of affordable housing stock
 - Lack of deeply affordable housing stock
 - Lack of housing for persons with disabilities

Focus Group #3 – April 19, 2023 12:00 PM (Group A)

Facilitator: Cameron Savoie (Michael Baker Intl.)

Individual	Organization/Affiliation
Mary Mitracos	Grew up here, currently a real estate broker. Manages about 50 units – mostly “lower-end” housing. Former planning commissioner.
Pete Mitracos	Former Planning Commissioner, has worked on General Plan updates including housing elements . Housing elements use to be a bureaucratic hoop to jump through – never had any consequence or oversight.
Dave Konesky	Tracy resident since 1975. Real estate broker and sits on the fair housing board.
Adam Cheshire	Program admin for San Joaquin Co. for homeless services. One of the only working on the homeless plan for the county.
David Butz	Director Forward Planning and Development at Bright development. Works closely with the city – mostly here for education on housing element purpose and process.
Trevor Smith	Former Home builder in San Joaquin Co – mostly in Stockton. Entitled mall development in Tracy. Consults for various home builders now.

INTERNATIONAL

Please describe your interest or involvement in housing issues and priorities for the City. Have you been involved in other City policy discussions (e.g., General Plan)?

- Get more housing built in the City, create affordable options for residents. Get people experiencing homelessness off the street and in more permanent housing / social services.

Please describe your top housing priorities for the City.

- Concerned with the City of Tracy and what they are not doing on housing. Has been waiting for decades regarding work force housing. Tracy has just started to consider inclusionary housing which is way behind the curve compared to other jurisdictions. Priorities are mixed with new Downtown Specific Plan / Housing Element – the two seem to contradict one another (the Downtown Specific Plan is developing mostly market-rate housing).
- Looking around the country to see what people are doing with their malls. There was a lot of work done to get the mall built but may be an opportunity for housing somehow since malls are failing across the US. Manteca has some lessons to be learned on this topic.
- Some developers are looking outside the city limits but still within the sphere of influence to build. Tracy can annex that kind of land to account for RHNA – especially since developers are looking to those areas anyways.
- Other developers are looking at land around the mall to develop.

What is the number one housing priority the City should try to address in the next 8 years?

- TCAC – tax credit application can help with this problem. Work with regional housing authority to issue tax credits and get housing built. Commit to Multi-Family housing that is built this way, on land that has been donated. Mass housing to address low capacity of housing and improve affordability.
- Mall is one of the biggest opportunities for this.
- One of the most effective ways to build housing is to enable the ability for people to build their own housing – through non-profits like habitat that use sweat equity.

Are there any geographic areas of the City with racial, ethnic, or income segregation? Describe the advantages/disadvantages that one area may have compared to another.

- Not racially divided city but economically so. There are fewer primarily English-speaking families in the core of the city however, “the city is relatively safe still”.
- Housing is so constrained that “white people” are living in the old part of the town (more impoverished) – southside Tracy in the areas that are primarily Spanish speaking.
- According to State resources – the city is mostly integrated racially.

What are some of the housing issues that the community is experiencing?

- Homelessness in Tracy or San Joaquin County is getting worse. Some people, mostly the most vulnerable, are finding some connections to permanent housing solutions. However, the vast majority are still not getting the resources they need – especially those experiencing chronic homelessness / those struggling with mental health issues.
- Lots of concerns regarding cost of housing as the biggest issue. Housing capacity and cost are directly related to homelessness. Demand for housing is not being met at all. People who grew

INTERNATIONAL

up here – their children can't afford to stay in the City – sometimes go out of state. The kind of housing that is affordable, isn't feasible to build for developers.

- Long-term residents / families, immigrants, seniors.

What factors may be contributing to or compounding these issues in the City?

- Cost and availability of housing. Lack of direction from local government and political leaders – no policies or funding for housing services.
- Healthy communities have a broad range of housing options or development types to create affordable housing but Tracy and the general region does not have this kind of broad range of housing.

How should the City address these issue(s) for the 2023-2031 housing element planning period?

- What is the point of this housing element if there are no teeth in the plan or consequence for not building to the RHNA. ADU is the only direction from the State that has any kind of affect on housing / affordability in the State. In Tracy – ADU's haven't moved the needle to improve capacity. Standards for this housing type is restrictive and also doesn't create a lot of housing.
 - Illegal ADU's are being built and should be counted somehow.
- Housing first approach to housing. Look to Santa Clara model for this type of approach.

What do you see as the biggest impediments to housing production? (Land, zoning, NIMBY, historic, regulatory process, environmental, infrastructure, etc.)

- Processes – there are illegal ADU housing units being built and in some cases they are experiencing overcrowding there as well. Standards, fees are restrictive and act as impediments.
- NIMBYism part of the problem too.

Can you describe your experience with the City during the entitlement process?

- Very accommodating staff but their hands are tied. City council is limiting the process and has confused the process with Staff. Conflicting direction and communications from the council.

What, if any, constraints and roadblocks did you experience in getting your project permitted? (Inclusionary housing, parking requirements, fees, staff capacity)

- Fees for housing has become a large roadblock.

How and why did you decide to pursue a project in Tracy? (Zoning, price of land, incentives, availability of land)

- Residential building is hard almost impossible in the City mostly because of the council. Process is very subjective and there is no certainty in the process. Residential building is very stressful in the City – so developers look to outside the city but most of the county isn't much better.

Can you identify or recommend any specific sites or geographic areas to build or locate high-density and/or affordable housing? (Vacant, underutilized, commercial, industrial, institutional, etc.)

- Most of the housing being built including a HUD senior housing project is being built downtown next to the grand theatre. Edgewood and the neighborhoods on the peripheries have more capacity for development.

Takeaways:

- Lack of affordable housing stock
 - Lack of deeply affordable housing stock
 - Lack of workforce housing stock
- City Council seen as a constraint during the development process
- Entitlement process can be a constraint
- West Valley Mall seen as an opportunity for the development of housing

Focus Group #3 – April 19, 2023 12:00 PM (Group B)

Facilitator: Shannon Liskö (Michael Baker Intl.)

Individual	Organization/Affiliation
Karen Jordan (KJ)	Prop manager HBR Rentals, realtor, central valley association of realtors, on board of California state residential property managers
Susan Goulding (SG)	Crown and Key realty, broker in downtown, realtor for 20 years, lived in Tracy for 30 years, used to live on edge, now in middle
Chris Stump (CS)	Meritage land company, home builder in northern California, interested in Tracy market
Justin Derby (JD)	Meritage homes, working on a large project in town that includes residential
Nadia Costa (NC)	CEQA and land use entitlement attorney, involved in residential / nonresidential entitlement, represents Meritage homes

Please describe your interest or involvement in housing issues and priorities for the City. Have you been involved in other City policy discussions (e.g., General Plan)?

- KJ – affordable housing
 - Expensive even if below bay area pricing
 - Apartments almost as expensive as single family residences
- NC – affordability
 - Entitlement process is challenging / expensive / time consuming / uncertain
- NC – appropriate assumptions on identification of sites
 - Types of projects that can economically be built
- JD – recognize character of neighborhoods where sites are, no skyscrapers in SFH neighborhoods
- SG – affordability, cannot afford to live where grew up
 - Need apartment conversions, starter homes affordable condominiums for first time buyers
 - Teachers starting salary need housing

INTERNATIONAL

- People living in Modesto
- Suburban commuter community
- People commuting through Tracy – traffic issue
- Work force housing

Are there any geographic areas of the City with racial, ethnic, or income segregation? Describe the advantages/disadvantages that one area may have compared to another.

- KJ - South Tracy - Ellis, hidden lake housing costs are higher
- KJ - North Tracy – older homes, smaller, duplexes
 - Income segregation, not racial
- SG – has to do with age of housing built / size of housing
 - Correlation between income and school scores
- KJ – westside Tracy majority Hispanic
 - Historically more segregated than it is now
- SG – transportation / bus from Tracy Hills does not go all over town
- KJ – newer communities do not have easy access to amenities like walkable schools, grocery stores, transit
- KJ - Sikh temple draws certain populations

What are some of the housing issues that the community is experiencing?

- Empty apartments
- Access to resources
- Knowledge of transit system is limited / unknown
- New apartments on Valpico – 6 apartment buildings built, only 1 renting
- Lacking condo fourplex, duets
- Need housing with space acre of land / suburban feel
- Missing middle housing, support for first time homebuyers, crazy HOA fees, have more missing middle than lower or higher income housing
- First time homebuyers priced out of Tracy
 - More in Tracy Hills / Manteca
- Age of homebuyers are younger, 30 year old, housing for the younger demographic
 - Mixed-use
 - Commercial downstairs
 - Access to entertainment / restaurants
 - Place to live / work / play in same neighborhood

Are you aware of any program or policies that have been implemented to address some of these issues? How are they working/how did they work? Would you suggest any changes to them?

- Dublin implemented and addressed infrastructure concerns
 - Mix of single family, duplex, condos
 - Attract different kinds of families
- River Island – parks, walking trails
 - Tracy doesn't have these amenities

INTERNATIONAL

- If no yards, need places to walk
- Affordable by design in Dublin
 - Beyond deed restriction
 - Just low price point – affordable by design – no deed restriction
- Maintain flexibility so developers can bring in affordable groups in creative ways
- Tracy neighborhood character is single family, pushback from community on skyrises / affordable housing

How should the City address these issue(s) for the 2023-2031 housing element planning period?

- Help facilitate development
 - RGA prevents building permits, moratorium
 - Causes concentration in Ellis, Tracy hills
 - Encourage annexation

Can you describe your experience with the City during the entitlement process?

- Positive – NC
 - City demonstrates commitment and understanding that development is positive for the community
 - RGA manages growth but is a significant impairment
- City values developers, understands that is how infrastructure / parks is paid for
- City has created opportunities to streamline processing / environmental review
 - If consistent with broader planning
 - Ex if environmental review already done for HEU or specific plan as a whole
 - Streamline by removing infrastructure obligations at outset, impact fees – affordable component, innovative housing (single family on small lots) is expensive
 - Differentiate impact fees by build type
- JD – need more staff – bottlenecking
 - Staff, after saying everything is fine, changed minds on how things should look
 - Transparency early on fees / percent affordable
 - Great staff but need more
- Everything needs to comply with what council wants to see

*What, if any, constraints and roadblocks did you experience in getting your project permitted?
(Inclusionary housing, parking requirements, fees, staff capacity)*

- Staff capacity
- Fees
- Guidance on what is wanted

How and why did you decide to pursue a project in Tracy?

- Meritage – first time homebuyer builder
 - There is a lack in Tracy despite good locations in city
 - Opportunities for density more than Tracy hills
 - More opportunities for density, building, volume but in an affordable range

- Tracy has opportunity for building more affordable housing since there is a large market but not a lot available

What else can be done to produce housing for low- to moderate-income households?

- KJ - More support from city to attract developers
 - Have space / land already
 - JD – facilitate zones that will be annexed
 - That is where the land is
 - Carveouts around western boundary of city
- SG - Concern of I-580 commute to Bay Area
 - Gas prices make it worth it to live somewhere more expensive in a smaller home
 - Since Tracy on county line, alameda county not working to serve the Tracy population
- KJ – commute is a deterrent, lack of access to Tracy
 - People moving to Antioch / Brentwood and using BART, Vasco
 - Manteca facilitated flow of traffic

Would you like to share anything else with us today?

- Lots of multigenerational households
 - Need space for caregivers, childcare, parents
 - Need cheaper housing with room for combined families
 - ADUs NOT above garages
 - Ground floor ADUs – none in Tracy on first level
 - Second master on ground floor to encourage aging in place
- Flexibility in avenues to solve problems
- New senior community – interesting to monitor progress
 - Supposed to be like the one in Manteca – but lots of houses with no amenities
 - No yards, no pools, no amenities, no clubhouses

Takeaways:

- Entitlement process is noted as a constraint
- Lack of diverse housing stock to support multigenerational families, workforce, first time homebuyers, and seniors
 - Affordable by design
- RGA is a constraint to growth
- Encourage annexation as a solution

Letters Received During 30 Day Public Review Period (October 5 – November 6, 2023):

Correspondence was received from:

- Meritage Homes
- BIA of the Greater Valley (City Response Included)
- Kaiser Permanente
- Hsiang Tseng
- Kenneth Stahl on behalf of Bright Development
- John Stanek, Integral Development of Tracy Hills



Setting the standard for energy-efficient homes®

Honorable Councilmembers & Commissioners of the City of Tracy,

Meritage Homes and its subsidiary MLC Holdings are very excited about the update of the City of Tracy's Housing Element. With every adopted Housing Element (HE) comes the opportunity for city driven direction on where the community would like to locate housing and what types of housing would be most beneficial. Meritage has been actively participating as a stakeholder in the discussions with the HE consultant. We hope that this process can result in a HE that allows for new families of all income levels to be able to participate in homeownership and become citizens of Tracy.

We believe that the project we have proposed for the Tracy Pavilion Site would be an excellent addition to the City's Housing Element Site Inventory and would help ensure the HE is favorably reviewed by the state Department of Housing and Community Development (HCD). Therefore, Meritage respectfully asks for the project to be included as a part of the Housing Element. Attached to this letter is some information from our land use counsel addressing the project's suitability for the City's Housing Element and how it might help the City meet its Regional Housing Needs Allocation.

Meritage and MLC Holdings have been working to add housing where it makes the most sense, adjacent to existing commercial areas with excellent access to transportation. MLC submitted an application for Tracy Pavilion in June 2022 and has since been working with the city planning staff to design a mixed-use project that will meet the growing housing demand with a large-scale community made up of medium density housing to meet the needs of young families and first-time home buyers. A Site Plan is attached to this letter for your review.

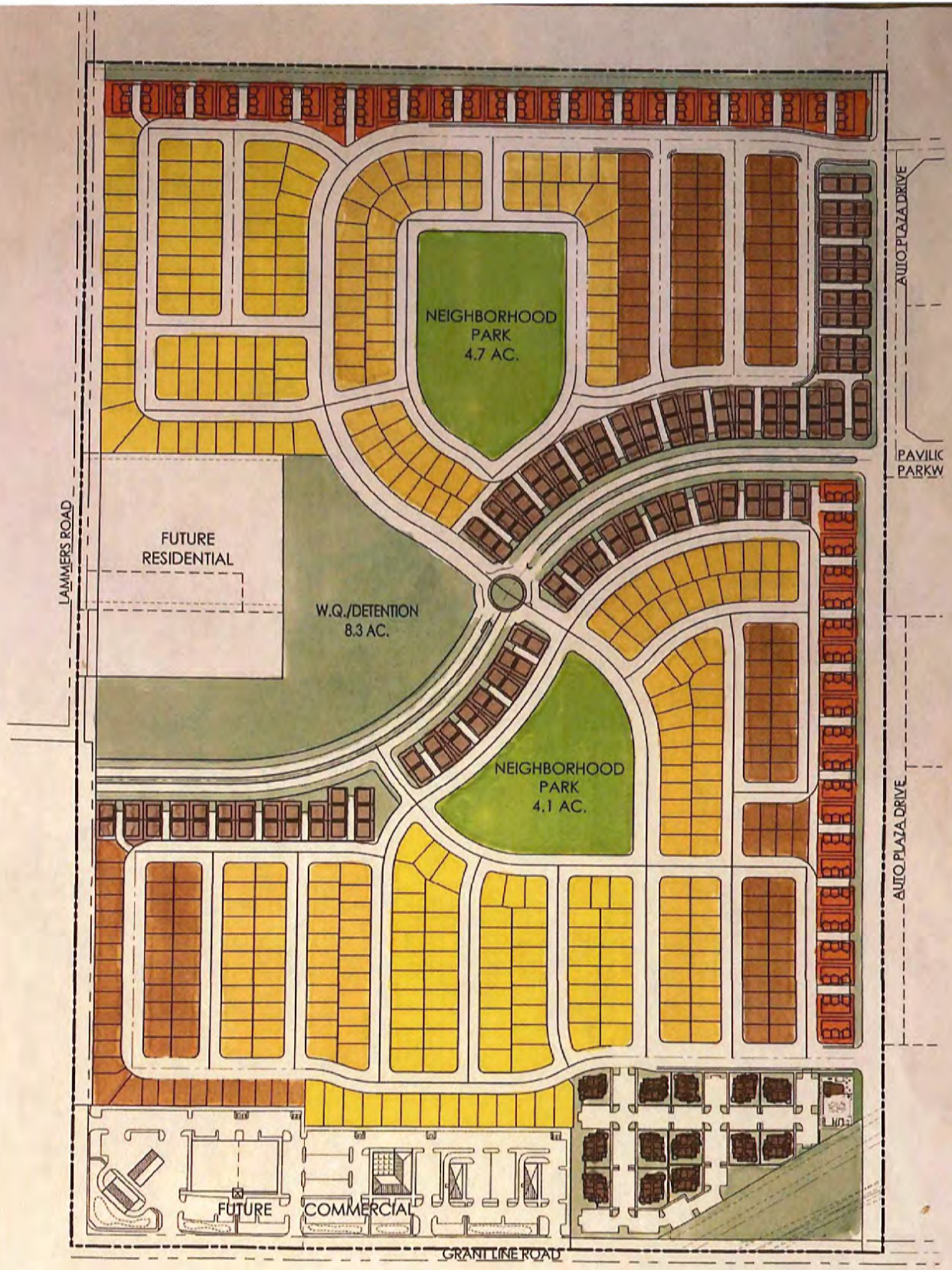
The project has evolved over the past two years and currently includes nearly 1,000 residences ranging from small lot single family homes to townhomes and apartments. The project would have robust parks and walking trails and integrate the housing into the surrounding retail and commercial. Grant Line Avenue would be improved and expanded, opening the door for additional commercial and retail to be incorporated into the community. Furthermore, the density of many of the communities and the apartments would align with the HE goal of providing housing for moderate and low income buyers and renters.

Given that the project has an application well underway to provide housing that would assist the City in meeting its RHNA allocation, we request that the City consider including Tracy Pavilion in its Housing Element Site Inventory. At the very least we ask that the Council and Commission please provide Meritage and staff with some direction regarding the desire to see a project move forward.






Thank you very much for your consideration.

Sincerely,

Justin Derby
Vice President
Meritage Homes



UNIT SUMMARY

	50'X85' LOTS - 147
	45'X80' LOTS - 173
	42'X70' LOTS - 174
	CLUSTER HOMES - 147
	TOWNHOMES - 150
	APARTMENTS - 156
<hr/>	
TOTAL	947



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Kenneth A. Stahl
Direct Dial: 949-688-2980
ken.stahl@mslegal.com

June 23, 2023

VIA E-MAIL

Alan Bell, Senior Planner
City of Tracy
333 Civic Center Plaza
Tracy, California, 95376
E-mail: alan.bell@cityoftracy.org

**Re: Proposed Inclusion of Tracy Pavilion Housing Development Site in City of Tracy
Housing Element Site Inventory**

Dear Mr. Bell:

This letter is written on behalf of MLC Holdings to propose that the City of Tracy consider the Tracy Pavilion site for inclusion in the City's housing inventory as part of its 6th cycle Regional Housing Needs Assessment ("RHNA") housing element update. The site is a 129.7-acre property located in the City's Sphere of Influence, west of the Pavilion Parkway and Power Road intersection, comprised of Assessor's Parcel Numbers 212-040-13, 212-040-16, 212-040-71, and 212-040-74.

As you are aware, under the RHNA law, the City is required to identify sites that can realistically accommodate 8,830 homes over the eight year cycle from 2023-2031, including 2,994 in the very low income category and 1,879 in the low income category. In recent years, state law has become much stricter regarding what sites cities may include in their housing element inventories as "realistic" sites for the development of housing. For example, the state imposes a high bar for including nonvacant sites in the housing element inventory, and for re-using sites from a previous housing element. Gov. Code sections 65583.2(c). In determining what sites are realistic, cities must consider a variety of factors such as typical densities for residential development at a similar affordability level in the jurisdiction, accessibility of utilities, and the cumulative effect of local land use regulations on a site's development capacity. Gov. Code section 65583.2(c)(2). For all of these reasons, cities throughout the state are finding the process of identifying adequate sites to be a challenge. In those areas that have already completed the 6th cycle RHNA process, the state Department of Housing and Community Development ("HCD") has so far found the housing elements of nearly half of all jurisdictions to be inadequate. See HCD Housing Element Compliance Report, available at: <https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-review-and-compliance-report>.

In order to assist the City in meeting its RHNA obligations, we suggest the City include the Tracy Pavilion site in its housing element inventory. The site is a vacant 129.7-acre parcel located within the City's sphere of influence that can accommodate hundreds of new homes. It is surrounded by a variety of uses, including commercial and high density residential. The site has been evaluated in the City's Municipal Service Review, which shows it can be served by the City public services and has been evaluated in the City's storm, water and park master plans. MLC, a developer with a proven track record of developing homes, has already engaged with the City through the submittal of Planning Applications for a tentative map, pre-zoning and annexation request. In addition, MLC and the City have initiated the drafting of a CEQA document for a housing development project at Tracy Pavilion that calls for the development of approximately 1,000 homes. The development would include on-site infrastructural improvements, as well as extensions of the City's existing utility lines. Though the site plan is still tentative and may be updated, it gives a general idea of what the Tracy Pavilion project may ultimately entail via a variety of residential densities.

According to HCD's Site Inventory Guidebook (attached as Exhibit A),¹ cities may include sites outside their territorial borders in the site inventory if the housing element includes a program committing to annex the site within the first three years of the planning period and evaluates the suitability of the site for accommodating a share of the RHNA, including factors such as consistency of annexation with policies of the Local Agency Formation Commission (LAFCO), actions to pre-zone the property prior to annexation, and so forth. (Dept. Of Housing & Community Dev., Housing Element Site Inventory Guidebook at 36 (June 10, 2020)). In this case, the Tracy Pavilion Site is located within the City of Tracy's sphere of influence, and as detailed above, MLC has initiated the entitlement processes to have the site pre-zoned and annexed by the City.

Considering that the site is vacant, in a good location with access to utilities and compatible with surrounding uses, within the City's sphere of influence, and already has a well-developed site plan proposed by a reputable developer, we think it is likely that HCD would consider the Tracy Pavilion site to be a realistic site for accommodating a significant share of Tracy's RHNA allocation, if the City committed to undertaking the annexation of the site in the first three years of the planning period and conducted the evaluation described in the preceding paragraph. Therefore, we request that you consider adding Tracy Pavilion to the housing inventory.

¹ The Guidebook is also available online at: https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf.

Mr. Alan Bell, Senior Planner
June 23, 2023
Page 3

If you have any questions about the contents of this letter or desire additional information, I am happy to discuss the project with you at any time. I can be reached by e-mail at ken.stahl@msrlegal.com, or by phone at (949) 688-2980.

Sincerely,

MILLER STARR REGALIA

Kenneth A. Stahl

Kenneth A. Stahl

KAS/kli



Building Industry Association of the Greater Valley

1701 W. March Ln., Ste. F
Stockton, CA 95207
(209) 235-7831 • (209) 235-7837 fax

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October 24, 2023

Mayor, Council and Planning Commission
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

Mayor Young,

The BIA is taking an unprecedented step tonight in asking you, the City Council and the Planning Commission to reject the proposed Housing Element. We do not take this step lightly. But it has been brought to our attention from multiple builders and developers that the City has become decisively anti-housing.

Without taking any formal action through the Council or the Planning Commission, city staff has taken it upon themselves to slow down residential building to such a degree that the city itself is now a governmental constraint on the production of housing.

The Housing Element requires constraints to be analyzed and the proposed housing element misses the mark in two glaringly large ways.

Section III – Housing Constraints

B – Government Constraints

1. Transparency in Developmental Regulations; To increase transparency and certainty in the development application process as required by law, the City provides a range of information online for ease of access.

In reality the City of Tracy is anything but transparent when it comes to how they implement their development regulations. The following are three examples of how the city has refused to work with the development community and has taken a cavalier attitude towards residential development.

Inspection Improvement Agreements are not being accepted by the city. Although no formal action has been taken there is a de facto ban in place on Inspection Improvement Agreements. This is unnecessarily causing large delays on projects.

The city has delayed or refused to explain why final maps are being held up with no explanation regarding which conditions of approval are at issue.

Projects which were approved upon condition of forming a benefit district are being held up because the city now says they do not do benefit districts. This ad hoc change of policy has occurred with no formal action taken.

Section III – Housing Constraints

B – Government Constraints

8. Local Permits and Processing Times; The processing time needed to obtain development permits and required approvals is commonly cited by the development community as a prime contributor to the high cost of housing. Depending on the magnitude and complexity of the development proposal, the time that elapses from application submittal to project approval may vary considerably. Certainty and consistency in permit processing procedures and reasonable processing times is important to ensure that the development review/approval process does not discourage developers of housing or add excessive costs (including carrying costs on property) that would make the project economically infeasible. The City is committed to maintaining comparatively short processing times. Total processing times vary by project, but most residential projects are approved in three to eight months.

In reality the City of Tracy frequently exceeds the three to eight month time frame by many multitudes. The excessive delays in getting final maps approved is a governmental constraint that has resulted in discouraging developers of housing and adding excessive costs including carrying cost that have made new residential projects in Tracy economically infeasible. The following are actual projects and how long they were delayed, the specific names to each of these projects will be added when this letter is submitted to HDC. City staff is familiar with the dates on these projects. In chronological order:

Project #1

Tentative Map Submittal – 2018

Tentative Map Approval – Nov 10, 2020 (23+ months)

Project #2

Tentative Map Approval – May 15, 2018

Final Map Approval – October 4, 2022 (53 months)

Project #3

Tentative Map Approved – May 8, 2019

Final Map Approved – June 1, 2021 (24+ Months)

Project #4

Tentative Map Submitted – 2019

Final Map Approved – January 17, 2023 (36+ Months)

Project #5

Tentative Map Approved – Nov 10, 2020

Final Map Approved – Oct 19, 2021 (11 Months)

Project #6

Tentative Map Approved – November 10, 2020

Final Map Approved - October 19, 2021 (11 Months)

Project #7

Tentative Map Approved – November 10, 2020

Final Map Approved – January 17, 2023 (26 Months)

Project #8

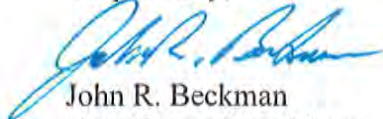
Tentative Map Submittal – January 2021

Tentative Map Approval – March 2022 (14 Months)

Final Map Approved – (Still Processing for 18+ Months)

These excessive delays have caused at least one national home builder to pull out of future land purchasing agreements in Tracy. Until affirmative actions are taken to bring these delays back into industry standard norms the City of Tracy, as it currently operates, is a governmental constraint on home building.

Respectfully,



John R. Beckman
Chief Executive Officer

City Response to BIA Letter

1. BIA Comment: *“In reality the City of Tracy is anything but transparent when it comes to how they implement their development regulations. The following are examples of how the city has refused to work with the development community and has taken a cavalier attitude towards residential development.”*

Response:

This comment does not identify a specific deficiency in the Draft Housing Element, nor particular governmental constraints to housing development within the City. The Housing Element is a land use planning instrument and is not intended to address generalized complaints and dissatisfaction stemming from specific project applicants. The City is unaware of any instance of the City “refusing to work with the development community” or taking “a cavalier attitude toward residential development.” Contrary to BIA’s assertion, the City prides itself on efficiently reviewing and processing development and business friendly, as reflected in the rapid residential growth (and industrial development) experienced by the City since the last Housing Element Update.

2. BIA Comment: *“Inspection Improvement Agreements are not being accepted by the city. Although no formal action has been taken there is a de facto ban in place on Inspection Improvement Agreements. This is unnecessarily causing large delays on projects.”*

Response:

This comment seems to misunderstand legal requirements related to the mapping processes. Inspection Improvement Agreements (IIAs) are neither legally required to be employed by a city as part of the mapping process, nor a practice used elsewhere in the State. As explained below, the City’s decision to stop issuing IIAs brings the City in line with the law as well as other jurisdictions in the State.

State law authorizes ordinary “Improvement Agreements” to complete required public improvements that have not been completed by applicants prior to the approval of final maps. (See Gov. Code § 66462). In compliance with State law, the City routinely affords applicants more time to complete requisite improvements (to the extent permissible under other laws, such as the California Environmental Quality Act (CEQA)) by entering into Subdivision Improvement Agreements or Offsite Improvement Agreements, so as to allow final maps to be timely approved.

Inspection Improvement Agreements (“IIAs”) are a unique instrument that City staff began utilizing in more recent years to allow applicants to proceed with a subset of work contained within a larger plan set that was still under staff review. IIAs are not industry standard or even a reflection of best practices. More importantly, the Tracy Municipal Code, which identifies the legally sound agreements that staff may use (in compliance with State law), neither requires nor *explicitly permits* the use of IIAs as a means of complying with State and local mapping requirements. The City has experienced many issues with IIAs and has, now, discontinued the practice of issuing new IIAs. This decision simply puts the City in better compliance with law and industry practice.

3. BIA Comment: *“The city has delayed or refused to explain why final maps are being held up with no explanation regarding which conditions of approval are at issue.”*

Response:

Under State law, the approval of a final map is a ministerial action of the legislative body, that can be taken only upon the satisfaction of all conditions of approval set forth in a tentative map. As noted above, State law affords an exception to full satisfaction, only where public improvements have not been completed and where a legally sound agreement is being executed concurrently or in advance of map approval. It is the obligation of the applicant, not the City, to meet those conditions of approval. As required by law, it is the City’s policy and practice to clearly state all conditions of approval in a tentative map. Applicants have the burden of satisfying these conditions, and they control the timing of completion, not the City. The City has been unable to approve certain final maps because full satisfaction of requisite conditions has not occurred.

4. BIA Comment: *“Projects which were approved upon condition of forming a benefit district are being held up because the city now says they do not do benefit districts. This ad hoc change of policy has occurred with no formal action taken.”*

Response:

The City understands this comment to refer to a particular example unique to a particular applicant, not a City policy or practice. This comment evidences a fundamental misunderstanding of the legal principles underlying benefit districts. Where an applicant completes a public improvement that creates benefits extending to other property owners beyond the legal nexus of its own project, the City allows such applications to form a benefit district enabling that applicant to obtain prorated reimbursement from such other property owners. However, if an applicant completes a public improvement that is within the City’s Master Plans, then applicants receive fee credits and reimbursement for such improvements pursuant to Tracy Municipal Code. Applicants are not entitled to both a benefit district and a fee credit, nor can applicants decide which they seek as the decision is dictated by the law.

5. BIA Comment: *“In reality the City of Tracy frequently exceeds the three-to-eight-month time frame by many multitudes. The excessive delays in getting final maps approved is a governmental constraint that has resulted in discouraging developers of housing and adding excessive costs including carrying costs that have made new residential projects in Tracy economically infeasible. “The following are actual projects and how long they were delayed, the specific names of each of these projects will be added when this letter is submitted to the HDC [sic]. City staff is familiar with the dates on these projects.”*

Response:

This comment misconstrues a future goal of processing times for particular approvals, for an “industry standard” time for completion of entire projects, irrespective of size and conditions. The three-to-eight month processing time stated in the draft Housing Element is the approximate time for the discretionary actions of “most housing projects,” not subdivision agreements and ministerial actions such as final maps cited in the BIA

comment letter. The Draft expressly states processing times vary by project and that “[a]ll projects are assumed to have proper general plan, zoning, and CEQA clearance.” The approximate time estimates also pertain to types of *approvals*, of which there may be several in a larger project. Projects vary in size, scale, number and type of conditions.

The BIA letter claims eight project examples but does not identify the projects. Instead, the BIA letter states, “...names to each of these projects will be added when this letter is submitted to HDC (sic).” The City has attempted to identify the BIA’s list of projects based on the dates provided in the BIA letter.

It appears that Project #1 is the Tracy Hills Phase 1B Vesting Tentative Map. Following is a summary of key events in the City’s review of that project.

- October 24, 2018 – Developer submitted Tracy Hills Phase 1B Vesting Tentative Subdivision Map application
 - Phase 1B Vesting Tentative Map included approximately 432 single-family lots in Phase 1B area
 - City comments sent to applicant on December 12, 2018. In addition to providing detailed comments on the Vesting Tentative Map, City comments included the point that General Plan Amendment (GPA) and Tracy Hills Specific Plan Amendment (SPA) were required to change land use designations from commercial to residential.
- April 8, 2019 – Developer submitted GPA and SPA applications for Tracy Hills Phase 1B/1C area
- April 17, 2019 – Developer submitted a response to comments and revised Vesting Tentative Map
- May 28, 2019 – Kick-off meeting/phone call with staff/developer/Kimley Horn to discuss starting CEQA review and traffic scope
- August 13, 2019 – Meeting held with staff/developer/Kimley Horn to discuss the findings of traffic analysis
- September 2019 – Developer requested that the applications for Tracy Hills Phase 1B/1C be placed on hold to address traffic analysis and off-site traffic improvement options, and also to re-evaluate the proposed lot and product mix of Ph1B & 1C
- March 5, 2020 – Developer requested that the City resume work on the Tracy Hills Phase 1B applications.
- March 12, 2020 – City comments sent to Developer regarding the proposed GPA, SPA, and Tracy Hills Phase 1B Vesting Tentative Map applications
- August 10, 2020 – Developer submitted revised GPA application materials in response to City comments
- October 1, 2020 and October 2, 2020 – Developer submitted revised SPA application materials in response to City comments
- October 7, 2020 – Developer submitted revised Vesting Tentative Subdivision Map in response to City comments
- October 14, 2020 – Planning Commission conducted a public hearing and recommended approval of the Tracy Hills Phase 1B project (GPA, SPA, and Vesting Tentative Map) to the City Council
- November 10, 2020 – City Council approved the Tracy Hills Phase 1B project (GPA, SPA, and Vesting Tentative Map)

All delays involved in the processing of this application were caused by the following:

1. Developer not submitting the required GPA and SPA applications at the time of submitting application for Vesting Tentative Map
2. Developer needing time to address Engineering findings of the traffic analysis and off-site improvement options
3. Developer placing the application on hold for six months during the time period of September 2019 to March 2020
4. Developer not submitting final versions of the GPA until August 2020 and final versions of the SPA and Vesting Tentative Map until October 2020, which was in response to City comments provided in March 2020

Project Numbers 2 through 7 appear to be ministerial actions such as final maps and subdivision agreements, not discretionary projects subject to public hearings. These types of projects are scheduled for approval as soon as the developer complies with all relevant conditions of approval and other requirements. Timing for these types of actions are dependent upon the developers' responsiveness to City requirements.

Project #8 appears to be the Avenues Vesting Tentative Map. The application was submitted on January 25, 2021. The developer made multiple revisions following their initial application. Each review took the City less than 30 days, except for during the 4th review when we were working on drafting conditions/staff report and responding to an unexpected revision to the map submitted by the applicant, which led to a 5th review cycle and meetings that the applicant requested with the CMO regarding the draft conditions. The project moved along at a pace where each party was very responsive, with the longest time being approximately four months as we waited for the applicant to revise and resubmit in response to our comments on their 2nd submittal. A detailed description of submittal and correspondence dates is attached above.

As noted above, applicants largely control final map approval times, as they must demonstrate satisfaction of all conditions of approval. The list identified in the BIA letter notes time periods between tentative map approval and final map approval, but it does not provide any relevant context such as the scale of such projects, including the number of conditions that needed to be satisfied in each instance by the respective applicants.

6. BIA Comment: *"These excessive delays have caused at least one national home builder to pull out of future land purchasing agreements in Tracy. Until affirmative actions are taken to bring these delays back into industry standard norms the City of Tracy, as it currently operates, is a governmental constraint on home building."*

Response:

The City cannot verify or respond to the allegation that delays in processing times have caused "at least one national home builder to pull out of future land purchasing agreements in Tracy." As we all understand, a myriad of factors ultimately affect the progress of development, including the overall economy, interest rates, and the costs of land and construction.

The comment's reference to "bringing these delays back into industry standard norms" is unfounded. As explained above, the City continues to be pro-development and business friendly, as witnessed by the explosive growth seen in the City in recent years. The

City reaffirms the stated goals in the Housing Element and will ensure that the City's practices remain consistent with both applicable industry standards and the law.



SENT BY ELECTRONIC MAIL

October 30, 2023

Alan Bell, Senior Planner
City of Tracy, Development Services Dept.
333 Civic Center Plaza
Tracy, CA 95376

Alan.Bell@cityoftracy.org

RE: City of Tracy 2023 - 2031 Housing Element Update – Public Comment

Dear Mr. Bell:

Kaiser Permanente thanks the City of Tracy for the opportunity to comment on the 2023 - 2031 Housing Element Update. Kaiser Permanente owns and operates the Kaiser Permanente Tracy Medical Offices located at 2185 W Grant Line Rd. This site serves the community by providing a full range of primary and specialty outpatient care and services. A portion of the site, discussed below, is undeveloped land that Kaiser Permanente has identified as a future build out opportunity to serve the growing Kaiser Permanente membership in Tracy and the surrounding area.

The draft 2023 - 2031 Housing Element identifies 2.9 acres of the 2185 W. Grant Line Rd. (APN 214-020-290) site in the Sites Inventory as suitable for 51 units. Kaiser Permanente's intention is to maintain this land for future medical office expansion and there are no plans to dispose of this property.

Kaiser Permanente is an active and long-standing member of the Tracy community. We remain committed to providing high quality health care to our members and to the health of the broader community we serve. Based on Kaiser Permanente's current strategic planning discussions and the viability of the property as a future medical office expansion opportunity, Kaiser Permanente is not in a position to dispose of the site discussed above or immediately develop the site with residential uses by the 2031 Housing Element planning horizon. Therefore, it is requested that the above site be removed from the 2023 - 2031 Housing Element Sites Inventory.

We recognize the complexities associated with evaluating local housing needs and preparing a realistic set of policies and programs to fulfill those needs and appreciate the opportunity to comment on the process. Kaiser Permanente looks forward to future discussions and planning efforts for expansion of the Tracy medical offices both internally and with City staff.

Sincerely,

Tina X.

Wehrmeister

Digitally signed by Tina X.
Wehrmeister
DN: CN = Tina X. Wehrmeister
Date: 2023.10.30 16:34:22 -
0700

Tina Wehrmeister
Senior Land Use Manager

cc: Aphriekah DuHaney-West, Sr. Vice President & Area Manager
Deborah Pitts, Director, Public Affairs
Andrew Mendoza, Manager, Community & Government Relations

One Kaiser Plaza, 22nd Floor
Oakland, CA 94612
(341)766-4284
tina.x.wehrmeister@kp.org

November 6, 2023

VIA E-MAIL

Senior Planner Alan Bell
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376
alan.bell@cityoftracy.org

Re: Objection to Inclusion of Property in Site Inventory List (APN 251-050-080)

Dear Mr. Bell:

I own the 104.1-acre parcel located at 27901 North Lammers Road, with APN 251-050-080 (the "Property"). I am writing to object to the inclusion of the easterly five-acres of my Property as a RHNA opportunity site, and to further object to the City of Tracy's failure to specifically first notify me.

In preparing the Draft Housing Element, the City appears to have not met its obligations under the Housing Element Law because it has failed to coordinate with the impacted property owners. This is particularly true in regards to my Property since I have no intention of developing the Property at the densities proposed in the Draft Housing Element.

1. **The City has Failed to Provide the Requisite Information in the Site Inventory List**

It is my understanding that under the relevant terms of the Housing Element Law, the City is to provide a site inventory defining those sites the City believes will be able to accommodate their relevant housing needs during this planning period. Furthermore, as part of the site inventory, the City is obligated to calculate the projected residential development capacity of the sites that can be "realistically achieved." (Gov't Code 65583.2.) The City can meet this requirement by basing its determination "on the land use controls and site improvements requirement identified in paragraph (5) of subdivision (a) of Section 65583, the *realistic development capacity for the site*, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities." (Gov't Code 65583.2(c)(2).)

Furthermore, when the property is nonvacant (including underutilized sites), "the city or county shall specify the additional development potential for each site within the planning period and shall provide an explanation of the methodology used to determine the development potential.

The methodology shall consider factors including the extent to which existing uses may constitute an impediment to additional residential development, the city's or county's past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites." (Gov't Code 65583.2(g)(1).) Additionally, the Department of Housing and Community Development ("HCD") released a June 10, 2020 Memorandum¹, and explained that when assessing nonvacant sites, such as the Property, the City has an obligation to provide additional details such as whether the owner would be interested in rezoning in their property in such a way. (See June 10, 2020 Memo, p. 25.)

Based on the foregoing, it is clear that the City should have at least attempted to contact the owners of property that the City wished to include in its site inventory so that it could include the requisite information in the Draft Housing Element. By failing to conduct this outreach, it appears that the City has failed to comply with the requirements of the Housing Element Law, and we would expect HCD to require the City to perform this outreach through the next draft.

Indeed, had the City conducted the required outreach with the relevant owners prior to drafting the Housing Element's site inventory list, the City would have learned that there is zero likelihood that the 5-acre parcel designated in the site inventory list would be developed at the densities proposed by the Draft Housing Element. At this point in time, the Property is under contract to be sold and developed in accordance with the City's existing Medium Density Residential standards. Should the Property be rezoned, I believe that the purchase and sale agreement will fall through.

Accordingly, because I will not develop my Property at the densities contemplated by the Draft Housing Element's High Density Residential standards during this next Housing Element Cycle, my Property should be removed from the Draft Housing Element in its entirety.²

¹ Available here: <https://www.hcd.ca.gov/planning-and-community-development/hcd-memos>

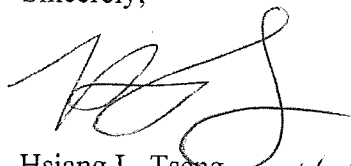
² Additionally, while the Draft Housing Element describes my Property as vacant in some parts, Table B of the Draft Housing Element in the appendix describes the Property's existing use as Agriculture. These statements need to be reconciled.

