

NOTICE OF A REGULAR MEETING

Pursuant to Section 54954.2 of the Government Code of the State of California, a Regular meeting of the City of Tracy Planning Commission is hereby called for:

Date/Time: Wednesday, November 4, 2015
7:00 P.M. (or as soon thereafter as possible)

Location: City of Tracy Council Chambers
333 Civic Center Plaza

Government Code Section 54954.3 states that every public meeting shall provide an opportunity for the public to address the Planning Commission on any item, before or during consideration of the item, however no action shall be taken on any item not on the agenda.

REGULAR MEETING AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

DIRECTOR'S REPORT REGARDING THIS AGENDA

ITEMS FROM THE AUDIENCE - *In accordance with Procedures for Preparation, Posting and Distribution of Agendas and the Conduct of Public Meetings, adopted by Resolution 2015-052 any item not on the agenda brought up by the public at a meeting, shall be automatically referred to staff. If staff is not able to resolve the matter satisfactorily, the member of the public may request a Commission Member to sponsor the item for discussion at a future meeting.*

1. NEW BUSINESS

- A. PUBLIC HEARING TO CONSIDER APPROVING A CONDITIONAL USE PERMIT APPLICATION FOR AN EATING AND/OR DRINKING ESTABLISHMENT WITH ENTERTAINMENT AT 1005 E. PESCADERO AVENUE – APPLICANT IS ROSAURA QUINTANA AND PROPERTY OWNER IS 51 NEWCO LLC – APPLICATION NUMBER CUP15-0006
- B. PUBLIC HEARING TO CONSIDER A PLANNED UNIT DEVELOPMENT (PUD) ZONE PRELIMINARY AND FINAL DEVELOPMENT PLAN TO CONSTRUCT AN APPROXIMATELY 6,300 SQUARE FOOT MULTI-TENANT RESTAURANT BUILDING WITH DRIVE THRU, PARKING AREA AND LANDSCAPING IMPROVEMENTS, LOCATED AT THE SOUTHEAST CORNER OF NAGLEE ROAD AND PARK-N-RIDE DRIVE, ASSESSOR'S PARCEL NUMBER 212-290-39. APPLICANT IS VMI ARCHITECTS INC. PROPERTY OWNER IS THE CITY OF TRACY. APPLICATION NUMBER D15-0009
- C. PUBLIC MEETING TO REVIEW THE GENERAL PLAN DRAFT HOUSING ELEMENT AND RECEIVE PUBLIC INPUT
- D. PUBLIC HEARING TO CONSIDER AN ORDINANCE ADDING A NEW SECTION 10.08.3198 TO TITLE 10 OF THE TRACY MUNICIPAL CODE RELATING TO DONATION CONTAINERS – CITY INITIATED – APPLICATION NUMBER ZA15-0004

2. ITEMS FROM THE AUDIENCE
3. ITEMS FROM THE COMMISSION
4. ADJOURNMENT

Posted: **October 29, 2015**

The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in public meetings. Persons requiring assistance or auxiliary aids in order to participate should call City Hall (209-831-6000), at least 24 hours prior to the meeting.

Any materials distributed to the majority of the Planning Commission regarding any item on this agenda will be made available for public inspection in the Development Services Department located at 333 Civic Center Plaza during normal business hours.

AGENDA ITEM 1-A

REQUEST

PUBLIC HEARING TO CONSIDER APPROVING A CONDITIONAL USE PERMIT APPLICATION FOR AN EATING AND/OR DRINKING ESTABLISHMENT WITH ENTERTAINMENT AT 1005 E. PESCADERO AVENUE – APPLICANT IS ROSAURA QUINTANA AND PROPERTY OWNER IS 51 NEWCO LLC – APPLICATION NUMBER CUP15-0006

DISCUSSION

Background

On December 18, 2012, the City amended the Tracy Municipal Code, the I-205 Corridor Specific Plan, and other specific plans throughout the city to address eating and/or drinking establishments with entertainment. With these amendments, a Conditional Use Permit is required for eating and/or drinking establishments that serve alcohol and provide entertainment after 11:00 p.m. Entertainment uses are defined as live music, dancing, karaoke, comedy shows, modeling, or live performances.

Project Description and Land Use Analysis

The project applicant proposes to establish and operate an eating and/or drinking establishment with entertainment (to be known as La Huacana) at 1005 E. Pescadero Avenue. The site is generally located east of MacArthur Drive on the north side of Pescadero Avenue in the former Tracy Outlets shopping center, now known as Northgate Village (Attachment A: Location Map).

This site is located within the I-205 Corridor Specific Plan area and designated General Commercial. In order for the proposed eating and/or drinking establishment to serve alcohol and provide entertainment after 11:00 p.m., the applicant must receive Planning Commission approval of a Conditional Use Permit.

The proposed tenant space is approximately 7,400 square feet and is located in the southeast corner of the shopping center, near the primary access point to the site (Attachment B: Site Plan and Floor Plan). The proposed floor plan includes a stage for live bands, a DJ area, a dance floor area of approximately 1,175 square feet, two bars, and approximately 3,500 square feet of bar customer area with tables and chairs. The proposal does not include serving food. According to the applicant, the hours of operation would be from 8:00 p.m. to 2:00 a.m., Thursday through Sunday. However, the hours of operation are not limited by the draft conditions of approval, except for requiring that the establishment be closed by 2:00 a.m. each morning. The draft conditions of approval also include requirements from the Tracy Police Department regarding security guards.

The subject site is undergoing a transition from the former Tracy Outlets to the current Northgate Village. The shopping center currently contains a significant amount of vacant space. However, a new restaurant recently opened at this site, known as El Patio Restaurant & Bar. Staff has also recently received interest from one or more banquet

halls that may potentially want to locate at this site. Banquet halls require a Conditional Use Permit. Other uses that could potentially locate at this site include, but are not limited to, retail, consumer services, personal services, offices, day care centers, and places of assembly with a Conditional Use Permit.

The proposed eating and/or drinking establishment with entertainment, as conditioned, would be compatible with the surrounding uses and would not impose undesirable impacts on nearby properties.

Parking

The I-205 Corridor Specific Plan requires eating and drinking uses in multi-tenant buildings, such as this proposed project, to be provided with a minimum of 1 parking space per 250 square feet of gross floor area. The site currently has approximately 960 parking spaces to serve approximately 150,000 square feet of building area, which is an excess of approximately 360 parking spaces over the minimum requirement. Furthermore, the proposed use would operate between the hours of 8:00 p.m. and 2:00 a.m. when most adjacent uses would likely be closed. The site has sufficient parking spaces for the proposed use and no additional parking is required.

Environmental Document

The project is categorically exempt from CEQA pursuant to Guidelines Section 15301, which pertains to existing facilities where the project does not involve expansion of an existing development. No further environmental assessment is required.

RECOMMENDATION

Staff recommends that the Planning Commission approve the Conditional Use Permit application for an eating and/or drinking establishment with entertainment at 1005 E. Pescadero Avenue, subject to the conditions as stated in the Planning Commission Resolution dated November 4, 2015.