Senior Planner Alan Bell
November 6, 2023
Page 3

2. **Conclusion:**

As the owner of the 5-acre parcel of land located at 27901 North Lammers Road, I respectfully request that the City remove my Property from the site inventory list before the Draft Housing Element is submitted to HCD for its consideration.

Sincerely,

A handwritten signature in black ink, appearing to be 'Hsiang L. Tseng', written in a cursive style.

Hsiang L. Tseng 11/6/23



**MILLER STARR
REGALIA**

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ken.stahl@mslegal.com

November 6, 2023

VIA E-MAIL

Alan Bell, Senior Planner
City of Tracy
333 Civic Center Plaza
Tracy, California, 95376
E-mail: alan.bell@cityoftracy.org

Re: Additional Comments on Draft Housing Element Update

Dear Mr. Bell:

This letter is written on behalf of Bright Homes, in follow-up to our October 24, 2023 letter containing Bright's initial comments on the City of Tracy's draft housing element update (HEU), which is attached as **Exhibit A**. Bright appreciates the opportunity to continue to actively participate in the City of Tracy's housing element update process, and is excited to work collaboratively with the City to provide much-needed housing for the City. Bright's October 24 letter contained its initial thoughts on the draft HEU. By this letter, we provide some additional comments for the City's consideration, and anticipate staying engaged as a long-time community stakeholder as the City continues to move through this process.

As a preliminary matter, Bright would like to reiterate the concerns raised in our October 24 letter and respectfully request that the next draft of the HEU expressly address the comments contained in our October 24 letter, as well as this letter.

Second, Bright appreciates your invitation to discuss further our thoughts on appropriate locations for housing opportunity sites. After discussions with our technical consultants at Wood Rodgers, we have the following additional comments in this regard.

As noted in our October 24 letter, the City identified a ten-acre portion of a 48.7-acre parcel in which Bright has an interest as an opportunity site for 298 homes in the lower-income category, at a density of approximately 29 homes per acre. (Draft HEU at IV-11). To accomplish this, the City anticipates rezoning the 10-acre site from Planned Unit Development to High Density Residential (HDR). While Bright does not disagree with the rezoning of a portion of this land to HDR and its identification as an opportunity site, we believe the City should shift the location

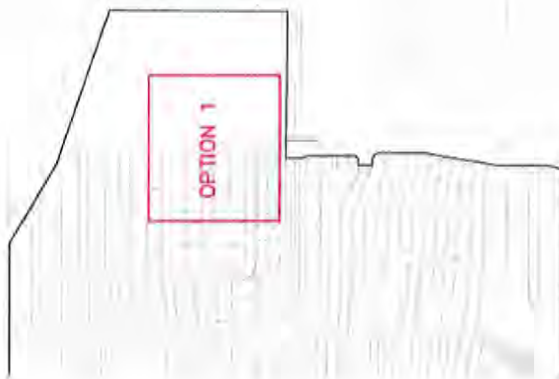
such that it would better promote the realistic, future development of the balance of Urban Reserve 7.¹

At present, Bright does not believe the proposed ten-acre location is a feasible location for an HDR opportunity site, for these reasons:

- It creates an undevelopable triangular remnant to its north.
- The proposed location encroaches into the City's Storm Drain Master Plan Site for Detention Basin 3B.
 - Please note that the proposed location has the lowest vertical elevation within Urban Reserve 7 (this is why the planned Detention Basin 3B is located there).
- Building out HDR residential uses at this location would appear to create compatibility concerns with the surrounding single-family residential uses. Neighbors may be particularly sensitive to the proposed high-density use if located too close to their homes. In particular, the adjacent homes along Tennis Lane and Faith Lane may not be adequately buffered. Further, this proposed location seems to connect the site to the existing Babcock Lane which would introduce potential adverse impact for that neighborhood.

With all of this in mind, since our last communication, we have worked with Wood Rodgers and further evaluated a number of different possible locations within the 48.7 acre parcel for the 10-acre opportunity site. Below we have identified two possible sites, referenced as Option 1 and Option 2.

Option 1

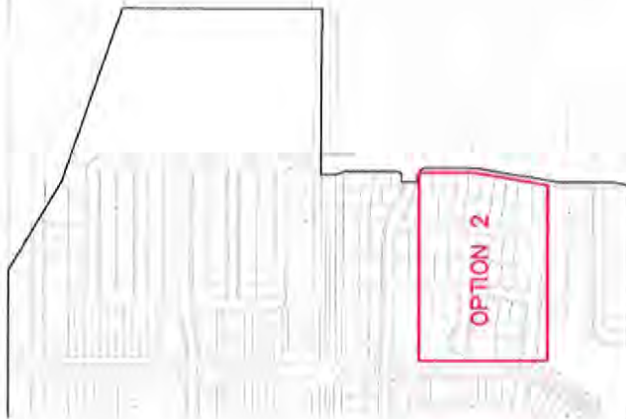


¹ Relatedly, we recommend that the City defer the proposed expansion of Schulte Road until after development of the balance of Urban Reserve 7.

Option 1 resolves several of the issues we have outlined above with the City's proposed housing opportunity site:

- The HDR use would be located a minimum of 275 feet from Tennis Lane and Faith Lane rear yard fences.
- There is additional space for locating more compatible residential uses next to existing single-family homes, including, but not necessarily limited to, the park/basin.
- In addition, an access from or to Babcock Lane would not be required.
- The adjusted location allows the balance of Urban Reserve 7 to be master planned and does not create undevelopable remnant areas.
- This location allows for the City's Storm Drain Master Plan Site for Detention Basin 3B, thereby keeping the basin at the lowest elevation of the site.
- Main entry of the site could occur at the Mabel Josephine intersection promoting efficient access to and from the site via W. Schulte Road.

Option 2



Option 2 also addresses several of the issues we have outlined above with the City's proposed housing opportunity site:

- The HDR use is adjacent to an elementary school parking lot with parking structures making the school within walking distance.
- The infrastructure in this area is mostly completed.

Mr. Alan Bell, Senior Planner
November 6, 2023
Page 4

- As reflected, this site would abut a future roadway.
- There is a planned park area to the southwest of the site which would serve as a further buffer to any existing residential uses to the west.
- There would be flexibility for future planning to provide for additional buffering from adjacent uses.

Once again, we greatly appreciate your consideration of these comments and your diligence in preparing the draft HEU. We understand the City is under significant time constraints in preparing the HEU and are hopeful that we can assist the City in expeditiously preparing an HEU that will meet with approval by the state. Please be advised that given those time constraints required us to provide these comments in a relatively quick time frame coupled with our client's desire to continue to remain actively engaged in this process, we anticipate that we will have additional comments on the draft HEU as this process evolves.

If you have any questions about the contents of this letter or desire additional information, I am happy to speak with you at any time. I can be reached by e-mail at ken.stahl@msrlegal.com, or by phone at (949) 688-2980.

Sincerely,

MILLER STARR REGALIA

Kenneth A. Stahl

Kenneth A. Stahl

KAS/kli

cc: Midori Lichtwardt, City of Tracy Interim City Manager
William Dean, City of Tracy Assistant Director of Development Services
Nadia Costa
Clients

EXHIBIT A



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October 24, 2023

VIA E-MAIL

Alan Bell, Senior Planner
City of Tracy
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Tracy, California, 95376
E-mail: alan.bell@cityoftracy.org

Re: Initial Comments on Draft Housing Element Update

Dear Mr. Bell:

This letter is written on behalf of Bright Development dba as Bright Homes ("Bright"), which has been active in developing numerous properties within and around the City of Tracy for over 30 years. Bright appreciates the opportunity to participate in the City's Housing Element Update process and review the City's recently released draft Housing Element Update (HEU).

Bright is committed to delivering high-quality communities containing housing available to a range of income levels, along with associated benefits to the City of Tracy and its residents. Among these benefits, Bright's addition of new homes to the Tracy community will assist the City in meeting its obligations under the Regional Housing Needs Assessment/Allocation (RHNA) law. In the spirit of cooperation with the City toward meeting these goals, we provide these few brief preliminary comments and questions regarding the HEU for the City's consideration in anticipation of the Special Meeting on October 24, 2023. Please note that since the comment period does not end until November 6, 2023 that Bright may have additional comments before the comment period concludes.

1. We observe that the City has identified a ten-acre portion of a 108.7-acre parcel (APNs 240-050-370 and 240-040-030) in which Bright has an interest as an opportunity site for 298 dwelling units in the lower-income category, at a density of approximately 29.75 homes per acre. (Draft Housing Element at IV-11). To accomplish this, the City anticipates rezoning the 10-acre site from Planned Unit Development to High Density Residential (HDR). While we are excited about the prospect of developing that 10-acre parcel and having it included in the HEU as an opportunity site, we are skeptical that housing at such a high density would work in that location, especially given its proximity to existing lower-density housing developments.

To date, Bright notes that the specifically designated location on page IV-11 of the HEU has been considered lower density zoning and/or a storm drainage basin / park / open space.

We are happy to have further conversations with City staff about how that site, as well as the surrounding vacant 108.7-acre parcel, could be developed in a manner that would fit in with the surrounding community and assist the City in meeting its RHNA obligations.

2. As the City considers the HEU, Bright notes the City's reference to the fact that "south of this site there is a recently completed multi-family housing by Bright Homes". (Draft Housing Element at IV-11.) Bright believes that this project was successful and well-received by the community. However, Bright notes the net du/acres for that site was only about 50% of what is proposed for the new HDR. The HEU proposes a change of MDR to 20 du/acre and HDR as 20-35 du/acre. (Draft Housing Element at IV-4.) The 20 du/acre is much closer to the density of the referenced project.
3. As an aside, we note that in the event the City were to designate the site for 298 homes and a developer proposed a development with fewer than 298 homes, under the "no net loss" statute, the City would not be permitted to deny the development on the grounds that it would trigger a requirement for the City to rezone other sites to meet the unmet RHNA share. See Gov. Code § 65853(c)(2); HCD No Net Loss Memorandum, Oct. 2, 2019, at 8, 10 <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb-166-final.pdf> (stating that a jurisdiction may not deny a housing development on the grounds that approval would trigger the identification or zoning of additional sites to meet the RHNA).
4. According to the City's Residential Growth Management Ordinance, any homes that the City counts towards its RHNA obligations are exempted from the annual Residential Growth Allotment (RGA) (Mun. Code section 10.12.065). We would like to confirm that the City shares our understanding that any homes counted towards the RHNA are not included in the annual RGA.
5. While the draft HEU commits the City to subsequently rezoning the 10-acre site to HDR, we suggest that, if the City chooses to go forward with any rezoning, it consider rezoning the site concurrently with the adoption of the housing element to avoid undue delays. As noted in our first point, however, a rezoning to HDR may not be necessary as a smaller development may be more appropriate for the site.
6. To date, the City has not confirmed what kind of CEQA document it intends to process for the HEU and possible rezoning. We would appreciate clarity regarding the City's plans on this score.
7. Bright or Bright-related entities have interests in several sites, totaling approximately 354 acres, just outside the City's territorial boundaries, with APN #s 209-260-13, 240-020-01, 240-020-07, and 240-040-06. These sites are located within the 10-year horizon of the City's sphere of influence, and one of the sites is an unincorporated "island" surrounded on all sides by the City. (Tracy Sphere of Influence Map, San Joaquin County LAFCO, https://www.sjlafco.org/files/5e1df2dcb/Tracy_Sphere_2023.pdf).

Mr. Alan Bell, Senior Planner
October 24, 2023
Page 3

We suggest that the City consider these sites in its HEU as housing opportunity sites to absorb a share of the RHNA. According to HCD's Site Inventory Guidebook,¹ cities may include sites outside their territorial borders in the site inventory if the housing element includes a program committing to annex the site within the first three years of the planning period and evaluates the suitability of the site for accommodating a share of the RHNA, including factors such as consistency of annexation with policies of the Local Agency Formation Commission (LAFCO), actions to pre-zone the property prior to annexation, and so forth. (Dept. Of Housing & Community Dev., Housing Element Site Inventory Guidebook at 36 (June 10, 2020)). In this case, the sites are located within the City's sphere of influence in the 10-year horizon, so it is already contemplated that the sites may be annexed by the City. Therefore, if the City committed to undertaking the annexation of the site in the first three years of the planning period and conducted the evaluation described in the preceding paragraph, HCD may consider them to be realistic sites for accommodating a significant share of Tracy's RHNA allocation.

In addition, in the Master Planning that Bright has worked on with its consultants (at the request of the City) in contemplation of developing all the above-mentioned properties with a holistic approach to same, the site plans depict property along Schulte and south of 11th Street with HDR as such locations are more appropriate for higher density uses due to its location and surrounds.

Therefore, we request that you consider adding these sites to the housing inventory (i.e. APN #s 209-260-13, 240-020-01, 240-020-07, and 240-040-06).

We greatly appreciate your consideration of these comments on your diligence in preparing the draft HEU. These are just our initial thoughts on the recently released draft, and we look forward to providing additional comments once we have had a chance to review the HEU more thoroughly. If you have any questions about the contents of this letter or desire additional information, I am happy to speak with you at any time. I can be reached by e-mail at ken.stahl@msrlegal.com, or by phone at (949) 688-2980.

Sincerely,

MILLER STARR REGALIA

Kenneth A. Stahl

Kenneth A. Stahl

KAS:kli

cc: Clients
Nadia L. Costa

¹ The Guidebook is available online at: https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf.



November 7, 2023

VIA E-MAIL AND
FIRST CLASS MAIL

Honorable Mayor & Councilmembers
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Senior Planner Alan Bell
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Re: Tracy Hills' Comments on Draft Housing Element

Dear Honorable Mayor, Councilmembers & Mr. Bell:

This letter is being sent on behalf of Integral Communities and its various affiliates ("Tracy Hills"), the current owner of those properties generally referred to as the Tracy Hills Project (or "Property"), and is being sent in response to the Draft Housing Element that was circulated in early October 2023.

As an initial matter, I would like to state my appreciation for allowing the public to comment on this draft as Tracy Hills looks forward to working with the City to help meet its housing goals and mandates. However, while we commend the City for delaying consideration of the housing element to conduct additional public workshops this past summer, as required by the City Attorney, as explained below, Tracy Hills wishes that City Staff had more direct and open communication with us specifically regarding the Draft Housing Element issues and opportunities in regards to Tracy Hills.

In particular, the Draft Housing Element identifies five properties as opportunity sites that are owned by Tracy Hills and are supposedly going to be rezoned to accommodate higher levels of residential density.¹ However, these properties are subject to a Development Agreement between the City and Tracy Hills, and as such, these new zoning restrictions would not be applicable to those five properties. Therefore, it is improper to rely on those sites to provide the levels of density that the Draft Housing Element appears to assume will be accommodated at those sites within the upcoming housing element cycles.

This is not to say that Tracy Hills is not willing to work with the City, but these issues do need to be addressed to avoid any miscommunication in the future.

¹ APN 25105009, 25106016, 25337001, 25338052, and 25338053.

Honorable Mayor & Councilmembers
Senior Planner Alan Bell
November 7, 2023 Page 2

1. The Draft Housing Element Must Be Revised to Reflect the Existence of the Development Agreement that Applies to the Tracy Hills Parcels

The Draft Housing Element should be revised to omit any Tracy Hills property that is subject to the Development Agreement entered into by the City of Tracy, effective May 19, 2016 (San Joaquin County Recorder No. 2016-066658) (the “Development Agreement”). The Development Agreement vested the property owners with the right to develop those properties in accordance with the zoning regulations that existed at that time, meaning those properties cannot be required to be developed in accordance with the newly proposed densities during the current planning period. Accordingly, including those properties in the Draft Housing Element’s site inventory list is improper.

Per Government Code § 65583.2, the City is required to analyze and explain how the properties that are included in the site inventory list can accommodate the development of the City’s RHNA allocation during this current “planning period.” (See Gov’t Code §§ 65583.2 (a), (c).) HCD states that this Sixth Cycle will run from December 31, 2023 to December 31, 2031. Accordingly, the City is required to include only those sites that will realistically be developed at the desired densities by no later than December 31, 2031.

Additionally, when designating a site as an opportunity site, the City is required to explain how a site can be developed to accommodate the contemplated densities after taking into account any potential “land use controls,” as well as the “realistic development capacity for the site,” with the goal to show that the identified sites can realistically be developed at those density levels during this planning period. (See Gov’t Code 65583.2(c)(2).) Here, it is apparent the City failed to conduct this analysis by ignoring the existence of the Development Agreement, which makes it unlikely if not legally impossible to do.

As you are likely aware, the Development Agreement applies to approximately 1,843 acres of real property in the Tracy Hills Specific Plan. (See Development Agreement, Recital D.) Per the terms of the Development Agreement, it is intended to last for a total of 25 years at minimum, with an outside date of May 19, 2041. (See Development Agreement, § 2.1.) Further, the Development Agreement states Tracy Hills has the “vested right to develop the property in accordance with the Existing Rules, Project Approvals and any Subsequent Approvals.” (§ 3.1(a).) The “Existing Rules,” in turn, are defined as the “City’s General Plan, the Specific Plan, the City’s Municipal Code, all Citywide Infrastructure Master Plans, and all other adopted City ordinances, resolutions, rules, regulations, guidelines and policies *in effect on the Effective Date*.” (§ 1.29.)

In short, under the terms of the Development Agreement, the City cannot require Tracy Hills to comply with any new zoning regulations that conflict with the “Existing Rules” for the life of the Development Agreement – i.e. until May 19, 2041. This means that even if the City were to ultimately rezone the Tracy Hills properties, such a rezoning would be ineffective as against

Honorable Mayor & Councilmembers
Senior Planner Alan Bell
November 7, 2023 Page 3

Tracy Hills, which would retain the vested right to develop those sites at lower densities per the “Existing Rules.”

Despite the existence of this Development Agreement, and the existence of Tracy Hills vested rights to develop those properties, the Draft Housing Element has identified five separate parcels in its site inventory list (see Table B), as opportunity sites, that will supposedly accommodate a total of 520 of low income units. (See Draft Housing Element, p. D-7.) In particular the five parcels are subject to the Tracy Hills Specific Plan, and are zoned as follows:

- APN 25105009 – 10-acre portion of larger parcel currently zoned Medium Density Residential – Tracy Hills
- APN 25106016 – 9.7 acre parcel currently zoned High Density Residential – Tracy Hills
- APN 25337001 – 2.1-acre parcel currently zoned High Density Residential – Tracy Hills
- APN 25338052 – 7.7-acre parcel currently zoned Mixed Use Business Park-Tracy Hills
- APN 25338053 – 3.3-acre parcel currently zoned Mixed Use Business Park-Tracy Hills

Each of these five parcels are covered by the Development Agreement. Accordingly, they should be removed from the Draft Housing Element’s site inventory list because they will not be required to comply with the City’s proposed zoning regulations until after May 2041, i.e. outside of the relevant planning period.

Additionally, the Draft Housing Element’s description of APN 25106016 is incorrect, because that parcel is much larger, and is subject to different zoning designations than what is reflected in the Draft Housing Element. At a minimum, the Draft Housing Element should be revised to refer to the right acreage and proper zoning designation.

2. Tracy Hills Remains Willing to Offer the Entirety of APN 25105009 to the City to be Developed As Affordable Housing

Tracy Hills previously reached out to City staff as they were drafting the Draft Housing Element, and offered to provide the entire 26.9-acre site located at 28281 North Lammers Road

Honorable Mayor & Councilmembers
Senior Planner Alan Bell
November 7, 2023 Page 4

(APN 25105009) (the “Triangle Property”)² as an opportunity site to help the City meet its RHNA allocation, in exchange for avoiding having to designate other parcels within the Tracy Hills Project area and to meet any future affordable housing requirements Integral Communities owned or controlled lands. However, at that time, City staff informed us that they were instructed to not entertain that proposal at that time.³

That being said, Tracy Hills believes that this arrangement can benefit the City, Tracy Hills and the public in general. If Tracy Hills were to transfer ownership of the Triangle Property to the City, it would have complete control over how the property was ultimately developed, and can even look for affordable housing developers to help accomplish this goal.

Additionally, agreeing to this transfer will allow the City to designate the entire Triangle Property as HDR, giving it the potential to accommodate 538 lower-income units, which would offset the units that will be lost when the remaining Tracy Hills properties are removed from the site inventory list.

Accordingly, Tracy Hills respectfully requests that the City Council direct staff to further confer with Tracy Hills, so that we may continue to work through this potential strategy.

3. Concluding Remarks

Tracy Hills is willing to continue to discuss these important issues with the City as partners as this process moves forward. However, due to the timing restrictions, we felt it was important to raise these issues now. Please feel free to contact me with any questions or clarifications you may have.

John Stanek

John Stanek

² Due to the site’s triangular appearance, City staff and Tracy Hills have colloquially referred to this property as the Triangle Property. (See, e.g., Draft Housing Element, p. IV-16.)

³ It is unclear if this offer was ever relayed from City Staff to the City Council.

Significant Legal Deficiencies Remain in the City of Tracy's July 2024 Revised Draft Housing Element

1. Inadequate revisions regarding reliance on pipeline projects to meet entire above-moderate RHNA.

HCD's Feb. 20, 2024 Review Letter required the Revised Element to provide important additional information about the status of pipeline projects, constraints to their final approval and construction, and to identify specific program and policy commitments to expedite construction and occupancy:

The element identified 3,149 units...that are either pending approvals, approved, or under construction. While the element included the project status for each project, it should also demonstrate the likelihood that these units will be available during the planning period. To demonstrate availability, the element could analyze infrastructure schedules, City's past completion rates on pipeline projects, outreach with project developers, describe expiration dates on entitlements, anticipated timelines for final approvals, phasing requirements, and any remaining steps for projects to receive final entitlements....

[G]iven the element's reliance on pipeline projects, the element should add or modify programs to facilitate development (e.g. coordinate with applicants to approve remaining entitlements, expediting approvals) and monitor progress toward completion in the planning period....

Finally, the element should address public comments on this revised draft submittal and discuss compliance with the Permit Streamlining Act and intersections with CEQA and timing requirements, including streamlining determinations and add or modify programs as appropriate.... Programs must have specific commitment...and discrete timing.

The Revised Element fails to satisfy these requirements in the following respects:

- With respect to HCD's finding requiring additional information on pipeline projects, the Revised Element adds only vague, limited, and incomplete information to Table IV-12.

- To satisfy HCD’s finding, Table IV-12 should be revised to include a thorough and uniform step-by-step matrix of the city’s review and approval process that includes the following:
 - Identify every permit, approval, review, and inspection process/requirement that remains for each project through issuance of COO.
 - Define and describe with specificity each permit, approval, review and inspection process/requirement in clear and consistent manner.
 - Identify the department/ departments and individuals responsible for reviewing each remaining application/approval/inspection and for making the decisions on them.
 - Identify the specific stage that each project is in as of the date of the next Revised Element
 - Specify the specific date (month and year) by which each remaining permit, approval, review, and inspection up to COO is expected to be completed and whether each permit, approval, review and inspection is subject to the information, application review, decision timelines and other provisions of the Permit Streamlining Act and/or AB 2234.

- With respect to HCDs’ finding that requires the Revised Element to identify and remove policies and practices that constrain completion of pipeline projects, the Revised Draft asserts that: *“The City has reviewed the pending projects and there are no known barriers to development, phasing, or other relevant factors that would prohibit the pending projects from being completed.”*

- This conclusory statement is contradicted by detailed comments submitted by the development community, as well as the findings of the Civil Grand Jury. The city’s consistent response to extensive and detailed comments submitted by BIAGV and other developers who have brought these issues directly to the attention of the city at public hearings in connection with projects has been to blame the developer. According to the Revised Draft’s response to comments, the City of Tracy has no policies or practices with respect to development processing that constrain housing, and that every problem identified by the development community (and the Grand Jury) is the fault of developers. The Revised Draft fails to acknowledge that state law imposes important limits on local practices regarding deeming applications incomplete, demanding additional information from applicants, and timelines to review applications both for completeness and making final decisions. Both the development community and the Grand Jury have identified these as significant problems and the Revised Element neither acknowledges them nor commits to address them.

- To satisfy HCD’s finding, the Revised Draft should be required to include the following additional Program and Policy.

Program: Facilitate and Expedite Completion of Pipeline Projects

Policy. The city shall immediately meet with the developers of Pipeline Projects to develop a Completion Schedule that identifies each remaining permit, approval, review and inspection that will be required up to COO. The Completion Schedule shall identify whether the permit, approval, review, or inspection is discretionary or ministerial and the state law (e.g. Permit Streamlining Act, AB 2234) governing the process and timelines for each. The Completion Schedule shall also identify the department(s) and staff that will be responsible for compliance with these process and timeline provisions.

2. Inadequate revisions addressing governmental constraints.

HCD's Feb. 20, 2024 Review Letter required the Revised Element to comply with housing element law provisions addressing governmental constraints: *"As noted in Findings B4, the element requires a complete analysis of potential governmental...constraints. Depending on the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints."*

The Revised Element fails to satisfy these requirements in the following respects:

- With one minor exception, the Revised Element's governmental constraints analysis does not identify any specific policies regarding the timing and processing of development permits that are constraints. This is consistent with the Revised Draft's assertion that developers are responsible for every instance of delay and difficulty. Since the Revised Draft does not acknowledge that it has any policies or practices that constrain development, the Revised Draft contains no revised or additional programs that address and remove or mitigate any identified constraints (other than the minimal GMO exception for affordable housing units). Instead, the constraints policy simply calls for the city to "review and adjust as appropriate" any policy that the city determines at some future date is a constraint. Notably, even this bare policy represents a weakening of housing element requirements. Housing element law requires the city to "address, and where legally possible remove governmental constraints." The Revised Element's Policy R.1 commits only to "review and adjust" constraints:

D. Remove Governmental Constraints

Pursuant to State law, the City is obligated to address, and where legally possible, remove governmental constraints affecting the maintenance, improvement, and development of housing. Removing constraints on housing development can help address housing needs in the City by expediting construction, and lowering development costs.

V. Housing Plan

Goal 4.0

Mitigate any potential governmental constraints to housing production and affordability.

Policy 4.1

Review and adjust as appropriate residential development standards, regulations, ordinances, and processing procedures that are determined to constrain housing development, particularly housing for lower and moderate income households and for persons with special needs.

Allow more than 150 affordable housing units as exceptions under the GMO.

- To satisfy HCD's finding, the Revised Draft should be required to include the following additional Program and Policies:

Program: Ongoing Housing Constraints Review and Mitigation/Removal.

Policy. The city shall complete a systematic review each year during the planning period, with the active participation of the development community, of residential development standards, regulations, ordinances, and processing procedures and practices to identify potential constraints to the maintenance, improvement, and development of housing for all income levels. Following the review, in a timely manner revise, and where legally possible remove, any standard, ordinance, procedure or practice that could be reasonably determined to constraining the review, approval, and construction of housing.

Policy. Prior to proposing any new or more stringent standard, regulation, procedure or practice that potentially constrains new housing (including, but not limited to, adoption of the inclusionary housing policy identified in Program 13), the city shall subject the proposal to a constraints analysis and if the proposal would potentially act as a constraint, either not pursue the proposal, or modify it to minimize the constraint to the maximum extent feasible while achieving the underlying policy goal. For example, future inclusionary zoning ordinance.

Program: Local Permits and Processing Times

Policy. The city shall address the findings of the 2023-2024 Civil Grand Jury Report that pertain to residential development, e.g. Findings F 2.1 through 2.5, and implement Recommendations R2.1 through R2.5.

Policy: The city shall ensure that all departments and staff are aware of the requirements of state law regarding entitlement and post-entitlement review, including the Permit Streamlining Act and Government Code Section 65913.3, and the city shall comply with the statutory requirements.

3. Inadequate program relating to preempted Density Bonus Ordinance.

While the Revised Draft identifies the need to revise the city's Density Bonus Ordinance as part of Program 14, the discussion and commitment to action are inadequate. The city's current

ordinance conflicts with state law in numerous significant ways. These conflicts should be expressly acknowledged in the Revised Draft and Program 14 should be revised to include a Policy commitment to ensure that all development applicants are apprised of the specific provisions of the city's ordinance that are unenforceable. These include the requirement that applicants submit a project pro forma as part of a density bonus application; the requirement that applicants pay a fee to the city to peer review the pro forma; improperly placing the burden of proving that concessions/incentives/waivers should be granted on the applicant; imposing improper conditions on the issuance of concessions/incentives/waivers (such as a requirement that they be necessary to make projects economically feasible); improperly segmenting concessions (such as treating each story of height-reduction as requiring a separate concession); and improperly limiting the scope and breadth of concessions.

Maintaining the existing ordinance online without prominent notice to applicants that it is in critical aspects invalid and unenforceable creates a substantial risk that applicants will believe they have to comply with unlawful requirements.

Program 14 should also be revised to include a commitment to update the local ordinance by a date certain; a commitment to follow state law as interpreted by recent case law and HCD TAs; and a commitment to include on the city's development web page a prominent notice that the current ordinance is unenforceable in key respects along with an identification of the specific conflicts with state law and a link to Government Code Section 65915.

4. Inadequate revisions to the Large Sites Program.

HCD's Feb. 20, 2024 Review Letter required the Revised Element to revise Program 10 (Development of Large Sites) to include additional program and policy commitments to justify relying on these sites for meeting a significant part of the city's affordable housing adequate sites obligation.

The Revised Draft does not identify any specific incentives or strategies to ensure that the market rate units necessary to enable development of the sub-areas with affordable units will be approved and be economically feasible and therefore fails to satisfy HCD's requirements. Program 10 should be amended to include the following specific commitments:

- By a date certain, the city shall send standardized notices to each owner of a Large Site that includes a copy of the Revised Draft's narrative/expected development for the entire site and the sub-area that is projected to be developed with affordable units.
- The city shall request that the owner submit recommendations, modifications, proposed incentives and an overall plan for developing and approving a master plan or specific plan for the economically feasible development of site.
- The city shall meet with the owner to discuss the owner's recommendations and make a good faith effort to agree on plan for developing and approving a master plan or specific plan that ensures approval of the plan and completion of construction during the planning period.

Conclusion

The City of Tracy's Revised Draft Housing Element does not adequately address the significant deficiencies identified by HCD in its review letter or by members of the development community and the Civil Grand Jury and therefore does not substantially comply with Housing Element law. Unless and until the City of Tracy adopts a significantly revised draft that does address these deficiencies, HCD should continue to find the City out of housing element compliance and subject to the Builder's Remedy and other consequences of being out of compliance. This will be especially important in the near future as legislation effecting important strengthening of Builder's Remedy Law and the elimination of "self-certification" are on the verge of being enacted and signed into law to become effective Jan. 1, 2025.

City of Tracy's Response

The City of Tracy is responsible for providing a wide range of housing options and opportunities to our community and citizens. The State of California requires the City to identify housing that will be provided in various densities and income levels. This includes providing sites to meet all of our RHNA obligations.

The State has an interest in making sure our sites inventory includes sites to be spaced throughout the community and that these sites include a range of densities and income ranges. The City is obligated to ensure that a wide range of housing opportunities occurs in all the various locations in Tracy. The City has accomplished that with our siting of the properties necessary to meet our housing obligation.

The City is required to identify policies or programs that provide constraints to the construction of housing. Staff has reviewed the current pipeline as well as internal policies and programs for our review and approval of development projects. The City is obligated to comply with Federal, State and local laws and requirements for how we review, process and approve applications and projects. Our review looks to streamline and eliminate any process constraints where staff can. The November 2024 revised Housing Element includes an expanded pipeline projects table (Table IV-12) showing where in the process each project is at the time of the report preparation. Additional narrative about the city's project processing is also added in the pipeline project section. An action has also been added to Program 9 for a review of pending projects in 2027 to ensure that development of housing units is occurring as projected. This includes consulting with the developers. The revised Housing Element also adds incentives for the development of large sites, including technical assistance, annually meeting with property owners and developers and offering expedited processing and fee deferral, reductions or waivers for affordable housing units in development on large sites identified in the sites inventory.

As stated in the revised Housing Element, Tracy follows the requirements of the Subdivision Map Act and the Permit Streamlining Act. The City does work with the development community to move projects forward, but in certain instances, outside forces (interest rates, the housing market, material supply, labor constraints) create market conditions that the City has absolutely no control over. The BIA letter requests staff to identify completion schedules for projects that exceed our scope and jurisdictional boundary.

In many cases outside forces will affect timing and delivery of projects. The completion of improvement plans, physical construction and ultimate project sales and delivery requires a partnership that in many instances the City does not control, nor are we informed or contacted about.

The 2023-2031 Housing Element includes numerous development code updates, new provisions and new programs to meet current and future state requirements and laws, including changes to density bonus laws. The Housing Element is a living and breathing

document that requires constant review and implementation of. The BIA letter identifies numerous programs that are required by the state. These are identified as program priorities. These are required to be completed and implemented.

The BIA letter identifies some project delays because of timing of improvement plans and final maps. The development community is obligated to comply with environmental measures, conditions of approval and any obligations for community facility districts or development agreements. In most, if not all instances, the review of improvement plans and final maps is not delayed by staff, but by the timing of submittals and the ability of developers to satisfy various federal, state and local conditions. Market conditions and financing determines the speed and timing of projects. Staff continues to review its role in the process and ensure that projects move forward in a timely manner, while staff verifies that requirements are met. Typically, the development community drive the post approval process and the delivery timing.

The City considers the BIA a partner in the development process and meaningful dialog to ensure a timely process takes place has occurred. The City has a long history of growth and project approval and ultimate development. The City will work to ensure this collaborative relationship continues.

Appendix B Review of Past Accomplishments

This chapter contains an analysis of the effectiveness of the 2015-2023 Housing Element, appropriateness of goals and the progress in implementing programs for the previous planning period as required by California Government Code Section 65588(a). The chapter also includes an evaluation of the appropriateness of continuing the 2015-2023 Housing Element goals and programs. Findings from this analysis and evaluation have guided development of the Housing Action Plan described in Section 6: Housing Plan.

1. Program Evaluation

The 2015-2023 Housing Element contained five primary goals and 12 implementing programs consistent with California housing element law and priorities expressed by the Tracy community, including input received from the City Council, Planning Commission, and City staff.

The five primary housing goals were:

- Goal 1: Conserve and improve the condition of the existing housing stock, especially affordable housing.
- Goal 2: Assist in the provision of housing that meets the needs of all economic segments of the community.
- Goal 3: Provide suitable sites for housing development which can accommodate a range of housing by type, size, location, price, and tenure.
- Goal 4: Mitigate any potential governmental constraints to housing production and affordability.
- Goal 5: Continue to promote equal housing opportunity in the City's housing market consistent with Federal and State fair housing laws.

[Table B-1](#) summarizes the programs contained in the previous Housing Element along program objectives, accomplishments, and the appropriateness of continuing with the previous programs and policies for this Housing Element Update. [Table B-2](#) shows the quantified objectives and accomplishments during the 5th Cycle.

2. Effectiveness in Addressing Special Needs

The City was able to provide the following assistance to special needs households during the 2015-2023 Housing Element planning period:

- In 2019, the City allocated \$112,000 in Home Investment Partnership Program funds to the San Joaquin County Housing Authority and Stone Pine Meadows, a 72-unit apartment complex for lower-income households.
- In FY 2021, the City allocated \$163,461 in Home Investment Partnership Program funds to the San Joaquin County Housing Authority to support the demolition and reconstruction of a 60-unit low-income apartment project.
- In 2020, City Council allocated \$4 million to the Housing Authority of San Joaquin County for the rehabilitation of existing low-income housing units.
- The City facilitated the rehabilitation of the McHenry House - Family Homeless Shelter and Emerson House (transitional housing facility for men) through the CDBG program.

- The City continues to participate in the Housing Choice Voucher Program operated by the San Joaquin Housing Authority funded by HUD. About 162 Tracy households are currently receiving housing choice voucher assistance.

Cumulative Impact of Special Needs Programs

As shown in Table B-1, several programs included action items for special needs housing. Some programs focused on policies and regulations while others had numerical metrics. Overall, the 5th cycle Housing Element has not included a robust list of programs/objectives that target on special needs populations. Below is a list of these policies/programs and whether or not objectives were met during the 5th cycle:

- Program 1: Downtown Rehabilitation Home Loan Program had a goal of assisting 20 lower and moderate-income households. During the planning period, 27 moderate-income units were rehabilitated. Some of the households assisted were special needs households, such as seniors.

In addition, the City contributed funding for the rehabilitation of Stone Pine Meadow, which includes 34 larger units (six with four bedrooms) that are suitable for large households, and 15 small units (one bedroom) that can accommodate senior households. CDBG funds were also used to rehabilitate McHenry House - Family Homeless Shelter and Emerson House (transitional housing facility for men) serving homeless needs in Tracy and surrounding areas.

The City also allocated HOME funds to the demolition and reconstruction of Tracy Senior Living. Phase 1 involves the demolition of 17 obsolete units and Phase 2 is the reconstruction of 55 energy-efficient units for seniors with very low incomes. The project is expected to be completed in 2026.

- Program 15: The Zoning Code Amendment Program included modifying the Density Bonus, Residential Care Facilities, Farmworker Housing and Employee Housing. These were not completed during the housing cycle. These amendments are being included in the 6th cycle Housing Element to be completed by the end of 2024.
- Program 16: Fair Housing Program aims at providing services to residents, including those with special needs. The City participates in providing an annual direct allocation to the San Joaquin Fair Housing Association (SJFH) through the CDBG program. Between 2016 and 2021, \$35,379 was allocated. Information on the Fair Housing services are available at City Hall and on the City's website under the Economic Development Division homepage. SJFH provides fair housing education, mediation, housing assistance, complaint investigation, and resolution for residents and property owners. Overall, SJFH serves about 7,000 individuals/households annually throughout the region.
- Several programs were rolled into the City's Action Plan for Affordable/Workforce Housing. This process began in 2021. These include Program 7, Affordable Housing Development, Program 10, Affordability By Design, And Program 15, Zoning Ordinance Amendments.

While some goals for special needs housing was met during the 5th cycle, others fell short. Much of this was due to staffing, budget, and the high costs of housing development in Tracy.

For the 2023-2031 Housing Element planning period, the City will increase its efforts in facilitating affordable housing opportunities for lower and moderate income households, including housing for special needs. Specifically, rezoning for multi-family and mixed use residential development,

incentives for ADUs and affordable housing development, and pursuit of inclusionary housing, would expand opportunities for special needs households.

Table B-1: Program Summary (2015-2023)

Program Description	Objectives and Timeframe	Accomplishments	Appropriateness
Goal 1.0: Conserve and improve the condition of the existing housing stock, especially affordable housing.			
<p>1 Downtown Rehabilitation Home Loan Program</p>	<ul style="list-style-type: none"> Annually consult the HCD and HUD websites to identify and pursue potential funding opportunities that may be available and appropriate to reinstate a housing rehabilitation program. Refer property owners in need of rehabilitation assistance to the San Joaquin County Neighborhood Preservation Division who administers the County's HUD Grant programs, which include housing rehabilitation programs (currently suspended). Assist 20 lower- and moderate-income households with the rehabilitation of their homes during the planning period. 	<p>The County's HUD Grant was reinstated in March 2022 to provide housing rehabilitation assistance through the Home Improvement Partnership Grant Program (HOME).</p> <p>In 2017 the City began the process of drafting a boarded buildings ordinance in an effort to lead to rehabilitation of homes.</p> <p>In 2019, the City allocated \$112,000 in Home Investment Partnership Program funds to the San Joaquin County Housing Authority and Stone Pine Meadows, a 72-unit apartment complex for lower-income households.</p> <p>In FY 2019-2020, the County did not complete any housing rehabilitations, however rehabilitation of the McHenry House - Family Homeless Shelter and Emerson House (transitional housing facility for men) were made through the CDBG program.</p> <p>In FY 2020-2021, the County funded \$50,089 for four housing rehabilitation projects.</p> <p>In FY 2021, the City allocated \$163,461 in Home Investment Partnership Program funds to the San Joaquin County Housing Authority to support the demolition and reconstruction of a 60-unit low-income apartment project.</p>	<p>The City will work to identify and pursue additional funding sources to reinstate this program, if feasible. A modified version of this program will be included in the 2023-2031 Housing Element.</p>

Program Description		Objectives and Timeframe	Accomplishments	Appropriateness
2	Code Enforcement	<ul style="list-style-type: none"> Continue to investigate possible code violations. Continue to disseminate information on housing rehabilitation assistance available to address code violations and other housing issues. 	The City's Code Enforcement Division continues to administer a fair and unbiased code enforcement program to correct violations of property conditions and land use requirements. The City continues to provide information about its Code Enforcement Division on its website, including directions for residents on how to both resolve and report potential violations.	This program continues to be appropriate and will be included in the 2023-2031 Housing Element.
3	Graffiti Removal Program	<ul style="list-style-type: none"> Continue to operate the Graffiti Hot Line. 	The City's Department of Operations and Utilities continues to operate a Graffiti Removal Program and Graffiti Hot Line. The City continues to provide information about this program on its website, including direction for residents on how to anonymously report vandalism and steps to prevent its occurrence. Graffiti complaints and concerns can be reported by phoning the Code Enforcement Division at (209) 831-6410.	This program continues to be appropriate and will be included in the 2023-2031 Housing Element.
4	Affordable Housing Monitoring	<ul style="list-style-type: none"> Monitor status of affordable units annually by maintaining contact with property owners and HUD Multi-Family Housing division. Solicit interest and participation of nonprofit housing developers to acquire and preserve housing to be maintained as affordable units. 	No affordable housing developments in the City were considered at-risk of losing their affordability status during the 2015-2023 Housing Element planning period. In 2020, City Council allocated \$4 million to the Housing Authority of San Joaquin County for the rehabilitation of existing low-income housing units.	This program continues to be appropriate and will be included in the 2023-2031 Housing Element.