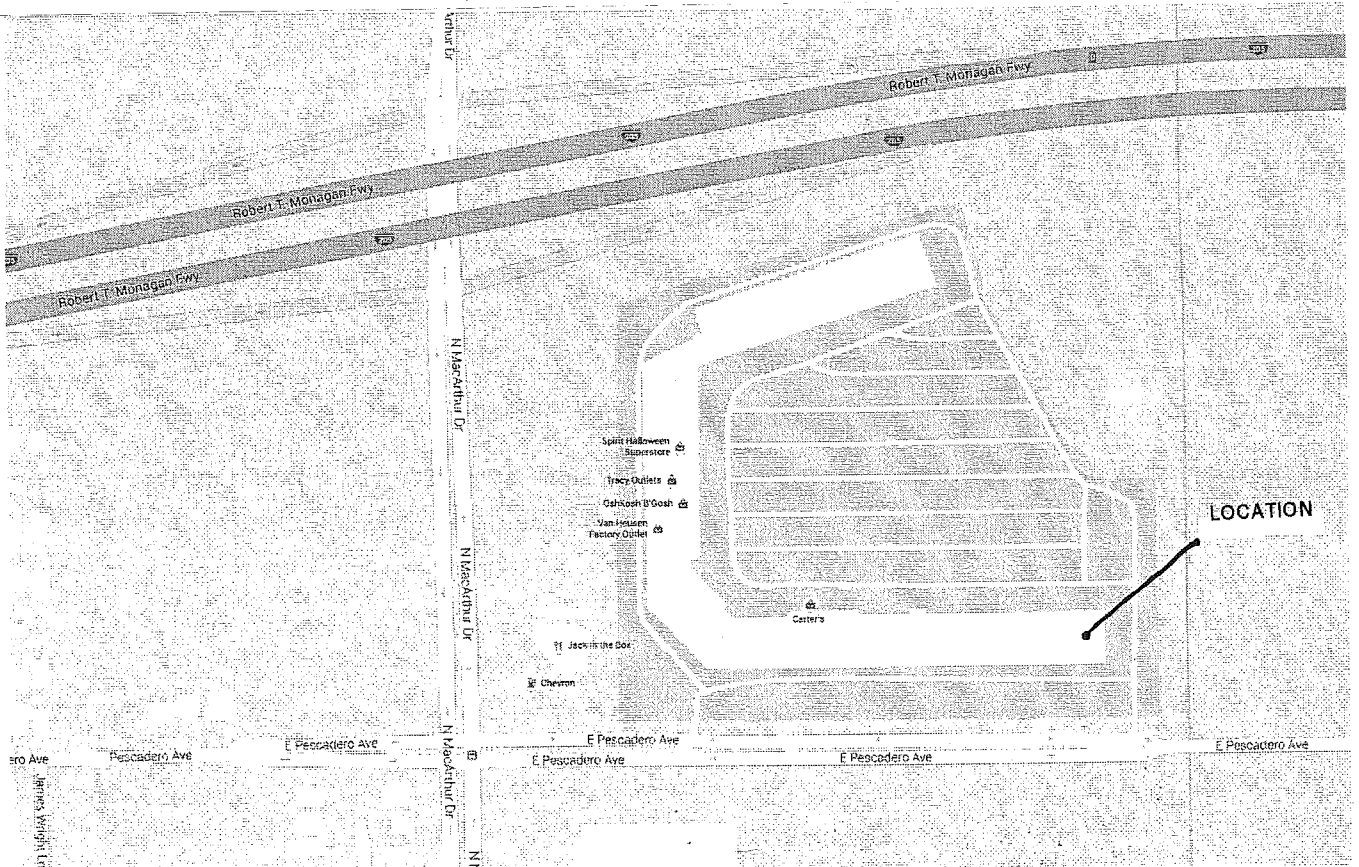
MOTION

Move that the Planning Commission approve the Conditional Use Permit application for an eating and/or drinking establishment with entertainment at 1005 E. Pescadero Avenue, subject to the conditions as stated in the Planning Commission Resolution dated November 4, 2015.

Prepared by Scott Claar, Senior Planner
Reviewed by Bill Dean, Assistant Development Services Department Director
Approved by Andrew Malik, Development Services Director

ATTACHMENTS

Attachment A – Location Map
Attachment B – Site Plan and Floor Plan



RESOLUTION _____

PLANNING COMMISSION APPROVAL OF A CONDITIONAL USE PERMIT APPLICATION FOR AN EATING AND/OR DRINKING ESTABLISHMENT WITH ENTERTAINMENT AT 1005 E. PESCADERO AVENUE – APPLICANT IS ROSAURA QUINTANA AND PROPERTY OWNER IS 51 NEWCO LLC - APPLICATION NUMBER CUP15-0006

WHEREAS, Rosaura Quintana submitted an application for a Conditional Use Permit to allow an eating and/or drinking establishment with entertainment at 1005 E. Pescadero Avenue on August 24, 2015, and

WHEREAS, The subject property is designated General Commercial (GC) by the I-205 Corridor Specific Plan, and

WHEREAS, A Conditional Use Permit is required for eating and/or drinking establishments that serve alcohol and provide entertainment after 11:00 p.m., and

WHEREAS, In accordance with Section 10.08.4250 of the Tracy Municipal Code, the Planning Commission is empowered to grant or to deny applications for Conditional Use Permits and to impose reasonable conditions upon the granting of use permits, and

WHEREAS, The proposed eating and/or drinking establishment with entertainment is compatible with the surrounding the uses, and

WHEREAS, The project is categorically exempt from the California Environmental Quality Act (CEQA) requirements under CEQA Guidelines Section 15301, pertaining to existing facilities, and

WHEREAS, The Planning Commission held a public meeting to review and consider Conditional Use Permit Application Number CUP15-0006 on November 4, 2015;

NOW, THEREFORE BE IT RESOLVED, That the Planning Commission does hereby approve a Conditional Use Permit to allow an eating and/or drinking establishment with entertainment at 1005 E. Pescadero Avenue, Application Number CUP15-0006, based on the following findings and subject to the conditions as stated in Exhibit “1” attached and made part hereof:

1. There are circumstances or conditions applicable to the land, structure, or use that make the granting of a conditional use permit necessary for the preservation and enjoyment of a substantial property right because the proposed use is not permitted unless the Planning Commission grants approval of a Conditional Use Permit.
2. The proposed location of the conditional use is in accordance with the objectives of the purposes of the zone in which the site is located because an eating and/or drinking establishment with entertainment, as conditioned, will be compatible with adjacent uses and is allowed in the General Commercial land use designation in the I-205 Corridor Specific Plan Area if the Planning Commission approves a Conditional Use Permit.
3. The proposed location of the use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety, or welfare or materially

injurious to, or inharmonious with, properties or improvements in the vicinity because the proposed eating and/or drinking establishment with entertainment will comply with the City of Tracy General Plan, I-205 Corridor Specific Plan, and requirements of the Tracy Municipal Code. The establishment will comply with all applicable Alcoholic Beverage Control requirements, and on-site security will be provided during all hours of operation. All entertainment uses will be wholly indoors, and visual and audio projection will not be permitted to the exterior of the building to minimize the undesirable noise and light impacts to neighboring businesses.

- 4. The proposed use will comply with each of the applicable provisions of Chapter 10.08 of the Tracy Municipal Code, because subject to approval by the Planning Commission for a Conditional Use Permit, the project will be required to comply with all applicable provisions including, but not limited to, the Tracy Municipal Code, the I-205 Corridor Specific Plan, the City of Tracy Standard Plans, the California Building Code, and the California Fire Code.

The foregoing Resolution _____ was adopted by the Planning Commission on the 4th day of November 2015, by the following vote:

AYES: COMMISSION MEMBERS
NOES: COMMISSION MEMBERS
ABSENT: COMMISSION MEMBERS
ABSTAIN: COMMISSION MEMBERS

CHAIR

ATTEST:

STAFF LIAISON

City of Tracy
Conditions of Approval
Eating and/or Drinking Establishment with Entertainment
(La Huacana)
Application Number CUP15-0006
November 4, 2015

A. General Provisions and Definitions.

A.1. General. These Conditions of Approval apply to:

The Project: An eating and/or drinking establishment with entertainment (Application Number CUP15-0006)

The Property: 1005 E. Pescadero Avenue, Assessor's Parcel Number 213-060-40

A.2. Definitions.

- a. "Applicant" means any person, or other legal entity, defined as a "Developer."
- b. "City Engineer" means the City Engineer of the City of Tracy, or any other duly licensed Engineer designated by the City Manager, or the Development Services Director, or the City Engineer to perform the duties set forth herein.
- c. "City Regulations" means all written laws, rules, and policies established by the City, including those set forth in the City of Tracy General Plan, the I-205 Corridor Specific Plan, the Tracy Municipal Code, ordinances, resolutions, policies, procedures, and the City's Design Documents (including the Standard Plans, Standard Specifications, Design Standards, and relevant Public Facility Master Plans).
- d. "Development Services Director" means the Development Services Department Director of the City of Tracy, or any other person designated by the City Manager or the Development Services Director to perform the duties set forth herein.
- e. "Conditions of Approval" shall mean these Conditions of Approval applicable to Application Number CUP15-0006. The Conditions of Approval shall specifically include all conditions set forth herein.
- f. "Developer" means any person, or other legal entity, who applies to the City to divide or cause to be divided real property within the Project boundaries, or who applies to the City to develop or improve any portion of the real property within the Project boundaries. The term "Developer" shall include all successors in interest.

A.3. Payment of applicable fees. The applicant shall pay all applicable fees for the project, including, but not limited to, building permit fees, plan check fees, or any other City or other agency fees or deposits that may be applicable to the project.

A.4. Compliance with laws. The Developer shall comply with all laws (federal, state, and local) related to the development of real property within the Project, including, but not limited to:

- the Planning and Zoning Law (Government Code sections 65000, et seq.)

- the California Environmental Quality Act (Public Resources Code sections 21000, et seq., "CEQA"), and
- the Guidelines for California Environmental Quality Act (California Administrative Code, title 14, sections 1500, et seq., "CEQA Guidelines").

A.5. Compliance with regulations. Unless specifically modified by these Conditions of Approval, the Developer shall comply with all City regulations, including, but not limited to, the Tracy Municipal Code (TMC), the I-205 Corridor Specific Plan, Standard Plans, Design Goals and Standards, and State regulations, including, but not limited to, the California Building Code and the California Fire Code.