Goal 2.0: Assist in the provision of housing that meets the needs of all economic segments of the community.

5	Downpayment Assistance Program	<ul style="list-style-type: none"> Continue to provide down payment assistance to qualified lower income households (up to 80 percent AMI). Disseminate information to prospective first-time homebuyers on the DAP Loan Program. 	This program is still available, but due to high home prices in Tracy, qualifying for a home purchase and meeting low-income requirements is challenging. As a result, the City has not processed a	The City will work to identify and pursue additional funding sources to reinstate this program, if feasible. A modified version of this program will be included in
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	Program Description	Objectives and Timeframe	Accomplishments	Appropriateness
		<ul style="list-style-type: none"> Assist three households (an estimated one very low income and two low income households) annually. 	<p>Downpayment Assistant Loan since 2011.</p>	<p>the 2023-2031 Housing Element.</p>
6	Homebuyer and Financial Literacy Training	<ul style="list-style-type: none"> Continue to require a “Certificate of Completion” from a HUD-approved homebuyer class in order to participate in the City’s DAP Loan Program. Partner with qualified local non-profit agencies to offer homebuyer education classes and publicize the availability of these classes to residents. 	<p>This program is overseen by the San Joaquin County Neighborhood Preservation Division, Visionary Home Builders, Neighbor Works, and NID-HCA (Housing Counsel Agency), and is dependent on funding from HUD.</p>	<p>This program continues to be appropriate and will be included in the 2023-2031 Housing Element</p>
7	Affordable Housing Development	<ul style="list-style-type: none"> Continue to prioritize the allocation of residential growth allotments (RGAs) to affordable housing projects (particularly for those projects that set aside units for extremely low income households and persons with special needs, including those with developmental disabilities, and farmworkers). Proactively encourage and facilitate, on an ongoing basis, the development of affordable housing by non-profit organizations for lower income households, particularly those with special needs including large households, seniors, extremely low-income (ELI) households, and households with persons who have disabilities or developmental disabilities, and farmworkers. Continue to provide density bonuses and other incentives on an ongoing basis to developers who provide affordable units, such as technical assistance related to City policies and regulations, and pre-application consultation with staff. 	<p>The Growth Management Ordinance establishes exceptions to annual residential permit limits for affordable housing projects, and the Density Bonus Ordinance establishes the incentives for affordable housing projects.</p> <p>On March 2, 2021, the City Council approved a scope of work with PlaceWorks, Inc. to work with the City on an action plan to address affordable/workforce housing. One consideration in the plan would allow more RGAs to be allocated to affordable housing projects but requires a change to Measure A with voter approval to implement: Provide additional market-rate Residential Growth Allotments (RGAs) for projects that include a specified percentage of affordable units. Other action items are related to increased density allowances, permit higher density houses by right in certain commercial zones, update City Regulations regarding Accessory Dwelling Units, rezone two sites from industrial to residential, create off-the-shelf Accessory Dwelling Unit plans, and other direct developer support efforts for</p>	

	Program Description	Objectives and Timeframe	Accomplishments	Appropriateness
			affordable housing projects. The City secured grant funding in 2020 to begin work on these efforts.	
8	Housing Choice Voucher Program (Section 8)	<ul style="list-style-type: none"> Disseminate information to the public regarding the HCV program and promote participation by rental property owners. Annually contact the HACSJ to obtain information on the status of the HCV program and other available resources. Continue to support HACSJ's petition for increased funding from HUD. Continue to work with HACSJ to provide HCVs to Tracy residents. Continue to work with the HACSJ to assist households through the Family Self-Sufficiency Program. 	The City continues to participate in the Housing Choice Voucher Program operated by the San Joaquin Housing Authority funded by HUD . About 15 <u>162</u> Tracy households are currently receiving housing choice voucher assistance.	This program is completed, and a modified version will be included in the 2023-2031 Housing Element.
9	Sustainability Program	<ul style="list-style-type: none"> Continue to develop the Sustainability Action Plan. 	The City adopted the Sustainability Action Plan in February 2011. This document is frequently used in development project review and CEQA review. The entire Plan is available on the City's website.	This program is completed and a modified version will be included in the 2023-2031 Housing Element.
10	Affordability by Design	<ul style="list-style-type: none"> Continue to implement the recently adopted Zoning Amendments that incorporate affordability by design concepts described in the General Plan. Encourage the development of a variety of housing types that provide affordable housing options for persons with special needs, such as micro-units, senior units, second units, and small-lot developments. Promote Affordability by Design principles by placing information on City website and at public counters by 2016. 	Revised development regulations influenced by Affordability by Design principles were incorporated into the Zoning Ordinance over the last number of years. For example: <ul style="list-style-type: none"> Any use, including multi-family residential, may request up to a 20% reduction in required parking based on a study or survey that illustrates that required number of parking spaces pursuant the City's Off-Street Parking Ordinance is not needed for the use (Ordinance 1181). Relaxed setbacks in the High Density Residential Zoning District (Ordinance 1179), permitted a broader 	This program continues to be appropriate, and a modified version will be included in the 2023-2031 Housing Element.

Program Description	Objectives and Timeframe	Accomplishments	Appropriateness
		<p>degree of housing types in the Central Business District Zone consistent with General Plan densities (Ordinance 1282),</p> <p>Implementing the State's allowances for ADUs (Government Code Section 65852.150) which were updated effective January 1, 2020. This has provided for greater flexibility for the allowance and maximum usage of residential sites.</p> <p>On March 2, 2021, the City Council identified an action plan to address affordable/workforce housing, among which include changes to density and development regulations. Work began on developing these action items in 2021.</p>	

Goal 3.0: Provide suitable sites for housing development which can accommodate a range of housing by type, size, location, price, and tenure.

11	Provision of Adequate Sites	<ul style="list-style-type: none"> • Complete rezoning of the four parcels on Valpico Road within two years of the adoption of the 2015-2023 Housing Element. • Monitor and update the sites inventory annually to assess its adequacy for meeting the RHNA, particularly for sites capable of facilitating the development of lower income housing. • Make the inventory of vacant sites available to interested developers after adoption of the Housing Element. • Should properties identified in the residential sites inventory become unavailable during the planning period, resulting in a shortfall in sites for meeting the RHNA, the City will identify additional sites per Government Code § 65863. 	<p>The parcels on Valpico Road have not yet been rezoned. The City has had numerous meetings with developers about the appropriate zoning of this site, and these conversations are still going. The City anticipates a formal development (rezoning to High Density Residential and Tentative Map) application for residential use of the property by November 2023. While the residential use will be consistent with the High Density Residential density, the project is not anticipated to be deed-restricted for below-market rate housing. Therefore, this item will be removed from the list of Objectives.</p> <p>The available sites inventory is still accurate and is publicly available on the City's website on page 81 of the Housing Element. Tracy's RHNA obligations are</p>	This program continues to be appropriate and will be included in the 2023-2031 Housing Element.
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	Program Description	Objectives and Timeframe	Accomplishments	Appropriateness
			being assessed annually. There is currently no shortage on vacant sites.	
12	Property Acquisition and Improvement	<ul style="list-style-type: none"> Continue to identify and seek partnerships with organizations and the County in order to acquire, improve, and develop affordable housing Continue to assist in site acquisition for affordable housing. As funding permits, prioritize funding assistance to affordable housing projects that set aside units for seniors, persons with disabilities, and extremely low income households. 	The dissolution of the Tracy Community Development Agency in 2012 eliminated the Redevelopment Project area and severely compromised the City's ability to pursue and purchase properties for residential development. However, the City will continue to identify and seek partnerships with organizations to acquire, improve, and develop affordable housing.	This program continues to be appropriate, and a modified version will be included in the 2023-2031 Housing Element.
13	Inclusionary Housing	<ul style="list-style-type: none"> Explore the potential and set the stage for a voluntary inclusionary housing program that includes an extremely low income housing component by 2017. Monitor the City's affordability conditions on an annual basis and identify an inclusionary housing trigger, if necessary. 	<p>Projects that voluntarily provide inclusionary housing are granted priority for Residential Growth Allotments that are necessary to obtain a building permit for residential development as established in the Growth Management Ordinance Guidelines (Resolution 2014-145).</p> <p>The City Council conducted a workshop in June 2021 and directed City staff to add inclusionary housing to the workforce/affordable housing action plan list. The City is working through each item in the action plan toward implementation.</p>	This program continues to be appropriate, and a modified version will be included in the 2023-2031 Housing Element.
14	Resale of Foreclosed Properties	<ul style="list-style-type: none"> Continue to collaborate with the County, on an ongoing basis, to identify and pursue available resources for the acquisition/rehabilitation of foreclosed and/or substandard housing as affordable housing. 	The City focused its efforts on the maintenance of foreclosed properties to prevent vandalism. The City's Code Enforcement Division received calls and resolved issues related to graffiti and weed abatement on foreclosed properties. This is on-going in collaboration with the San Joaquin County Neighborhood Preservation Division.	The NSP funding for this program has been exhausted but the City will work to identify additional funding sources to continue this program. A modified version will be included in the 2023-2031 Housing Element.

Program Description	Objectives and Timeframe	Accomplishments	Appropriateness
Goal 4.0: Mitigate any potential governmental constraints to housing production and affordability.			
15 Zoning Ordinance	<ul style="list-style-type: none"> • Complete Zoning Ordinance amendments to address the provision of density bonuses, residential care facilities, farmworker housing, and employee housing by the end of 2016. Specifically: <ul style="list-style-type: none"> • Density Bonus: Update Density Bonus Ordinance to reflect the requirements of AB 2222 (effective January 2015), including extending the affordability control for the affordable units to 55 years, and requiring the replacement of existing affordable units demolished or removed in order to qualify for a density bonus, incentive, or concession. • Residential Care Facilities: to In accordance with the Lanterman Act, amend the Zoning Ordinance to permit residential care facilities serving six or fewer persons as a single-family residential use. In addition, consistent with City practice, amend the Zoning Ordinance to allow residential care facilities of seven or more persons in all residential zones with a Conditional Use Permit. • Employee Housing: The California Employee Housing Act requires that housing for six or fewer employees be treated as a regular residential use. The City will amend the Zoning Ordinance to address the provision of farmworker housing consistent with the Employee Housing Act. 	<p>Zoning code amendments related to Density Bonus, Residential care facilities, Farmworker housing, and employee housing were not completed during the planning period. However, on February 4, 2020, the City Council identified an action plan to address affordable/workforce housing, among which include changes to density and development regulations. Work began on developing these action items in 2020. The City is working through each item in the action plan toward implementation.</p>	<p>This program continues and a modified version will be included in the 2023-2031 Housing Element.</p>

	Program Description	Objectives and Timeframe	Accomplishments	Appropriateness
		<ul style="list-style-type: none"> • Reevaluate recent amendments to the definition of “family” and “supportive housing” in the Zoning Ordinance and amend, as necessary, to comply with State laws. • Evaluate Zoning Ordinance for any potential constraints to the development of housing on an ongoing basis. 		
16	Growth Management Ordinance (GMO)	<ul style="list-style-type: none"> • Annually monitor and evaluate the Growth Management Ordinance for the impacts on the cost, supply and timing of housing including seeking input from residential developers and affordable housing stakeholders in reviewing the effects of the GMO. The review will reflect the RHNA as a minimum and consider impacts on overall housing supply in addition to accommodating the RHNA. Information will be included and evaluated as part of the annual Growth Management Status report, published in the fourth quarter of each calendar year. 	The Growth Management Ordinance was amended in November 2015 to permit building permits to be issued beyond the maximum number of Residential Growth Allotments issued in accordance with the Ordinance in an effort to allow housing to be built in accordance with the City's assigned RHNA (Ordinance 1201). The growth management status and pipeline report are on the City's website.	This program continues to be appropriate and will be included in the 2023-2031 Housing Element.

Goal 5.0: Continue to promote equal housing opportunity in the City’s housing market consistent with Federal and State fair housing laws.

17	Fair Housing	<ul style="list-style-type: none"> • Continue to support the San Joaquin Fair Housing Association, or other qualified fair housing agencies, annually with CDBG funds and refer residents seeking fair housing assistance on an ongoing basis. • Advertise the services provided by the San Joaquin Fair Housing Association (or other qualified fair housing agencies) on an ongoing basis in City buildings and other public buildings (such as public libraries, community centers, County Housing Authority offices, and post offices, etc.). 	<p>The City participates in providing an annual direct allocation to the San Joaquin Fair Housing Association through the CDBG program. Between 2016 and 2021, \$35,379 was allocated.</p> <p>Information on the Fair Housing services are available at City Hall and on the City's website under the Economic Development Division homepage.</p>	This program continues to be appropriate and will be included in the 2023-2031 Housing Element.
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Table B-2 : Housing Element Quantified Objectives and Accomplishments

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
New Construction (RHNA) (Objectives)	453	454	632	813	2,535	4,888
New Construction (Actual - Permitted)	0	0	0	840	727784	859784
Rehabilitation (Objectives)						
Downtown Rehabilitation Loan	1	1	2	1	0	5
Downtown Rehabilitation Grant	5	5	10	5	0	25
NSP	0	2	2	5	0	9
Rehabilitation (Actual)						
Downtown Rehabilitation Loan	0	0	0	2	0	2
Downtown Rehabilitation Grant	0	0	0	11	0	11
NSP	0	0	0	14	0	14
Preservation (Objectives)	No units at risk during planning period					
Assistance (Objectives)						
Downpayment Assistance	0	20	25	25	0	60
Section 8	83	83	0	0	0	166
Family Self-Sufficiency	8	9	0	0	0	17
Assistance (Actual)						
Downpayment Assistance	0	4	12	7	0	23
County GAP-DPA Program	0	0	0	8	0	8
Section 8	75	75	0	0	0	150
Family Self-Sufficiency	Information Not Available					

**City of Tracy
Housing Element Update**

**Affirmative Furthering Fair Housing
(AFFH)**

October 25, 2024 Revised Draft

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Table of Contents

Appendix C	Affirmatively Furthering Fair Housing.....	C-1
A.	Introduction, Outreach, and Assessment.....	C-1
B.	City Overview.....	C-6
C.	Integration and Segregation.....	C-11 C-10
D.	Racially and Ethnically Concentrated Areas of Poverty and Affluence.....	C-31 C-30
E.	Disparities in Access to Opportunities.....	C-33 C-32
F.	Disproportionate Housing Needs.....	C-44 C-42
G.	Other Contributing Factors.....	C-54 C-51
H.	Fair Housing Issues, Contributing Factors, and Meaningful Action.....	C-56 C-53

List of Tables

Table C-1: Comparison of Fair Housing with Respect to Location.....	C-8
Table C-2: Overcrowding by Tenure (2019).....	C-50 C-48
Table C-3: Homeless Population by Jurisdiction (2019-2022).....	C-51 C-49
Table C-4: Homeless Facilities in or Adjacent to Tracy.....	C-51 C-49
Table C-5: Contributing Factors.....	C-56 C-53
Table C-6: AFFH Actions Matrix.....	C-58 C-54

List of Figures

Figure C-1: RHNA Opportunity Sites by Tract.....	C-7
Figure C-2: Racial and Ethnic Majority by Tract (2017-2021).....	C-12 C-11
Figure C-3: Percent of the Population that is Non-White and RHNA Sites, 2018.....	C-13 C-12
Figure C-4: Percent Non-White Comparison of RHNA Units.....	C-14 C-13
Figure C-5: Dissimilarity Index for Race.....	C-15 C-15
Figure C-6: Sites Inventory and Low to Moderate Income Populations by Tract (2017-2021).....	C-16 C-16
Figure C-7: Low to Moderate Income Population Comparison of RHNA Units.....	C-17 C-17
Figure C-8: Households per Income Level, 2021.....	C-17 C-18
Figure C-9: Median Household Income by Tract (2017-2021).....	C-19 C-19
Figure C-10: Building Age.....	C-20 C-19
Figure C-11: Poverty Status by Tract (2010-2014).....	C-21 C-20
Figure C-12: Sites Inventory and Poverty Status by Tract (2017-2021).....	C-22 C-21
Figure C-13: Housing Choice Vouchers by Tract (2021).....	C-23 C-22
Figure C-14: Sites Inventory and Children in Female-Headed Households by Tract (2021) ...	C-24 C-23
Figure C-15: Female Headed Households Comparison of RHNA Units.....	C-25 C-24
Figure C-16: Children in Married-Couple Households by Tract (2021).....	C-26 C-25
Figure C-17: Disability Characteristics, Tracy, 2021.....	C-27 C-26
Figure C-18: Population of Persons with Disabilities by Tract (2010-2014).....	C-28 C-27
Figure C-19: Sites Inventory and Population of Persons with Disabilities by Tract (2017-2021).....	C-29 C-28
Figure C-20: Population with a Disability Comparison of RHNA Units.....	C-30 C-29
Figure C-21: Presence of a R/ECAP Comparison of RHNA Units.....	C-31 C-30
Figure C-22: RCAAs Vicinity and RHNA Sites.....	C-32 C-32
Figure C-23: TCAC Opportunity Areas – Economic Score by Tract (2021).....	C-34 C-33
Figure C-24: TCAC Opportunity Areas – Education Score by Tract (2021).....	C-35 C-34
Figure C-25: TCAC Opportunity Areas – Environmental Score by Tract (2021).....	C-36 C-35
Figure C-26: Sites Inventory and TCAC Composite Score by Tract (2022).....	C-37 C-36
Figure C-27: Distribution of RHNA Units by TCAC Category.....	C-38 C-37
Figure C-28: Transit Route Map.....	C-39 C-38

Appendix C. Affirmatively Furthering Fair Housing

Figure C-29: Sites Inventory and CalEnviroScreen 4.0 Percentile Score by Tract	<u>C-42</u> C-40
Figure C-30: Distribution of RHNA Units by CalEnviroScreen 4.0 Percentile Score	<u>C-43</u> C-41
Figure C-31: Housing Problems by Tenure and Race/Elderly/Housing Size	<u>C-45</u> C-43
Figure C-32: Cost Burden by Tenure and Race/Elderly/Housing Size	<u>C-46</u> C-44
Figure C-33: Cost Burdened Owner-Occupied Households by Tract (2010-2014).....	<u>C-47</u> C-45
Figure C-34: Sites Inventory and Cost Burdened Owner-Occupied Households by Tract (2017-2021).....	<u>C-47</u> C-45
Figure C-35: Cost Burdened Renter-Occupied Households by Tract (2010-2014)	<u>C-48</u> C-46
Figure C-36: Sites Inventory and Cost Burdened Renter-Occupied Households by Tract (2017-2021).....	<u>C-48</u> C-46
Figure C-37: Sites Inventory and Overcrowded Households by Tract (2017-2021).....	<u>C-50</u> C-48
Figure C-38: Communities Vulnerable to Displacement	<u>C-53</u> C-51

Appendix C Affirmatively Furthering Fair Housing

A. Introduction, Outreach, and Assessment

1. Introduction

Fair housing prohibits housing discrimination based upon race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, or genetic information.

Assembly Bill (AB) 686 requires a jurisdiction's Housing Element to provide an analysis of barriers that restrict access to opportunity and a commitment to specific meaningful actions and how the identified Regional Housing Needs Allocation (RHNA) sites affirmatively further fair housing. AB 686 requires jurisdictions to identify meaningful goals to address the impacts of systemic issues such as residential segregation, housing cost burden, and unequal educational or employment opportunities to the extent these issues create and/or perpetuate discrimination against protected segments of the population. In addition, AB 686:

- Requires jurisdictions and public housing authorities to administer their programs and activities related to housing and community development in a way that affirmatively furthers fair housing;
- Prohibits the state, cities, counties, and public housing authorities from taking actions materially inconsistent with their Affirmatively Furthering Fair Housing (AFFH) obligation;
- Adds an AFFH analysis to the Housing Element (an existing planning process that California cities and counties must complete) for plans that are due beginning in 2021; and
- Includes in the Housing Element's AFFH analysis a required examination of issues such as segregation and resident displacement, as well as the required identification of fair housing goals.

The bill added an assessment of fair housing to the Housing Element which includes the following components:

- A summary of fair housing issues and assessment of the City's fair housing enforcement and outreach capacity;
- An analysis of segregation patterns and disparities in access to opportunities,
- An assessment of contributing factors, and
- An identification of fair housing goals and actions.

2. Public Outreach

The City of Tracy solicited community input throughout the Housing Element update planning process in a variety of ways. The main strategies to gather public participation are summarized below.

Appendix C. Affirmatively Furthering Fair Housing

Outreach Activities

Community members were engaged using the following methods:

- Survey available in hard copy and online in both English and Spanish
- Stakeholder focus group interviews
- Dedicated project website (<https://tracyheu2023.weebly.com/>)
- Community workshops
- Joint City Council and Planning Commission study session
- Public hearings

Organizations Contacted and Consulted

Organizations contacted and interviewed included:

- McHenry House Tracy Family Shelter
- Souza Realty and Development
- City of Tracy Homeless Services
- City of Tracy Code Enforcement
- Housing Authority of the County of San Joaquin
- The Surland Companies
- Lennar Homes of California
- Meritage Homes
- Bright Development
- Coalition of Tracy Citizens to Assist Homeless
- San Joaquin County Homeless Initiatives
- Tracy Community Connections Center
- San Joaquin Fair Housing
- BIA of the Greater Valley
- Neighborhood Preservation Division, San Joaquin County
- Tracy Family Resource Center
- Tracy Seniors Association
- Central Valley Low Income Housing Corporation
- HBR Rentals
- Crown Key Realty
- At Home Real Estate
- HERO Real Estate

The City made a comprehensive effort to reach lower- and moderate-income individuals to participate in the Housing Element Update. As noted above, the City developed a bilingual outreach campaign, contacted a variety of local organizations including advocacy groups and the fair housing service provider, local service providers, and community centered organizations.

Housing Element Update Website

The City created the Housing Element update webpage on the City's website to provide:

- Background and information on the Housing Element process;
- Link to the Housing Element update survey;
- Documents related to the Housing Element, including the first public review draft;
- Presentation materials and recordings of presentations
- Notification to the public of future events

Stakeholder Interviews

The City contacted over 30 individuals and groups including service providers nonprofits, and other identified stakeholders to participate in focus group interview about the housing needs and issues in Tracy. Out of the 30 individuals and groups that were contacted, 17 individuals participated in the three focus group held: April 10, 2023 at 12:00 p.m.; April 17, 2023 at 12:00 p.m., and one on April 19, 2023 at 12:00 p.m. where the group was divided into 2 breakout rooms for discussion. Multiple dates and times were offered for increased flexibility to accommodate various schedules; however, all of the participants requested a 12:00 p.m. time. The stakeholders who participated discussed a variety of concerns including:

- Residential Growth Allotment (RGA) as a possible constraint to growth and the development review process;
- A lack of affordable housing options and how to incentivize senior and affordable development in the City;
- High development and impact fees;
- Tracy does not have the capacity to support people experiencing homelessness, most of the social services and housing resources are located in Stockton; and
- Need for more education and outreach to inform residents of housing law and what affordable housing is, to shift the perceived stigma.

Balancing Act

The City utilized the Balancing Act online interactive tool to gather input and help inform staff, the Planning Commission, and City Council on decisions regarding the Housing Element. The Balancing Act allows the public to allocate density/housing units to areas of the City that correspond to the opportunity sites identified in the sites inventory, with the goal to allocate housing units and density until the RHNA is reached. The results provide the City with the preferences of the public as well as an educational tool for the public that describes the challenges and choices related to the Housing Element opportunity sites strategy. The tool received 400 total pageviews and 14 completed housing element simulations (<https://tracy.housing.abalancingact.com/tracy-heu>). The following areas were the top three areas identified by the participants where housing should be allocated and increased.

1. Valpico Rd sites (Areas 8A, 8B, and 8C)



Appendix C. Affirmatively Furthering Fair Housing

2. The Bowtie sites (Areas 7A, 7B, 7C, and 7D)



3. I-205 Corridor sites (Areas 1A and 1B)



Public Workshops

Two City-staff led public workshops were held to review Housing Element issues and concerns. The workshops were conducted at the Tracy Transit Center in an open house format where the public could drop in at any time during the 2-hour time period. The Balancing Act was available as an interactive element during the workshops. The workshops were held on the following dates:

- Tuesday, May 23, 2023, 6:30 p.m. – 8:30 p.m.
- Saturday, May 27, 2023, 9:30 a.m. – 11:30 a.m.

Study Session

The City held a special joint City Council and Planning Commission study session on March 22, 2023. The session included a detailed presentation of the requirements of the 6th cycle Housing Element Update, the RHNA requirements and the preliminary opportunity site selection strategy and results. This included identification of the need to increase densities through zoning amendments and rezones to meet the RHNA. The presentation was followed by a robust question and answer session, including comments and questions from members of the public, Planning Commission and City Council, and city staff. The session served to establish a foundation of understanding of the requirements and challenges facing the City of Tracy. It was recorded and posted on the City housing element update webpage for future reference and to increase knowledge and understanding throughout the update period.

Housing Element Survey

Another component of the outreach effort was the Housing Element survey, posted on the City's website from March 2023 through September 2023, and promoted through several public channels to provide the furthest reach. The survey was available in both English and Spanish. As of August 2023, a total of 138 completed surveys were received. Respondent characteristics represented the following.

- 59 percent were homeowners and 17 percent were owners;
- 58 percent have lived in Tracy over 10 years;
- 19 percent were seniors (over 65 years old); and
- 16 percent were experiencing housing insecurity in Tracy (i.e., trouble paying rent, poor housing quality)

Homeowners expressed interest in considering ADUs for accommodating their parents, relatives, and children, as well as for generating additional income. However, homeowners identified the main obstacles for ADU construction as costs and challenges related to technical design, permitting, and construction processes.

Additionally, the following results highlight the perceived difficulties in finding affordable housing as well as challenges related to neighborhood conditions and existing housing conditions in Tracy.

- Over 50 percent of respondents strongly agreed that it is difficult to find affordable rental housing in Tracy;
- 60 percent strongly agreed that it is difficult to find affordable homes for purchase in the City;
- 45 percent strongly or somewhat agreed that conditions of neighborhoods (streetlights, sidewalks, parks, etc.) were the foremost challenge in the community; and
- 39 percent strongly or somewhat agreed that the condition of existing housing and property maintenance is the foremost challenge facing the community.

Public Hearing

[Following the release of the first public draft, the City held one joint Planning Commission and City Council in-person public hearing on Tuesday October 24, 2023, at 5:00 PM. The purpose of the meeting was to give the public and the City's decision makers an opportunity to provide comments and suggestions prior to sending the draft to HCD for its review.](#)

3. Findings

Most focus group attendees and survey respondents support the provision of more housing assistance, financial or policy based, for the low-income population in finding housing. In summary, the community engagement and input yielded the following themes and feedback:

- **Education and Outreach:** Participants expressed the challenges and barriers for community engagement and education as it related to affordable housing, available housing services and programs, and housing policy and law. Program 6 provides outreach and education on homebuyer resources. Program 17 includes an action to promote housing programs and services via social media platforms. [Program 17 geographically targets outreach in lower resource, lower income neighborhoods.](#)

Appendix C. Affirmatively Furthering Fair Housing

- **Prioritizing Housing for a Variety of Incomes:** Participants addressed the need for prioritizing development for a mix of income levels as well as a variety of housing types. Program 7 includes actions to expand housing choices in the community (such as tiny home, duplex, triplex, fourplex, and medium density multi-family housing).
- **Residential Growth Allotment (RGA):** Participants expressed the challenges and barriers for developing housing projects as a result of the RGA provision. Program 16 includes actions to improve the effectiveness of the City's GMO to accommodate the RHNA and to monitor the pace of development.

B. City Overview

Much of the fair housing analysis is based upon census data provided at the census tract level. Tracy has a total of fifteen census tracts. Figure C-1 displays the census tracts in the City and the RHNA sites located in each of those census tracts; however, several of the census tracts are not solely in Tracy and have substantial portions in neighboring jurisdictions. As a result, demographic information for these census tracts reflects neighboring communities, as well as Tracy. The western and southern tracts are largely agricultural land uses and include a couple of the larger residential specific plan areas (Tracy Hills and Ellis Specific Plans) in the City. A majority of the northern and eastern tracts include a mix of industrial and agricultural land uses. Tracy is surrounded by unincorporated San Joaquin County, mostly consisting of agriculture land uses.

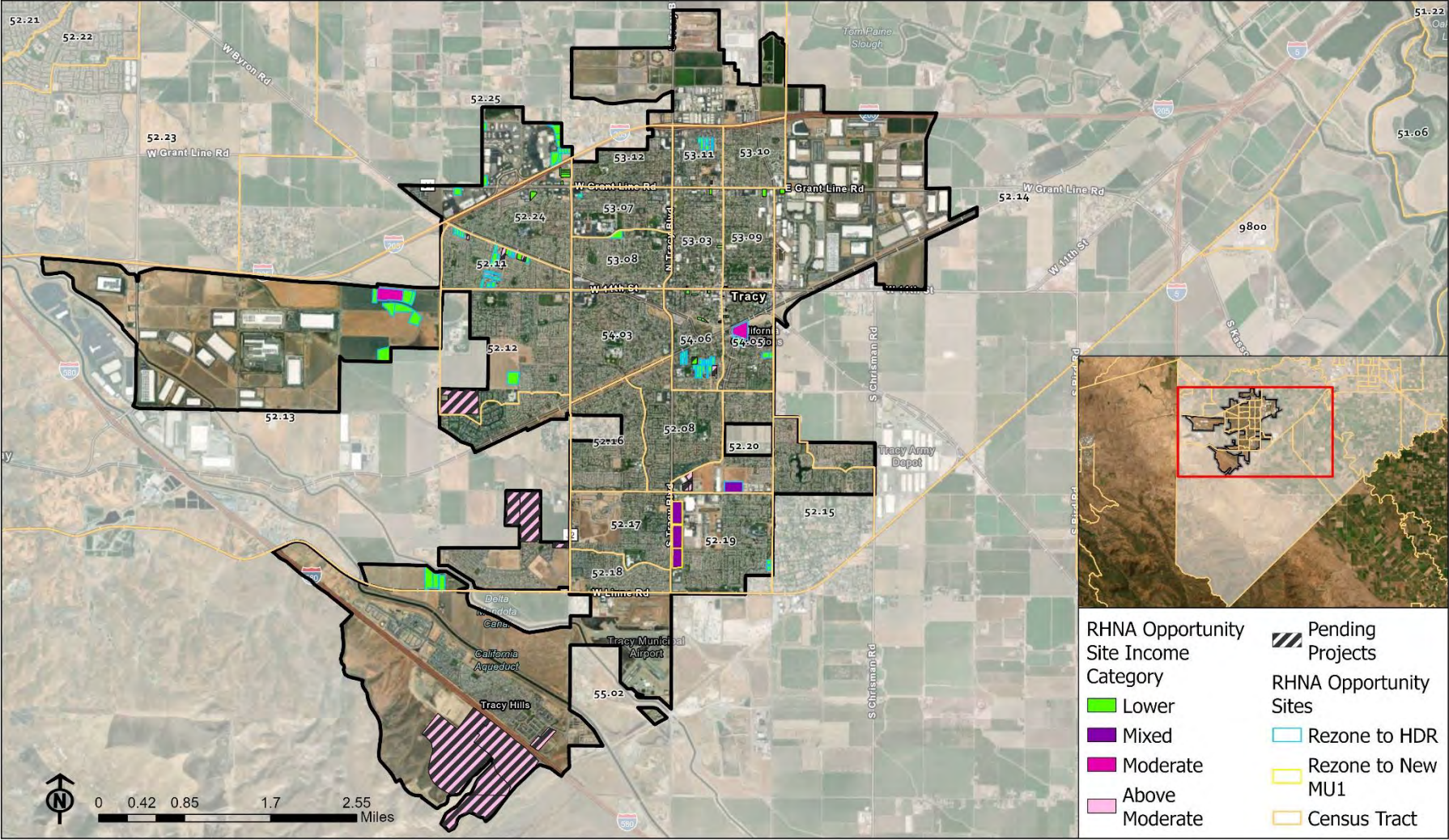
The AFFH section also considers the effect that the selected RHNA sites may have on fair housing. RHNA sites are distributed throughout the City, with many pending project sites in the western and southern areas of the City. The sites inventory includes a mix of vacant and non-vacant sites, selected for their access to resources, suitability for multifamily housing, and proximity to upcoming plans for community revitalization, including the City's Ten Year Economic Development Strategic Plan. Additionally, non-vacant sites were selected based on their likelihood to develop during the 6th cycle and the extent to which the existing use may preclude development.

As noted in [Table C-1](#), Tracy is primarily in the high or highest resource categories, with a cluster of smaller, central tracts of low or moderate resource. These are relative rankings based on composites of the environmental, economic, and education scores. The tract in the south is considered a Racially Concentrated Area of Affluence (RCAA).

Of the ~~151~~¹⁷⁰ RHNA sites [including pipeline/pending projects](#) (assessor parcels), including pending projects and opportunity sites, ~~9.78~~³ percent of units are in the Low Resource tracts, ~~7.76~~⁹ percent of units are in Moderate Resource tracts, ~~19.32~~⁶ percent are in High Resource tracts, and ~~63.65~~^{2.2} percent of units are in Highest Resource tracts.

~~Eleven-Nine~~ of the ~~15~~¹³ census tracts that intersect Tracy have the majority of their area located inside City limits. ~~18.73~~^{2.3} percent of the units are in the tract with the second highest median income and ~~41.1~~[%] with the third highest median income.

Figure C-1: RHNA Opportunity Sites by Tract



Appendix C. Affirmatively Furthering Fair Housing

Table C-1: Comparison of Fair Housing with Respect to Location

Census Tract	Low	Mod	Above Mod	RHNA Units			Total HH	Total Pop	TCAC Composite Category Resource	Median Income	% with Disability	% of Children in FHH	CES Percentile	% Non-White	R/ECAP Present
Census Tracts Mostly Inside of Tracy															
<u>52.08</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>2,095</u>	<u>1,693</u>	<u>Highest</u>	<u>\$92,425</u>	<u>10.2%</u>	<u>3.3%</u>	<u>30.1</u>	<u>63.7%</u>	<u>No</u>	
52.09	459	604	246	<u>12.9%</u>		1,309		Highest	\$95,478	5.6%	10.9%	28.3	61.3%	No	
<u>52.10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>1,036</u>	<u>2,204</u>	<u>Highest</u>	<u>\$113,721</u>	<u>8.1%</u>	<u>21.8%</u>	<u>21.3</u>	<u>71.3%</u>	<u>No</u>	
53.02	31	0	0	0.3%		31	1,071	1,172	Low	\$90,994	13.7%	16.3%	78.6	70.4%	No
53.03	59	6	<u>24</u>	<u>0.90.6%</u>		<u>8965</u>	1,757	1,048	Moderate	\$64,522	6%	27.2%	61.2	66.6%	No
53.05	162	0	10	<u>1.7%</u>		172	972	1,609	Low	\$96,250	7.8%	33.3%	66.5	68.7%	No
53.07	<u>13623</u>	0	0	<u>0.2%</u>		<u>23</u>	1,040	1,829	Moderate	\$74,091	12.2%	7.8%	60.9	62.1%	No
53.08	<u>23113</u>	0	0	<u>1.1%</u>		<u>113</u>	1,337	867	Moderate	\$88,602	8.4%	18.6%	53.6	72.8%	No
54.03	9	0	0	0.1%		9	2,006	1,594	High	\$106,328	12.1%	19.5%	43.1	67.7%	No
54.05	208	354	11	<u>5.7%</u>		573	1,103	1,282	Moderate	\$81,790	9.4%	8.8%	55.7	73.1%	No
54.06	<u>753745</u>	0	37	<u>7.87.7%</u>		<u>782</u>	1,044	2,372	Low	\$64,605	13.1%	22.4%	65.0	60.7%	No
Census Tracts Mostly Outside of Tracy															
52.02	22	0	0	0.2%		22	1,285	1,179	High	\$160,953	11.3%	2.2%	72.3	62.6%	No
52.06	<u>960</u>	0	0	<u>9.5%</u>		<u>960</u>	1,395	2,076	Highest	\$95,982	3.6%	0%	57.8	57.2%	No
52.07	<u>2,5102,808</u>	575	<u>776</u>	<u>41.1%</u>		<u>4,1593,873</u>	865	2,495	Highest	\$126,442	3.2%	17.1%	43.3	74.4%	No
55.02	<u>2980</u>	0	<u>1,892</u>	<u>18.7%</u>		<u>2,1901,892</u>	651	1,439	High	\$150,511	8.2%	3.8%	54.9	62.4%	No
TOTALS	<u>5,599</u>	<u>1,539</u>	<u>2,972</u>	<u>100%</u>		<u>10,110</u>	<u>15,251</u>	<u>21,509</u>							

Fair Housing Enforcement and Outreach Capacity

Fair housing services are provided to residents of Tracy primarily through the San Joaquin Fair Housing Association (SJFH). San Joaquin Fair Housing is a U.S. Department of Housing and Urban Development (HUD) approved housing counseling agency, which tenants and landlords in San Joaquin County with services that include tenant and landlord workshops, dispute resolution, and housing counseling.

Federal housing discrimination complaints are filed with the HUD Office of Fair Housing Employment Opportunity (FHEO). FHEO administers the Fair Housing Assistance Program (FHAP), which awards and manages the program grants and works with lawmakers to develop and refine fair housing legislation. FHEO data from 2015-2020 shows there were 12 total housing complaints in the City of Tracy, although no complaints were recorded between 2019 and 2020, of which 58 percent were resolved due to “No Cause”.

The 2020 San Joaquin County Analysis of Impediments to Fair Housing Choice identified the following impediments in the County related to fair housing enforcement capacity:

- Impediments to the development of second units in Tracy and Lathrop, where some single-family zones do not officially allow for the development of second units, which is required by State law.
- Neither San Joaquin County nor the City of Ripon have updated their definition of family to include non-blood relatives and end restrictions on family size included in their zoning codes.
- Discrimination in lending practices. Non-Hispanic White residents were approved for loans at the highest rate and Hispanic and Latino residents were approved for loans at a higher rate than Black/African American residents moderate-income households apply for government-insured loans at the highest rate among all income groups, which suggests that in the Urban County, moderate-income households may struggle to purchase a home with conventional loans.

The City does not have any pending lawsuits, enforcement actions, judgments, settlements, or findings related to fair housing and civil rights. As described below, the San Joaquin Fair Housing Office provides fair housing services to residents, including fair housing inquiries, fair housing investigations, tenant landlord inquiries, and tenant-landlord conciliation/mediation (see page C-10-11).

A review of relevant City policies and regulations shows that the City is in compliance with all State and Federal civil rights and fair housing laws. This includes compliance with the following:

- Fair Housing Act; Title VI of the Civil Rights Act of 1964. The City complies by ensuring its actions related to housing are not discriminatory through City protocols, decision making procedures, and adhering to non-discrimination requirements of federal funding program;
- California Fair Employment and Housing Act (FEHA) (Part 2.8 (commencing with section 12900) of Division 3 of Title 2). The City upholds policies that prohibit housing discrimination based on protected characteristics and enforces these policies by supporting residents seeking to file a complaint to the FHEO or who wish to pursue legal action.;
- Rehabilitation Act of 1973 (Section 504) The City complies through its accessibility protocols, administered and enforced by the City’s ADA Coordinator;

Appendix C. Affirmatively Furthering Fair Housing

- American Disabilities Act - The City complies with the ADA through building permit review and issuance and as described in Section 3- Housing for Persons with Disabilities;
- California Government Code sections 8899.50, 65008, and 11135. The City has included this assessment of fair housing and identifies strategies to increase housing opportunities for all residents, with specific actions to reduce housing disparities for disadvantaged communities;
- Civil Code section 51 (the Unruh Civil Rights Act); and
- FEHA regulations in California Code of Regulations, title 2, sections 12005-12271;
- Density Bonus Law (Gov. Code, § 65915.) The City's Density Bonus Ordinance was last updated in 2008. The City of Tracy will update its density bonus ordinance to comply with these new provisions as part of the update to the Zoning Ordinance to facilitate affordable/workforce housing (Program 7);
- Housing Accountability Act (Gov. Code, § 65589.5.) The City has documented compliance with the HAA as described in Section III, Governmental Constraints;
- No-Net-Loss Law (Gov. Code, § 65863) Density Bonus Law The City complies with the No Net Loss Law by identifying sites that can accommodate the City's RHNA. The City also maintains minimum density requirements for housing development in Medium and High Density Residential zones;
- Least Cost Zoning Law (Gov. Code, § 65913.1) The City includes programs in this Housing Element to ensure that sufficient land is zoned with appropriate standards to accommodate its RHNA;
- Excessive subdivision standards (Gov. Code, § 65913.2.) The City's subdivision standards are typical or not excessive in compliance with the Government Code;
- Limits on growth controls (Gov. Code, § 65302.8.); and The City complies as it has no growth control measures; and
- Housing Element Law (Gov. Code, § 65583, esp. subs. (c)(5), (c)(10).) This Housing Element documents compliance with Housing Element Law; and;
- Government Code Section 65008. The City Zoning Code is written to ensure that the City's actions regarding the development of housing for persons and families of very low, low, moderate, and middle incomes, or emergency shelters for the homeless, are not discriminatory. Programs have been included in this Housing Element to remove constraints and facilitate housing for all households, including protected classes (e.g., programs regarding residential care facilities, emergency shelters, etc.)

Any legal matters and litigation in the City since the beginning of the 5th Cycle have not been related to fair housing. The City also has no local laws relating to fair housing and housing choice.

Federal housing discrimination complaints are filed with the HUD Office of Fair Housing Employment Opportunity (FHEO). FHEO administers the Fair Housing Assistance Program (FHAP), which awards and manages the program grants and works with lawmakers to develop and refine fair housing legislation. FHEO data on inquiries and cases of fair housing discrimination from 2013-2022 is included in the table below. Disability, Race, Retaliation, and Sex were among the most common topics of inquiry. With a total of 16 cases over the course of 8 years, the number of cases per 1,000 people is 0.17. Regionwide in San Joaquin County, there are 0.29 cases of fair housing

discrimination per 1,000 people. This indicates that fair housing is more successful in the City of Tracy compared to the region as a whole.

	<u>Race</u>	<u>Sex</u>	<u>Disability</u>	<u>Retaliation</u>	<u>Familial Status</u>	<u>National Origin</u>	<u>Color</u>	<u>Religion</u>	<u>No Basis Given</u>	<u>Total</u>
<u>Cases</u>	4	3	2	2	2	2	1	1	-	16
<u>Inquiries</u>	0	0	4	2	0	0	0	0	19	23

The San Joaquin Fair Housing Office provides fair housing counseling services for the City of Tracy, including investigating fair housing complaints of housing discrimination, providing outreach and education to housing providers, and assisting residents with filing complaints with state and federal enforcement agencies such as the Department of Fair Employment and Housing (DEFH) and the HUD Office of Fair Housing and Equal Opportunity (HUD FHEO). San Joaquin Fair Housing is a nonprofit organization that provides a variety of fair housing resources and services, including resources for tenants, property managers, and service providers, dispute resolution, and housing counseling.

Local stakeholder have emphasized the need for more education and outreach to inform residents of housing law and what affordable housing is, to shift the perceived stigma. As part of Program 1847, the City will continue to partner with the San Joaquin Fair Housing Office to combat housing discrimination and to educate residents, landlords, and developers on their fair housing rights and responsibilities. The City also has a page on their website which describes the expectations of landlords, and includes a direct link to file a complaint or receive tenant/landlord mediation services with either the San Joaquin Fair Housing Office or the FHEO.

C. Integration and Segregation

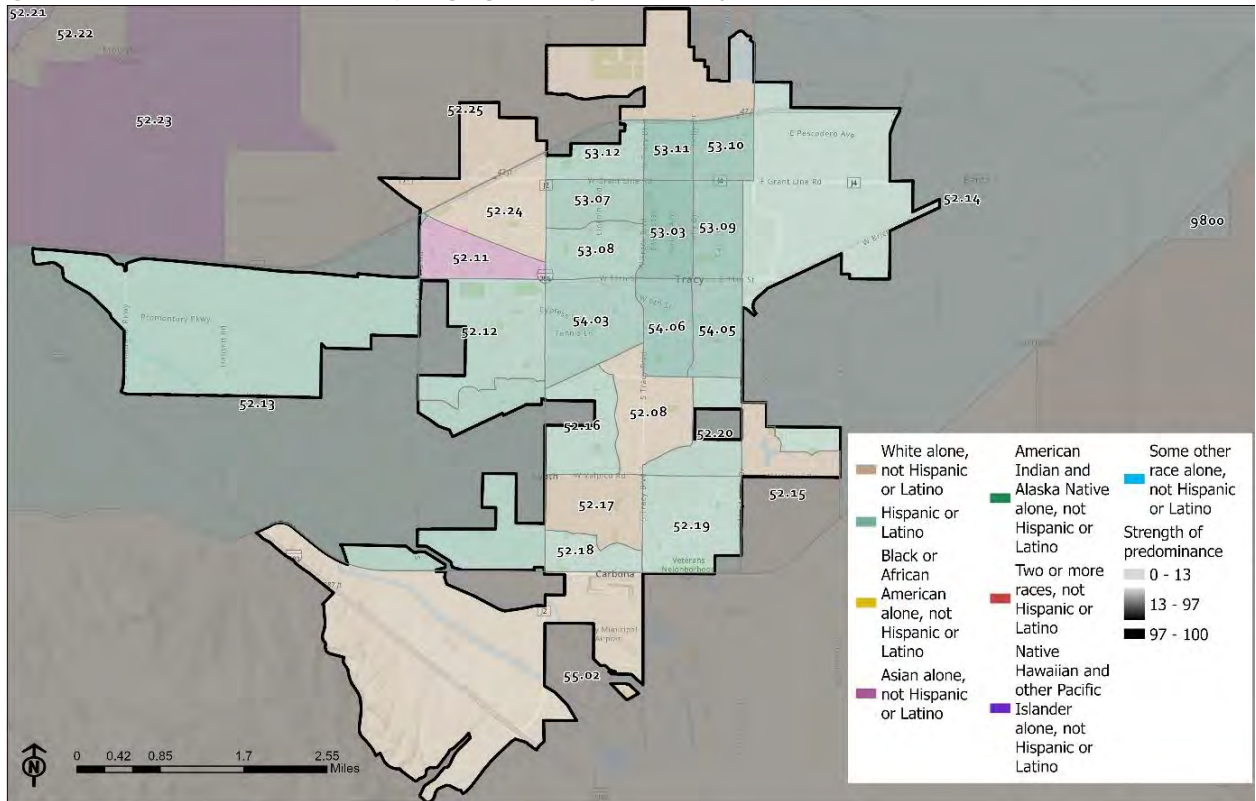
1. Race and Ethnicity

Ethnic and racial composition of a region is useful in analyzing housing demand and any related fair housing concerns because it can demonstrate the relationship with other characteristics such as household size, locational preferences and mobility. The racial categories included in the census questionnaire generally reflect a social definition of race recognized in this country and not an attempt to define race biologically, anthropologically, or genetically.

Figure C-2 shows the racial and ethnic majority by census tract in the City of Tracy. As illustrated, a majority of the City has a Hispanic majority, while the southernmost areas of the City having a predominant (>50%) White majority. The census tracts near the center of Tracy which consist of downtown have sizeable (10 - 50%) to predominant (>50%) Hispanic majorities, and there is a small tract in the western part of the City with a slim (<10%) Asian majority. The area with the predominant Hispanic majority also has a larger low- to moderate-income population. The central city and downtown areas are where the Hispanic majority is most prominent and are also where the TCAC (Tax Credit Allocation Committee) composite categories are Low to Moderate Resource opportunity. These are also two of the top three priority areas for economic investment and development as identified in the City’s 10 Year Economic Development Strategic Plan that was adopted in September 2023. The other areas of the City are identified as the High and Highest resource areas of the City.

Appendix C. Affirmatively Furthering Fair Housing

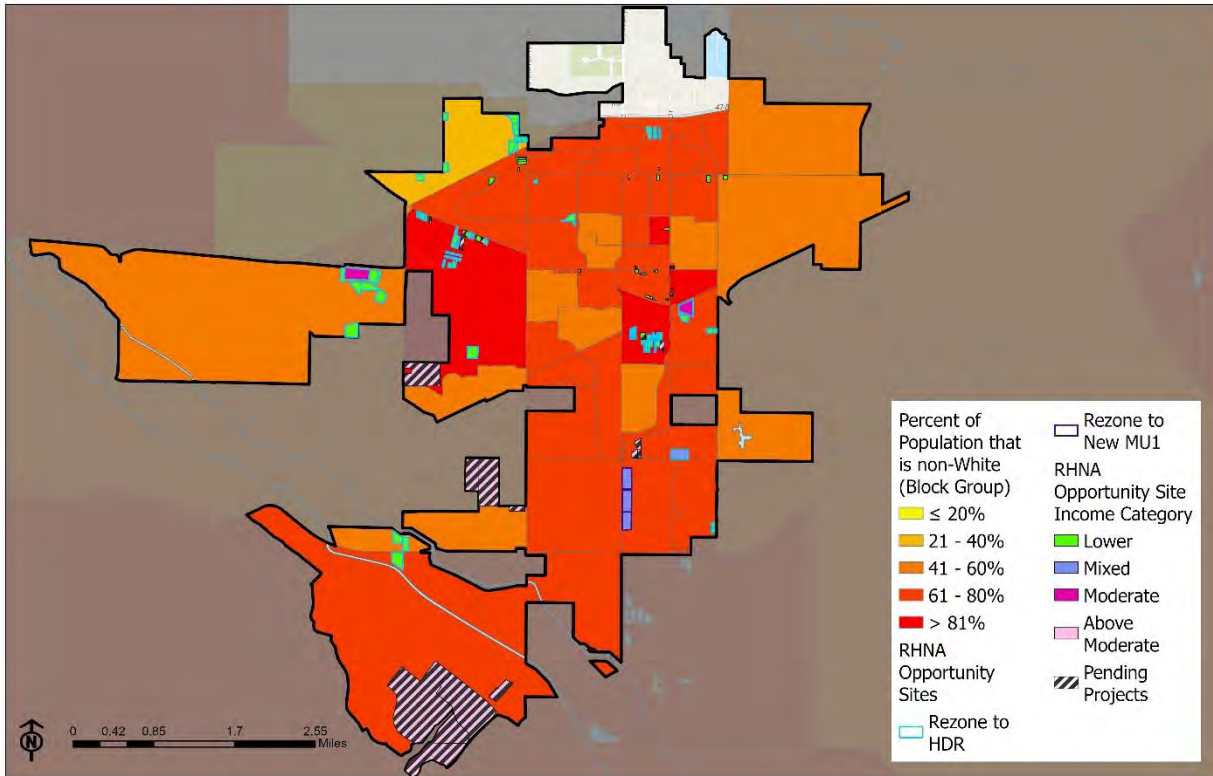
Figure C-2: Racial and Ethnic Majority by Tract (2017-2021)



Source: HCD AFFH Data Viewer

Regionally, there is a common correlation between wealth and race, which may help to explain the racial/income concentrations within the City. The City has a similar racial distribution as the County as a whole, with a population that is 43 percent Hispanic in Tracy, and a population that is also 43 percent Hispanic in San Joaquin County. Tracy has a slightly higher Asian population than the County, at 20 percent compared to the County’s 18 percent.

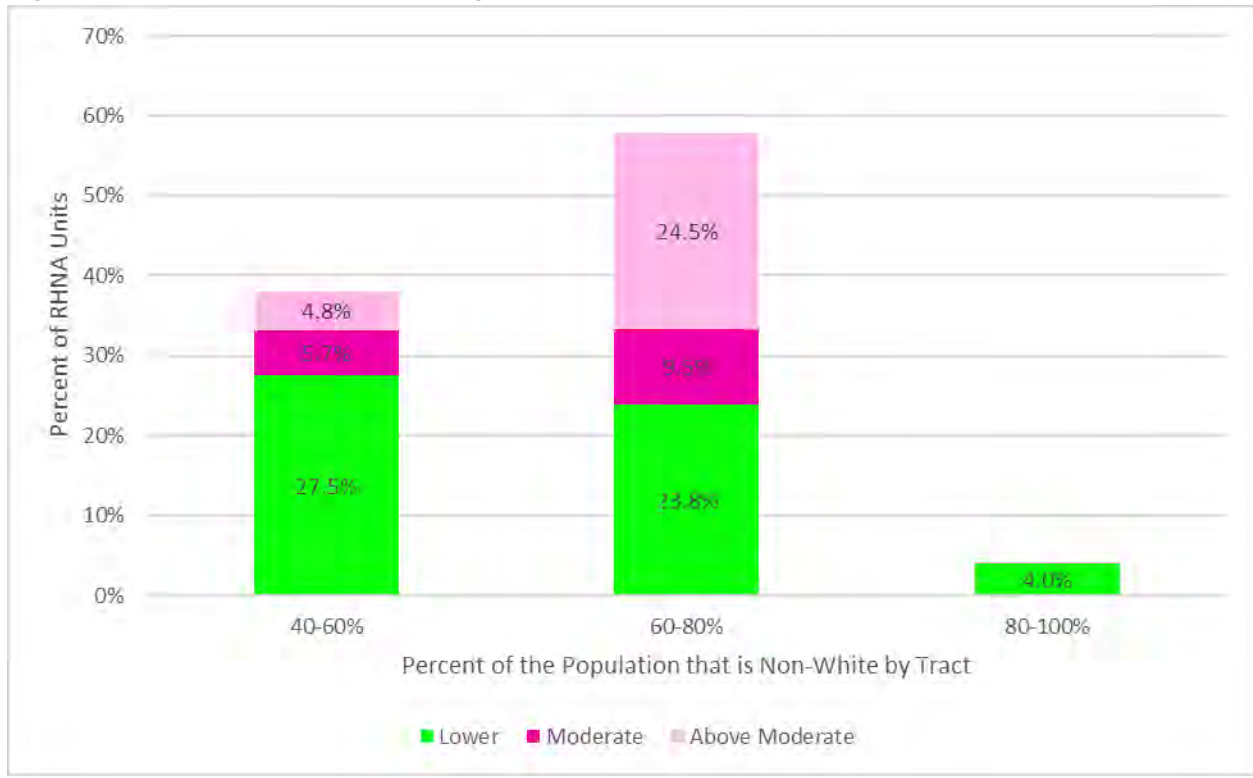
Figure C-3 shows the percent of the population in each block group that is non-White. As shown in Figure C-3, the areas in the southern and central areas of the City have a more predominant non-White population, and the central western region has the most predominant non-White population. There is little correlation between this trend and other fair housing distributions, as the trends in the central and downtown areas of the City have minimal correlation with the southern areas of the City. As of 2021, 74 percent of the population in Tracy is non-White, while 72 percent of the County is non-White, indicating that the overall distribution of the non-White population is similar between the City and the region as a whole.

Figure C-3: Percent of the Population that is Non-White and RHNA Sites, 2018

Source: HCD AFFH Data Viewer

Figure C-4 compares the RHNA Units with the percentage of the population that is non-White. About two-third of the RHNA units are in the areas where 60 to 80 percent of the population is non-White and about one-third is in areas where 40 to 60 percent of the population is non-white (predominately agricultural/industrial land), which is reflective of trends in the City as a whole. Local stakeholders noted a lack of affordable housing options and asked for increased affordable development in the City. The area where 60 to 80 percent of the population is non-white includes a majority of the City and where the established (central) and newer (west) single family residential neighborhoods are located, subsequently the majority (approximately 60%) of the RHNA units also fall within these areas. -The Tracy Hills specific plan will be targeting revitalization and place-based improvements in some of the census tracts where 60 to 80 percent of the population is non-white. The areas where more than 80 percent of the population is non-white includes the areas of the City that were previously unincorporated San Joaquin County parcels, downtown Tracy, as well as the older residential areas that supported the railroad during the original development of the City. -The plan includes environmental enhancements, a range of housing opportunities, and economic development. Opportunity sites are well distributed across all levels of concentration of the non-White population throughout the City. The City's RHNA strategy is not expected to exacerbate conditions of segregation.

Figure C-4: Percent Non-White Comparison of RHNA Units



Dissimilarity Index – Race and Ethnicity

Segregation is defined by the census as the spatial distributions of different groups among units in a metropolitan area.¹ Segregation can be quantified by using the dissimilarity index. The dissimilarity index measures the distribution of two groups in a city and assigns a score between 1 and 100. The level of segregation is determined by assessing what percentage of residents of a census block would have to move for each block to have the exact same population of said group. A score of zero (0) reflects a fully integrated environment; a score of 100 (or 100%) reflects full segregation. Therefore, a higher dissimilarity index indicates higher concentrations of the indicated ethnic groups in areas of the City, when compared to the White population distribution. A lower dissimilarity index implies higher integration, and a more even distribution of each ethnicity when compared to the White population. The formula for this calculation is provided by California Department of Housing and Community Development’s (HCD) AFFH Guidance Document.

The categories for the dissimilarity index on a scale of 1-100 are as follows:

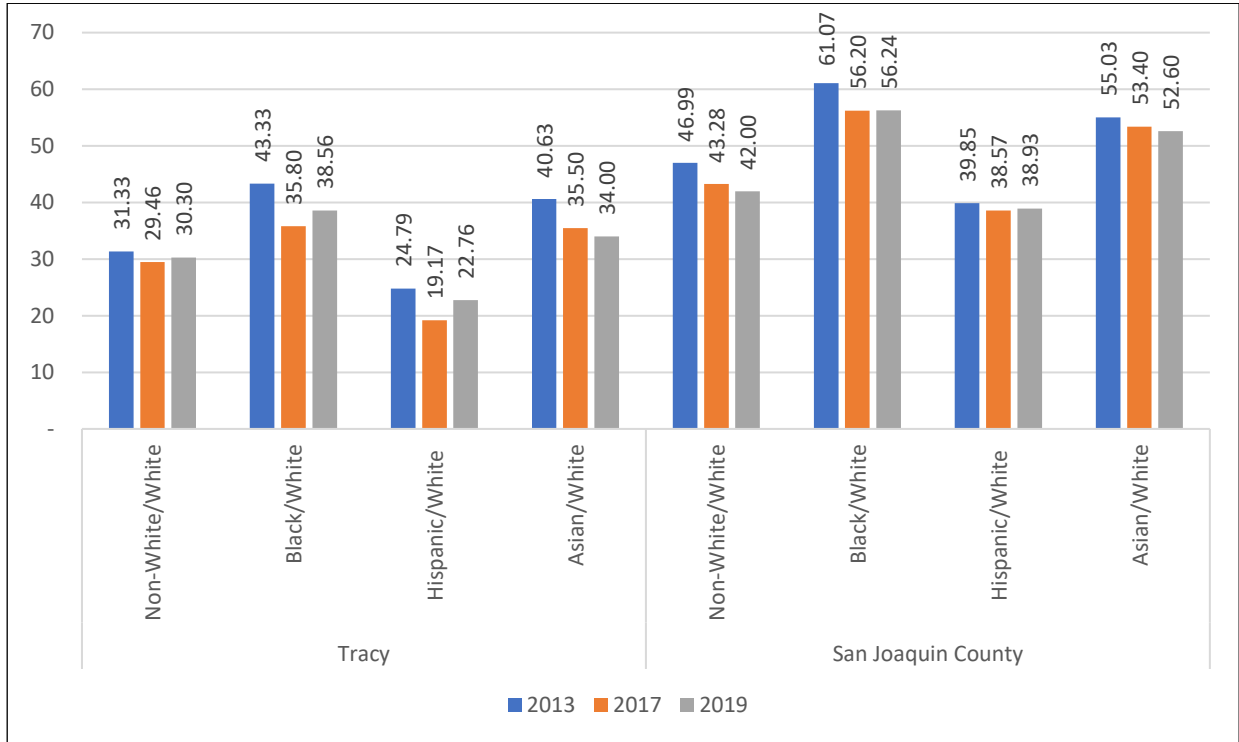
- <30: Low Segregation
- 30 – 60: Moderate Segregation
- >60: High Segregation

Figure C-5 provides the dissimilarity index values in Tracy, indicating the level of segregation between White residents and residents who are non-White, Black, Hispanic, or Asian. In 2019, there was moderate segregation between the non-White and White populations, the Black and White populations, and the Asian and White Populations. There was low segregation between the Hispanic

¹ Measures of Residential Segregation <https://www.census.gov/topics/housing/housing-patterns/guidance/appendix-b.html>

and White populations. A moderate dissimilarity index of 30.30 in the figure below means that 30.30 percent of Tracy’s non-White or White residents would need to move to a different census block to create balanced integration between non-White and White residents. Segregation at the City level is much lower than San Joaquin County as a whole. The segregation indices have all decreased since 2013.

Figure C–5: Dissimilarity Index for Race



Source: ACS 2013, 2017, and 2019 5-Year Estimates (B03002)

2. Income

The dissimilarity index can also be used to calculate income segregation, using the same scale as above. In the City of Tracy, the income dissimilarity index between the low to moderate income population and the above moderate income population was 37.57 as of 2015. This is a moderate level of income segregation. San Joaquin County also had moderate income segregation, with an index of 37.2.

As shown in Figure C–6, the area with a large low to moderate income population is also the area with a predominant Hispanic majority, and the low to moderate resource TCAC designations. There is a smaller low- to moderate-income population in the area with more single-family housing. Income often correlates with housing type—i.e., large single-family areas generally have higher incomes. Compared to the region, Tracy has a higher median income, but a comparable amount of income disparity.

Figure C–7 shows the percentage of RHNA units compared to the percent of each tract that is in the low- to moderate-income category. About 85 percent of RHNA units are in areas where less than 25 percent of the population is low to moderate income. [These areas include the newer single family residential area including specific plan areas, agricultural/vacant land, and the regional commercial center in the northwest part of the City. These are the areas of growth for Tracy.](#)

Appendix C. Affirmatively Furthering Fair Housing

In 2019, the City allocated \$112,000 in Home Investment Partnership Program funds to the San Joaquin County Housing Authority and Stone Pine Meadows, a 72-unit apartment complex for lower-income households. In fiscal year 2021, the City allocated \$163,461 in Home Investment Partnership Program funds to the San Joaquin County Housing Authority to support the demolition and reconstruction of a 55-unit low-income apartment project (Tracy Senior Living). Phase 1 of the project involves the demolition of 17 obsolete units and Phase 2 involves the reconstruction of 55 energy-efficient units for very low income seniors. This project is anticipated to be completed in 2026. In 2020, City Council allocated \$4 million to the Housing Authority of San Joaquin County for the rehabilitation of existing low-income housing units.

The areas of 25 to 50 percent of the population is low to moderate income of the City include the downtown, the older single family residential neighborhoods, and the industrial warehouse uses on the northwestern part of the City. This central area of the City also has the most mix of uses and amenities. Local stakeholders noted a lack of affordable housing options and asked for increased affordable development in the City. Housing mobility is being encouraged by proposing lower and moderate income RHNA sites, and the accompanying rezoning, in the areas with a smaller low- to moderate-income population. The City's RHNA strategy is not expected to exacerbate conditions of segregation.

Figure C-6: Sites Inventory and Low to Moderate Income Populations by Tract (2017-2021)

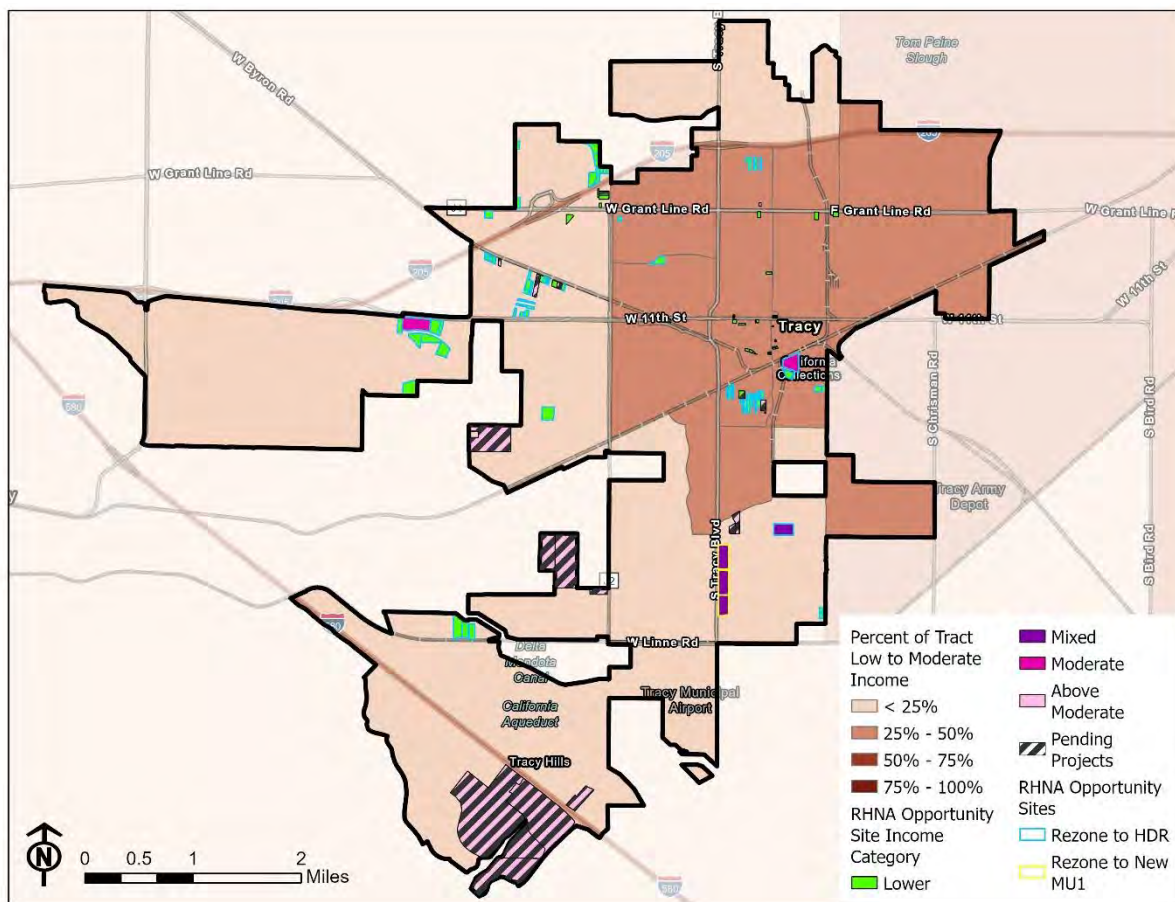


Figure C-7: Low to Moderate Income Population Comparison of RHNA Units

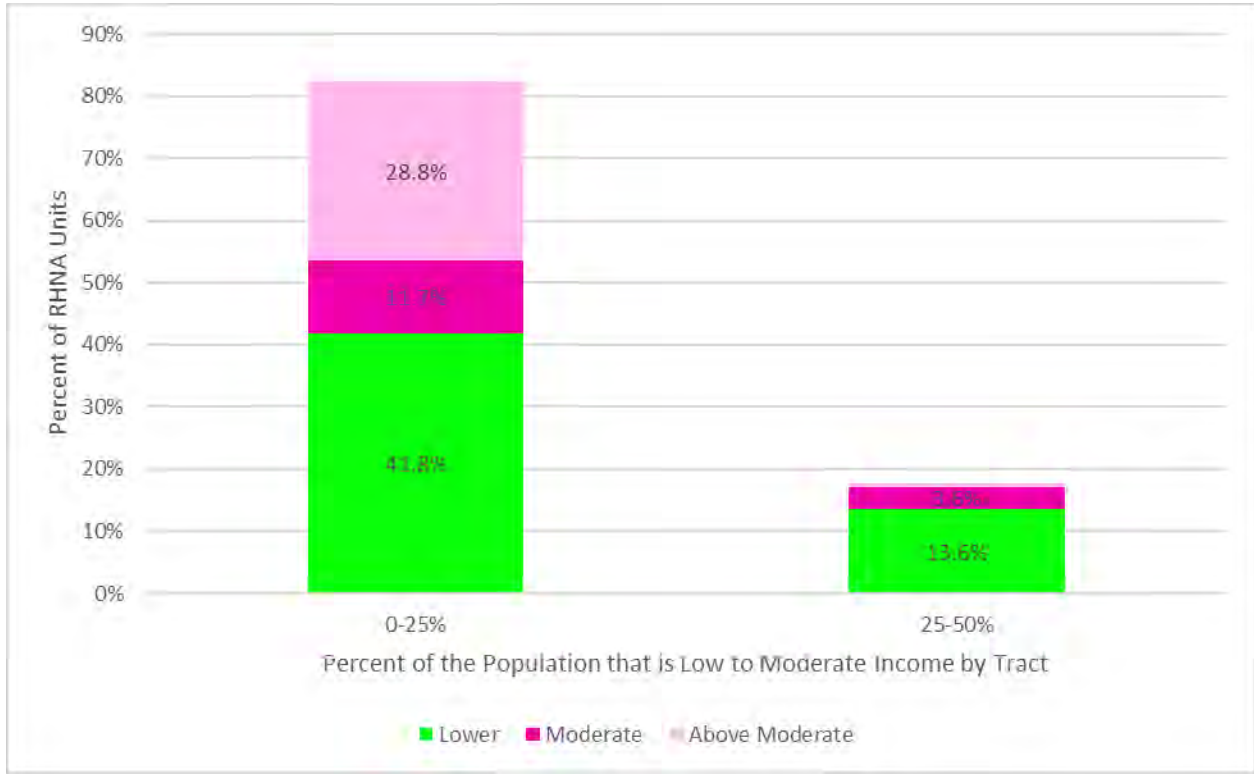
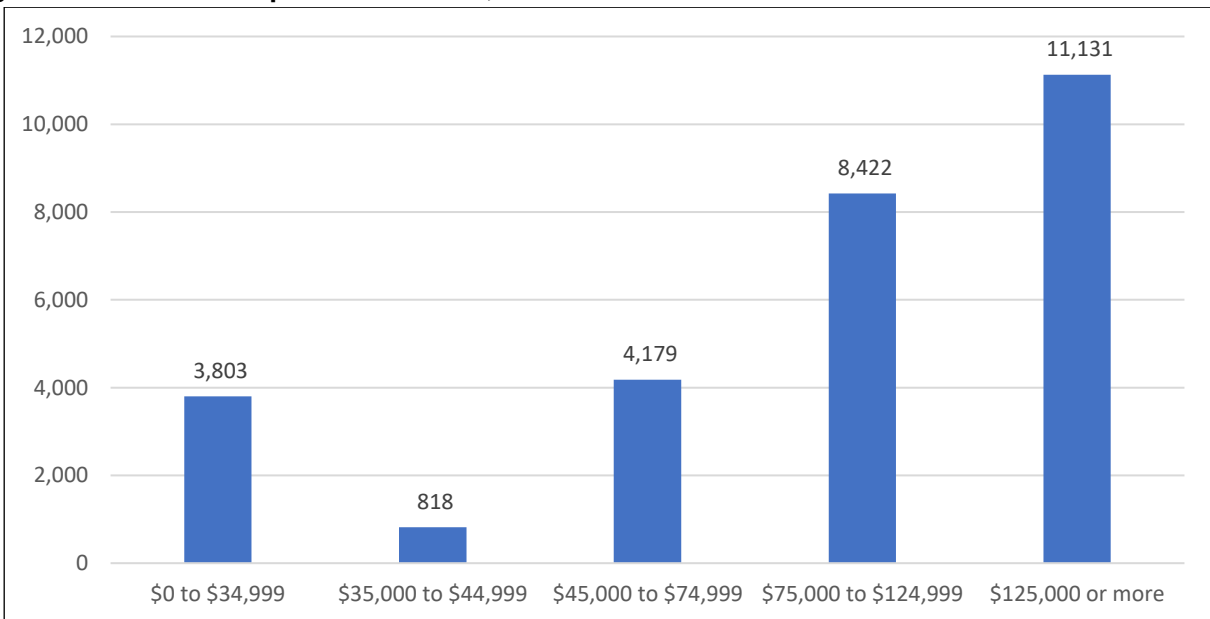


Figure C-8 shows the number of households with income levels similar to the income ranges provided by the HCD Income Limits. The above-moderate income category has the largest percentage of the population, while the very low-income category has the smallest population. The moderate-income category is relatively predominant, while the size of the extremely low population and low-income population is relatively comparable.

Figure C-8: Households per Income Level, 2021

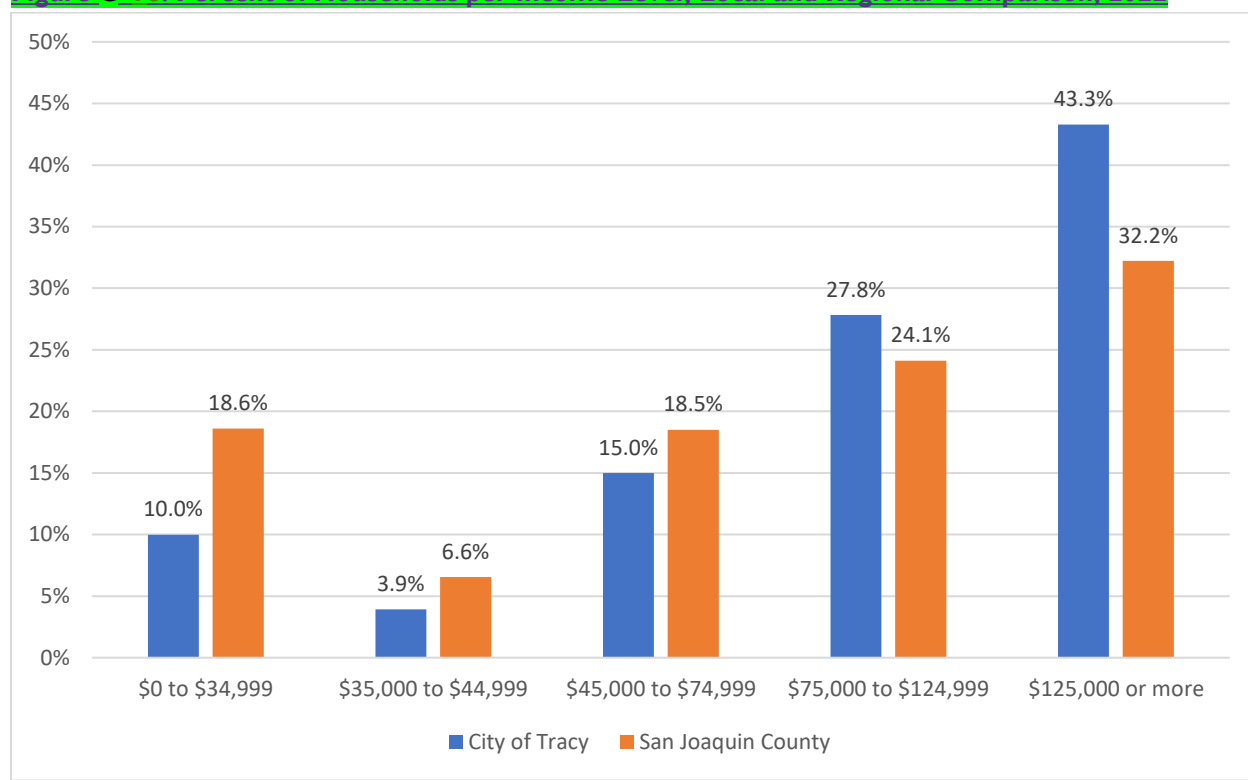


Source: 2021 ACS Table B19001

Appendix C. Affirmatively Furthering Fair Housing

Approximating the AMI by census data on household income ranges indicates that the City of Tracy has a higher proportion of the Moderate and Above Moderate income populations than in the County as a whole. Local stakeholders have indicated a desire for more affordable housing within the City. The City included Program 12: Accessory Dwelling Units, to provide for additional housing options in higher-income areas of the City. The program includes informative sheets and brochures, and development of incentives to increase the production of ADUs include financial assistance with construction, pre-approved plans, and technical assistance. The City is also including Program 7: Affordable/Workforce to introduce middle income housing in existing single-family neighborhoods and to facilitate the development of medium density multi-family housing through encouraging duplexes, triplexes, and fourplexes in new single family subdivisions.

Figure C-98: Percent of Households per Income Level, Local and Regional Comparison, 2022



Source: 2022 ACS Table B09001

According to U.S. Census 2016-2020 American Community Survey estimates, the median household income for Tracy was \$95,741. This is about 40 percent higher than the San Joaquin County median household income of \$68,628.

Figure C-10 shows median household income by census tract. In Tracy, the highest median household incomes are located in the western and southern portions of the City, where there is newer development, single family neighborhoods, and more open space. The lowest median incomes are in the central downtown and surrounding tracts, which is an older area of the City as seen in Figure C-11. The western and southern tracts have more open space and agriculture, so the population as a whole is generally more concentrated in the central, downtown areas of the City, which may skew data perception. Additionally, the tracts in the southern and western regions of Tracy have the majority of their acreage outside of the City of Tracy, making it likely that the small portion of tracts within the City are not primarily responsible for overall trends, and the maps may not accurately reflect the conditions in those portions of Tracy. Newer single-

family development primarily has recently occurred in the west and homes are often more expensive than older small homes in the downtown areas, which correlates with higher income households in these newer western areas. Newer single-family development is also occurring in the specific plans in the southern regions. The City included Program 1312: Accessory Dwelling Units, to provide for additional housing options in higher-income areas of the City. The program includes informative sheets and brochures, and development of incentives to increase the production of ADUs include financial assistance with construction, pre-approved plans, and technical assistance.

Figure C-109: Median Household Income by Tract (2017-2021)

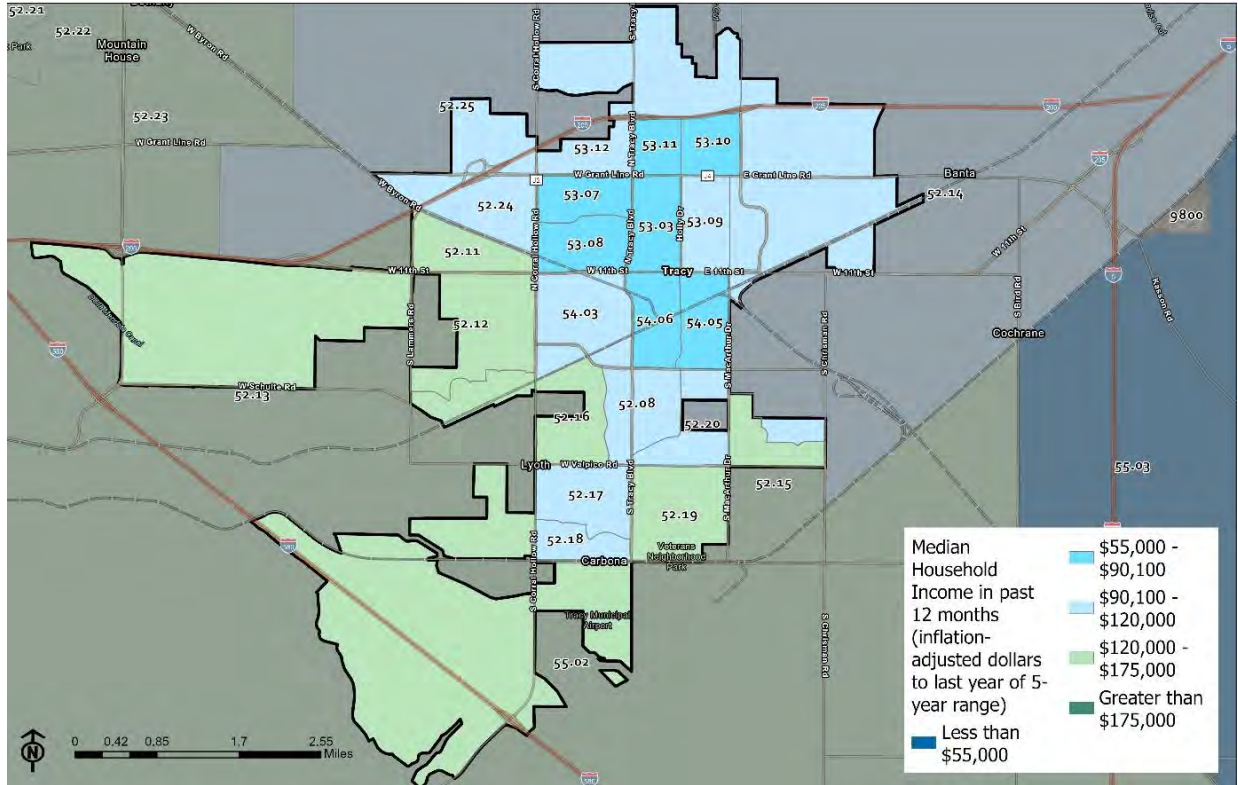


Figure C-11+0: Building Age

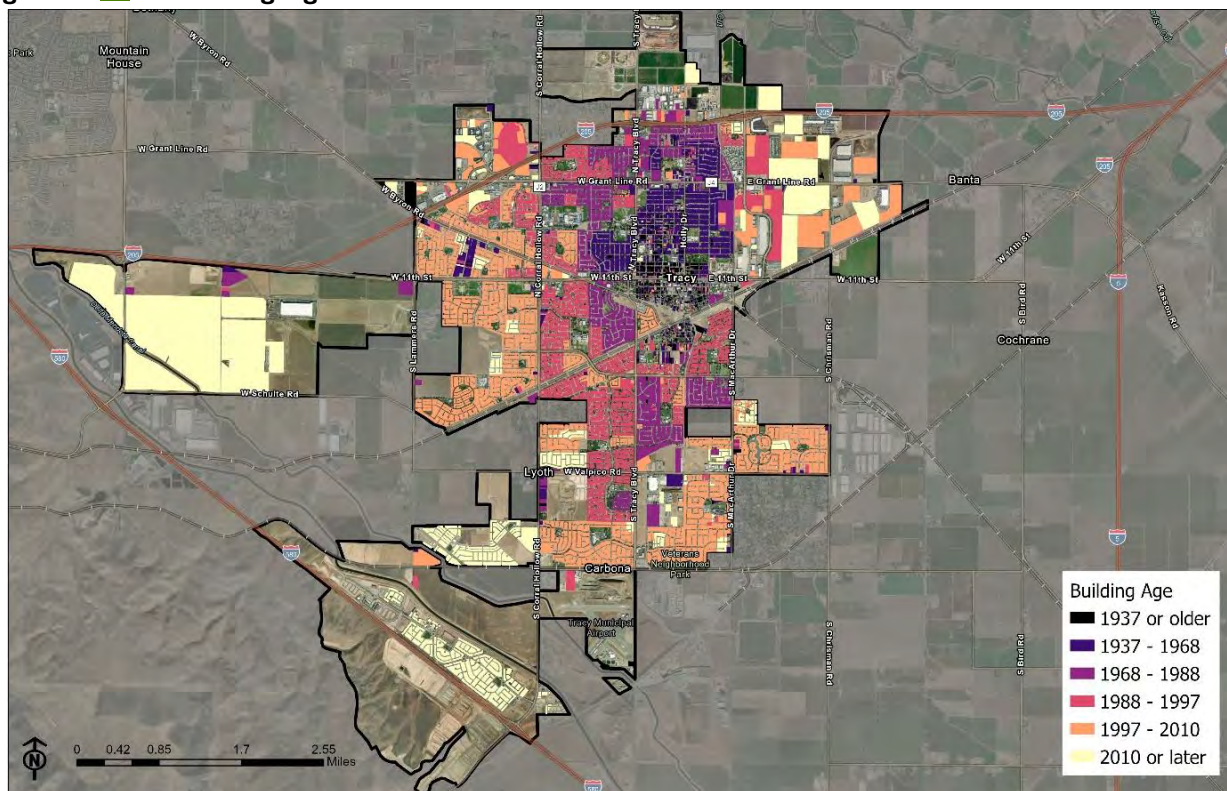


Figure C-12 and Figure C-13 show the change in the population under the federal poverty line by census tract from 2010-2014 to 2017-2021. Poverty is defined by incomes falling below the annually defined thresholds for family size by the U.S. Census. As shown in Figure C-13, poverty levels in the central downtown area of the City have increased over time.