A.6. Protest of fees, dedications, reservations, or other exactions. Pursuant to Government Code section 66020, including section 66020(d)(1), the City HEREBY NOTIFIES the Developer that the 90-day approval period (in which the Developer may protest the imposition of any fees, dedications, reservations, or other exactions imposed on this Project by these Conditions of Approval) has begun on the date of the conditional approval of this Project. If the Developer fails to file a protest within this 90-day period, complying with all of the requirements of Government Code section 66020, the Developer will be legally barred from later challenging any such fees, dedications, reservations or other exactions.

B. Development Services Department Planning Division Conditions

Contact: Scott Claar (209) 831-6429 scott.claar@ci.tracy.ca.us

B.1. The project shall be operated in substantial conformance with the project description received by the Development Services Department on September 21, 2015 and the site plan/floor plans received on October 15, 2015, to the satisfaction of the Development Services Director.

B.2. Entertainment indoors. The entertainment activities shall be conducted wholly within the building.

B.3. Amplification of sound. There shall be no exterior amplification of sound, noise, or music. All audio projections shall comply with Noise Control requirements contained in Article 9 Section 4.12 of the Tracy Municipal Code.

B.4. Visual projections. There shall be no exterior visual projections, including, but not limited to, televisions and screens.

C. Police Department Conditions

Contact: Officer Brian Wilmshurst (209) 831-6682 brian.wilmshurst@tracypd.com

C.1. Licensing requirements. The project shall abide by all licensing requirements of the State of California Department of Alcoholic Beverage Control (ABC).

C.2. Security guards.

- C.2.1. Security guards shall be provided at all times at a rate of two guards plus one additional guard for every 50 patrons.
 - C.2.2. Security guards shall carry proof of valid registration through the California Department of Consumer Affairs, Bureau of Security and Investigative Services (BSIS) in the form of a Security Guard Card.
 - C.2.3. Security guards shall not consume any alcohol while on the premises.
 - C.2.4. Security shall not be provided by persons performing dual roles, such as bartending, bussing, waiting, hosting, or other roles other than security.
- C.3. Minors. No person under 21 years of age shall be permitted in the establishment.
- C.4. Hours of operation. The establishment shall close by 2:00 a.m. each morning.

AGENDA ITEM 1-B

REQUEST

PUBLIC HEARING TO CONSIDER A PLANNED UNIT DEVELOPMENT (PUD) ZONE PRELIMINARY AND FINAL DEVELOPMENT PLAN TO CONSTRUCT AN APPROXIMATELY 6,300 SQUARE FOOT MULTI-TENANT RESTAURANT BUILDING WITH DRIVE THRU, PARKING AREA AND LANDSCAPING IMPROVEMENTS, LOCATED AT THE SOUTHEAST CORNER OF NAGLEE ROAD AND PARK-N-RIDE DRIVE, ASSESSOR'S PARCEL NUMBER 212-290-39. APPLICANT IS VMI ARCHITECTS INC. PROPERTY OWNER IS THE CITY OF TRACY. APPLICATION NUMBER D15-0009

DISCUSSION

Background

This project is located on an approximately 2.78-acre parcel at the southeast corner of Naglee Road and Park-N-Ride Drive, Assessor's Parcel Number 212-290-39, currently in use as the Tracy Park and Ride lot (Attachment A: Location Map). On April 21, 2015, the City Council declared the approximately 2.78-acre parcel as surplus property and authorized a sale agreement with BCP Tracy, LLC for development of a multi-tenant restaurant building (intended for Chipotle Mexican Grill and Panera Bread) on the western portion of the site (approximately 50,000 square feet, referred to as Parcel A). The deed to the property lists both the City and the Successor Agency to the Tracy Community Development Agency (the "Successor Agency"). Therefore, the City will not be able to proceed with the sale of Parcel A until the City and Successor Agency receive approval of the long range property management plan from the Successor Agency's Oversight Board and the State Department of Finance, which is expected to happen prior to December 31, 2015. Staff's recommendation is contingent on the City obtaining fee title to Parcel A through this process. The applicant has acknowledged that he is aware of this contingency.

Land Use

The subject property is located within the I-205 Corridor Specific Plan area. The site is zoned Planned Unit Development (PUD) and designated Freeway Commercial by the I-205 Corridor Specific Plan. The General Plan designation is Commercial.

The project consists of construction of an approximately 6,300 square foot multi-tenant restaurant building (intended for Chipotle Mexican Grill and Panera Bread) with drive thru. Eating and drinking establishments are principally permitted within the Freeway Commercial designation of the I-205 Corridor Specific Plan. The proposed use would be compatible with the surrounding land uses, which include the Texas Roadhouse restaurant to the south and a mix of retail and other restaurants to the north, east and west. The recently approved El Pollo Loco restaurant is currently under construction on an adjacent parcel to the west.

Site Plan

The approximately 6,300 square foot multi-tenant restaurant building would be located at the southeast corner of Naglee Road and Park & Ride Drive (Attachment B: Site Plan, Floor Plans, Elevations, and Landscape Plan). A drive thru (intended to serve Panera Bread) is proposed to wrap around the building on the sides adjacent to Naglee Road and Park-N-Ride Drive. The project meets the requirements of the I-205 Corridor Specific Plan, including requirements for parking, landscaping, and setbacks.

Architecture

The proposed architecture consists of an attractive design, which includes variation in façade depth, variation in parapet height, a mix of complementary building materials and colors, and other desirable elements such as brick used on multiple portions of the façade, and ample use of canopies and windows to break-up the façade and add interesting details on all four sides of the building. The proposed architecture is consistent with the City's Design Goals and Standards.

Environmental Document

This project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332, which pertains to certain infill development projects, because the project is consistent with the General Plan, I-205 Corridor Specific Plan, and zoning; occurs within City limits on a project site of no more than five acres substantially surrounded by urban uses; has no value as habitat for endangered, rare or threatened species; would not result in any significant effects relating to traffic, noise, air quality, or water quality; and can be adequately served by all required utilities and public services. Therefore, no further environmental assessment is necessary.

RECOMMENDATION

Staff recommends that Planning Commission recommend that City Council approve a PUD Zone Preliminary and Final Development Plan to construct an approximately 6,300 square foot multi-tenant restaurant building with drive thru, parking area and landscaping improvements, located at the southeast corner of Naglee Road and Park-N-Ride Drive, Assessor's Parcel Number 212-290-39, Application Number D15-0009, subject to the conditions and based on the determinations contained in the Planning Commission Resolution dated November 4, 2015.

MOTION

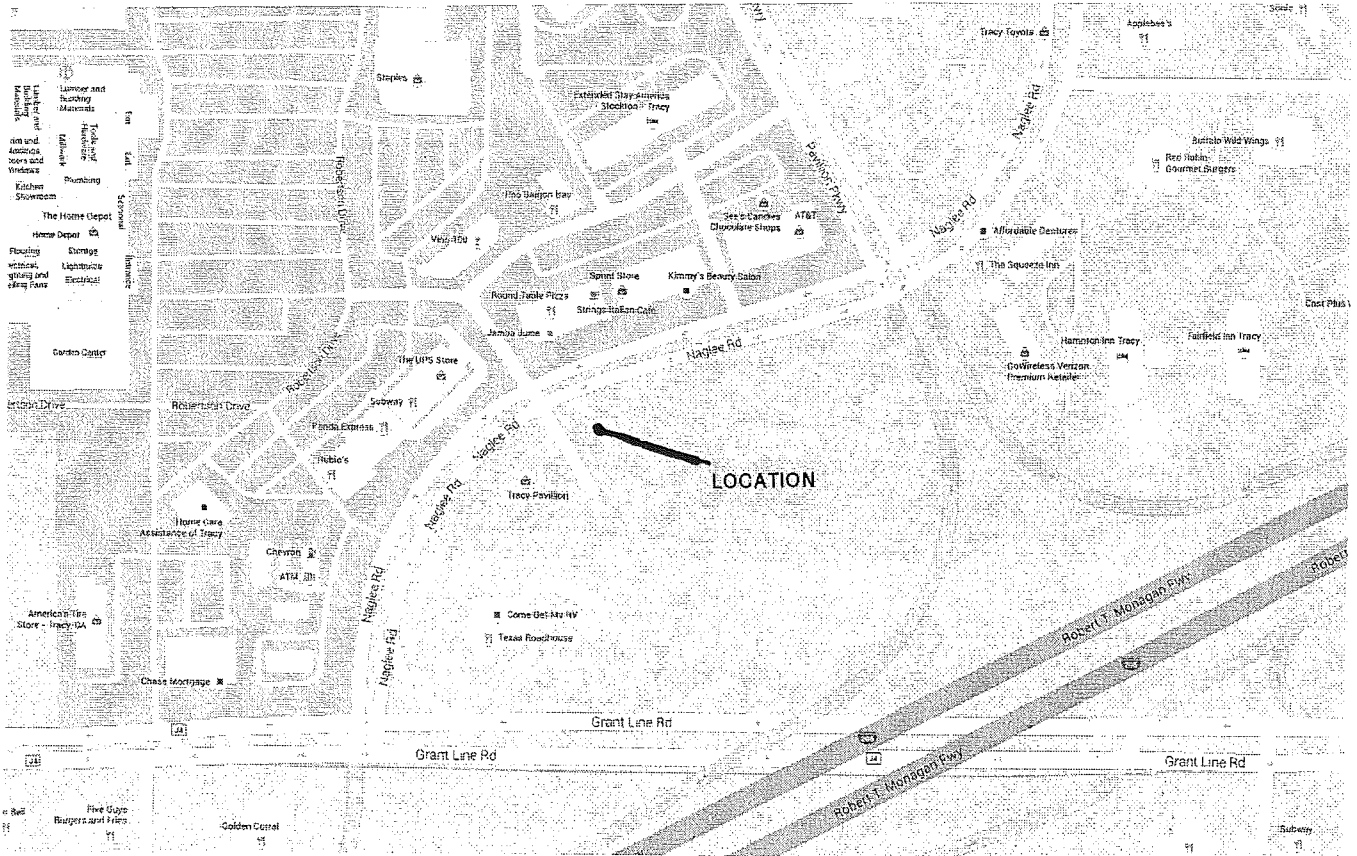
Planning Commission recommends that City Council approve a PUD Zone Preliminary and Final Development Plan to construct an approximately 6,300 square foot multi-tenant restaurant building with drive thru, parking area and landscaping improvements, located at the southeast corner of Naglee Road and Park-N-Ride Drive, Assessor's Parcel Number 212-290-39, Application Number D15-0009, subject to the conditions and