The area with the slightly higher rate of poverty is in the same downtown area which is in the moderate opportunity TCAC designation. In 2021, 9.8 percent of Tracy’s overall population was below poverty level. Poverty in San Joaquin County is also low, with overall 7.7 percent of the population living below the poverty level. The City is pursuing a number of investments, long-range planning efforts, and improvements in various geographic areas of the City with greater need, specifically downtown Tracy and central areas of the City. Efforts include the Grand Theater repair, pedestrian and bikeway improvements, and park improvements, as well as a 10 Year Economic Development Strategic Plan and Downtown Transit-Oriented Specific Plan.

There are two RHNA sites located within an area where the largest percentage of the population is below the poverty line, this area is largely residential with several schools, churches, as well as the Tracy Medical Center. This is a central neighborhood that is fully integrated within the City. The rest of the RHNA sites are located in areas where the percent of the population whose income is below the poverty line is between less than 10 percent to 20 percent. The City’s RHNA strategy is not expected to exacerbate conditions of segregation. As RHNA sites are distributed throughout areas of the City and are not concentrated in areas with concentrations of poverty, the distribution of the sites is unlikely to have an effect on distribution of poverty.

Form color:

Figure C-12H: Poverty Status by Tract (2010-2014)

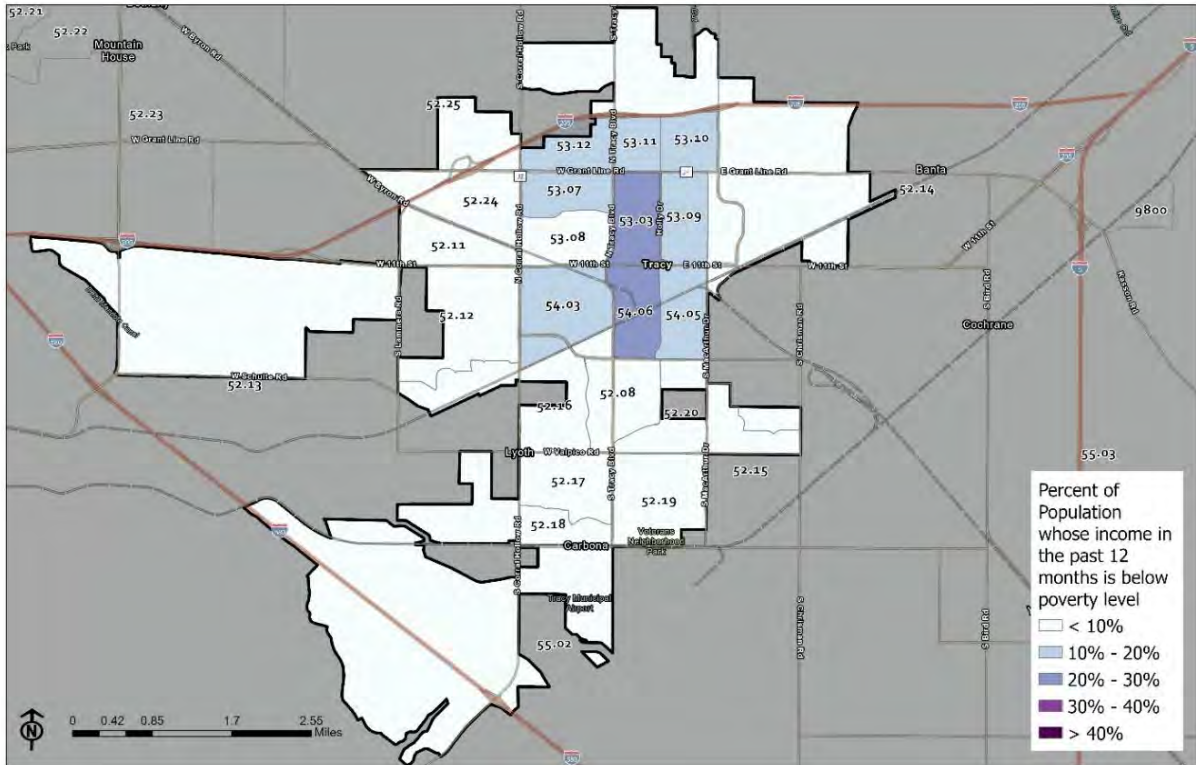
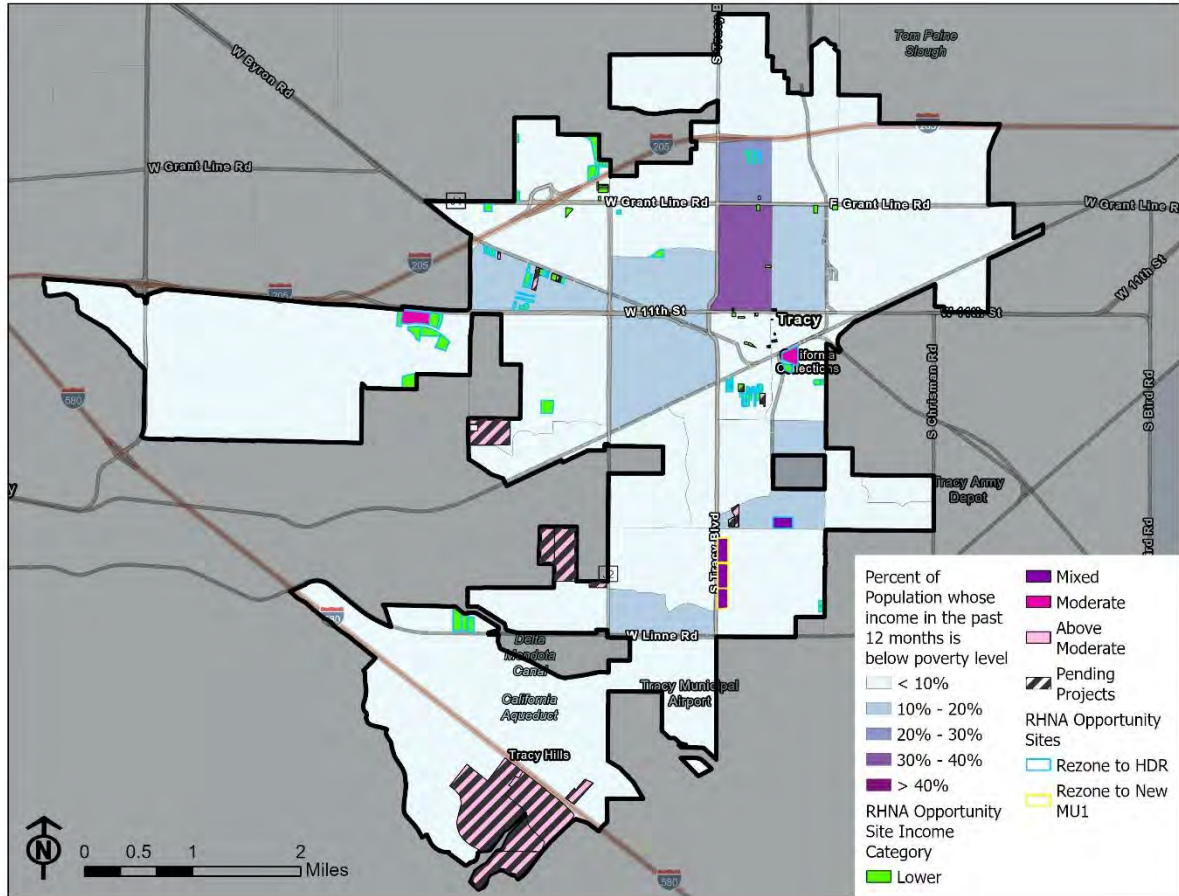


Figure C-13+2: Sites Inventory and Poverty Status by Tract (2017-2021)

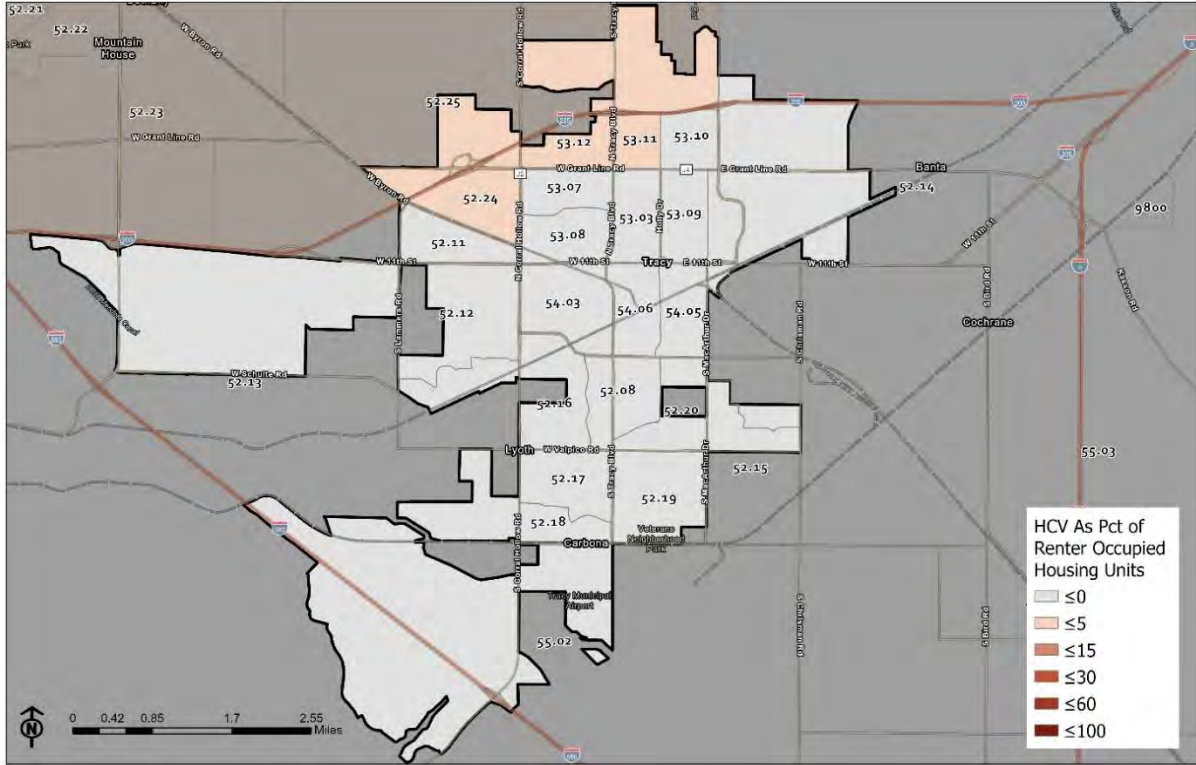


Source: HCD AFFH Data Viewer

Figure C-13 displays the distribution of housing choice vouchers (HCV) in the City. The HCV program is a 100 percent federally funded rental subsidy for low-income households living in privately owned rental units. The County of San Joaquin Housing Authority (HACSJ) administers the HCV program for those in Tracy. The HCV program makes payments directly to the landlord and allows households to choose where they want to live, as long as the unit meets minimum standards. Voucher amounts are dependent on family size and income and can expand housing choice and options for those on limited incomes, including those with low incomes, people with disabilities, and the elderly.

The City does not own any public housing; however, HACSJ owns and manages affordable housing units in Tracy and throughout the San Joaquin County. HACSJ owns the Tracy Apartment, a 73-unit affordable senior housing complex with approximately half of the units reserved for special needs seniors. Many of the seniors in this housing complex use housing choice vouchers. There is very little housing choice voucher use throughout the City. **This is consistent with the County as a whole**

Figure C-14: Housing Choice Vouchers by Tract (2021)



Source: HCD AFFH Data Viewer

3. Familial Status

Figure C-14 shows the percentage of children that are living in female-headed households with no spouse by census tract. It also shows pending projects and proposed RHNA opportunity sites. In 2021, 3,052 households, or 12.9 percent of total households in Tracy, were female-headed households, which is about 7 percent lower than in the County, at 19.7 percent. The central, downtown area has a slightly higher concentration of female-headed households, in correlation with higher rates of poverty and lower median incomes. As shown in Figure C-15, RHNA pending and opportunity sites are distributed throughout the City and are not expected to impact fair housing concerns based on familial status. The vast majority, about 90 percent of RHNA units are located in tracts where 0 - 20 percent of children are living in female-headed households with no spouse, as the majority of Tracy falls into this category.

Figure C-15+4: Sites Inventory and Children in Female-Headed Households by Tract (2021)

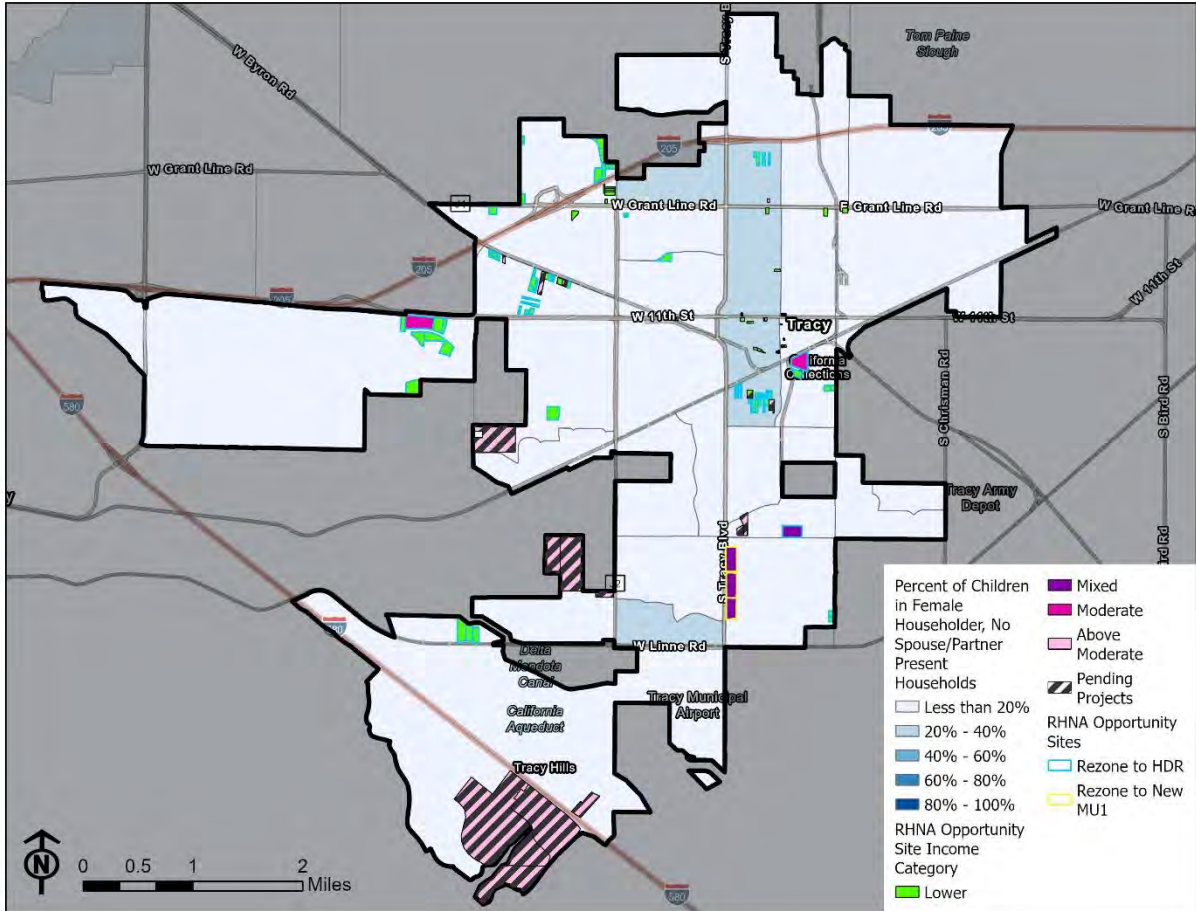
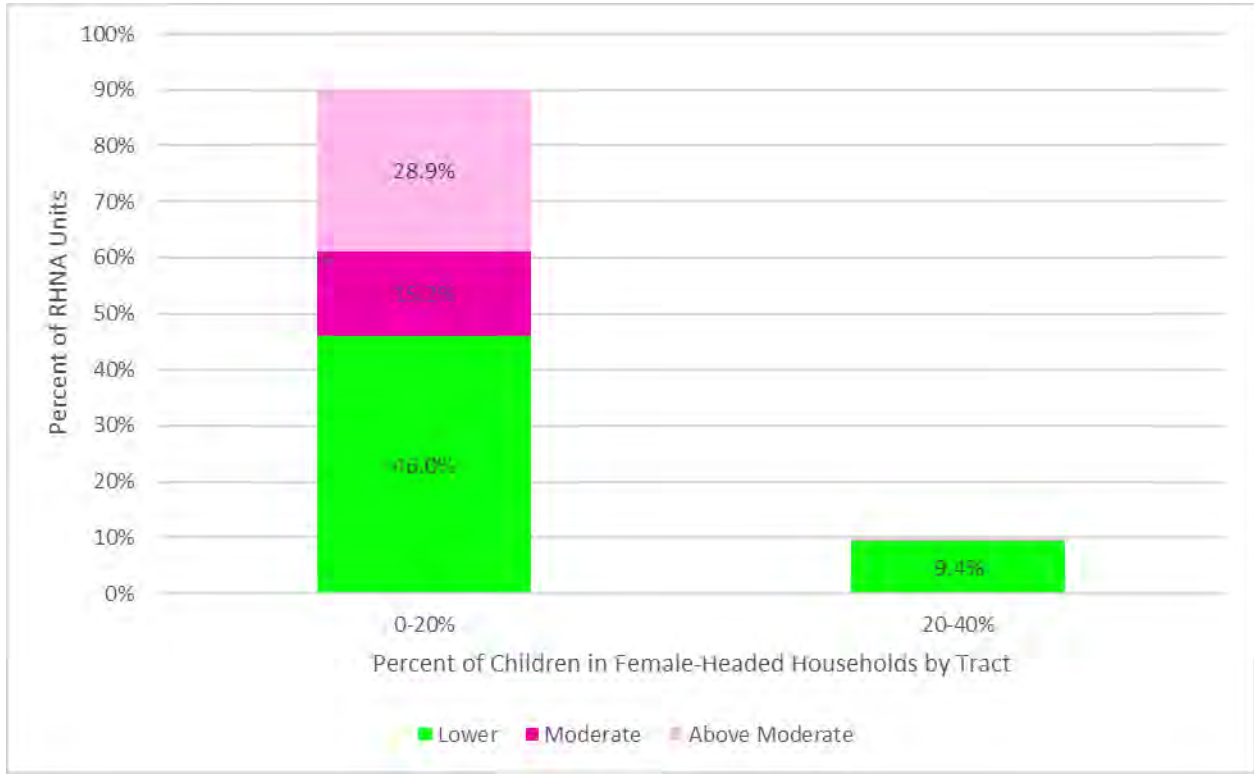
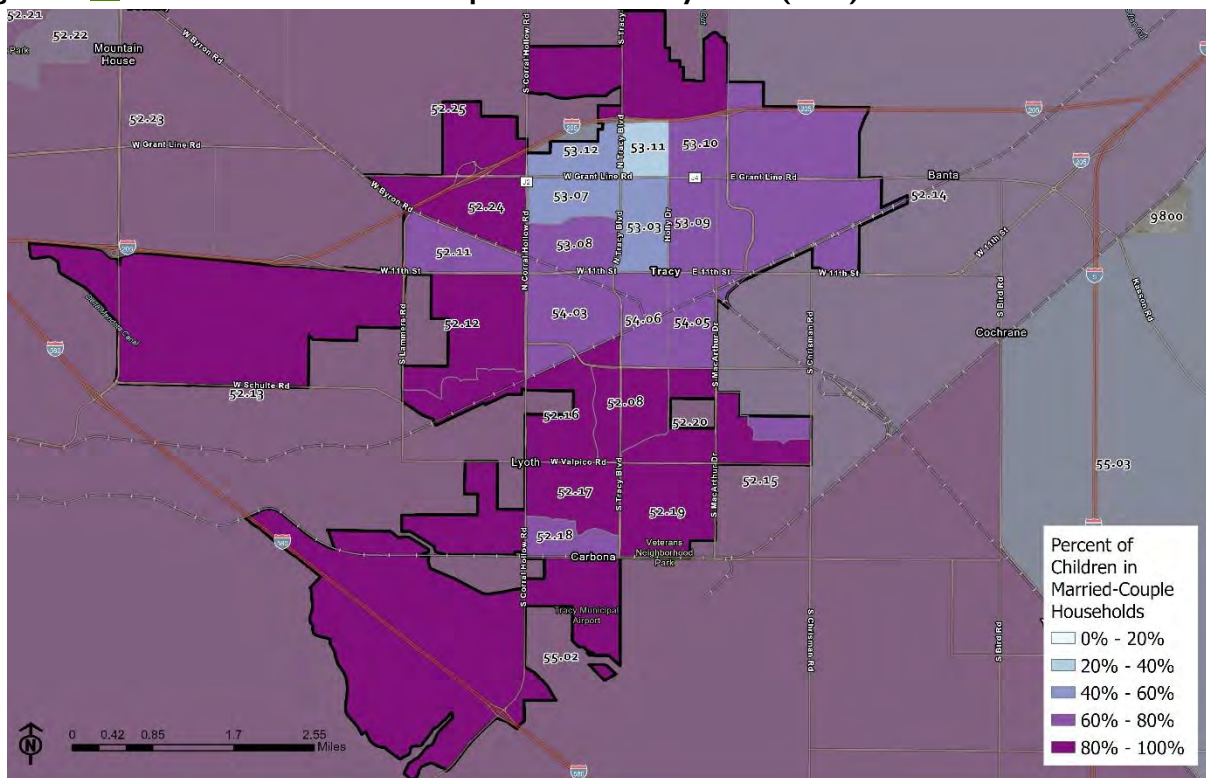


Figure C-16+5: Female Headed Households Comparison of RHNA Units



As shown in ~~Figure C-17~~ ~~Figure C-16~~, there is little variation in Tracy of areas with high concentrations of children in married-couple households. There is a slightly smaller concentration in the downtown area. In Tracy, 42.4 percent of households are married couple households with children present, compared to 33.3 percent countywide. RHNA pending and opportunity sites are distributed throughout the City and are not expected to impact fair housing concerns based on familial status.

Figure C-17+6: Children in Married-Couple Households by Tract (2021)



4. Persons with Disabilities

The U.S. Census Bureau provides information on the number of persons with disabilities of varying types and degrees. According to the US Census Bureau, a person is considered to have a disability if they have difficulty performing certain functions or difficulty with certain social roles. Affordability of appropriate housing and access, both within the home and to/from the home site, are the primary challenges for persons with disabilities. Access often requires specially designed dwelling units. Additionally, housing locations near public facilities and public transit are important for these special needs groups. The 2021 American Community Survey estimates that 9 percent of Tracy and 12 percent of San Joaquin County residents have a disability.²

The types of disabilities included in the Census are:

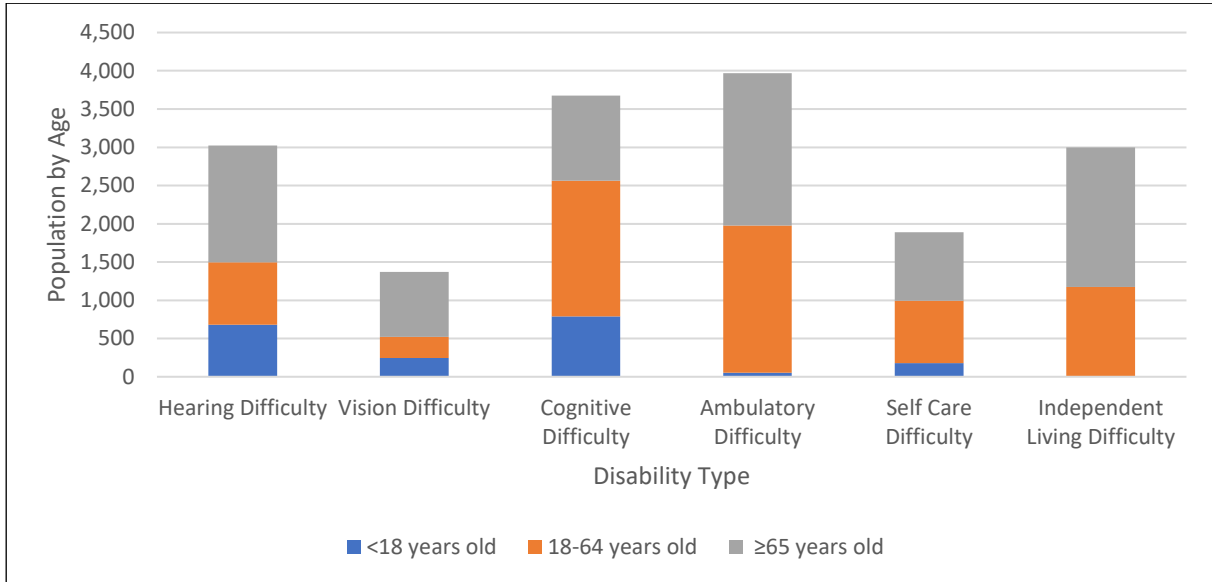
- Hearing difficulty: deaf or has serious difficulty hearing
- Vision difficulty: blind or has serious difficulty seeing even with glasses
- Cognitive difficulty: has serious difficulty concentrating, remembering, or making decisions
- Ambulatory difficulty: has serious difficulty walking or climbing stairs
- Self-care difficulty: has difficulty dressing or bathing
- Independent living difficulty: has difficulty doing errands alone, such as visiting a doctor's office or shopping

Figure C-18 shows an estimate of the number of Tracy residents with disabilities by type of disability and age group. The most prevalent types of disability are ambulatory and cognitive difficulties. Note that individuals may have more than one type of disability.

² U.S. Census Bureau, American Community Survey 5-year Data (2015–2019), Table B18101

Ambulatory issues are the highest reported disability countywide. A large population with walking difficulty creates a need for single-story housing, elevators, transit access, wheelchair access, larger homes or ADUs for live-in help, and proximity to health facilities. The City has included Program 12: Accessory Dwelling Units, to provide for additional housing options in higher-income areas of the City. The program includes informative sheets and brochures, and development of incentives to increase the production of ADUs include financial assistance with construction, pre-approved plans, and technical assistance.

Figure C-18: Disability Characteristics, Tracy, 2021



Source: 2021 ACS S1810.

Figure C-18 shows the disabled population is relatively evenly distributed throughout Tracy. There were no significant changes in location or concentration of those with a disability from 2010–2014 to 2017–2021. There is no area of the City with an extreme concentration of persons with disabilities. The central downtown area does have a slightly larger disabled population, though the difference is minimal. A larger or more concentrated disabled population may indicate a greater need for access to health care. However, health care facilities are also more concentrated in the central downtown area.

Residents of Tracy utilize the Valley Mountain Regional Center (VMRC) located in Stockton. The VMRC provides services for persons with developmental disabilities in Amador, Calaveras, San Joaquin, Stanislaus, and Tuolumne counties.

Housing options for persons with disabilities also include community care facilities. As of November 2022, the City of Tracy has

- Ten Small Adult Residential Care facilities – 55 beds total
- One Adult Day Care facility – 60 clients

In addition, VMRC is a private, non-profit corporation that contracts with the State of California to provide diagnostic, evaluation, case management, and early intervention services to people with developmental disabilities. VMRC purchases services such as respite, out-of-home placement, adult

Appendix C. Affirmatively Furthering Fair Housing

day programs, transportation, behavior intervention, infant development services, clinical, and diagnostic services for people with developmental disabilities.

Figure C-20Figure C-19 also shows pending and proposed RHNA Opportunity sites in the context of persons with a disability. As shown in Figure C-20Figure C-19, about 90 percent of the RHNA sites are in areas where less than 10 percent of the population has a disability. The highest percentage of the population with a disability in Tracy is 10 to 20 percent and has about 10 percent of the share of the RHNA units, the rest are located in areas with 0 to 10 percent of the population with a disability. The areas with the 8 percent of RHNA sites include three different areas of the City. The neighborhood to the east predominately consists of large warehouse uses at the fringe of the City and includes the City's largest mobile home park, as well as single family residential. The other neighborhoods are centrally located and consist of a mix of uses, is fully integrated, and includes a portion of downtown Tracy. The City's RHNA strategy is not expected to exacerbate conditions of segregation.

As such, the sites are not expected to cause fair housing concerns as they relate to residents with a disability.

Figure C-1918: Population of Persons with Disabilities by Tract (2010-2014)

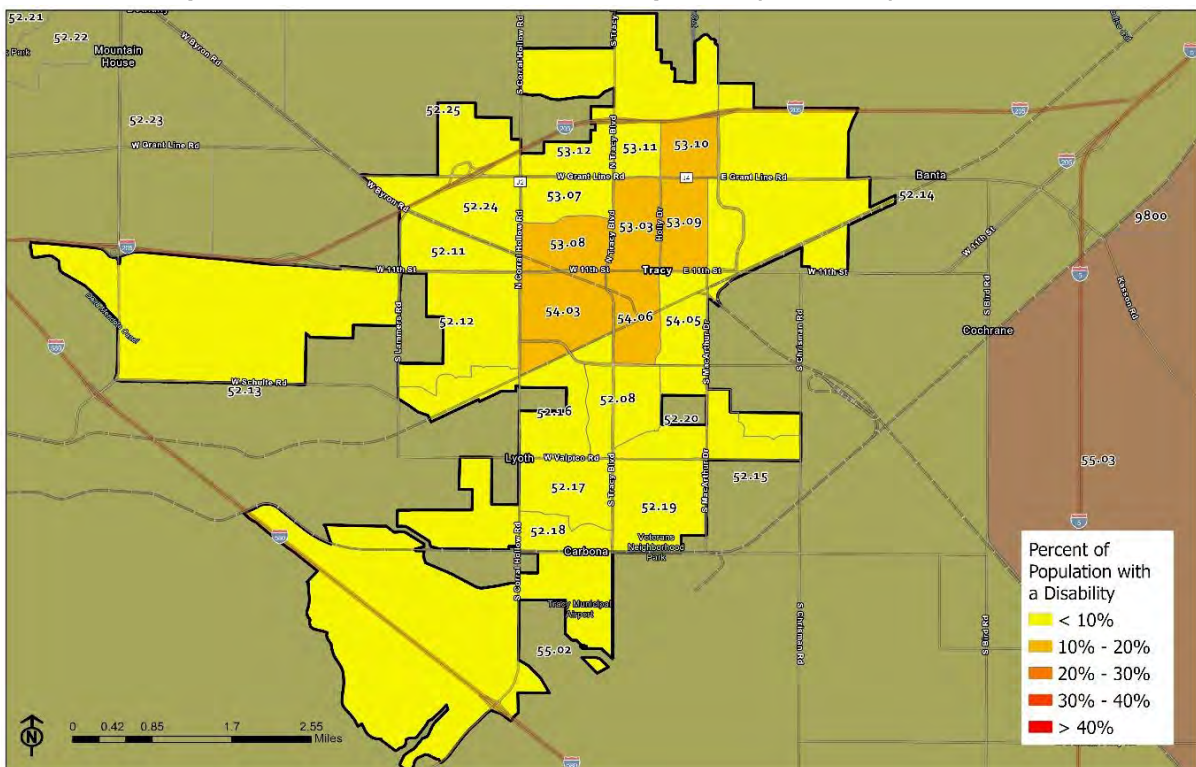


Figure C-2019: Sites Inventory and Population of Persons with Disabilities by Tract (2017-2021)

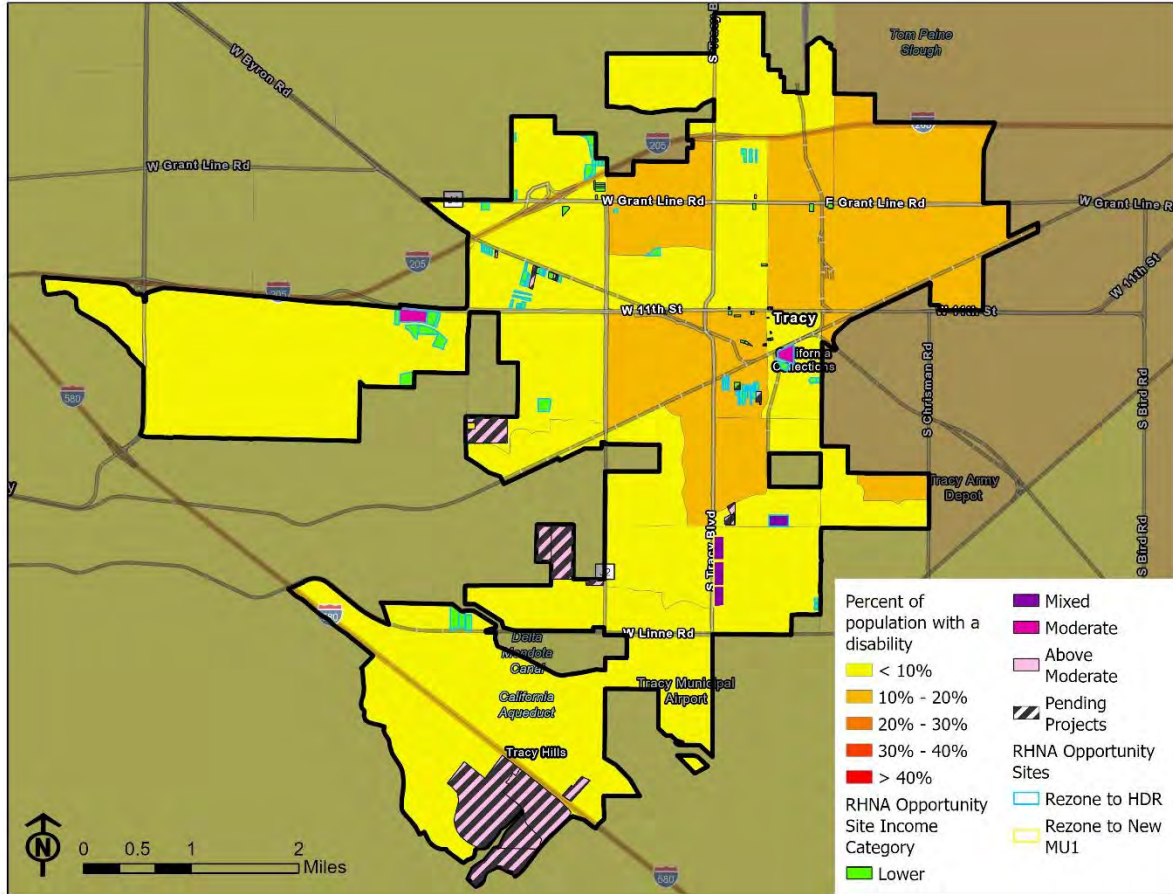
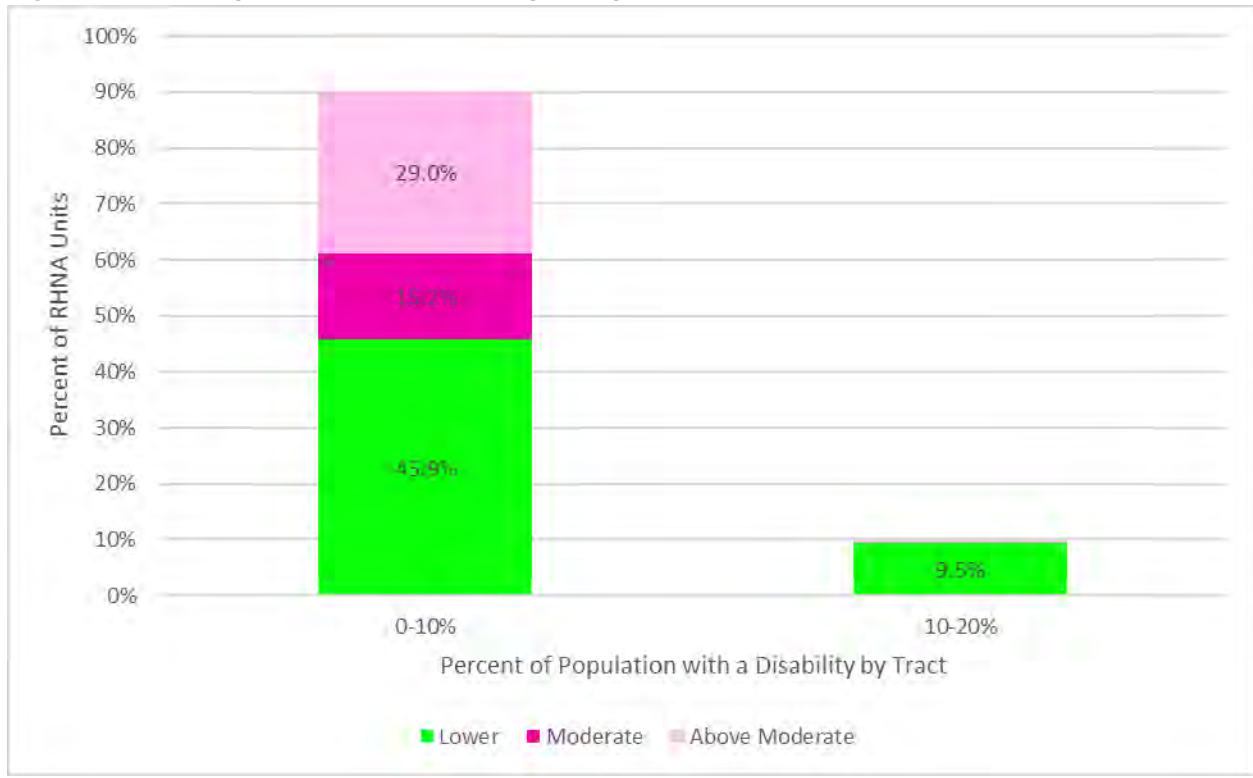


Figure C-2120: Population with a Disability Comparison of RHNA Units



5. Findings

Overall, the City of Tracy has higher concentrations of the non-White and low- to moderate-income residents in the central downtown area of the City. This area is also where the census tracts are primarily in the low or moderate opportunity categories, and where poverty and disability are most prevalent. RHNA sites are distributed throughout the City, without an extreme concentration in the central downtown area. The City is pursuing a number of investments, long-range planning efforts, and improvements in various geographic areas of the City with greater need, specifically downtown Tracy and central areas of the City. Efforts include the Gran Theater repair, pedestrian and bikeway improvements, and park improvements, as well as a 10 Year Economic Development Strategic Plan and Downtown Transit-Oriented Specific Plan.

Much of the western and southern portions of Tracy have been recently developed, or are pending development of specific plans.

The City is including Program 12: Accessory Dwelling Units, to provide for additional housing options in higher-income areas of the City. The program includes informative sheets and brochures, and development of incentives to increase the production of ADUs include financial assistance with construction, pre-approved plans, and technical assistance.

D. Racially and Ethnically Concentrated Areas of Poverty and Affluence

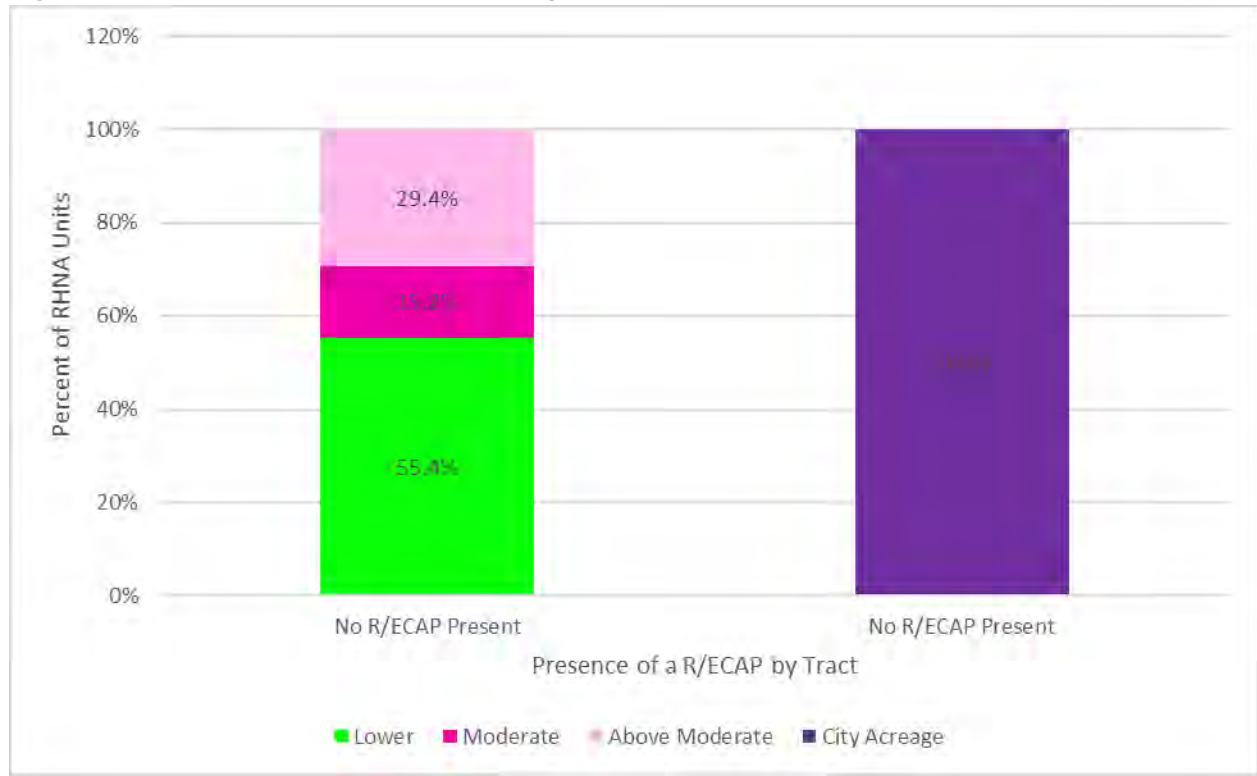
1. R/ECAPs

HUD defines Racially and Ethnically Concentrated Areas of Poverty (R/ECAP) as areas where the percentage of the population that is non-White is over 50 percent and the percentage of households with incomes below the poverty line is over 40 percent. Alternatively, a neighborhood can be a R/ECAP if it has a poverty rate that exceeds 40 percent or is three or more times the average census tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

As shown in ~~Figure C-22~~ ~~Figure C-21~~, there are no R/ECAPs in the City of Tracy per HCD’s AFFH Data Viewer Tool. The closest R/ECAP to Tracy is in the City of Stockton, about 20 miles northeast of the City.