based on the determinations contained in the Planning Commission Resolution dated November 4, 2015.

Prepared by Scott Claar, Senior Planner
Reviewed by Bill Dean, Assistant Development Services Director
Approved by Andrew Malik, Development Services Director

ATTACHMENTS

- A: Location Map
- B: Site Plan, Floor Plans, Elevations, and Landscape Plan



RESOLUTION _____

RECOMMENDING CITY COUNCIL APPROVAL OF A PLANNED UNIT DEVELOPMENT (PUD) ZONE PRELIMINARY AND FINAL DEVELOPMENT PLAN FOR THE CONSTRUCTION OF AN APPROXIMATELY 6,300 SQUARE FOOT MULTI-TENANT RESTAURANT BUILDING WITH DRIVE THRU, PARKING AREA AND LANDSCAPING IMPROVEMENTS, LOCATED AT THE SOUTHEAST CORNER OF NAGLEE ROAD AND PARK-N-RIDE DRIVE, ASSESSOR'S PARCEL NUMBER 212-290-39 APPLICATION NUMBER D15-0009

WHEREAS, On June 17, 2015, an application was submitted for a Planned Unit Development (PUD) Zone Preliminary and Final Development Plan to construct an approximately 6,300 square foot multi-tenant restaurant building (intended for Chipotle Mexican Grill and Panera Bread) with drive thru, parking area and landscaping improvements, located at the southeast corner of Naglee Road and Park-N-Ride Drive, Assessor's Parcel Number 212-290-39, Application Number D15-0009; and

WHEREAS, The subject property is zoned PUD and designated Freeway Commercial (FC) by the I-205 Corridor Specific Plan and Commercial by the General Plan; and

WHEREAS, Eating and drinking establishments are principally permitted within the FC designation of the I-205 Corridor Specific Plan; and

WHEREAS, The project meets the requirements of the I-205 Corridor Specific Plan, including requirements for parking, landscaping, and setbacks; and

WHEREAS, The proposed architecture is consistent with the City's Design Goals and Standards; and

WHEREAS, The Planning Commission conducted a public hearing to review and consider the application on November 4, 2015;

NOW, THEREFORE BE IT RESOLVED, That contingent on the City having fee title to the property, the Planning Commission hereby recommends that the City Council approve the PUD Zone Preliminary and Final Development Plan to construct an approximately 6,300 square foot multi-tenant restaurant building with drive thru, parking area and landscaping improvements, located at the southeast corner of Naglee Road and Park-N-Ride Drive, Assessor's Parcel Number 212-290-39, Application Number D15-0009, subject to the conditions as stated in Exhibit "1" attached and made part hereof and based on the following determinations:

1. The establishment, maintenance, and operation of the proposed use and associated structures are compatible with the land use, design, and operational characteristics of the neighboring properties. The project will not, under the circumstances of the particular case or as conditioned, be injurious or detrimental to the health, safety, or general welfare of persons or property in the vicinity of the proposed use and the associated structures, or to the general welfare of the City because the project is consistent with the land use, design, and other elements of the I-205 Corridor Specific Plan and PUD Zone, the City of Tracy General Plan, and applicable requirements of Chapter 10.08 of the Tracy Municipal Code, including, but not limited to, Article 26, Off-Street Parking Requirements.

- 2. The project will not adversely affect or impair the benefits of occupancy, most appropriate development, property value stability, or the desirability of property in the vicinity because the architectural elements of the project as designed and conditioned, are an architecturally interesting addition to the parcel, and will not adversely visually impair the benefits of the properties in the vicinity, as the project includes desirable elements, which consist of the use of a mix of building materials and colors, variation in roofline, variation in façade depth, brick used on multiple portions of the façade, and ample use of canopies and windows to break up the façade and add interesting details on all four sides of the building, consistent in quality and integrity with the surrounding community.

- 3. The project is consistent with the City of Tracy General Plan and the I-205 Corridor Specific Plan and PUD Zone in that the proposal is for a multi-tenant restaurant building at a location designated Commercial by the General Plan and Freeway Commercial by the I-205 Corridor Specific Plan. The Commercial General Plan designation identifies restaurants as an allowed use and the Freeway Commercial Specific Plan designation identifies restaurants as a principally permitted use. Furthermore, as documented in the City’s Transportation Master Plan and other infrastructure master plans, the roadways, sewer, water, and storm drainage systems are designed to accommodate the traffic and demands on public utilities from the proposed multi-tenant restaurant building.

- 4. The project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332, which pertains to certain infill development projects, because the project is consistent with the General Plan, I-205 Corridor Specific Plan, and zoning; occurs within City limits on a project site of no more than five acres substantially surrounded by urban uses; has no value as habitat for endangered, rare or threatened species; would not result in any significant effects relating to traffic, noise, air quality, or water quality; and can be adequately served by all required utilities and public services. Therefore, no further environmental assessment is necessary.

The foregoing Resolution _____ was adopted by the Planning Commission on the 4th day of November 2015, by the following vote:

AYES: COMMISSION MEMBERS
 NOES: COMMISSION MEMBERS
 ABSENT: COMMISSION MEMBERS
 ABSTAIN: COMMISSION MEMBERS

CHAIR

ATTEST:

STAFF LIAISON

Conditions of Approval
PUD Zone Preliminary and Final Development Plan
6,300 Square Foot Multi-Tenant Restaurant Building
Southeast Corner of Naglee Road and Park-N-Ride Drive
Assessor's Parcel Number 212-290-39
Application Number D15-0009
November 4, 2015

These Conditions of Approval shall apply to the Planned Unit Development (PUD) zone Preliminary and Final Development Plan to construct an approximately 6,300 square foot multi-tenant restaurant building (intended for Chipotle Mexican Grill and Panera Bread) with drive thru, parking area and landscaping improvements, located at the southeast corner of Naglee Road and Park-N-Ride Drive, Assessor's Parcel Number 212-290-39, Application Number D15-0009 (hereinafter "Project"), proposed by VMI Architects, Inc. (hereinafter "Applicant").

A. Definitions.

The following definitions shall apply to these Conditions of Approval:

1. "Applicant" means any person, or other legal entity, defined as a "Developer".
2. "Developer" means any person, or other legal entity, who applies to the City to divide or cause to be divided real property within the Project boundaries, or who applies to the City to develop or improve any portion of the real property within the Project boundaries. The term "Developer" shall include all successors in interest.
3. "City Engineer" means the City Engineer of the City of Tracy, or any other duly licensed engineer designated by the City Manager, the Development Services Director, or the City Engineer, to perform the duties set forth herein.
4. "Development Services Director" means the Development Services Director of the City of Tracy, or any other person designated by the City Manager or the Development Services Director, to perform the duties set forth herein.
5. "City Regulations" means all written laws, rules, and policies established by the City, including those set forth in the City of Tracy General Plan, the I-205 Corridor Specific Plan, the Tracy Municipal Code, ordinances, resolutions, policies, procedures, and the City's Design Documents (including the Standard Plans, Standard Specifications, Design Standards, and relevant Public Facility Master Plans).
6. "Conditions of Approval" means these conditions of approval applicable to the PUD zone Preliminary and Final Development Plan to construct an approximately 6,300 square foot multi-tenant restaurant building (intended for Chipotle Mexican Grill and Panera Bread) with drive thru, parking area and

landscaping improvements, located at the southeast corner of Naglee Road and Park-N-Ride Drive, Assessor's Parcel Number 212-290-39, Application Number D15-0009.