There are no RHNA sites that are in R/ECAPs and the site selections will not create conditions that lead to a R/ECAP.

Figure C-221: Presence of a R/ECAP Comparison of RHNA Units



2. Racially Concentrated Areas of Affluence

HUD defines Racially Concentrated Areas of Affluence (RCAAs) as areas where the percentage of the population in a tract that is White is over 1.25 times the average percentage of the population that is White in the given Council of Governments (COG) region and median income is 1.5 times higher than the COG or State AMI, whichever is lower.

The City of Tracy has an RCAA area in the southern tip of the City. The southern census tracts have more open space and agriculture, as well as an airport, so the population as a whole is generally less concentrated in these areas, which may skew data perception. However, newer single-family

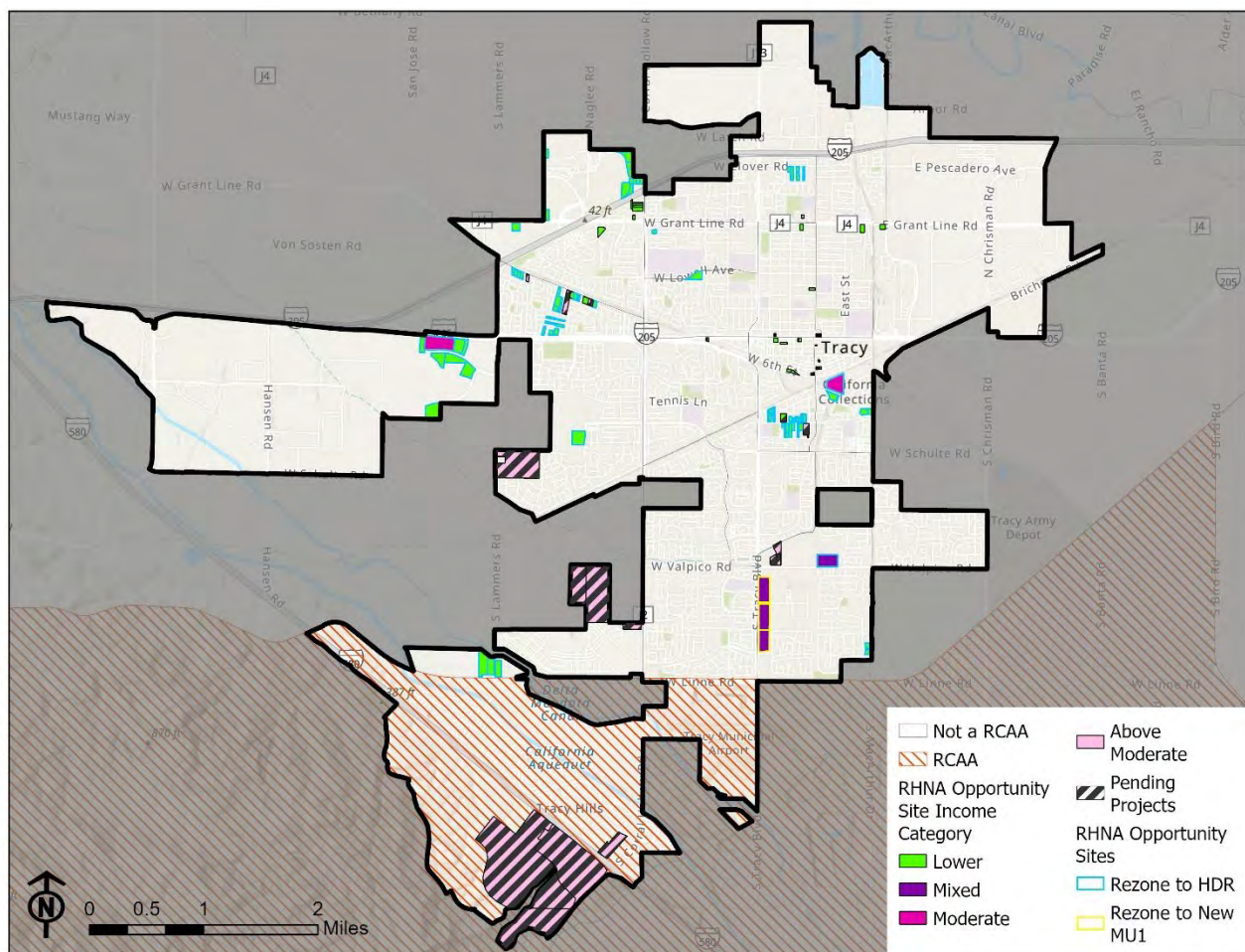
Appendix C. Affirmatively Furthering Fair Housing

development is primarily occurring in these areas. Newer large homes are often more expensive than older small homes in the downtown areas, which correlates with higher income households in these newer areas. Additionally, these census tracts have the majority of their acreage outside the City of Tracy, making it likely that the small portion of the tract within the City is not responsible for the overall RCAA designation and that the categorization does not accurately reflect the conditions in the City of Tracy.

Program 7: Affordable/Workforce Housing includes a number of actions to introduce middle income housing in existing single-family neighborhoods and to facilitate the development of medium density multi-family housing.

The City is included Program 12: Accessory Dwelling Units, to provide for additional housing options in higher-income areas of the City. The program includes informative sheets and brochures, and development of incentives to increase the production of ADUs include financial assistance with construction, pre-approved plans, and technical assistance.

Figure C-2322: RCAAs Vicinity and RHNA Sites



E. Disparities in Access to Opportunities

1. California Tax Credit Allocation Committee (TCAC)

One tool that can be used to analyze disparities in access to opportunities is the California Tax Credit Allocation Committee's (TCAC) Opportunity Area scores. These were prepared by a task force commissioned by TCAC and HCD to identify areas statewide whose economic, educational, and environmental characteristics support positive outcomes for low-income families. The map is updated annually. Opportunity maps are made for three domains: economic, environmental, and education. Each map uses categorical indicators to determine its individual score. A composite score and resource designation combining all three designations is then assigned to each block group.

To determine the final resource category, the top 20 percent of overall scores in a county are labeled as highest resource and the next 20 percent of scores are labeled as high resource. Then, any area that is considered segregated and that has at least 30 percent of the population living below the federal poverty line is labeled as an area of High Segregation and Poverty. Any remaining uncategorized areas in the County are evenly divided between moderate resource and low resource areas. The rationale and metric for each indicator is described in more detail in current guidance documents for the California TCAC program.³ Additional information regarding these indicators in Tracy are provided on the following pages.

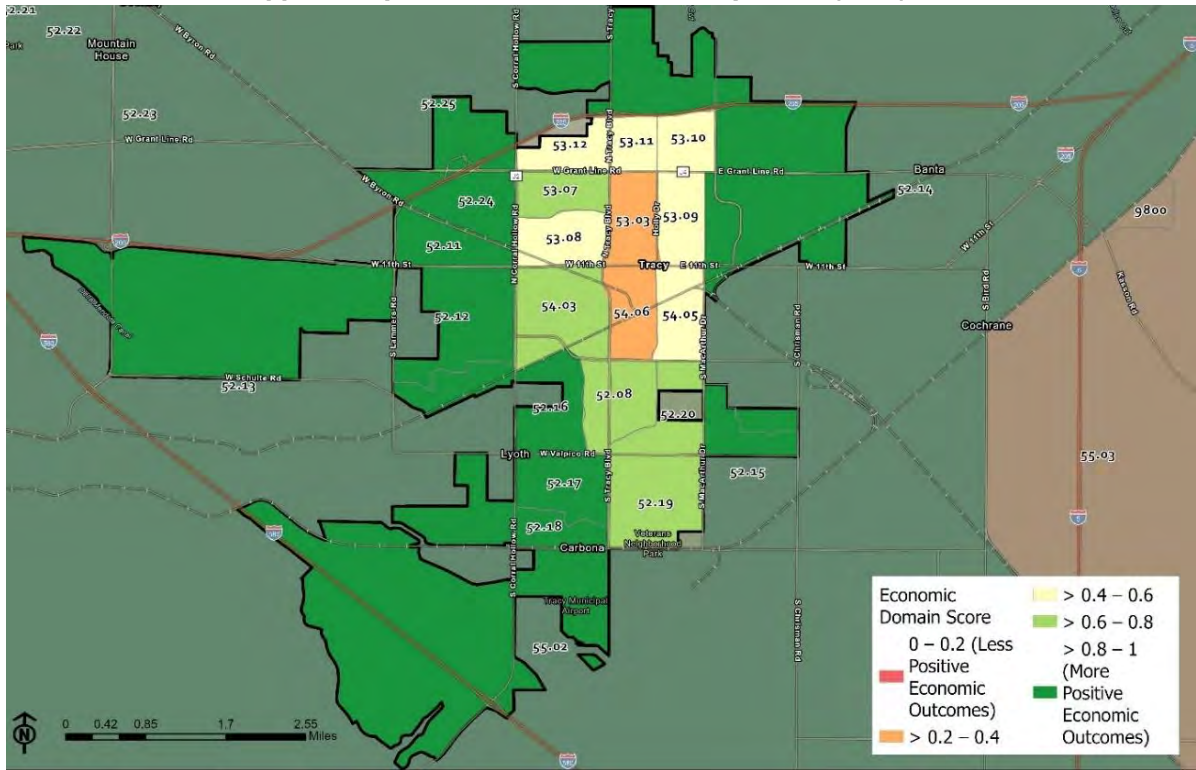
Economic Indicators

TCAC economic scores for the City by tract are presented in ~~Figure C-24~~Figure C-23. TCAC economic scores are based on the following variables: poverty, adult education, employment, job proximity, and median home value. Most of Tracy has more positive economic scores (0.5 - 0.99). The less positive scoring area includes part of the downtown core, the Sutter Tracy Community Hospital, and some commercial and residential uses throughout. The more positive scoring areas are located largely at the edges of the City and include the regional shopping center and several companies and federal agencies that support the global supply chain. The City trends higher in scores due to the proximity of these types of companies and agencies.

In September 2023, the City adopted a Ten-Year Economic Development Strategic Plan to help the City focus implementation efforts on strategic economic development priorities. The strategic plan identified and prioritized eight key areas as opportunity sites. The top priority identified is the downtown area, the second is the west side, and the third is commercial corridors in the center of the City. The downtown area and commercial corridors have lower economic TCAC scores. The strategic plan helps support growth in these areas and makes recommendations to enhance economic resilience, expand market access, encourage investment, improve quality of life, and improve infrastructure in these areas.

³ <https://www.treasurer.ca.gov/ctcac/opportunity/2022/2022-hcd-methodology.pdf>

Figure C-2423: TCAC Opportunity Areas – Economic Score by Tract (2021)



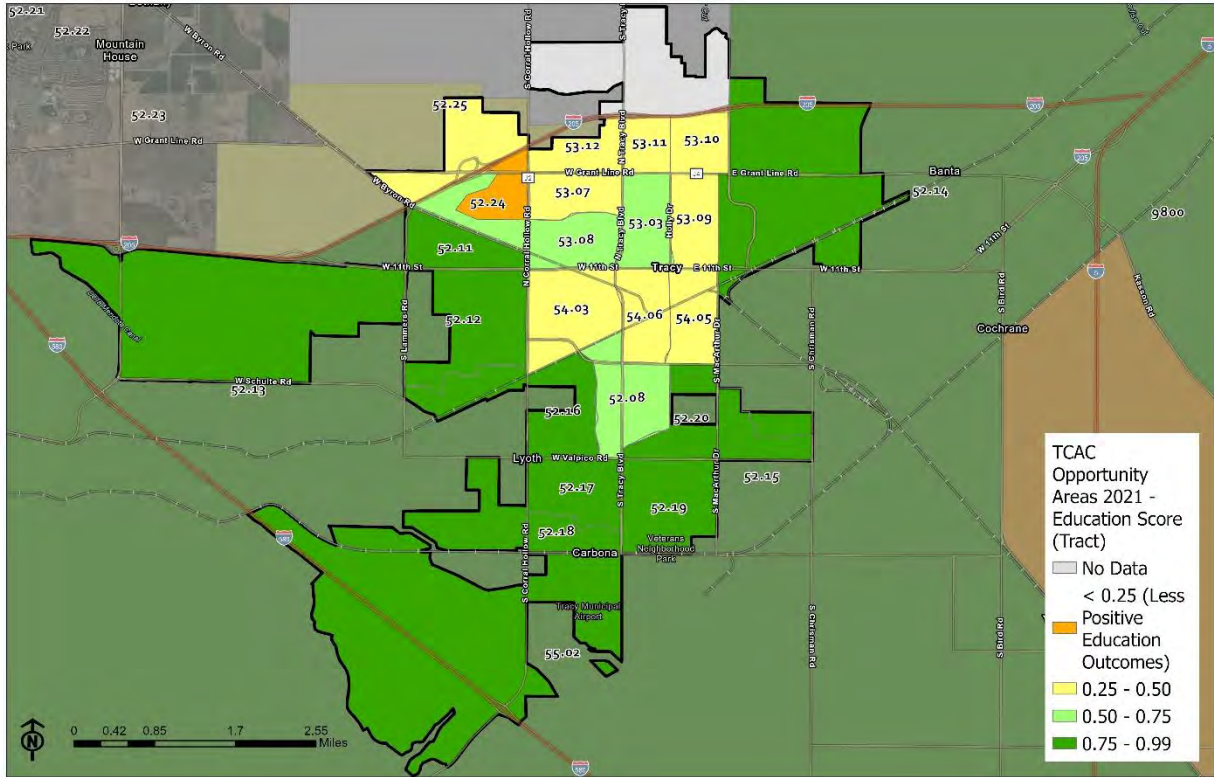
Education Indicators

Education indicators include math and reading proficiencies of fourth graders, high school graduation rates, and the student poverty rate. Most of Tracy is served by the Tracy Joint Unified School District, which includes 7 elementary schools, 2 middle schools, 5 high schools, and 4 K-8 schools. Portions of the City are also served by Jefferson School District south of Valpico Road and by the Lammersville Unified School District in the northwest portion of the City. According to Great Schools, 53 percent of schools in the district are rated below average, 37 percent are rated average, and 11 percent are rated above average.⁴

As shown in [Figure C-25](#) [Figure C-24](#), most of the City has more positive education scores, largely at the edges of the City. Although many of these areas include single family residential most of the positive score areas in the east and west are either agricultural land or industrial uses which can skew the results. A majority of the central areas of the City have less positive education scores.

⁴ Great Schools Tracy Unified District Summary. <https://www.greatschools.org/california/tracy/tracy-joint-unified-school-district/>

Figure C-2524: TCAC Opportunity Areas – Education Score by Tract (2021)



Environmental Indicators

The TCAC Environmental Score domain utilizes CalEnviroScreen 3.0 pollution indicators and values, however similar the CalEnviroScreen 4.0 scores (see [Figure C-31](#)~~Figure C-30~~) are based on percentiles and show trends similar to the TCAC environmental score map. TCAC Environmental Scores range from 0 to 1, where higher scores indicate a more positive environmental outcome (better environmental quality). As shown in [Figure C-26](#)~~Figure C-25~~, the scores are the inverse of the economic indicators, where the central areas of the City score more positive than the outlying areas. This is largely due to the location of the various distribution centers located on the edges of the City, specifically in eastern parts of the City. The less positive scores in the southern tracts are due to high exposure to pesticides and high environmental effects including groundwater threats and the presence of hazardous waste.

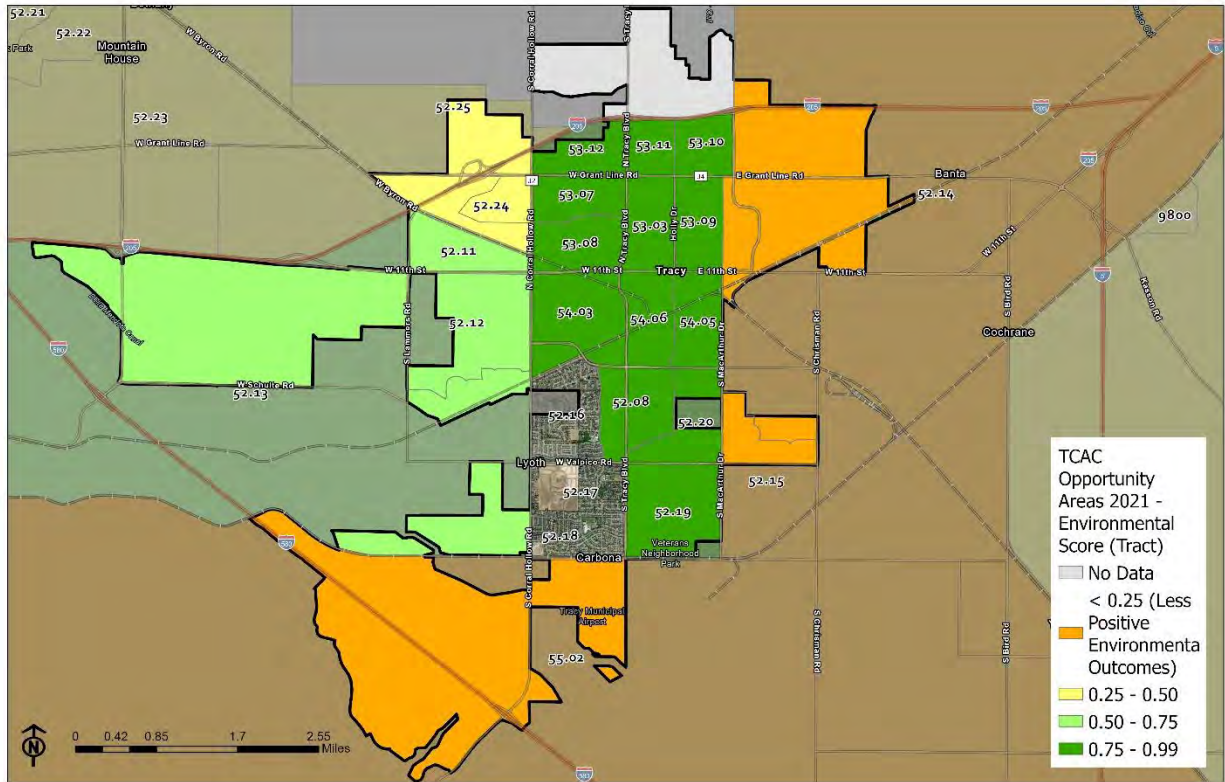
The City of Tracy participates with San Joaquin County in a household hazardous waste program. Tracy residents can also access the permanent household hazardous waste consolidation facility located in Stockton. The County Office of Emergency Services (OES) administers the Emergency Planning and Community Right-to-Know program for the Tracy Planning Area.

The Safety Element of the City’s General Plan also includes goals and policies that are designed to reduce the risks associated with hazardous materials and waste in the City. These policies include:

- Requiring developers to conduct the necessary level of environmental investigation to ensure that soils, groundwater and buildings affected by hazardous material releases from prior land uses and lead or asbestos potentially present in building materials, will not have a negative impact on the natural environment or health and safety of future property owners or users.

- Requiring new pipelines and other channels carrying hazardous materials avoid residential areas and other immobile populations to the extent possible.
- Maintaining formally designated hazardous material carrier routes to direct hazardous materials away from populated and other sensitive areas.

Figure C-2625: TCAC Opportunity Areas – Environmental Score by Tract (2021)



TCAC Composite Score

TCAC Opportunity Area scores for Tracy have been compiled by tract and are presented geographically in [Figure C-27](#) ~~Figure C-26~~. A majority of the tracts in Tracy are either high or highest resource, there are four moderate resource (rapidly changing) tracts and five low resource tracts. Moderate resource tracts are designed to identify areas that may become high resource.

The highest resource tracts are located in the western part of the City and extend beyond City limits and include agricultural land and the regional shopping area near Interstate 205. The other highest resource tracts are located just south of the downtown core and are largely residential. The higher resource tracts include a majority of the industrial area in the northeast and single family residential in the southern and central tracts. The moderate and low resource tracts are all located in central Tracy which includes the downtown and where the biggest mix of land use occurs.

Highest resource areas tend to have smaller populations of people of color while block groups in and around moderate resource tracts tend to have larger populations of people of color (see [Figure C-3](#)). The moderate and low resource tracts also have a higher percentage of low- and moderate-income (LMI) households, person in poverty, and children in single-parent female-headed households and TCAC opportunity scores (see [Figure C-6](#), [Figure C-13](#) ~~Figure C-12~~, and [Figure C-15](#) ~~Figure C-14~~).

Appendix C. Affirmatively Furthering Fair Housing

The majority of Tracy is designated as either high or highest resource. Approximately 82 percent of the RHNA opportunity sites are located in the high or highest resource areas, meaning about 18 percent of the RHNA opportunity sites are located in low and moderate resource tracts (see Figure C-32 Figure C-31). About 42 percent of lower-income RHNA opportunity sites are located in the high and highest resource opportunity areas. The distribution of the majority of the RHNA opportunity sites within the high and highest resource areas will not exacerbate any conditions, but rather provide more equitable housing opportunities in high resource areas in Tracy.

Figure C-2726: Sites Inventory and TCAC Composite Score by Tract (2023)

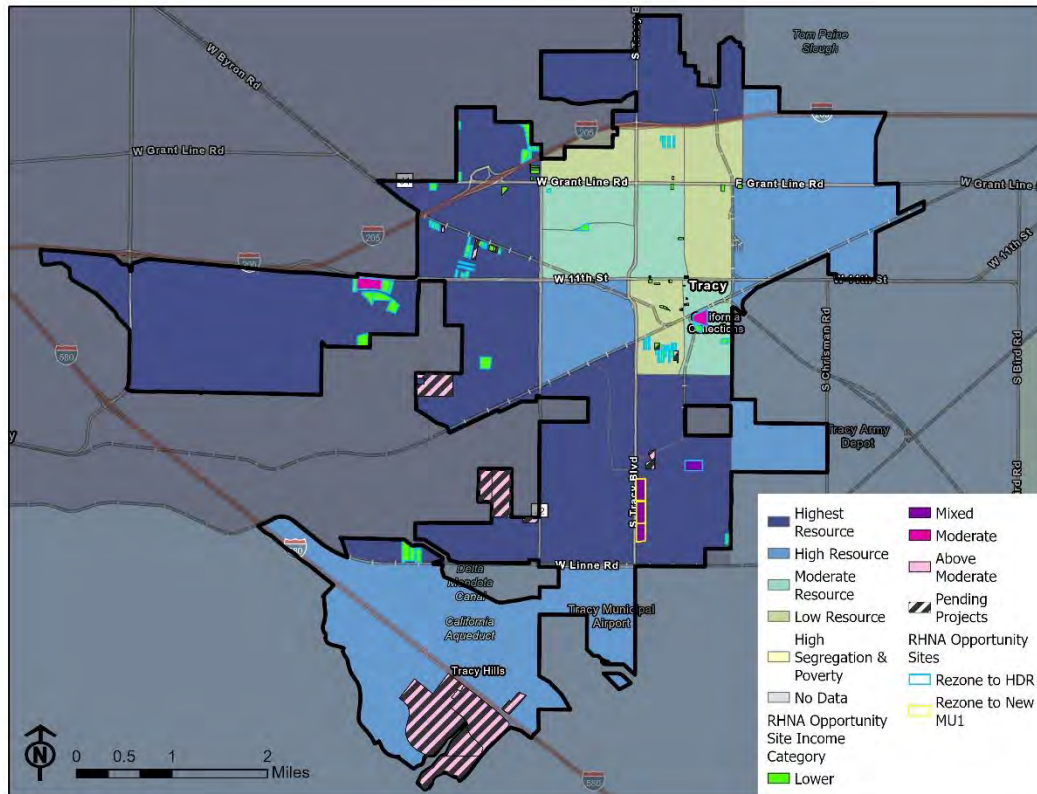
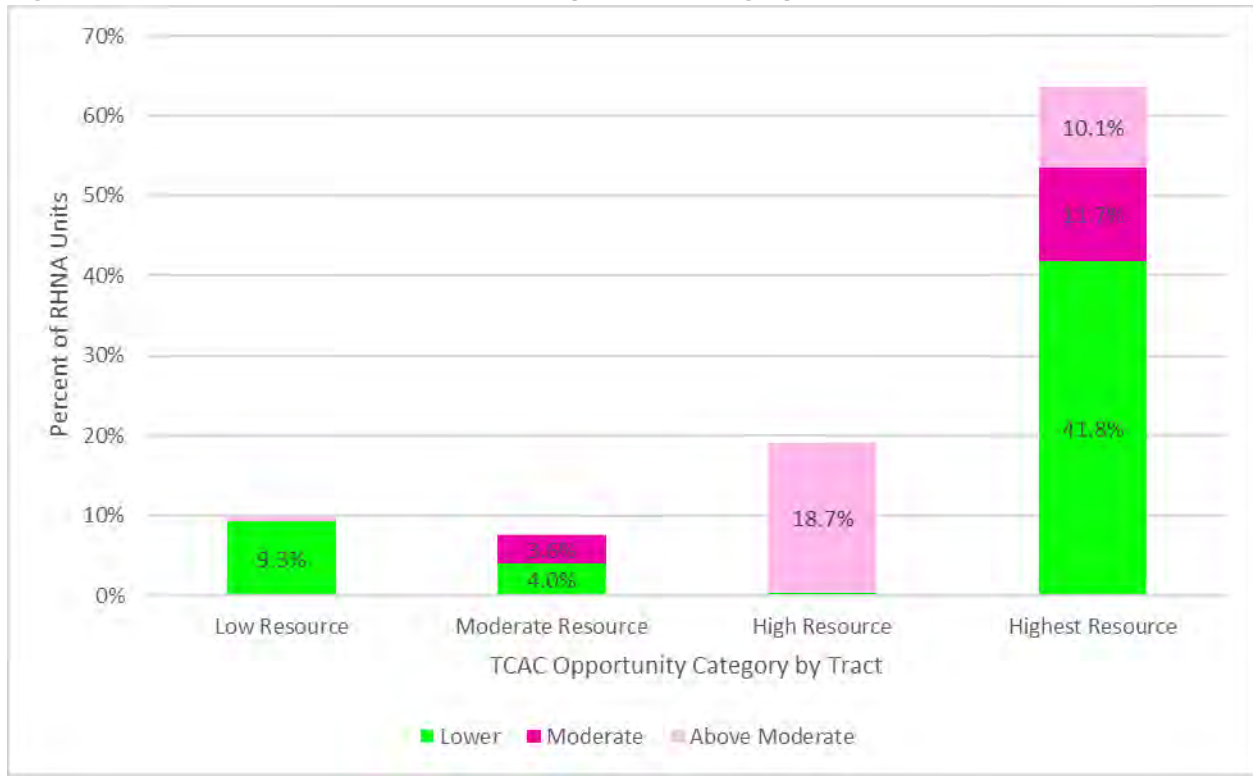


Figure C-2827: Distribution of RHNA Units by TCAC Category



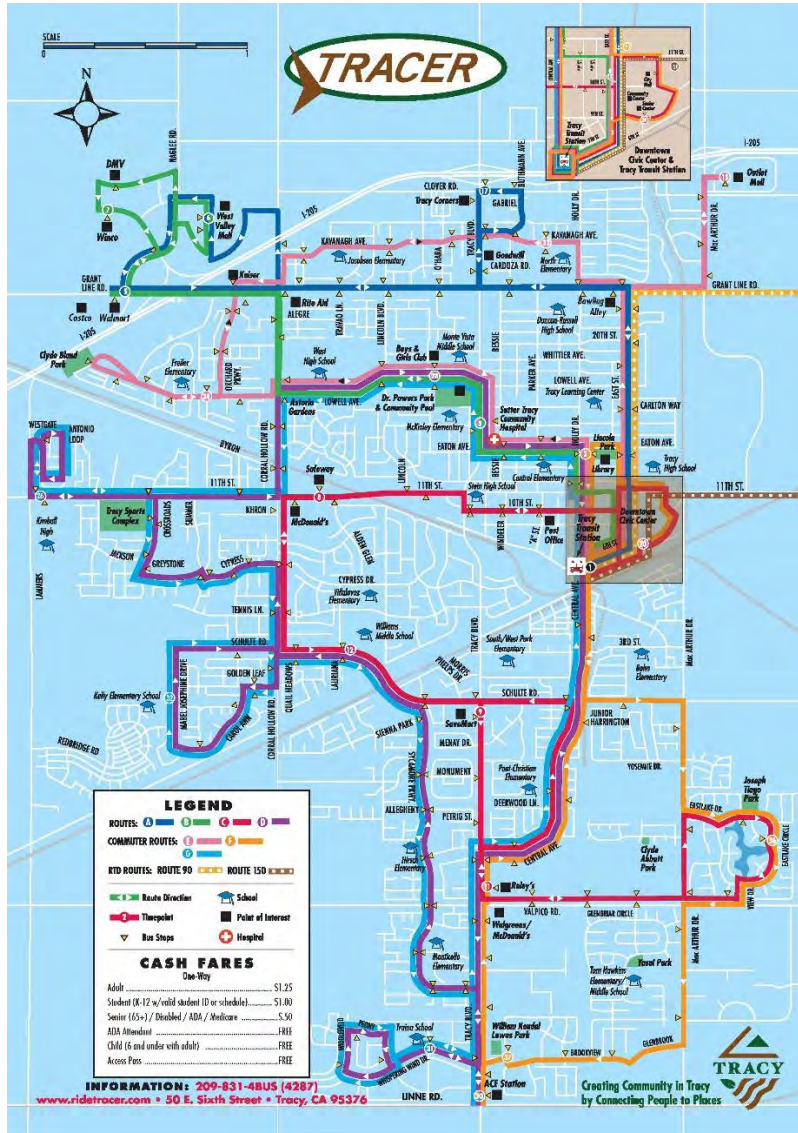
2. Transportation

Access to adequate transportation and a variety of transit options can help illustrate disparities in access to opportunities. The City of Tracy provides a Fixed Route bus service via the TRACER that connects riders to amenities throughout the City (see [Figure C-29](#)~~Figure C-28~~). The City also provides an On-Demand bus service, and a Paratransit Service which is a door to door service available for ADA/Medicare passengers and Tracy residents aged 65 and older.

Connection to neighboring cities in San Joaquin County can be made at the Tracy Transit Station via the San Joaquin Region Transit District (RTD) buses. RTD provides two regional connections from Tracy, Route 150 which connects to the Livermore/Dublin Bay Area Rapid Transit (BART) station and the greater San Francisco Bay Area and Route 90 which connects to Stockton.

[The San Joaquin County Transportation planning agency have supported the development of Dibs. Dibs is a program that helps transit users plan routes and connect to different transportation systems.](#)

Figure C-2928: Transit Route Map



There is one high quality transit area located in southeast Tracy, as well as a corridor in northeast Tracy with adequate transit access. The area where many of the opportunity sites are located, in northeast Tracy have adequate transit access. A total of 929 RHNA units are located within a half mile from a transit stop (574 lower-income units and 355 moderate-income units) and a total of 206 RHNA units are located within a high quality transit area (82 lower-income units and 124 moderate-income units). These tracts are generally lower opportunity, but have the greatest transit access. The corridor with the greatest transit access also has relatively lower median incomes and higher poverty and overpayment. This may show that despite existing demographics, these areas are a good opportunity for multifamily housing due to the access to transit.

Additionally, active transportation is supported through several regional policies. Measure K is a half-cent tax for transportation projects and funds a wide variety of projects and programs. This policy has been renewed until 2041. The City is included in the San Joaquin Council of Governments Regional Bicycle, Pedestrian, and Safe Routes to School Master Plan (2012), which supports increased bicycle and pedestrian mobility and safety throughout the county. The City also has a newly adopted Parks, Recreation and Trails Master Plan which summarizes the needs for parks,

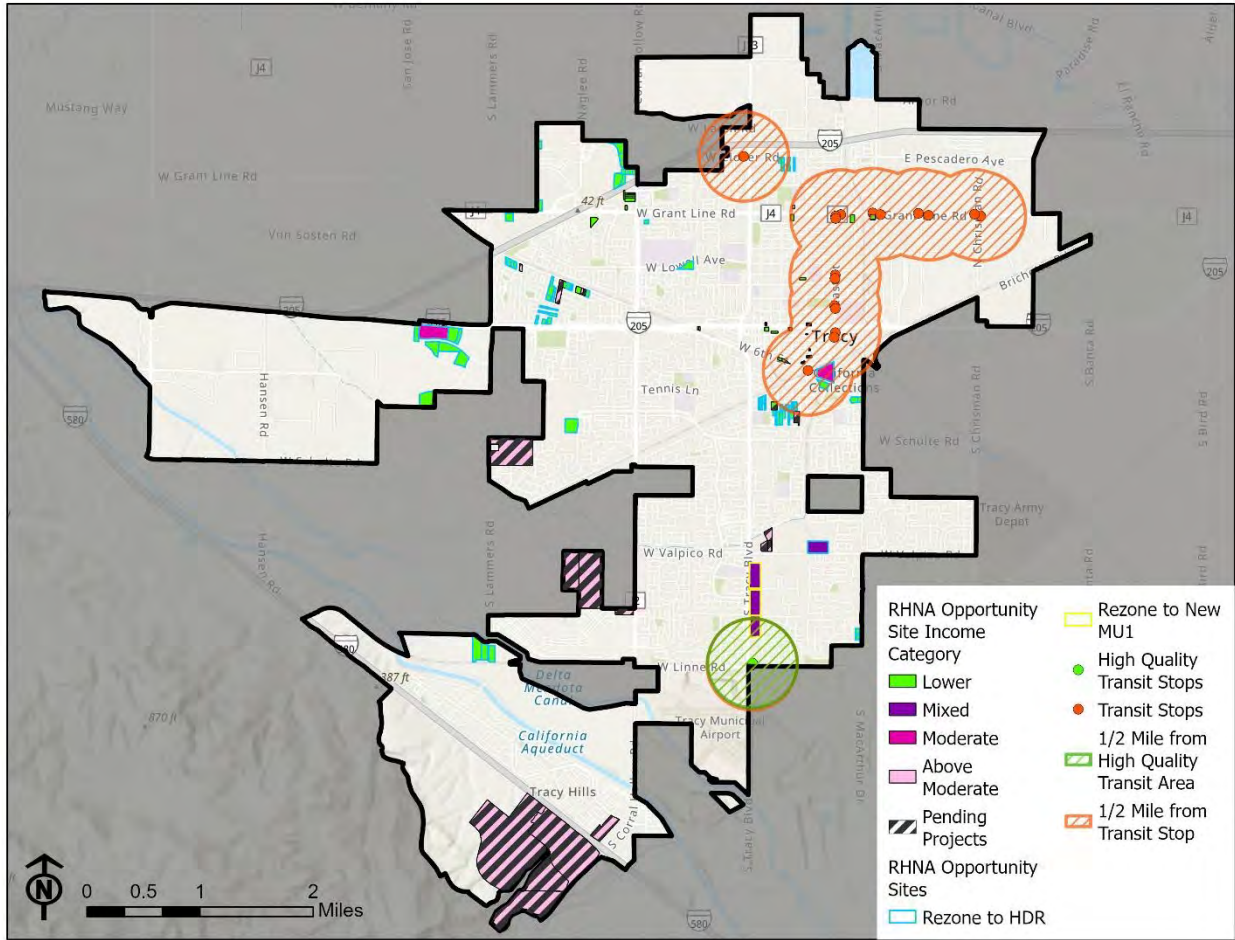
Appendix C. Affirmatively Furthering Fair Housing

recreation and trails, in new and existing residential areas. Additionally, the City is currently preparing a Downtown TOD Specific Plan will identify the community's vision and establish goals, objectives, and policies for future development as well as identify approaches to implement and fund future development. The City is including Program 1918 to facilitate place-based improvements and investment in areas/projects identified in the Active Transportation Plan and Parks, Recreation and Trails Master Plan and Downtown TOD Specific Plan.

The City has multiple projects in its Capital Improvements Plan identified to improve mobility, and active transportation opportunities. The 2023-2024 Capital Improvements Plan includes investment of \$221,382,041 into 104 capital improvement projects, including:

- **Holly Drive Pedestrian & Bikeway Improvements:** The City is investing 1.83 million dollars to improve pedestrian and bikeway infrastructure in the central area of the City on Holly Drive between 11th Street and Clover Road, including installing a Class 3 bike route, Class 2 bicycle lanes, sidewalk pavement patching, slurry seal, signage, striping, and pavement markings.
- **Tracy Boulevard Sidewalk.** This project will close the missing sidewalk gap to the ACE Train Station parking lot immediately south of the project area. (\$852,465)
- **Valpico Roadway Improvements - Tracy Blvd to MacArthur Drive.** This project will involve the roadway widening of Valpico Road from Tracy Blvd to MacArthur Drive, with two lanes in each direction, complete with all necessary improvements like curb, gutter, sidewalk, median, irrigation facilities, landscaping, drainage facilities, street lighting, signage and striping. (\$6,053,140)

Figure C-3029: High Quality Transit Stops



3. CalEnviroScreen 4.0

The California Office of Environmental Health Hazard Assessment (OEHA) compiles data to help identify California communities disproportionately burdened by multiple sources of pollution. In addition to environmental factors (pollutant exposures, groundwater threats, toxic sites, and hazardous materials exposure) and sensitive receptors (seniors, children, persons with asthma and low birth weight infants), CalEnviroScreen also take into consideration socioeconomic factors. These factors include education attainment, linguistic isolation, poverty, and unemployment.

CalEnviroScreen 4.0 percentile scores follow trends similar to TCAC environmental scores (see [Figure C-26](#)~~Figure C-25~~). The western and southern areas of the City have the lowest (best) CalEnviroScreen 4.0 percentile scores in the City. Scores get progressively worse towards the northeastern side of the City largely due to factors discussed in the environmental indicators section (large presence of distribution centers).

[Figure C-31](#)~~Figure C-30~~ and [Figure C-32](#)~~Figure C-31~~ shows the distribution of RHNA units by CalEnviroScreen 4.0 percentile scores. As discussed previously, the northeastern sections of the City have higher (worse) scores compared to the central and western areas of the City. The largest percent of the RHNA units are located within the [40-50](#) percentile range ([approximately 40%](#)), with another [about 50](#) percent of units located in the [20-30](#) and [50-60](#) percentile groups. Lower-income RHNA

Appendix C. Affirmatively Furthering Fair Housing

units are spread across the CES score percentile groups. Less than one percent of the RHNA units are located in the 70-80 percentile range. Areas where CalEnviroScreen 4.0 scores are the lowest in predominately single-family residential neighborhoods where there is a higher concentration of above moderate income units. Multifamily zoning districts and sites that can accommodate higher density housing, including lower income units, tend to be more concentrated in the central and western areas of Tracy.