7. "Project" means the PUD zone Preliminary and Final Development Plan to construct an approximately 6,300 square foot multi-tenant restaurant building (intended for Chipotle Mexican Grill and Panera Bread) with drive thru, parking area and landscaping improvements, located at the southeast corner of Naglee Road and Park-N-Ride Drive, Assessor's Parcel Number 212-290-39, Application Number D15-0009.
8. "Property" means the property shown on the PUD zone Preliminary and Final Development Plan to construct an approximately 6,300 square foot multi-tenant restaurant building (intended for Chipotle Mexican Grill and Panera Bread) with drive thru, parking area and landscaping improvements, located at the southeast corner of Naglee Road and Park-N-Ride Drive, Assessor's Parcel Number 212-290-39, Application Number D15-0009.

B. Planning Division Conditions of Approval

1. The Developer shall comply with all laws (federal, state, and local) related to the development of real property within the Project boundaries, including, but not limited to: the Planning and Zoning Law (Government Code sections 65000, et seq.), the Subdivision Map Act (Government Code sections 66410, et seq.), the California Environmental Quality Act (Public Resources Code sections 21000, et seq., "CEQA"), and the Guidelines for the California Environmental Quality Act (California Administrative Code, title 14, sections 15000, et seq., "CEQA Guidelines").
2. Unless specifically modified by these Conditions of Approval, the Developer shall comply with all City Regulations.
3. Pursuant to Government Code Section 66020, including Section 66020 (d)(1), the City HEREBY NOTIFIES the Developer that the 90-day approval period (in which the Developer may protest the imposition of any fees, dedications, reservations, or other exactions that are within the purview of the Mitigation Fee Act [Government Code section 66000 et seq.] ("Exactions") and imposed on this Project by these Conditions of Approval) shall commence on the date of the conditional approval of this Project. If the Developer fails to file a protest of the Exactions within this 90-day period, complying with all of the requirements of Government Code Section 66020, the Developer will be legally barred from later challenging any of the Exactions. The terms of this paragraph shall not affect any other deadlines or statutes of limitations set forth in the Mitigation Fee Act or other applicable law, or constitute a waiver of any affirmative defenses available to the City.

4. The project shall be developed in substantial compliance with the plans received by the Development Services Department on September 9, 2015.
5. Prior to the issuance of a building permit, the developer shall submit a detailed landscape and irrigation plan consistent with City landscape and irrigation standards, including, but not limited to Tracy Municipal Code Section 10.08.3560, the City's Design Goals and Standards, the applicable Department of Water Resources Model Efficient Landscape Ordinance on private property, and all other applicable City regulations, to the satisfaction of the Development Services Director.
6. Prior to the issuance of a building permit, an Agreement for the Maintenance of Landscape and Irrigation Improvements, installed in compliance with the plans referenced in Condition of Approval Number B.5., above, shall be executed and financial security submitted to the Development Services Department. The Agreement shall ensure maintenance of the landscape and irrigation improvements for a period of two years. Said security shall be equal to the actual material and labor costs for installation of the landscape and irrigation improvements, or \$2.50 per square foot of landscape area.
7. Prior to issuance of a building permit, the construction documents shall comply with California Building Standards Commission (Cal Green Code Emergency Standards; Title 24, Part 11) regarding landscaping and irrigation water efficiency to the satisfaction of the Utilities Director.
8. Prior to issuance of a building permit or grading permit, the developer shall demonstrate compliance with the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) and the Incidental Take Minimization Measures prepared by San Joaquin Council of Government (SJCOG), to the satisfaction of the Development Services Director.
9. Prior to issuance of a building permit, the Developer shall comply with all applicable requirements of the San Joaquin Valley Air Pollution Control District (APCD), including District Rule 9510, Regulation VIII, and payment of all applicable fees, to the satisfaction of the APCD.
10. All PG&E transformers, phone company boxes, Fire Department connections, back flow prevention devices, irrigation controllers, and other on-site utilities, shall be vaulted or screened from view from any public right-of-way, behind structures or landscaping, to the satisfaction of the Development Services Director.
11. All roof-mounted equipment, including, but not limited to, HVAC units, vents, fans, antennas, dishes, or skylights shall be at or below the height of the parapet wall so that any equipment referenced above is not visible from

Naglee Road, Grant Line Road, I-205, or any other public right-of-way, to the satisfaction of the Development Services Director.

12. All vents, gutters, downspouts, flashing, electrical conduit, etc. shall be painted to match the color of the adjacent surface or otherwise designed in harmony with the building exterior, to the satisfaction of the Development Services Director.
13. Prior to occupancy, the back side of any visible roof parapets shall be painted the same color as the front side of roof parapets, to the satisfaction of the Development Services Director.
14. Prior to the issuance of a building permit, the developer shall design the trash enclosure to include the following, to the satisfaction of the Development Services Director: a masonry enclosure with a minimum height of seven feet, exterior materials and colors to match the proposed building, solid metal screen doors painted to match the proposed building colors, a roof designed with complementary materials and design, and a concrete apron in front of the enclosure where the dumpsters and loading/transport equipment or vehicles will maneuver.
15. Prior to final inspection or certificate of occupancy, parking area lighting shall be designed and installed so that it is directed downward onto the parking surface and away from the public right-of-way.
16. Prior to the issuance of a building permit, the developer shall document compliance with the City of Tracy Manual of Stormwater Quality Control Standards for New Development and Redevelopment (Manual) to the satisfaction of the Utilities Director, which includes the requirement for Site Design Control Measures, Source Control Measures and Treatment Control Measures under the guidelines in a project Stormwater Quality Control Plan (SWQCP). Compliance with the Manual includes, but is not limited to, addressing outdoor storage areas, loading and unloading areas, trash enclosures, parking areas, any wash areas and maintenance areas. The SWQCP must conform to the content and format requirements indicated in Appendix D of the Manual and must be approved by the Utilities Director prior to issuance of grading or building permits.
17. No signs are approved as part of this development application. Approval of a separate sign permit application by the Development Services Department is necessary prior to the installation of any signs.
18. Prior to issuance of a building permit, the Developer shall provide plans to show that where landscape planters are parallel and adjacent to the side of a vehicular parking space, a 12-inch wide concrete curb shall be provided to allow for pedestrian access to vehicles without damage to landscape areas.

19. Outdoor vending machines such as newspaper racks or beverage dispensing machines are not permitted.
20. Prior to issuance of a building permit, if not previously recorded, the Developer shall cause to be recorded easement(s), agreement(s), or other instruments to ensure mutual access with the Park-N-Ride parcel for customers, employees, deliveries, etc., to the satisfaction of the Development Services Director.

C. Engineering Division Conditions of Approval

C.1. General Conditions

- C.1.1 Developer shall comply with the applicable sections of approved documents and/or recommendations of the technical analyses/ reports prepared for the Project listed as follows:
 - a) Reciprocal Easements and Restrictive Covenant Agreement (REA) per the Purchase and Sale Agreement as approved by City Council.
- C.1.2 Developer shall comply with the requirements and pay applicable fees per the Finance Plan for I-205 Specific Plan GL-27 Parcel, approved by City Council on April 19, 2005, per Resolution 2005-104, and as specified in Condition C.5.1 through C.5.3, below.

C.2. Grading Permit

The City will not accept grading permit application for the Project as complete until the Developer has provided all relevant documents related to said grading permit required by the applicable City Regulations and these Conditions of Approval, to the satisfaction of the City Engineer, including, but not limited to, the following:

- C.2.1 Grading and Drainage Plans prepared on a 24" x 36" size polyester film (mylar). Grading and Drainage Plans shall be prepared under the supervision of, and stamped and signed by a Registered Civil Engineer.
- C.2.2 Payment of the applicable Grading Permit fees which include grading plan checking and inspection fees, and other applicable fees as required by these Conditions of Approval.
- C.2.3 Three (3) sets of the Storm Water Pollution Prevention Plan (SWPPP) for the Project with a copy of the Notice of Intent (NOI) submitted to the State Water Quality Control Board (SWQCB) and any relevant documentation or written approvals from the SWQCB, including the Wastewater Discharge Identification Number (WDID#).

- C.2.3.1 After the completion of the Project, the Developer is responsible for filing the Notice of Termination (NOT) required by SWQCB. The Developer shall provide the City with a copy of the completed Notice of Termination.
- C.2.3.2 The cost of preparing the SWPPP, NOI and NOT, including the filing fee of the NOI and NOT, shall be paid by the Developer.
- C.2.3.3 The Developer shall comply with all the requirements of the SWPPP and applicable Best Management Practices (BMPs) and the applicable provisions of the City's Storm Water Management Program.
- C.2.4 Two (2) sets of the Project's Geotechnical Report signed and stamped by a licensed Geo-technical Engineer licensed to practice in the State of California, as required in Condition C.4.1(a), below. The technical report must include relevant information related to soil types and characteristics, soil bearing capacity, and elevation of the highest observed groundwater level.
- C.2.5 Documentation or letter from the San Joaquin Valley Air Pollution Control District (SJVAPCD) stating that this Project meets their requirements related to dust control.
- C.3. Encroachment Permit - No applications for encroachment permit will be accepted by the City as complete until the Developer provides all relevant documents related to said encroachment permit required by the applicable City Regulations and these Conditions of Approval, to the satisfaction of the City Engineer, including, but not limited to, the following:
 - C.3.1. Improvement Plans prepared on a 24" x 36" size 4-mil thick polyester film (mylar), if necessary that incorporate all the requirements described in these Conditions of Approval. Improvement Plans shall be prepared under the supervision of, and stamped and signed by a Registered Civil, Traffic, Electrical, Mechanical Engineer, and Registered Landscape Architect for the relevant work.
 - C.3.2. Check payment for the applicable engineering review fees which include plan checking, permit and agreement processing, testing, construction inspection, and other applicable fees as required by these Conditions of Approval. The engineering review fees will be calculated based on the fee rate adopted by the City Council on May 19, 2015, per Resolution 2015-075.
 - C.3.3. Traffic Control Plan, if necessary, signed and stamped by a Registered Civil Engineer or Traffic Engineer licensed in the State of California, as required in Condition C.4.6, below.

C.4. Improvement Plans - Improvement Plans shall contain the design, construction details and specifications of public improvements that are necessary to serve the Project. The Improvement Plans shall be drawn on a 24" x 36" size 4-mil thick polyester film (mylar) and shall be prepared under the supervision of, and stamped and signed by a Registered Civil, Traffic, Electrical, Mechanical Engineer, and Registered Landscape Architect for the relevant work. The Improvement Plans shall be completed to comply with City Regulations, these Conditions of Approval, and the following requirements:

C.4.1. Grading and Storm Drainage Plans

Site Grading

- a Include all proposed erosion control methods and construction details to be employed and specify materials to be used. All grading work shall be performed and completed in accordance with the recommendation(s) of the Project's Geotechnical Engineer. A copy of the Project's Geotechnical Report must be submitted with the Grading and Storm Drainage Plans.
- b Grading for the site shall be designed such that the Project's storm water can overland release to a public street that has a functional storm drainage system with adequate capacity to drain storm water from the Project Site, in the event that the on-site storm drainage system fails or it is clogged. The storm drainage release point is recommended to be at least 0.70 foot lower than the building finish floor elevation and shall be improved to the satisfaction of the City Engineer.

C.4.2 Storm Drainage

- a) The Developer shall design and install storm drain lines and connection to existing storm drains per City Regulations.
- b) The project site will need to include storm water quality treatment provisions that conform to the City's *Manual of Stormwater Quality Control* ("SWQC") Standards for New Development and Redevelopment. Calculations related to the design and sizing of on-site storm water treatment facilities must be submitted with the Grading and Storm Drainage Plans, and approved by City's Stormwater Coordinator prior to issuance of the Grading Permit for the Project.
- c) Prior to the issuance of the building certificate of occupancy, the Developer shall submit a signed and notarized Stormwater Treatment Facilities Maintenance Agreement (STFMA) as a guarantee for the performance of Developer's responsibility towards the repair and maintenance of on-site storm water treatment facilities.

C.4.3 Sanitary Sewer Improvement Plans

On-site Sewer

- a) The Subdivider shall design and install sanitary sewer facilities including the Project's sewer connection in accordance with City Regulations and utility improvement plans approved by the City Engineer. The Subdivider is hereby notified that the City will not provide maintenance of the sewer lateral within the public right-of-way unless the sewer cleanout is located and constructed in conformance with Standard Plan No. 203. The City's responsibility to maintain on the sewer lateral is from the wye fitting to the point of connection with the sewer main.
- b) The Developer is hereby notified that the City has limited wastewater treatment capacity in the City's Wastewater Treatment Plant until current and future expansion capital improvement projects are completed and operational. As of January 2015, the City had an unused capacity of approximately 4200 EDU's within its wastewater treatment plant available to new development within the City on a first come-first served basis. These EDU's are currently available to serve the proposed project, but as other development projects within the City come forward and building permits are issued, this remaining capacity will be reduced.

C.4.4 Water Distribution System

- a) During the construction of the Project, the Developer is responsible for providing water infrastructure (temporary or permanent) capable of delivering adequate fire flows and pressure appropriate to the various stages of construction and as approved by the City of Tracy Fire Code Official.
- b) Interruption to the water supply to the existing businesses and other users will not be allowed to facilitate construction of improvements related to the Project. The Developer shall be responsible for notifying business owner(s) and users, regarding construction work. The written notice, as approved by the City Engineer, shall be delivered to the affected residents or business owner(s) at least 72 hours before start of work. Prior to starting the work described in this section, the Developer shall submit a Work Plan acceptable to the City that demonstrates no interruptions to the water supply, and Traffic Control Plan to be used during the installation of the offsite water mains and connections.
- c) Domestic and Irrigation Water Services – The Developer shall design and install domestic and irrigation water service

connection, including a remote-read master water meter (the water meter to be located within City's right-of-way) and a Reduced Pressure Type back-flow protection device in accordance with City Regulations. The domestic and irrigation water service connection(s) must be completed before the final inspection of the building. The City shall maintain water lines from the water meter to the point of connection with the water distribution main (inclusive) only. Repair and maintenance of all on-site water lines, laterals, sub-meters, valves, fittings, fire hydrant and appurtenances shall be the responsibility of the Developer.

- d) Fire Service Line – Location and construction details of fire service line including fire hydrant(s) that are to serve the Project shall be approved by the City's Fire Safety Officer and Chief Building Official. Prior to the approval of the Improvement Plans, the Developer shall obtain written approval from the City's Fire Safety Officer and Chief Building Official, for the design, location and construction details of the fire service connection to the Project, and for the location and spacing of fire hydrants that are to be installed or planned to serve the Project.

- C.4.5 Project Driveways and Access to Existing Businesses: The Developer shall take all steps necessary to plan and construct site improvements such that construction operations do not impact safety and access (including emergency vehicles) to the existing businesses throughout the duration of construction. Developer shall coordinate with the owners and cooperate to minimize impacts on existing businesses and the Park and Ride Lot. All costs of measures needed to provide safe and functional access shall be borne by the Developer.
- C.4.7 Joint Utility Trench Plans All private utility services to serve Project such as electric, telephone and cable TV to the building must be installed underground, and to be installed at the location approved by the respective owner(s) of the utilities. The Developer shall submit Joint Utility Trench Plans for the installation of electric, gas, telephone and TV cable main and service lines that are necessary to be installed to serve the Project. The Developer shall coordinate, as feasible, with the respective owner(s) of the utilities for the design of these underground utilities to ensure they can be installed within the 10-foot wide PUE to the extent feasible (and except in the event, that additional space beyond the 10-foot PUE is required, as determined by the utilities owner(s)).
- C.4.9 Street Cut(s) - When street cuts are made for installation of utilities, the Developer is required to install 2 inches thick asphalt concrete

overlay with reinforcing fabric at least 25 feet from all sides and for the entire length of the utility trench. A 2 inches deep grind on the existing asphalt concrete pavement will be required where the asphalt concrete overlay will be applied and shall be uniform thickness in order to maintain current pavement grades, cross and longitudinal slopes. If the utility trench extends beyond the median island, the limit of asphalt concrete overlay shall be up to the lip of existing gutter located along that side of the street.

- C.5. Building Permit - No building permit will be approved by the City until the Developer demonstrates, to the satisfaction of the City Engineer, compliance with all required Conditions of Approval, including, but not limited to, the following:
- C.5.1. Payment of the San Joaquin County Facilities Fees as required in Chapter 13.24 of the TMC, and these Conditions of Approval.
 - C.5.2. Payment of the Regional Transportation Impact Fees (RTIF) as required in Chapter 13.32 of the TMC, and these Conditions of Approval.
 - C.5.3. The Project is within the boundaries of the I-205 Specific Plan Parcel GL-27 area. Payment of applicable development impact fees (a.k.a. capital in-lieu fees) as specified in the Project's Finance Plan and all fees as required in the I-205 Infrastructure Cost Allocation Spreadsheet (recent version) and these Conditions of Approval.