Figure C-3130: Sites Inventory and CalEnviroScreen 4.0 Percentile Score by Tract

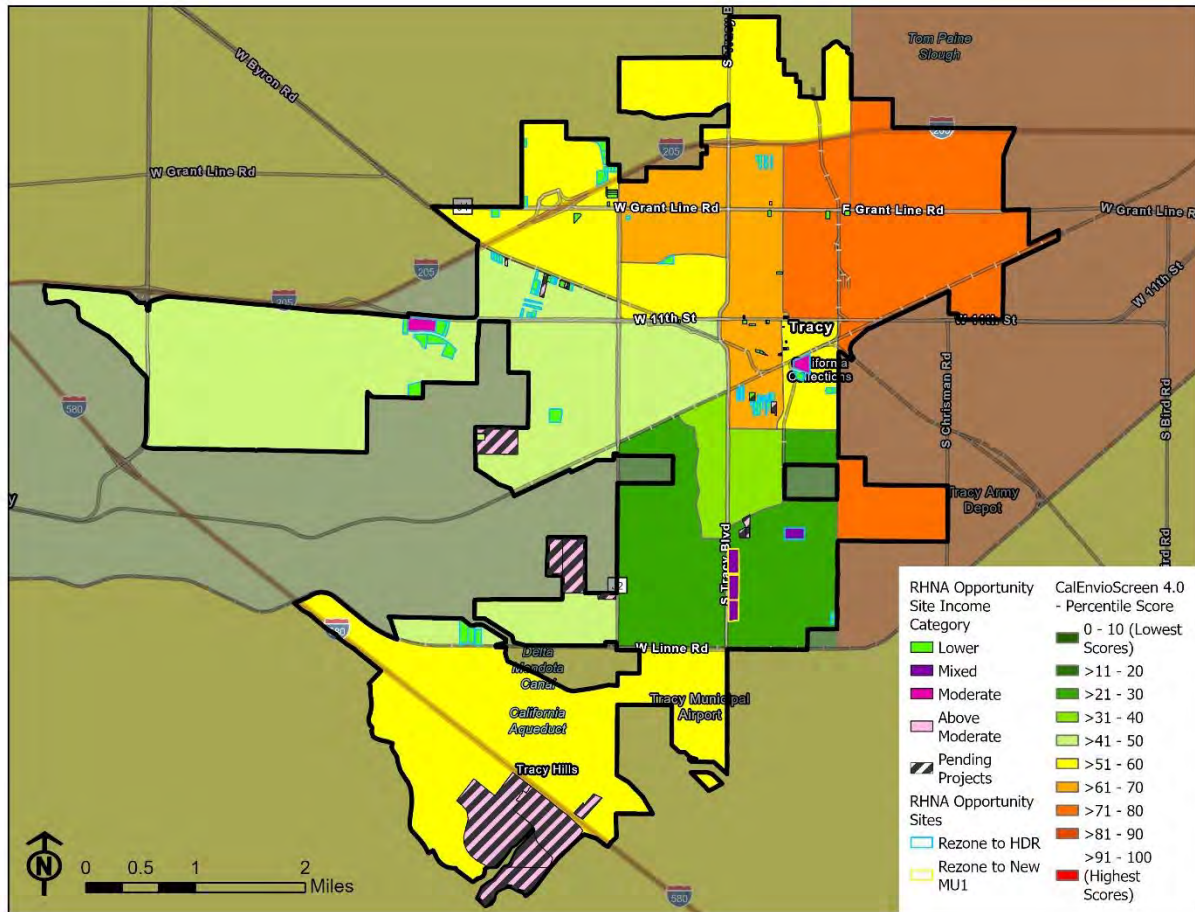
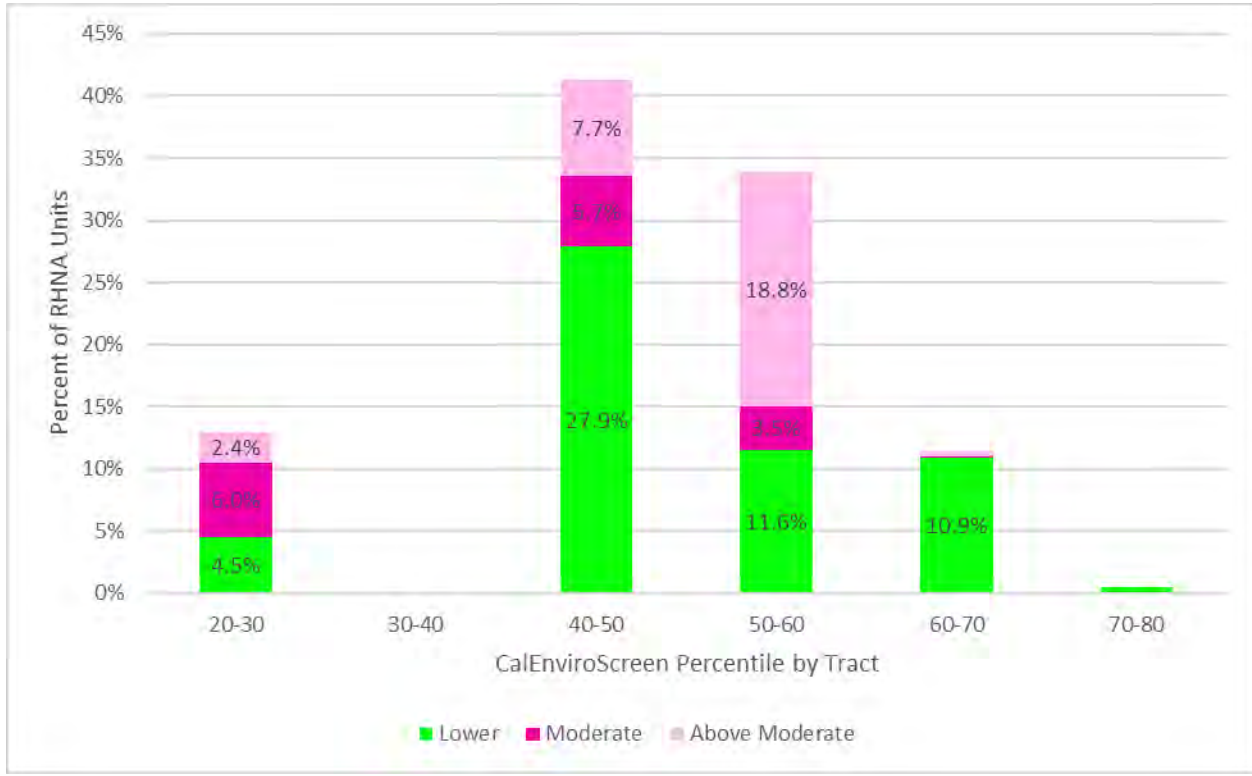


Figure C-32: Distribution of RHNA Units by CalEnviroScreen 4.0 Percentile Score



4. Findings

Overall, the City of Tracy has largely high and higher resource tracts and higher scores in opportunity metrics compared to the County as a whole. As such, many of the RHNA sites are located in high resource tracts (see [Figure C-27](#) [Figure C-26](#)). As stated previously, TCAC and CalEnviroScreen 4.0 scores are the highest in predominantly single-family residential neighborhoods where there is a higher concentration of above moderate income units. Multifamily zoning districts and sites that can accommodate higher density housing, including lower income units, tend to be more concentrated in the central and western areas of the City. The lower-income opportunity sites are evenly distributed among the range of CES 4.0 categories. As shown in [Figure C-32](#) [Figure C-31](#), there are more lower-income units than there are above-moderate units in the best (lowest score) CES 4.0 score areas.

Program 7 includes actions to expand housing choices in the community, including in higher resources areas, such as tiny home, duplex, triplex, fourplex, and medium density multi-family housing. The City is pursuing a number of investments, long-range planning efforts, and improvements in various geographic areas of the City with greater need, specifically downtown Tracy and central areas of the City. Efforts include the Gran Theater repair, pedestrian and bikeway improvements, and park improvements, as well as a 10 Year Economic Development Strategic Plan and Downtown Transit-Oriented Specific Plan.

F. Disproportionate Housing Needs

1. Substandard Housing

The AFFH Rule Guidebook defines disproportionate housing needs as a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing needs when compared to the proportion of a member of any other relevant groups or the total population experiencing the category of housing need in the applicable geographic area (24 C.F.R. § 5.152). The analysis is completed by assessing cost burden, overcrowding, and substandard housing. The Comprehensive Housing Affordability Strategy (CHAS) developed by the Census for HUD provides detailed information on housing needs by income level for different types of households in San Joaquin County. Housing problems considered by CHAS include:

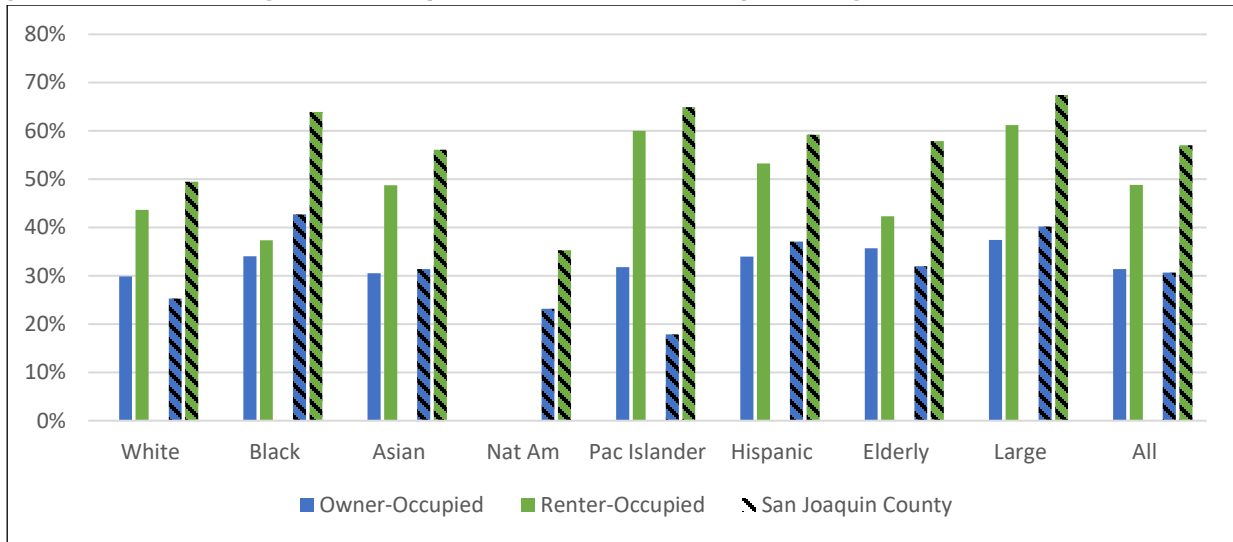
- Housing cost burden, including utilities, exceeding 30 percent of gross income;
- Severe housing cost burden, including utilities, exceeding 50 percent of gross income; Overcrowded conditions (housing units with more than one person per room); and
- Units with physical defects (lacking complete kitchen or bathroom)

According to CHAS data based on the 2015-2019 ACS, approximately 86 percent of San Joaquin County households experience housing problems, compared to 83 percent of households in Tracy. In both the County and City, renters are more likely to be affected by housing problems than owners.

Large and elderly households are also often more likely to experience housing problems. A large household is a household with three or more children but is also often calculated as a household with five or more people. An elderly household is calculated as any household with a person over 62 years of age. **The Section 8 Housing Choice Voucher program extends assistance to large households with overcrowding and cost burden issues.**

Housing problems by race and ethnicity and by large and elderly households for Tracy and San Joaquin County is shown in ~~Figure C-33~~~~Figure C-32~~. Overall, there is relative parity of the percentage of households with housing problems by race among home owners in Tracy (30-37%). There is a greater range of household problems among renters in Tracy (38-60%), but similar to the patterns in the County. Hispanic and Pacific Islander renters experience housing problems at the highest rate in Tracy, around 53 and 60 percent respectively and is similar when compared to the County 59 percent (Hispanic) and 65 percent (Pacific Islander). Rates of housing problems for Whites and Asians are also comparable between the City and County. In 2019, there was no Native American population in the City, which indicated why ~~Figure C-33~~~~Figure C-32~~ reads that 0 percent of that population group experiences housing problems.

Figure C-33: Housing Problems by Tenure and Race/Elderly/Housing Size



Source: HUD CHAS Data, 2019

Code enforcement officials noted that in 2023, Tracy Code Enforcement investigated 88 cases associated with encampments, with a concentration in El Pescadero Park. There was no noted concentration of substandard housing identified by code enforcement. Generally, areas with older housing stock and lower median incomes experience overcrowding and substandard conditions at a higher rate.

Code enforcement data noted the following cases of substandard housing in 2023.

- 5 cases of grow houses with numerous electrical, mechanical and plumbing violations that are therefore unlivable;
- 12 cases of hazardous conditions;
- 10 infestation cases – mostly rats and some roaches;
- 4 cases of no heat and/or water; and.
- 1 leaky roof with dry rot.

Cases of substandard housing were distributed throughout the City without clear pattern, with the exception of 3 cases in the same apartment complex on Eaton Avenue. Eaton Avenue is in northern Tracy where it is lower resource and has lower average incomes.

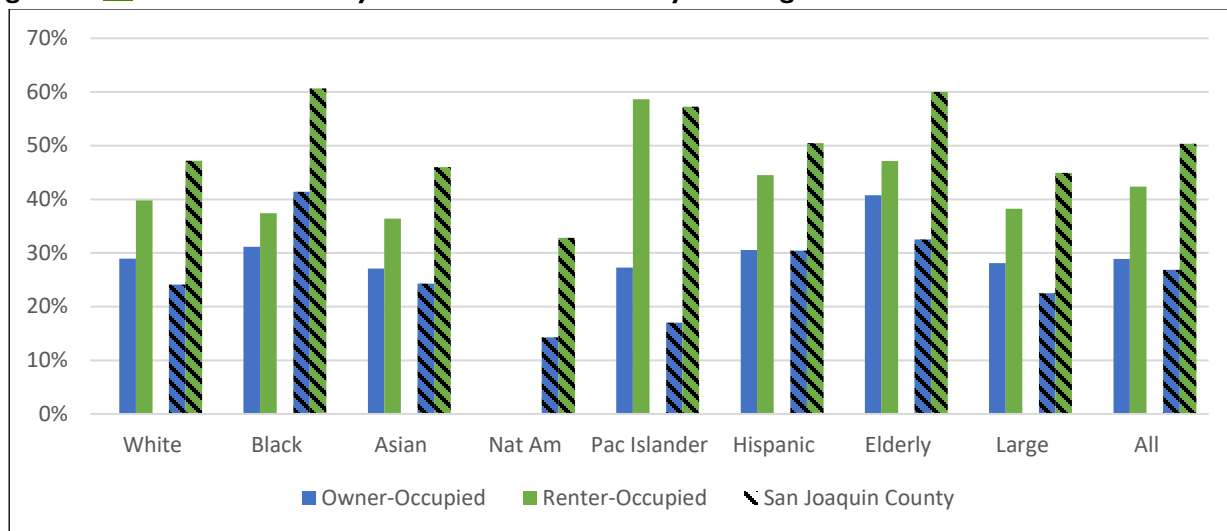
Households paying 30 percent or more of their income in housing costs (i.e., rent, mortgage, or utilities) are considered cost burdened and households paying 50 percent or more on their income are considered severely cost burdened. Large households have more costs to support more people and may experience cost burden or a lack of excess funds to amend housing problems. Elderly households may be on a fixed income, which affects excess funds necessary for maintenance in an older home bought before retirement.

Cost burden by race and ethnicity and by large and elderly households for Tracy and San Joaquin County is shown in [Figure C-34](#)~~Figure C-33~~. As mentioned above, renter-occupied households are more likely to experience housing problems and cost burden. About 42 percent of renter-occupied households in the City experience cost burden compared to only 29 percent of owner-occupied

Appendix C. Affirmatively Furthering Fair Housing

households. The percentage of City households experiencing burdens is lower than the same cohort in the County for all categories of renters and most categories of owners.

Figure C-3433: Cost Burden by Tenure and Race/Elderly/Housing Size



Source: HUD CHAS Data, 2019

Cost burdened owners by tract are compared using the 2010-2014 and 2017-2021 ACS data in [Figure C-35](#) and [Figure C-36](#). The proportion of cost burdened renters and owners has varied from tract to tract during this period. The proportion of cost burdened owners has increased in several tracts along the northern boundary and decreased in tracts in the southern and central area of the City. As seen in [Figure C-37](#) and [Figure C-38](#) proportion of cost burdened renters has increased in the southernmost tract, but most significantly in the northwest while decreasing in the westernmost tract and two tracts in central Tracy. There is one owner-and renter-occupied tract where 60-80 percent of households are cost burdened, all other tracts have <60 percent of households that are cost burdened.

[The highest percentage of cost burdened owner-occupied households is 60 to 80 percent and located in a residential neighborhood in the northern part of Tracy. This neighborhood has a mix of residential housing including assisted living facilities, single family, multifamily, and mobile home parks. It also contains a pocket of previously unincorporated San Joaquin County parcels which are largely vacant. This neighborhood also contains a few schools, commercial areas, and a large public park.](#)

[The highest percentage of cost burdened renter-occupied households is 60 to 80 percent and is also located in a residential neighborhood in the northern part of Tracy and has the lowest percentage of owner-occupied households. This neighborhood is predominately newer single family and multifamily residential with several parks as well as some medical office uses. The City's RHNA strategy is not expected to exacerbate conditions of segregation.](#)

In general, areas where overpayment is more prevalent are more highly populated and have larger proportions of people of color (see [Figure C-3](#)). Low- and moderate-income households, persons with a disability, and low and moderate resource tracts are also more concentrated in these areas (see [Figure C-6](#), [Figure C-20](#) and [Figure C-19](#), and [Figure C-27](#)).

Figure C-3534: Cost Burdened Owner-Occupied Households by Tract (2010-2014)

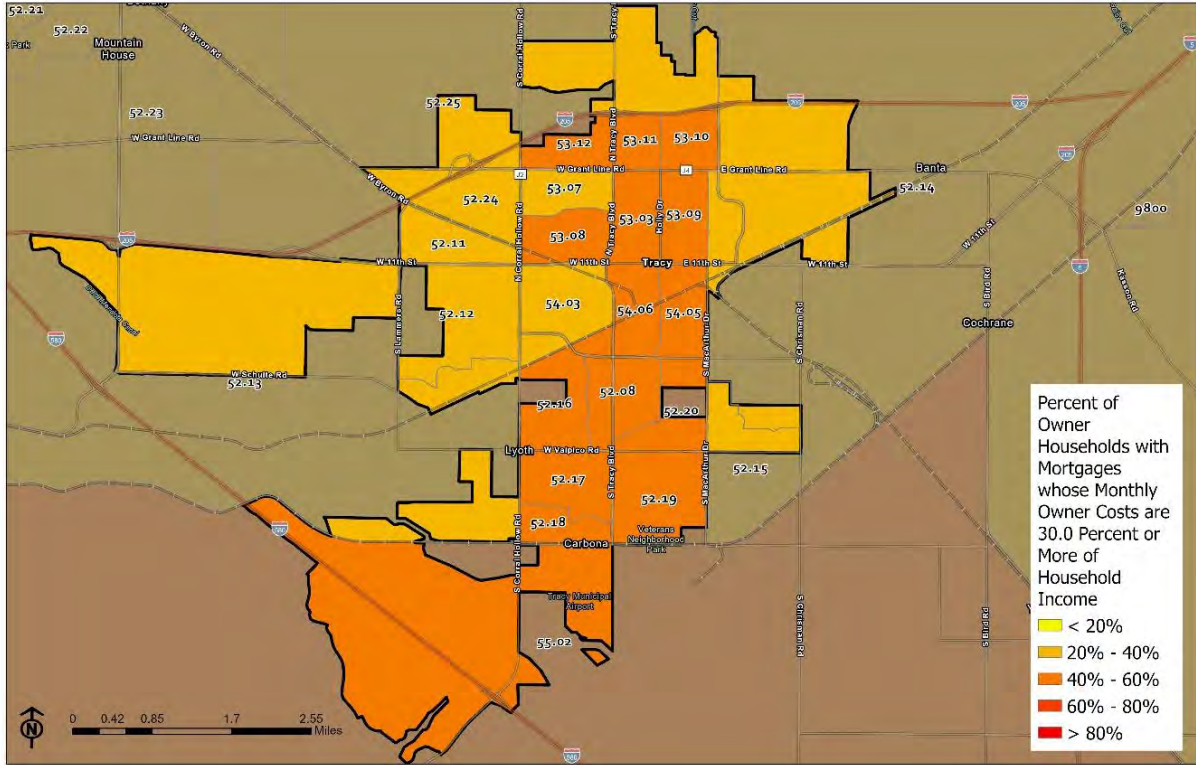
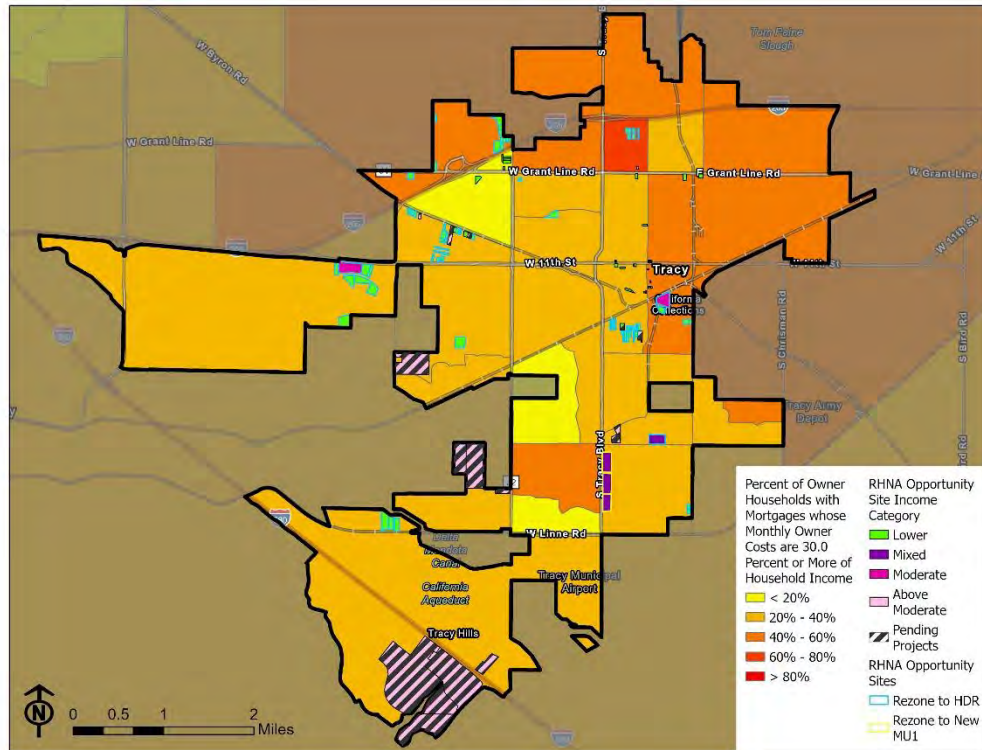


Figure C-3635: Sites Inventory and Cost Burdened Owner-Occupied Households by Tract (2017-2021)



Appendix C. Affirmatively Furthering Fair Housing

Figure C-3736: Cost Burdened Renter-Occupied Households by Tract (2010-2014)

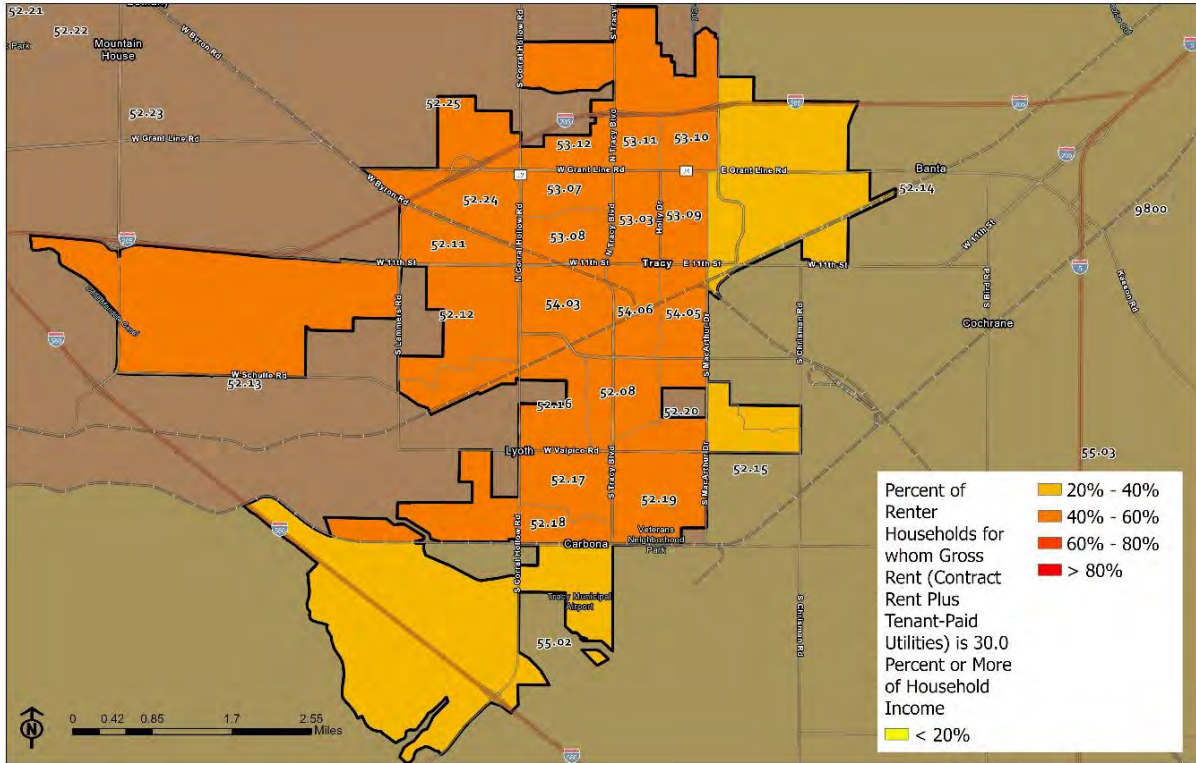
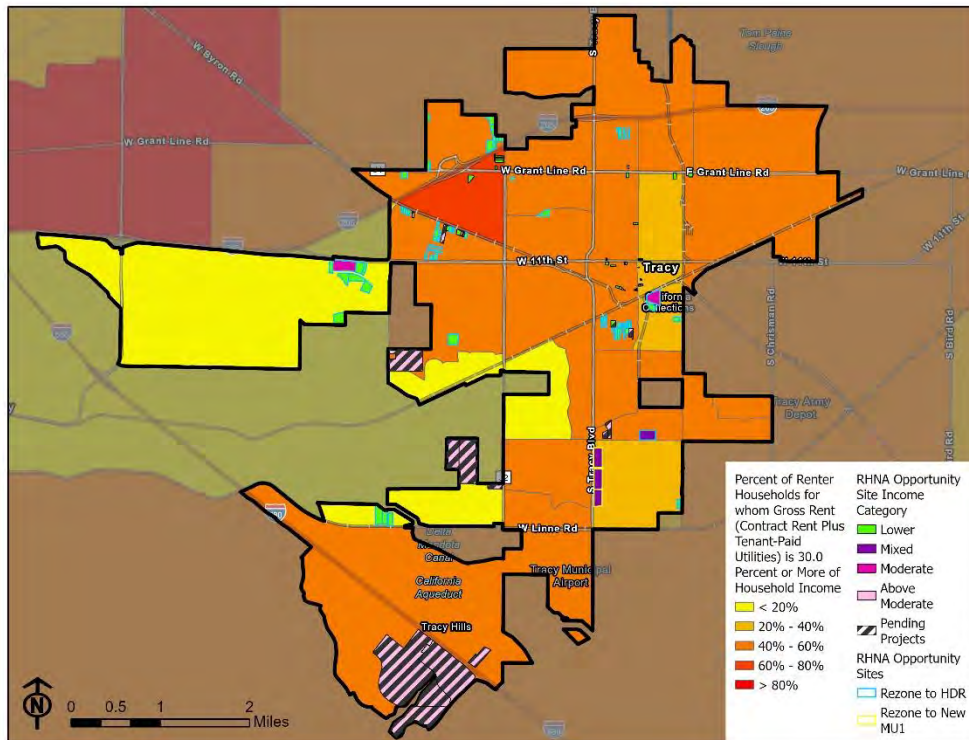


Figure C-3837: Sites Inventory and Cost Burdened Renter-Occupied Households by Tract (2017-2021)



2. Overcrowding

A household is considered overcrowded when there is more than one person per room, including living and dining rooms but excluding bathrooms and kitchens. Overcrowding can affect public facilities and services, reduce the quality of the physical environment, and create conditions that contribute to deterioration of the housing stock. Additionally, overcrowding can indicate that a community does not have an adequate supply of affordable housing and/or variety of suitable housing units to meet the needs of the community. Lower income households are more likely to experience overcrowding in order to make housing more affordable. Large families are also more prone to experiencing poverty.

~~Figure C-39~~~~Figure C-38~~ shows overcrowded households by tract in Tracy. Tracy has six tracts that exceed the Statewide average of 8.2 percent, all of which are adjacent to each other and located in the northern and central part of the City. Low- and moderate-income households and populations of people of color are also more concentrated in these areas (see Figure C-6 and Figure C-3).

The highest percentage of overcrowded households is also the same area with the highest percentage of cost burdened owner-occupied households. This neighborhood has a mix of residential housing including assisted living facilities, single family, multifamily, and mobile home parks. It also contains a pocket of previously unincorporated San Joaquin County parcels which are largely vacant. This neighborhood also contains a few schools, commercial areas, and a large public park and fully integrated within the City. The City's RHNA strategy is not expected to exacerbate conditions of segregation.

Overcrowding by tenure for the City of Tracy and San Joaquin County is included in Table C-2. As shown, overcrowding is less prevalent in the City (6.4 percent) compared to the County (7.4), including 2.3 percent of owner-occupied households and 4.2 percent of renter-occupied households.

Figure C-3938: Sites Inventory and Overcrowded Households by Tract (2017-2021)

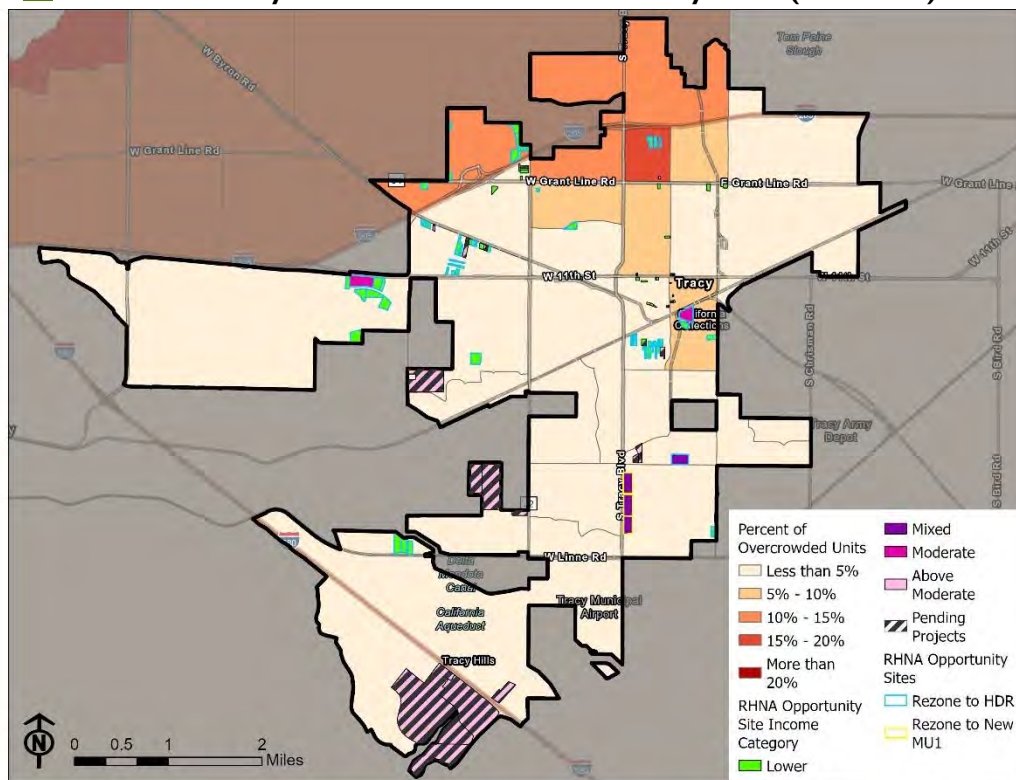


Table C-2: Overcrowding by Tenure (2019)

Jurisdiction	Persons per Room	Owners		Renters		Total	
		Overcrowded Households	% of Total	Overcrowded Households	% of Total	Overcrowded Households	% of Total
Tracy	1.01 to 1.50	1,205	1.6%	2,080	2.7%	3,285	4.2%
	>1.50	515	0.7%	1,154	1.5%	1,669	2.2%
	Total Overcrowded	1,720	2.3%	3,234	4.2%	4,954	6.4%
San Joaquin County	1.01 to 1.50	13,609	2.0%	23,805	3.5%	37,414	5.5%
	>1.50	3,704	0.5%	9,625	1.4%	13,329	1.9%
	Total Overcrowded	17,313	2.5%	33,430	4.9%	50,743	7.4%

Source: HUD CHAS Data, 2019

3. Homelessness

Continuums of Care are required by HUD to conduct a Point-in-Time (PIT) Count of sheltered individuals, youth, and families experiencing homelessness on a yearly basis. HUD only requires the count every two years for an unsheltered persons. As of May 2023, the results from January 2023 PIT have not been released. This analysis relies on the 2022 San Joaquin County Homeless County and Survey to assess homelessness in the County.

Populations of persons experiencing homelessness are most concentrated in the Cities of Manteca and Stockton. Table C-3 shows the change in homeless population by jurisdiction from 2019 to 2022. During this period, all jurisdictions had a decrease in homeless population except for Lodi (+39.8%). The homeless population in Tracy decreased by 22.2 percent during this period.

Table C-3: Homeless Population by Jurisdiction (2019-2022)

Homeless Population	2019	2022	Percent Change
Stockton	921	893	-3.1%
Manteca	218	129	-51.3%
Tracy	155	124	-22.2%
Lodi	139	208	+39.8%
Lathrop	14	0*	-
Ripon	7	0*	-
Escalon	4	0*	-

Source: Analysis of Impediments/Regional PITC Data

* no count was conducted in these areas in 2022

Local stakeholders noted that Tracy does not currently have the capacity to support people experiencing homelessness, as most of the social services and housing resources are located in Stockton. In September 2020, the Tracy City Council gave direction to move forward with the development of plans for the design and construction of a temporary housing facility. The project site is located on 4.8 acres at 370 W. Arbor Avenue. The 6,300-square-foot low-barrier navigation facility will accommodate people, pets, and possessions and is anticipated to provide shelter for approximately 68 residents within a congregate sprung shelter. Underground site work was completed in August 2022. This project has experienced significant delays in construction. The City Council gave direction to move on alternative housing options due to the delay in construction and declared an emergency shelter crisis (Resolution 2022-121). This Resolution directed the City Manager to take immediate and emergency actions necessary to implement interim housing solutions for Tracy’s unsheltered population. These interim housing solutions provided a Phase 3 and Phase 4 of the Arbor Avenue site which allowed the City to procure goods and services to support additional units. Phase 3 consists of 48 units whin modular dormitory facilities and Phase 4 includes 38 container units that are currently in construction. There are currently 48 beds in service at the Arbor Avenue site. In addition, the City has contracted with two providers, one that provides oversight of the shelter’s day-to-day operations and the other that provides the referral and intake process for entry into the shelter.

Table C-4 lists emergency shelters and transitional housing in and adjacent to Tracy.

Table C-4: Homeless Facilities in or Adjacent to Tracy

Facility Name	Type of Facility	Target Population	Number of Shelter Beds of Families Served
Tracy Temporary Emergency Housing	Emergency Shelter	Adults	68 (upon completion)
Tracy Temporary Emergency Housing (Tracy Interim Shelter Site)	Low-Barrier Emergency Shelter	Adults/Couples/Pets	48
McHenry Tracy Family Shelter	Transitional Housing	Families	7 Families
Emerson House	Transitional Housing	Men	18 Singles
Rochester House (older adults)	Supportive Transitional Housing	Men	10 Singles

In 2023, Tracy Code Enforcement opened/investigated 88 cases associated with encampments, 78 of which were reported encampment investigations. Local knowledge determined that the patterns of impact in the City showed that El Pescadero Park has a higher concentration of the homeless population and is a higher area of need.

Appendix C. Affirmatively Furthering Fair Housing

El Pescadero Park is located in an area with some of the most prominent access to transit and transportation in the City.

In May 2020, the City Council adopted the Homeless Strategic Plan (Strategic Plan), which focuses on emergency, transitional and permanent housing options in the City. Preparation of the Strategic Plan included a variety of stakeholders. A detailed list of available State resources was also included. Services and facilities available to the homeless in and around Tracy are listed in Table 5.

Table 5: Homeless Services

<u>Organization</u>	<u>Services</u>
<u>Central Valley Low Income Housing Corporation (Stockton)</u>	<u>Provides rent assistance and supportive services to homeless families and individuals, including case management, budgeting assistance/ counseling, education assistance, and job search preparation.</u>
<u>New Directions (Stockton)</u>	<u>Serves homeless individuals who have a history of substance abuse. Program participants reside in dormitories and receive supportive services which include individual and group counseling.</u>
<u>Lutheran Social Services of Northern California (Stockton)</u>	<u>Provides rent assistance and support services to homeless former foster youth with disabilities. Supportive services include case management, education assistance, child care, and transportation assistance.</u>
<u>Coalition of Tracy Citizens to Assist the Homeless (CTCAH)</u>	<u>Operates Emerson House, a transitional shelter for homeless men.</u>
<u>Tracy Interfaith Ministries</u>	<u>Provides bagged groceries and clothing for homeless individuals, and works with the Salvation Army to provide one-night vouchers for Tracy motels.</u>
<u>McHenry House Tracy Family Shelter</u>	<u>Provides shelter to homeless families and single women.</u>
<u>Tracy Interim Shelter Site</u>	<u>Provides a low barrier shelter option to men, women, couples and pets.</u>
<u>Tracy Community Connections Center</u>	<u>Provides intake and referral support for Tracy’s shelter. Provides a Navigation Center for Tracy residents in need of housing and resources.</u>

Resources for homeless individuals are concentrated along Central Avenue/Holly Drive north of the 6th Street. Central Avenue/Holly Drive is one of the major north south collector roads that runs the entire length of the City connecting the newer part of the City (south) through downtown and the older part of the City north. Two facilities are located in downtown Tracy, which has one of the highest concentration of non-white populations and proportion of low- to moderate-income households (see Figure C-3 Figure C-3 and Figure C-6 Figure C-6). Tracy Interfaith Ministries and the Coalition of Tracy Citizens to Assist the Homeless are located in the northern part of the City where there is the highest concentration of poverty (see Figure C-13 Figure C-12). The Tracer bus serves these areas well (see Figure C-29 Figure C-28). All local and commuter routes provide stops downtown and one local and commuter route has stops to the north and south of El Pescadero Park where Tracy Interfaith Ministries is located and where the largest population of unhoused individuals resides.

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Displacement

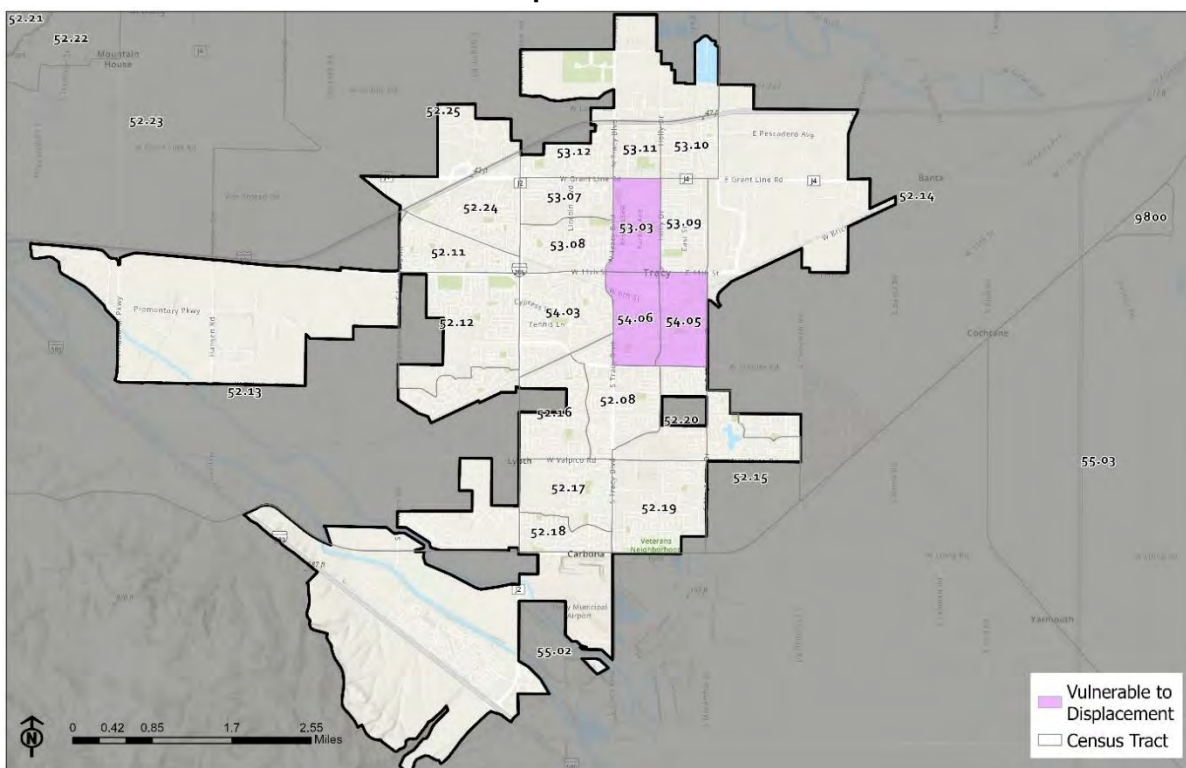
The Urban Displacement Project at University of California, Berkeley, developed a map of “sensitive communities” where residents may be particularly vulnerable to displacement in the event of increased redevelopment and drastic shifts in housing cost. Sensitive communities are defined based on the following set of criteria:

- The share of very low-income residents is above 20 percent.
- The census tract must also meet two of the following criteria:
 - The share of renters is above 40 percent.
 - The share of people of color is above 50 percent.
 - The share of very low-income households (50 percent AMI or below) that are severely rent burdened is above the county median.
 - The census tract, or areas in close proximity, have been experiencing displacement pressures. Displacement pressure is defined as:
 - The percentage change in rent in a selected census tract, divided by county median rent increases OR
 - Median rent in a selected census tract, minus median rent for all surrounding tracts, divided by median rent for all tracts in county (rent gap).

~~Figure C-1~~~~Figure C-39~~ shows the areas vulnerable to displacement as identified by the Urban Displacement Project. There are three tracts in the Tracy that have been identified as sensitive communities at risk of displacement. All of these tracts are located in central Tracy which includes the downtown core.

The City is attempting to meet its RHNA without displacing existing residents by identifying vacant and underutilized sites that do not have existing residential uses. Therefore, the City’s RHNA strategy is not anticipated to exacerbate risk of displacement. Instead, it is expected to counteract this vulnerability and minimize displacement by planning for and providing new housing opportunities for all income levels in areas with greater risk of displacement.

Figure C-139: Communities Vulnerable to Displacement



1. Findings

Overall, the City of Tracy experiences housing problems at lower rate than the region as a whole, while rates of cost burdened or overpayment are higher. The proportion of cost burdened renters and owners has varied from tract to tract between 2010 and 2021 and overcrowding is less prevalent in the City of Tracy compared to San Joaquin County.

The City is including a displacement prevention program to provide information and resources regarding displacement prevention and income protection and ensure there is no net loss of affordable housing units in the City. Additionally, the City is including a Down Payment Assistance (DAP) Down Loan Program provides deferred down payment assistance loans, for 20 percent of the sales price up to \$40,000 (Program 5) and a Housing Rehabilitation Program (Program 1) to assist property owners in making needed renovations and improvements affordable for low income homeowners.

B. Other Contributing Factors

In 1878 construction of a new rail line was started from Oakland around the shores of San Francisco Bay, through Martinez to connect to the Central Pacific at a point three miles to the east of Ellis. The line had been built to make possible greater efficiency by avoiding hills and to eliminate the expense of helper engines. The result of the new rail line was the founding of Tracy on September 8, 1878. Tracy grew as a railroad center (railroad headquarters and supporting industries/services) as new lines were developed to Los Angeles. Tracy was incorporated in 1910 and grew rapidly after the first irrigation system was developed.

Appendix C. Affirmatively Furthering Fair Housing

As the railroad operations declined the City is now an agricultural area agriculture became Tracy's primary industry in the 1950's. In the latter half of the 19th century, agriculture took hold, first with sheep grazing, moving flocks to the hills and down to the valley with the seasons, then with farming as the Delta levees were built and river irrigation established, and ultimately transitioning from sheep to cattle. Throughout the late 1800s and early 1900s, Tracy remained relatively small and isolated, reaching only 11,000 as late as 1960s. Tracy remained a regional railroad town and local commerce center for surrounding farms and ranches into the 1970s.⁵

Beginning at the end of the twentieth century, the City transitioned into a primarily residential community, as many people relocated from the Bay Area seeking affordable housing, a small-town feel, and a respite from a much more urban environment. This trend has continued and is the primary contributing factor to the current housing issues the City faces (affordability, lack of multifamily units, development at the fringes of the City).

As the population has grown and diversified so too has the economy, aided in part by numerous companies that have established distribution facilities in Tracy to take advantage of inexpensive land and proximity to three major freeways. Agriculture has remained a major activity within the City in the undeveloped areas of Tracy.

The first development occurred in what is now considered the downtown area, just north of the railroad crossing known as the 'bowtie'. Similar to many comparable cities, Tracy's oldest areas and oldest housing tends to be located downtown, less expensive than newer areas to the west and south and has the highest percent of the Hispanic and Latino population in the City. These older central areas of the City tend to have the most multifamily and rental housing as these were the most efficient land use patterns at the time of development, and predominately Hispanic and Latino as historically these groups migrated to support the prominent agriculture industry in Tracy. As a result, the older areas often have higher proportions of affordable housing without subsidies and lower-income households. Similarly, today's new housing will be more affordable than housing built in 10 or 20 years.

Tracy expanded as the agricultural and distribution industries expanded, due to where these industries located within the City (western and eastern parts of the City) it limited where within the City limits the City could build housing. With the expansion of these industries the City of Tracy more than doubled its population between 1990 and 2004, from 33,500 to 74,070 residents. During this time, Tracy became more racially and ethnically diverse, as the percentage of Caucasians dropped from 68 to 56 percent and that of African Americans, Asian or Pacific Islanders and Hispanics each increased by 3 to 5 percent. The newer residential neighborhoods that were developed to support these groups were located in the west and southern part of the City. One census tract in west Tracy located along Byron Road consists of single family tracts and has the highest percent of the Asian population in Tracy. The other part of the City with newer housing is located in south Tracy which is largely comprised of specific plan areas (i.e. Tracy Hills and Ellis) and is predominately white.

According to the San Joaquin Valley Fair Housing and Equity Assessment, the North Valley (particularly San Joaquin County) will likely continue to see an influx of commuters and displaced residents from Alameda and Santa Clara counties, unless the San Francisco Bay Area finds a way to

⁵ <https://tracymuseum.org/tracy-history/>

Appendix C. Affirmatively Furthering Fair Housing

better accommodate all of its workers.⁶ This could result in the continued increase in demand for housing in Tracy and drive housing costs even higher, potentially displacing existing residents.

The geographic division created by the railroad tracks in the downtown “bowtie” area, creates an area of less-desirable real estate immediately south along Central Avenue. This area has a concentration of lower-income housing in part due to lower land costs, this area also has a concentration of the oldest housing stock in the City. While not intentional, this divide has led to a concentration of low-income and non-White residents south of the “bowtie”.

1. Transportation Investments

Additionally, the Parks, Recreation and Trails Master Plan⁷ the “bowtie” area was identified as an opportunity area for new recreation facilities in the park access gap analysis.

Active transportation is supported through several regional policies. Measure K is a half-cent tax for transportation projects and funds a wide variety of projects and programs. This policy has been renewed until 2041. The City is included in the San Joaquin Council of Governments Regional Bicycle, Pedestrian, and Safe Routes to School Master Plan (2012), which supports increased bicycle and pedestrian mobility and safety throughout the county. The City also has a newly adopted Parks, Recreation and Trails Master Plan which summarizes the needs for parks, recreation and trails, in new and existing residential areas. Additionally, the City is currently preparing a Downtown TOD Specific Plan will identify the community’s vision and establish goals, objectives, and policies for future development as well as identify approaches to implement and fund future development. The City is including Program 1948 to facilitate place-based improvements and investment in areas/projects identified in the Active Transportation Plan and Parks, Recreation and Trails Master Plan and Downtown TOD Specific Plan.

The City has multiple projects in its Capital Improvements Plan identified to improve mobility, and active transportation opportunities. The 2023-2024 Capital Improvements Plan includes investment of \$221,382,041 into 104 capital improvement projects, including:

- Holly Drive Pedestrian & Bikeway Improvements: The City is investing 1.83 million dollars to improve pedestrian and bikeway infrastructure in the central area of the City on Holly Drive between 11th Street and Clover Road, including installing a Class 3 bike route, Class 2 bicycle lanes, sidewalk, pavement patching, slurry seal, signage, striping, and pavement markings.
- Tracy Boulevard Sidewalk. This project will close the missing sidewalk gap to the ACE Train Station parking lot immediately south of the project area. (\$852,465)
- Valpico Roadway Improvements - Tracy Blvd to MacArthur Drive. This project will involve the roadway widening of Valpico Road from Tracy Blvd to MacArthur Drive, with two lanes in each direction, complete with all necessary improvements like curb, gutter, sidewalk, median, irrigation facilities, landscaping, drainage facilities, street lighting, signage and striping. (\$6,053,140)

⁶ Smart Valley Places. San Joaquin Valley Fair Housing and Equity Assessment. April 2014.

<https://www.frbsf.org/wpcontent/uploads/sites/3/SJV-Fair-Housing-and-Equity-Assessment.pdf>

⁷ City of Tracy Citywide Parks, Recreation & Trails Master Plan Update. August 2022 Draft.

<https://www.cityoftracy.org/home/showpublisheddocument/13465/637940272102730000>

C. Fair Housing Issues, Contributing Factors, and Meaningful Action

The City has adopted goals and actions that specifically address the contributing factors identified in the AFFH analysis. While the City views all contributing factors as an important priority to address, higher priority was given to factors that limit fair housing choice and/or negatively impact fair housing, per Government Code section 65583(c)(10)(A)(iv).

Table C-1~~Table C-6~~ displays the identified fair housing issue, contributing factor, actions taken to address the contributing factor, and priority level for each issue. Relevant programs are referenced in the action column for each contributing factor.

Table C-16: Contributing Factors

Identified Fair Housing Issue	Contributing Factor	Action	Priority
Segregation and Integration	<ul style="list-style-type: none"> Lack of availability of high density zoning Variety and availability of affordable housing 	Program 4 – Affordable Housing Monitoring Program 8 – Housing Choice Voucher Program Program 11-9 – Provision of Adequate Sites and Monitoring of No Net Loss <ul style="list-style-type: none"> Significant rezoning of opportunity areas in high resource areas Program 13 – Inclusionary Housing	Moderate
Disproportionate Housing Needs	<ul style="list-style-type: none"> Variety and availability of affordable housing Lack of public investment in low resource areas Lack of adequate infrastructure for growth in high resource areas 	Program 1 – Housing Rehabilitation Program 4 – Affordable Housing Monitoring Program 6 – Home buyer and literacy training Program 7 – Affordable and Workforce Housing Program 12-11 – Property Acquisition and Improvement Program 20 – Displacement Prevention	High
Access to Opportunities	<ul style="list-style-type: none"> Lack of availability of high density zoning Variety and availability of affordable housing Access to financial services Lack of public investment in low resource areas Disparities in access to amenities and infrastructure 	Program 4 – Affordable Housing Monitoring Program 5 – Down payment Assistance DAP Loan Program Program 6 – Home buyer and literacy training 10 Year Economic Development Strategic Plan Program 7 – Affordable and Workforce Housing Program 13 – Inclusionary Housing Program 18 – Place Based Improvements	High
Outreach and Enforcement Capacity	<ul style="list-style-type: none"> Lack of resources for fair housing agencies and organizations Lack of marketing community meetings Lack of language access Increased needs of homeless population Disparities in access to amenities and infrastructure 	Program 17 – Fair Housing <ul style="list-style-type: none"> Contracting with the fair housing provider to provide services. Program 19 – Housing Resources Education and Bilingual Materials Program 18 – Place Based Improvements Program 20 – Displacement Prevention Program 8 – Housing Choice Voucher Program	Low

Appendix C. Affirmatively Furthering Fair Housing

Table C-2 Table C-7 provides a detailed overview of actions included in Housing Element Programs that are aimed at affirmatively furthering fair housing. The table separates the actions by their identified fair housing issue and priority level. It summarizes the specific commitment, timeline, geographic targeting, and metric for each program.

Table C-27: AFFH Actions Matrix

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
Fair Housing Outreach and Enforcement				
Program 1 – Fair Housing	The City actively furthers fair housing in the community. Specifically, the City contracts the San Joaquin Fair Housing Association to promote fair housing and provide fair housing services for its residents. The City participates in providing an annual direct allocation to the San Joaquin Fair Housing Association through the CDBG program. Increase Spanish language outreach to this Hispanic population especial in areas with concentrations of Hispanic residents.	By July 2024, begin promoting fair housing services via social media platforms	Citywide, targeted outreach in lower resource, lower income neighborhoods	Continue to support the San Joaquin Fair Housing Association, or other qualified fair housing agencies, annually with CDBG funds and refer residents seeking fair housing assistance on an ongoing basis. Advertise the services provided by the San Joaquin Fair Housing Association (or other qualified fair housing agencies) on an ongoing basis in City buildings and other public buildings (such as public libraries, community centers, County Housing Authority offices, and post offices, etc.).
Program 2 – Housing Resources Education and Bilingual Materials	The City will promote and advertise available housing resources to residents through a variety of mediums. The City will continue to promote homebuyer assistance programs available through the City, County, and State, such as the Tracy Down Payment Assistance Down Loan Program, the San Joaquin County Home Rehabilitation Program, the Mortgage Credit Certificate (MCC) program and California Housing Finance Agency’s down payment assistance programs.	Annually	Citywide, <u>targeted outreach in lower resource, lower income neighborhoods.</u>	Provide <u>bilingual (Spanish and English)</u> information on housing resources to at least 200 households annually <u>utilizing a minimum of four (4) mediums of outreach</u>

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<ul style="list-style-type: none"> • The City will provide information on housing resources to at least 200 households annually, through the following mediums: <ul style="list-style-type: none"> • Providing information regarding housing resources on the City website. • Pamphlets on the programs available at City Hall and other community locations such as the Senior Center and Library. • Advertising housing resources through social media. • Presence at a booth in community events at least once per year. • Provision of materials in Spanish and English. • The City will continue to encourage improved community participation and representation in all official city business, events, and communications. The City will contract with a translation service as needed for meetings, putting a standard note on all hearing notices and communications in Spanish indicating that interpretation and translation services are available upon request. The City will contract with a translation service for direct on the spot translation/interpretation needs at the front counter. • The City will review demographic changes in the City to determine if translation should be provided for new or additional languages every four years. Translation to additional languages added as 			

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	determined by demographic analysis.			
New Opportunities in High Resource Areas				
Program 4 – Affordable Housing Monitoring	<p>The City of Tracy has seven publicly assisted housing developments, with a combined total of 659 units that are set aside as affordable for lower income households. Project-based Section 8 contract for the 87-unit Tracy Garden Apartments will expire in July 2028. In 2031, the Low Income Housing Tax Credits (LIHTC) for the Chesapeake Bay Apartments complex are set to expire, which would impact 138 two-bedroom units and 12 three-bedroom affordable units. Therefore, 237 affordable units in Tracy are considered at-risk of becoming market rate during this 6th Housing Element cycle.</p> <p>The City will work to preserve the long-term affordability of its affordable housing inventory, including 237 units at risk during this planning cycle.</p>	<p>Annually monitor status of affordable units by maintaining contact with property owners and updates from HUD’s Multi-Family Housing division.</p> <p>Annually solicit interest and participation of nonprofit housing developers to acquire and preserve housing to be maintained as affordable units.</p> <p>Annually pursue funding available from state and federal programs to improve and preserve existing affordable housing</p>	Citywide	<p>If a Notice of Intent is filed to opt out of low income housing use, work with property owners to ensure compliance with noticing requirements (three years, one year, and six months advance notices required). Education of alternative housing options should be provided to tenants.</p>
Program 5 – Down payment Assistance DAP Loan Program	<p>The Tracy Down Payment Assistance (DAP) Loan Program provides deferred down payment assistance loans, for 20 percent of the sales price up to \$40,000 (whichever is the lesser), to low income, first-time homebuyers for the purchase of a home in Tracy. The loans are intended to bridge the “gap” between the cost of a home and what a low income household can afford. The program is administered by the San</p>	<p>Provide down payment assistance to ten qualified lower income households (up to 80 percent AMI) during the Housing Element planning period.</p>	Citywide, targeted outreach in lower resource, lower income neighborhoods	<p>Provide down payment assistance to ten qualified lower income households (up to 80 percent AMI) during the Housing Element planning period.</p> <p>Disseminate information through City website and social media platforms.</p>

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
<p>Program 6 – Home buyer and literacy training</p>	<p>Joaquin County Neighborhood Preservation Division.</p> <p>Homebuyer and financial literacy education represents a key step to introducing households to the challenges, responsibilities, and benefits of homeownership. These programs also serve as critical components of asset-building, helping families build wealth – savings and equity – rather than living paycheck to paycheck. In particular, homebuyer education programs help first-time buyers evaluate their financial readiness, understand the home buying process, explore different financing options, access homebuyer assistance programs, resolve credit issues, and avoid predatory lending practices. Other asset-building education programs address financial literacy more broadly. Homebuyer and financial literacy programs are best offered in tandem with demand-side initiatives such as a down payment assistance program.</p>	<p>Ongoing</p>	<p>Citywide, targeted outreach in lower resource, lower income neighborhoods</p>	<p>Require a “Certificate of Completion” from a HUD-approved homebuyer class in order to participate in the DAP Loan Program.</p> <p>Partner with qualified local non-profit agencies to offer homebuyer education classes and publicize the availability of these classes to residents twice during the planning period.</p>
<p>Program 7 – Affordable and Workforce Housing</p>	<p>On March 2, 2021, the City Council approved the scope of work for an action plan to address affordable/ workforce housing. These include:</p> <ul style="list-style-type: none"> • Amend Zoning Ordinance to permit high density housing by right in certain commercial zones. • Update the Zoning Ordinance with the most recent State law changes regarding ADUs. 	<p>Ongoing</p>	<p>Higher opportunity, higher income, single-family neighborhoods</p>	<p>Continue to prioritize the allocation of RGAs to affordable housing projects (particularly for those projects that set aside units for extremely low income households and persons with special needs, including those with developmental disabilities, and farmworkers).</p> <p>Proactively encourage and facilitate, on an ongoing basis,</p>

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<ul style="list-style-type: none"> • Rezone two sites, currently zoned Industrial, to accommodate the City’s RHNA. • Increase maximum densities in higher density residential zones. • Remove minimum lot size in favor of floor area ratio and/or units per acre in residential zones. • Increase minimum density in medium density residential zones. • Allow and encourage duplexes, triplexes, and fourplexes in new single-family home subdivisions. • Create and apply an overlay zone that allows clusters of tiny homes. • Amend the City’s parking ordinance to reduce the number of off-street parking spaces required for new multi-family housing development projects. • Develop objective design standards for multi-family development. 			<p>the development of affordable housing by non-profit organizations for lower income households, particularly those with special needs including large households, seniors, extremely low income (ELI) households, and households with persons who have disabilities or developmental disabilities, and farmworkers.</p> <p>Continue to provide density bonuses and other incentives on an ongoing basis to developers who provide affordable units, such as technical assistance related to City policies and regulations, and pre-application consultation with staff.</p> <p><u>Pursue rezoning and zoning code amendments as outlined in various programs to facilitate affordable and workforce housing.</u></p> <p><u>Annually during City budgeting process, prioritize actions to pursue to expand housing choices and opportunities.</u></p> <p><u>Facilitate the development of 500 affordable housing units over eight years, with the goal of prioritizing housing for persons with special needs, including extremely-low income households and farmworkers. Utilize the incentives listed in this program</u></p>

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
				<p>and work with interested local developers, the County Housing Authority, religious and educational facilities and organizations and nonprofits toward the development of the affordable units. At least every other year, beginning in 2026, the City will take the following actions:</p> <ul style="list-style-type: none"> - Outreach to property owners of educational and religious facilities; - Informational materials, including what is allowed under SB4; and - Technical assistance with the application process. <p>Adopt a policy to grant priority water and wastewater services to housing with units affordable to lower income households when capacity is limited and warrants allocation. *moved to new policy</p> <p>Annually identify potential housing opportunities and provide information about affordable housing opportunities to interested developers via a list of properties that can be updated as needed.</p>
Program 13: Inclusionary Housing	Explore the potential and set the stage for an inclusionary housing program that includes an extremely	By the end of 2025	Citywide	Increase affordable housing by at least 10 percent of all new housing.

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	low income housing component by the end of 2025.			
Housing Mobility				
Program 4 – Affordable Housing Monitoring	<p>The City of Tracy has seven publicly assisted housing developments, with a combined total of 659 units that are set aside as affordable for lower income households. Project-based Section 8 contract for the 87-unit Tracy Garden Apartments will expire in July 2028. In 2031, the Low Income Housing Tax Credits (LIHTC) for the Chesapeake Bay Apartments complex are set to expire, which would impact 138 two-bedroom units and 12 three-bedroom affordable units. Therefore, 237 affordable units in Tracy are considered at-risk of becoming market rate during this 6th Housing Element cycle.</p> <p>The City will work to preserve the long-term affordability of its affordable housing inventory, including 237 units at risk during this planning cycle.</p>	<p>Annually monitor status of affordable units by maintaining contact with property owners and updates from HUD’s Multi-Family Housing division.</p> <p>Annually solicit interest and participation of nonprofit housing developers to acquire and preserve housing to be maintained as affordable units.</p> <p>Annually pursue funding available from state and federal programs to improve and preserve existing affordable housing</p>	Citywide	<p>If a Notice of Intent is filed to opt out of low income housing use, work with property owners to ensure compliance with noticing requirements (three years, one year, and six months advance notices required).</p> <p>Education of alternative housing options should be provided to tenants.</p>
Program 8 – Housing Choice Voucher Program	<p>The City of Tracy contracts with the Housing Authority of the County of San Joaquin (HAC SJ) to manage the Housing Choice Voucher (HCV) program, which provides rent subsidies in the form of housing assistance payments to private landlords on behalf of eligible families. The HCV program, funded by HUD, provides housing assistance</p>	<p>By the end of 2024, create a Fair Housing Factsheet to be included in the ADU application packet.</p> <p>Annually contact the HAC SJ to obtain information on the status of the HCV program and other available resources</p>	Citywide	<p>Disseminate information to the public regarding the HCV program and promote participation by rental property owners.</p> <p>Continue to support HAC SJ’s petition for increased funding from HUD.</p>

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<p>to extremely low and very low income families, senior citizens, and disabled or handicapped persons. Its objective is to provide affordable, decent and safe housing for eligible families, while increasing a family’s residential mobility and choice. The Voucher Program also includes programs such as Family Self-Sufficiency and Welfare to Work. These are designed to assist families in becoming economically self-sufficient.</p>			<p>Continue to work with HACSJ to provide HCVs to Tracy residents, with the goal of increasing HCV use in the City by 20 percent (from 160 recipients) by the end of 2031.</p> <p>Continue to work with the HACSJ to assist households through the Family Self-Sufficiency Program.</p>
<p>Program 11-9– Provision of Adequate Sites and Monitoring of No Net Loss</p>	<p>For the 6th cycle Housing Element, the City has been assigned a Regional Housing Needs Assessment (RHNA) of 8,830 units, including:</p> <ul style="list-style-type: none"> • Very Low Income: 2,994 units • Low Income: 1,879 units • Moderate Income: 1,175 units • Above Moderate: 2,782 units <p>In addition, the City has yet to complete the rezoning of 31.7 acres to meet the shortfall for the 5th cycle Housing Element RHNA. Combined, the City has a RHNA obligation of 9,330 units.</p> <p>The City is committed to ensuring that adequate sites at appropriate densities remain available during the planning period, as required by law. Specifically, the City already has pending projects that account for 3,1134,274 units (118 very low income, 23 low income, and 2,9724,133 above moderate income units). Projected ADUs also account for 330 units. Overall, the City has a</p>	<p>By December 31, 2024, establish a formal procedure to monitor no-net-loss of capacity in meeting the City’s RHNA and amend the Zoning Ordinance to provide for by-right approval for projects that include 20 percent of the units for lower income households.</p> <p>By-right approval is available to reuse sites effective December 31, 2023</p> <p>By-right approval is available to rezone sites effective upon rezoning</p> <p>By December 31, 2026, complete rezoning of the sites identified in the sites inventory for rezoning.</p>	<p>Denoted rezone areas</p>	<p>Make the inventory of sites available to interested developers after adoption of the Housing Element</p> <p>In 2027, the City will evaluate the progress of pending projects counted toward the RHNA to ensure that development of housing units is occurring as projected. If it is determined after consultation with developers that the projects are not proceeding as planned and would result in a shortfall in RHNA sites, the City will identify alternative sites strategies (including potential rezoning) within six months.</p>

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<p>remaining RHNA obligation of 5,610 units (2,777 very low income, 1757 low income, and 1,076 moderate income units).</p> <p>Under existing zoning, the City has realistic capacity for 1,016^{1,650} lower income units and 754⁴⁷⁵ moderate income units, creating a lower income shortfall of 3,857^{3,200} units and a moderate-income shortfall of 421⁶⁷⁰ units. The City’s overall strategy is to accommodate the RHNA shortfall through increasing the permitted densities of existing multi-family zones, rezoning limited single-family and commercial areas to multi-family residential, and creating programs to facilitate increased ADU production in single-family zones. These strategies will allow the City to fully meet its housing needs for all income levels during the 6th Cycle Housing Element. Rezoning will meet all requirements pursuant to Government Code Section 65583.2, subdivisions (h) and (i).</p> <p>As required by law, the following types of sites are subject to by-right approval without discretionary review if the project includes 20 percent of the units as housing affordable to lower income households:</p> <ul style="list-style-type: none"> • Reuse Sites: Vacant sites that were used to meet the City’s 4th and 5th cycles RHNA for lower income units; 			

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<ul style="list-style-type: none"> • Reuse Sites: Nonvacant sites that were used to meet the City’s 5th cycle RHNA for lower income units; and • Rezone Sites: Sites to be rezoned to meet the 6th cycle RHNA for lower income units. <p>To ensure that the City complies with SB 166 (No Net Loss), the City will monitor the consumption of residential and mixed-use acreage to ensure an adequate inventory is available to meet the City’s RHNA obligations. To ensure sufficient residential capacity is maintained to accommodate the RHNA, the City will develop and implement a formal ongoing (project-by-project) evaluation procedure pursuant to Government Code Section 65863. Should an approval of development result in a reduction in capacity below the residential capacity needed to accommodate the remaining need for lower and moderate income households, the City will identify and if necessary, rezone sufficient sites to accommodate the shortfall and ensure “no net loss” in capacity to accommodate the RHNA.</p>			
<p>Program 12 – Accessory Dwelling Units</p>	<p>The City last updated its ADU ordinance in 2018. Since that time, the law on ADUs has substantially changed. The City will update its ADU ordinance to comply with California Government Code Sections 65852.2 and 65852.22. The City will facilitate the construction of</p>	<p>By the end of 2024</p>	<p>Citywide; targeted outreach in higher opportunity, higher income, single-family neighborhoods</p>	<p>Update City website to provide a link to California Housing Finance Agency (CalHFA) ADU Grant Program.</p> <p>Update the Zoning Code to comply with State requirements for ADUs.</p> <p>Develop an information sheet/brochure on ADUs,</p>

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	ADUs as an alternative source of affordable housing.			<p>including building requirements and the permitting process, that may be given to interested property owners and kept at the Planning/Development Services Department. This information should also be included on the City website.</p> <p>Develop and include a Fair Housing Factsheet, especially on Source of Income protection (i.e., use of public subsidies such as Housing Choice Vouchers for housing payments) in the ADU application packet.</p> <p>Develop incentives to encourage development of ADUs, including financial assistance (from state programs if available) to assist lower income homeowners with construction, pre-approved plans, and dedicated counter time for technical assistance, among others.</p> <p>Modify the building permit tracking system records to document and monitor ADU construction and demolition permits.</p> <p>Facilitate construction of 330 ADUs within the planning period.</p> <p>Annually monitor permitted ADUs and their affordability as part of the Annual Progress Reports. If ADUs are not</p>

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
				<p>affordable to lower-income residents, reach out to community groups and advertise the tools being developed below to encourage ADU construction. If by the end of 2027, the number of ADUs are not meeting the projections in this Housing Element, the City will identify additional residential development sites (including rezoning if needed) within six months of the identified ADU shortage.</p> <p>Twice during the planning period, monitor permitted ADUs and their affordability. If ADUs are not affordable to lower income residents, adjust ADU assumptions made in this Element within a year.</p>
<p>Program 7 – Affordable and Workforce Housing</p>	<p>On March 2, 2021, the City Council approved a scope of work for an action plan to address affordable/workforce housing. These include:</p> <ul style="list-style-type: none"> • Amend Zoning Ordinance to permit high density housing by right in certain commercial zones. • Update the Zoning Ordinance with the most recent State law changes regarding ADUs. • Rezone two sites, currently zoned Industrial, to accommodate the City’s RHNA. 	<p><u>Annually during City budgeting process, prioritize actions to pursue to expand housing choices and opportunities.</u></p> <p><u>Annually provide information about affordable housing opportunities to interested developers via a list of properties that can be updated as needed.</u></p> <p><u>Ongoing</u></p>	<p>Higher opportunity, higher income, single-family neighborhoods</p>	<p><u>Pursue rezoning and zoning code amendments as outlined in various programs to facilitate affordable and workforce housing.</u></p> <p><u>Facilitate the development of 500 affordable housing units over eight years, with the goal of prioritizing housing for persons with special needs, including extremely-low income households and farmworkers. Utilize the incentives listed in this program</u></p>

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<ul style="list-style-type: none"> • Increase maximum densities in higher density residential zones. • Remove minimum lot size in favor of floor area ratio and/or units per acre in residential zones. • Increase minimum density in medium density residential zones. • Allow and encourage duplexes, triplexes, and fourplexes in new single-family home subdivisions. • Create and apply an overlay zone that allows clusters of tiny homes. • Amend the City’s parking ordinance to reduce the number of off-street parking spaces required for new multi-family housing development projects. • Develop objective design standards for multi-family development. • Consider inclusionary housing program. 			<p>and work with interested local developers, the County Housing Authority, religious and educational facilities and organizations and nonprofits toward the development of the affordable units. At least every other year, beginning in 2026, the City will take the following actions:</p> <ul style="list-style-type: none"> - Outreach to property owners of educational and religious facilities; - Informational materials, including what is allowed under SB4; and - Technical assistance with the application process. <p>moved to new policy</p> <p>Annually identify potential housing opportunities and provide information to interested developers via a list of properties that can be updated as needed.</p>
Place-Based Improvements				
<p>Program 1 – Place-Based Improvements</p>	<p>The City is pursuing a number of investments, long-range planning efforts, and improvements in various geographic areas of the City with greater need, specifically downtown Tracy and central areas of the City. These place-based improvements will help improve quality of life and spur economic investment in areas of the City with greater need.</p>	<p>As identified in CIP Schedule</p>	<p>Citywide, implementation based on the prioritized key areas identified in the 10-Year Economic Development Strategic Plan</p>	<p>Completed Capital Improvement Projects Completion of two Capital Improvement Projects in each of the top three prioritized key areas identified in the 10-Year Economic Development Strategic Plan.</p>

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<p>The City will continue to prioritize the Capital Improvement Program and implement broader planning efforts, such as the Active Transportation Plan, the Parks Recreation and Trails Master Plan and the Downtown TOD Specific Plan. These plans, including seeking additional funding. This will serve to continue to improve communities through neighborhood improvements such as enhanced streetscapes, multi-modal and active transportation, pedestrian safety improvements, safe routes to schools, community facilities, park improvements, and other community amenities.</p> <p>Specific place-based efforts including the following (Completion of two CIPs in each of the top three prioritized key areas identified in the 10-Year Economic Development Strategic Plan):</p> <ul style="list-style-type: none"> • City has multiple projects in its Capital Improvements Plan identified to improve mobility, and active transportation opportunities, and park quality in the downtown and central parts of the City. The 2023-2024 Capital Improvements Plan includes investment of \$221,382,041 into 104 capital improvement projects. Many of these identified projects are in the downtown and central areas of the City, including: <ul style="list-style-type: none"> • Grand Theater Repair. Exterior repair for the historic Grand 			<p>The City will annually prioritize the capital improvement program to improve mobility, active transportation opportunities and other community services in targeted neighborhoods.</p> <p>The City will annually apply for funding to assist with implementation.</p>

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<p>Theater/Center of the Arts building in downtown Tracy.</p> <ul style="list-style-type: none"> • Holly Drive Pedestrian & Bikeway Improvements: The City is investing 1.83 million dollars to improve pedestrian and bikeway infrastructure in the central area of the City on Holly Drive between 11th Street and Clover Road, including installing a Class 3 bike route, Class 2 bicycle lanes, sidewalk, pavement patching, slurry seal, signage, striping, and pavement markings. • Tracy Boulevard Sidewalk. This project will close the missing sidewalk gap to the ACE Train Station parking lot immediately south of the project area. (\$852,465) • Valpico Roadway Improvements - Tracy Blvd to MacArthur Drive. This project will involve the roadway widening of Valpico Road from Tracy Blvd to MacArthur Drive, with two lanes in each direction, complete with all necessary improvements like curb, gutter, sidewalk, median, irrigation facilities, landscaping, drainage facilities, street lighting, signage and striping. (\$6,053,140) • A.R. Glover Park Improvements: Renovation of the playground, a new picnic area, renovation of the sport court, pathway lighting, ADA barrier removal, landscaping, and site furnishing replacements (\$725,000). 			

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<ul style="list-style-type: none"> • Hoyt Park - Per Capita Improvements. The City of Tracy has the opportunity to rehabilitate existing infrastructure at Hoyt Park through the Proposition 68, Per Capita Program. (\$348,835) • Clyde Bland Park BMX Pump Track. Construction of a new ½-acre BMX pump track (bike park) in an existing City park. The project would create a looped asphalt track with a sequence of rollers and berms for bike riders. Associated improvements would include: earthwork, drainage, accessibility, shaded seating as well as related site furnishings, and landscaping. (\$999,416) • Ten-Year Economic Development Strategic Plan: In September 2023, the City adopted a Ten-Year Economic Development Strategic Plan to help the City focus implementation efforts on strategic economic development priorities. The strategic plan identified and prioritized eight key areas as opportunity sites. The top priority identified is the downtown area, the second is the west side, and the third is commercial corridors in the center of the City. The downtown area and commercial corridors are lower resource areas, compared to the rest of the City. The strategic plan helps support growth in these areas and makes recommendations to enhance economic resilience, 			

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<p>expand market access, encourage investment, improve quality of life, and improve infrastructure in these areas.</p> <p>The City will annually apply for funding to assist with implementation</p> <ul style="list-style-type: none"> • Downtown Transit-Oriented Development (TOD) Specific Plan: The Downtown Transit-Oriented Development (TOD) Specific Plan will identify the community’s vision and establish goals, objectives, and policies for future development in Downtown Tracy. In 2020, the City released the Downtown TOD Study which comprises the first phase of the Downtown TOD Project, an effort that will plan for the introduction of Valley Link commuter rail service in Downtown Tracy and the surrounding areas. The study also provides recommendations for planning tools that the City can prepare and adopt to implement the concept, along with possible grant funding sources to help fund the preparation of the planning tools, catalyze development, and pay for infrastructure improvements. <p>The City will annually apply for funding to assist with implementation</p> <p>The study highlights circulation improvement recommendations for 11th Street, Central Avenue – Downtown, 3rd Street, Central</p>			

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<p>Avenue, and Mt Diablo Avenue to improve the following:</p> <ul style="list-style-type: none"> • Decrease crossing distances for pedestrians, • Improve safety for bicyclists, and • Increase the visibility of both pedestrians and bicyclists. <p>• Citywide Parks, Recreation & Trails Master Plan: The Plan outlines a long-range vision for the city-wide system of parks and trails that responds to the community’s aspirations. It also establishes a set of priorities for the years ahead and identifies strategies to leverage partnerships and financing to achieve these priorities. The Plan identifies clear policy guidance for our development partners as they propose new residential developments.</p> <p>• Citywide Roadway & Transportation Master Plan: The Plan builds upon the goals and objectives as defined in the Circulation Element of the City’s General Plan (February 2011) and the Sustainable Action Plan (SAP) (February 2011). The TMP incorporates various strategies, principles, and design elements that balance existing and future transportation infrastructure needs with providing safe access for all user groups (motorists, pedestrians, bicyclists, and transit users). Extensive use of Complete Streets guidelines, Smart growth principles and design elements, and Context-Sensitive Design throughout the TMP helps develop a transportation</p>			

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<p>system aimed at addressing future transportation needs for the following networks:</p> <ul style="list-style-type: none"> • Transit (bus and rail) • Cycling • Walking • Private vehicle movement • Goods vehicle movement <p>• San Joaquin Council of Governments Regional Bicycle, Pedestrian, and Safe Routes to School Master Plan: The Plan provides recommended bicycle and pedestrian projects for San Joaquin County and its seven cities including Tracy.</p> <p>The goals and recommendations are aimed to achieve.</p> <ul style="list-style-type: none"> • Increase bicycle and pedestrian mobility throughout San Joaquin County • Improve bicycle, pedestrian, and school access safety • Increase the number of commute, recreation, and utilitarian bicycle and pedestrian trips • Increase education and awareness of bicycling and walking in San Joaquin County • Address congestion near schools and on the regional Congestion Management Program network. 			

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
Displacement Prevention				
Program 1 – Housing Rehabilitation	The San Joaquin County Home Rehabilitation Program assists property owners in making residential building improvements. It offers low interest (two percent) amortized and deferred payment loans. The program is designed to make needed renovations affordable for low income homeowners (up to 80 percent AMI). San Joaquin County will make rehabilitation loans that, combined with the existing mortgage, do not exceed 110% of the value of the property.	Ongoing during the planning period	Citywide, targeted outreach in lower resource, lower income neighborhoods	Assist 15 lower income households in Tracy with the rehabilitation of their homes during the planning period.
Program 12-11 – Property Acquisition and Improvement	The City will continue to identify and seek partnerships with organizations and the County in order to acquire, improve, and develop affordable housing.	<ul style="list-style-type: none"> • To Annually identify and seek partnerships with organizations and the County in order to acquire, improve, and develop affordable housing. • Annually pursue funding available at the state and federal levels for affordable housing development. 	Citywide	As funding permits, prioritize funding assistance to affordable housing projects that set aside units for seniors, persons with disabilities, and extremely low income households.
Program 11-9 – Provision of Adequate Sites and Monitoring of No Net Loss	<p>For the 6th cycle Housing Element, the City has been assigned a Regional Housing Needs Assessment (RHNA) of 8,830 units, including:</p> <ul style="list-style-type: none"> • Very Low Income: 2,994 units • Low Income: 1,879 units • Moderate Income: 1,175 units • Above Moderate: 2,782 units <p>In addition, the City has yet to complete the rezoning of 31.7 acres to meet the shortfall for the 5th cycle Housing Element RHNA.</p>	<p>By December 31, 2024, establish a formal procedure to monitor no-net-loss of capacity in meeting the City’s RHNA and amend the Zoning Ordinance to provide for by-right approval for projects that include 20 percent of the units for lower income households.</p> <p>By-right approval is available to reuse sites effective December 31, 2023</p>	Denoted rezone areas	<p>Make the inventory of sites available to interested developers after adoption of the Housing Element</p> <p>In 2027, the City will evaluate the progress of pending projects counted toward the RHNA to ensure that development of housing units is occurring as projected. If it is determined after consultation with developers that the projects are not proceeding as planned and would result in a shortfall in</p>

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<p>Combined, the City has a RHNA obligation of 9,330 units.</p> <p>The City is committed to ensuring that adequate sites at appropriate densities remain available during the planning period, as required by law. Specifically, the City already has pending projects that account for <u>4,2743,133</u> units (118 very low income, 23 low income, and <u>4,1332,972</u> above moderate income units). Projected ADUs also account for 330 units. Overall, the City has a remaining RHNA obligation of 5,610 units (2,777 very low income, <u>1,757</u> low income, and 1,076 moderate income units).</p> <p>Under existing zoning, the City has realistic capacity for <u>4,6501,016</u> lower income units and <u>475-754</u> moderate income units, creating a lower income shortfall of <u>3,2003,857</u> units and a moderate-income shortfall of <u>670-421</u> units. The City’s overall strategy is to accommodate the RHNA shortfall through increasing the permitted densities of existing multi-family zones, rezoning limited single-family and commercial areas to multi-family residential, and creating programs to facilitate increased ADU production in single-family zones. These strategies will allow the City to fully meet its housing needs for all income levels during the 6th Cycle Housing Element. Rezoning will meet all requirements pursuant to</p>	<p>By-right approval is available to rezone sites effective upon rezoning</p> <ul style="list-style-type: none"> • By December 31, 2026, complete rezoning of the sites identified in the sites inventory for rezoning. 		<p>RHNA sites, the City will identify alternative sites strategies (including potential rezoning) within six months.</p>

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<p>Government Code Section 65583.2, subdivisions (h) and (i).</p> <p>As required by law, the following types of sites are subject to by-right approval without discretionary review if the project includes 20 percent of the units as housing affordable to lower income households:</p> <ul style="list-style-type: none"> • Reuse Sites: Vacant sites that were used to meet the City’s 4th and 5th cycles RHNA for lower income units; • Reuse Sites: Nonvacant sites that were used to meet the City’s 5th cycle RHNA for lower income units; and • Rezone Sites: Sites to be rezoned to meet the 6th cycle RHNA for lower income units. <p>To ensure that the City complies with SB 166 (No Net Loss), the City will monitor the consumption of residential and mixed-use acreage to ensure an adequate inventory is available to meet the City’s RHNA obligations. To ensure sufficient residential capacity is maintained to accommodate the RHNA, the City will develop and implement a formal ongoing (project-by-project) evaluation procedure pursuant to Government Code Section 65863. Should an approval of development result in a reduction in capacity below the residential capacity needed to accommodate the remaining need for lower and moderate income households, the City will identify and</p>			

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<p>if necessary, rezone sufficient sites to accommodate the shortfall and ensure “no net loss” in capacity to accommodate the RHNA.</p>			
<p>Program 11 – Displacement Prevention</p>	<p>The City will outreach tocontact 100 households or landlords annually to provide information and resources regarding displacement prevention and income protection through the following efforts:</p> <ul style="list-style-type: none"> • By Q2 2025, coordinate with a qualified fair housing service provider to conduct a meeting/workshop to inform residents and landlords of sources of income protection and state rent control laws such as AB 1482. This may be done in coordination with the workshop the City’s fair housing service provider. • Coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter’s financial eligibility. • Pursuant to SB 330, AB 1397 and State Density Bonus Law, ensure a no net loss of housing units by income category when existing housing is demolished so that, at a minimum, an equivalent number of replacement units are created at the same level of affordability. The City’s GMO also exempts permits for the replacement of demolished units 	<p>By Q2 2025</p>	<p>Citywide, targeted outreach in lower resource, lower income neighborhoods</p>	<p>100 Households or landlords annually. No net loss of affordable units.</p>

Appendix C. Affirmatively Furthering Fair Housing

Program	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<ul style="list-style-type: none"> Objective: No net loss of affordable housing units 			

Appendix C. Affirmatively Furthering Fair Housing