The Developer shall also pay to the City the Project's fair share of the cost of the Non-program Streets and Non-program Traffic Signals within the I-205 Specific Plan Area per the I-205 North Roadway Funding Study approved by the City, and as shown on the Project's Finance Plan.
 - C.5.4. Parcel Map approved by the City and recorded in San Joaquin County Recorder's Office.
- C.6. Temporary or Final Building Certificate of Occupancy - No temporary or final building certificate of occupancy will be issued by the City until after the Developer provides reasonable documentation which demonstrates, to the satisfaction of the City Engineer, that:
- C.6.1 The Developer has satisfied all the requirements set forth in Condition C.1 through C.5, above.
 - C.6.2 The Developer has completed construction of all required public facilities for the building for which a certificate of occupancy is requested and all the improvements required in these Conditions of Approval. Unless specifically provided in these Conditions of Approval, or some other applicable City Regulations, the Developer shall use diligent and good faith efforts in taking all actions

Conditions of Approval
PUD Zone Preliminary and Final Development Plan
6,300 s.f. Multi-Tenant Restaurant Building
Southeast Corner of Naglee Road and Park-N-Ride Drive
Application Number D15-0009
Page 11

necessary to construct all public facilities required to serve the Project, and the Developer shall bear all costs related to construction of the public facilities (including all costs of design, construction, construction management, plan check, inspection, land acquisition, program implementation, and contingency).

AGENDA ITEM 1-C

REQUEST

PUBLIC MEETING TO REVIEW THE GENERAL PLAN DRAFT HOUSING ELEMENT AND RECEIVE PUBLIC INPUT

DISCUSSION

As discussed during previous Planning Commission meetings, the Housing Element is a State-required chapter of every city's General Plan; it is required to be updated on a regular time schedule; its contents are required by State law; and it is required to be reviewed for compliance with State housing law by a State agency, the Department of Housing and Community Development (HCD).

On August 12, 2015, the Planning Commission conducted a public meeting to discuss the Housing Element update and receive input from the public. Several people addressed the Commission, with comments primarily focused on an interest in more affordable or low-income housing for seniors, homeless, and housing for developmentally disabled.

Attachment A contains the Draft Housing Element, prepared in strikethrough/underline format to illustrate changes that are proposed for this Housing Element update, compared with the City's existing Housing Element. Veronica Tam and Associates, the City's Housing Element consultant, will be present at the meeting to summarize the content of Tracy's Draft Housing Element, its review and approval process, and answer questions regarding State Housing Element requirements.

The primary obstacle to developing more affordable housing usually relates to funding. That is, without public assistance, affordable housing often is not cost effective for a developer to construct. With the loss of Redevelopment in California in 2012, local public funding for affordable housing is largely not available at this time. The State legislature has discussed potential tax increment or other public financing for affordable housing, but has not, yet, adopted replacement funding for Redevelopment.

Therefore, until a replacement to Redevelopment or other form of local, public funding becomes available, the City establishes zoning for high density or multi-family housing and continues to be available to meet or provide information or similar support to developers of affordable housing

The attached Draft Housing Element is prepared in strike-thru/underline format to illustrate the changes that are proposed for this Housing Element update, compared with the City's existing Housing Element. This update is largely technical in nature, revising the demographic data and other descriptive characteristics of the City, although the project also includes an evaluation of all of the policies and programs of the Housing Element. This Draft is posted on the City's web site and is available at the public library, City Hall, and by contacting the City Development Services Department.

Tonight's meeting is an opportunity to discuss the status of the Housing Element update and for members of the public to provide input regarding the Draft Housing Element. The City Council is scheduled to conduct a similar public meeting on November 17, 2015.

Following the November City Council meeting, the Draft Housing Element will be finalized and submitted to the State Department of Housing and Community Development (HCD) for review. The Department of HCD has 60 days to provide comments on the Draft Housing Element. Following their review, HCD's comments will be incorporated into the Housing Element; then the Planning Commission and City Council will conduct public hearings to consider adopting the Housing Element. It is important that the City Council adopt the revised Housing Element prior to the State-imposed deadline of April 29, 2016. If the deadline is achieved, the City will not be required to conduct another update until 2023. If the City does not meet the April 29th deadline, the next update will be required in 2019. However, it should be noted that the City Council can direct staff to update or review housing policies at any time, in response to local needs or changes in housing conditions or laws.

After adoption by the City, the Housing Element will be submitted to HCD and HCD will have 90 days to determine whether or not the Housing Element substantially complies with State housing law.

RECOMMENDATION

Staff recommends that the City Council receive public input, direct City staff to finalize the Draft Housing Element and submit the Draft Housing Element to State HCD for review.

Prepared by Alan Bell, Senior Planner

Approved by Bill Dean, Assistant Development Services Department Director

ATTACHMENTS

Attachment A – Draft Housing Element



City of Tracy 2015-2023 Housing Element

Public Review Draft

October 2015

City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

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Appendices

- Appendix A: Public Participation
- Appendix B: Review of Past Accomplishments

I. Introduction

The Housing Element represents an awareness of the need to assure 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 201509-202314 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.

~~In~~ According to the January 2010 Census⁰⁹, the City population was ~~estimated~~ reported at to be 81,71482,922, an increase of about ~~44-46~~ percent in the ~~nine-ten~~ years since the 2000 Census. During this same period, the housing stock increased by approximately ~~41-44~~ percent. The growth in population has, in turn, increased diversity within the City. From ~~1990-2000~~ to 2010, Tracy became more racially and ethnically diverse. The percentage of Whites dropped from ~~68-54~~ to ~~56-36~~ percent, while the proportion of ~~African-AmericansBlacks~~, ~~Asians~~, ~~or Pacific Islanders~~—and Hispanics ~~each~~—increased (by two, seven, and nine percentage points, respectively) ~~by three one to five nine percent~~.

The California Department of Finance (DOF) reported an increase in average household size from 3.21 persons per household in 2000 to ~~3.27~~3.48 persons in 201509. This trend can be partially attributed to the ~~swell of families with children and the shift in racial and ethnic composition~~increase in the City's non-White population, since minority households are traditionally larger ~~, since Asian and Hispanic households are typically 30 percent larger than White households.~~

~~The City of~~ The percentage of owner-occupied housing continued to increase in recent years. ~~The median household income also increased in real terms from \$62,79452,993 to \$62,79476,098 between 1990-2000 and 2013.00 and the City became proportionally more educated as the percentage~~ Nearly 21 percent of the city's population with had college and graduate degrees increased from 20 percent to 27 percent.

~~Tracy's housing stock is comprised primarily of newer single-family homes~~ offers a mix of housing types. Single-family homes make up about ~~86-85~~ percent of ~~the housing stock~~all housing units while, ~~the multi-family share housing comprises~~ about ~~12-13~~ percent, ~~and mobile homes comprise the remaining two two percent.~~ About one-third quarter (28-26 percent) of Tracy's housing stock is at least over 30 years old (built before 1980), while approximately) and approximately one-third (-30-32 percent) of the housing stock is less than

ten years old (constructed since 2000). ~~Tracy offers a variety of housing rehabilitation programs to prevent the deterioration of older housing in the City.~~

Housing prices in Tracy are relatively affordable when compared to the San Francisco Bay region, but the City's housing is some of the most expensive in San Joaquin County. The median price of a single-family home in Tracy ~~is~~ was estimated at about \$~~245,000~~415,000, as of ~~October~~ March 2015~~09~~. Apartment rents range from \$~~642~~675,150 for a ~~a~~ studio apartments to \$~~1,048~~1,281,700 for a ~~three-bedroom unit~~three-bedroom unit. Lower- ~~and moderate~~ –income households in the City ~~are unable to afford homeownership; however, affordable rental options for lower income households in Tracy do exist~~will have a difficult time finding affordable ownership and rental housing options.

~~The City has been actively addressing its housing issues~~this issue by developing affordable housing, improving the existing housing, and providing assistance to households in need.

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 ~~July~~December 31, 2015~~09~~ through ~~June 30~~December 31, 2023~~14~~, 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 equal housing opportunities.

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.
- Review of Past Accomplishments: An evaluation of accomplishments under the adopted Housing Element.
- Housing Plan: A strategy to address the identified housing needs given the City's constraints and resources.

C. Public Participation

Public participation by all economic segments is critical to the preparation of the Housing Element.

1. Study Sessions

~~Study sessions~~ A Study Session was ~~were~~ conducted before the Planning Commission ~~and City Council~~ to review the Draft Housing Element. The meetings ~~were~~ was advertised ~~in the Tri-Valley Herald Newspaper, as well as~~ on the City's website, and special invitations were sent out to a number of agencies serving low and moderate income households and persons with special needs. Agencies invited to the Study Sessions are listed in Appendix A.

The study session before the Planning Commission was conducted on ~~April 14, 2010~~ August 12, 2015. One representative from the Building Industry Association of the Delta (BIA) and several residents attended this ~~meeting~~ study session and provided comments. ~~The BIA representative commented on how the City's Growth Management Ordinance (GMO) as a governmental constraint that would preclude the City from meeting its RHNA numbers. The BIA representative suggested the Housing Element include a program to resolve the governmental constraint by amending the GMO to make the maximum housing units allowed the same as the City's RHNA numbers. However, the City cannot amend the GMO without voter approval.~~ A summary of their comments can be found in Appendix A. The Draft Housing Element was again presented before the Planning Commission on ~~April 14, 2010~~ October 28, 2015.

~~The City Council study session was conducted on April 20, 2010. One representative from the BIA attended this meeting and provided comments. The BIA representative addressed the City Council regarding a letter he had submitted to the Mayor and Council dated April 19, 2010. This letter is included in Appendix A.~~

4.2. Public Review of Draft Housing Element

The Draft Tracy Housing Element was available for public review at the following locations:

- City Hall
- City Library
- City website

5.3. Public Hearings

Public hearings will be conducted before the Planning Commission and City Council prior to adoption of the Housing Element.

D. Data Sources and Methodology

In preparing the ~~technical appendix~~ Housing eElement, various sources of information are consulted. The ~~2010~~ 2010 Census provides the basis for population and household characteristics.

Although dated, no better source of information on demographics is widely accepted. In addition, the 2010 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 2010 Census, including the following:

- [San Joaquin Council of Governments 5th Cycle Housing Element Data Package](#)
- 2009-2013 American Community Survey by the Census Bureau[‡]
- Population and demographic data updated by the State Department of Finance
- Housing market information, such as home sales and rents, from [Dataquick](#), [CoreLogic](#), [Craigslist.org](#), [ApartmentHunterz.com](#), [Apartments.com](#), [Padmapper](#), [Forrent.com](#), [Trulia](#), and [Realtor.com](#) and [Realtytrack](#)
- Lending patterns from [the Home Mortgage Disclosure Act \(HMDA\) database LendingPatterns™](#)
- Labor statistics from California Employment Development Department

E. General Plan Consistency

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, ~~new~~ 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.

~~‡ Due to the small sample sizes used in the American Community Survey (ACS), the data tend to contain large margins of errors. As such, the ACS is used to provide additional reference to current conditions but the official 2010 Census data are used as the basis for analysis.~~

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 2015~~09~~-2023~~14~~ 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

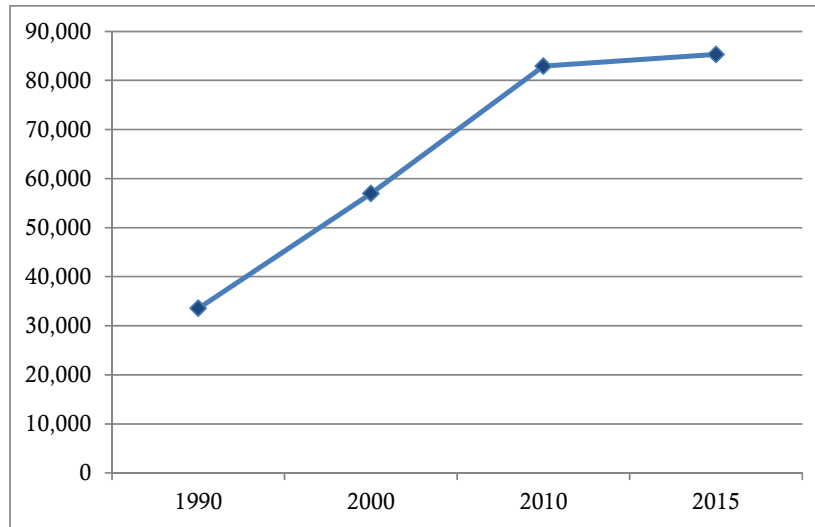
A dominant factor in community planning for Tracy has been the increase in population between 2000 and 201~~0~~⁹, and [the](#) associated housing construction. With the population growth, Tracy has become more diverse racially and ethnically, larger family-households have become more prevalent, and homeownership rates have increased.

Between 1990 and 2000, the Tracy population increased from approximately 33,558 to 56,929 persons (Table 1). This 70-percent increase in population was the highest of any San Joaquin County city during the inter-Census period. Other cities in San Joaquin County had high population growth as well, as shown in Table 1. Lathrop (53 percent) and Escalon (34 percent) had population growth rates that were more than twice that of California (14 percent). Almost 95 percent of the population growth experienced in San Joaquin County during this time was within incorporated cities.

~~By Table 1 presents the latest available California Department of Finance (DOF) Census estimates for the Tracy population and housing stock. The 2010, the City⁹ population was reached approximately 81,71482,922, according to the Census. The State Department of Finance (DOF) estimated the current (2015) City population. The City's population growth is projected by the San Joaquin Council of Governments (SJCOG) to remain strong, exceeding that of surrounding cities. According to San Joaquin County Council of Governments projections, between 2010⁹ and 2020, the Tracy population is estimated to grow to approximately 125,192103,456, an increase of 53 25 percent. SJCOG figures are based on historical and regional trends estimates, and do not take into account any growth management measures (such as Measure A in Tracy). The Growth Management Ordinance may result in a reduced level of population growth compared to SJCOG estimates. As amended by voter initiative (Measure A) in 2000, the City's Growth Management Ordinance would limit Tracy's population to~~

approximately 100,000 people by 2020 if housing construction resumes to the maximum rate permitted by the Growth Management Ordinance and assuming an average of 50 affordable units constructed per year. The current recent economic recession has also slowed population growth in the region compared to previous projections by SJCOG at 85,296, another 2.9 percent increase since 2010. The recent recession that severely impacted the region between 2008 and 2012 contributed to the limited growth in the City. However, the City is beginning to see renewed interest in development and population is expected to increase in the future.

Figure 1: Population Growth Trends



Sources:

1. Bureau of the Census, 1990, and 2000, and 2010.
2. California Department of Finance, 2009.
3. San Joaquin Council of Governments—Population Projections, 2009. State Department of Finance Population and Housing Estimates, 2015

Table 1: Population Growth Trends

Jurisdiction	1990	2000	Population Growth				
			2010 ⁹	2020 ²⁰¹⁵	1990- 2000	2000-2010 ⁹	2010 ⁹ - 2020 ²⁰¹⁵
Escalon	4,437	5,963	7,132 ^{7,163}	7,413 ^{9,272} 9,410	34.4%	19.6% ^{20.1%}	3.9% ^{30.0%} 1.4%
Lathrop	6,841	10,445	18,023 ^{17,671}	20,353 ^{23,747} 4724,144	52.7%	72.6% ^{69.2%}	12.9% ^{31.8%} 36.6%
Lodi	51,874	56,999	62,134 ^{63,313}	63,719 ^{66,588} 73,130	9.9%	9.0% ^{11.1%}	2.6% ^{7.2%} 15.5%
Manteca	40,773	49,258	67,096 ^{67,754}	73,787 ^{87,471} 85,605	20.8%	36.2% ^{37.5%}	10.0% ^{30.4%} 26.3%
<u>Ripon</u>	<u>7,455</u>	<u>10,146</u>	<u>14,297</u>	<u>14,922</u>	<u>36.1%</u>	<u>40.9%</u>	<u>4.4%</u>
Stockton	210,943	243,771	291,707 ^{290,409}	306,999 ^{348,977} 366,332	15.6%	19.7% ^{19.1%}	5.2% ^{19.6%} 6.1%
Tracy	33,558	56,929	82,922 ^{81,714}	85,296 ^{103,456} 125,192	69.6%	45.7% ^{43.5%}	2.9% ^{24.8%} 3.2%
County Total	480,628	563,598	685,306 ⁶⁸⁹	719,511 ⁸⁰⁹	17.3%	21.6% ^{22.3%}	5.0% ^{18.1%} 2

-480 -685888,53 8.9%
6

Sources:

1. Bureau of the Census, 1990, ~~and 2000, and 2010.~~
2. ~~State Department of Finance Population and Housing Estimates, 2015~~ California Department of Finance, 2009.
- 3-2. 4.

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. In order to create a balanced community it is important to provide housing options that suit the needs of various age groups.

Between ~~1990-2000~~ and 2010, the number of persons between the ages of 18 and 24 in Tracy decreased by ~~two-one~~ percent (Table 2). This is an age group that, in many communities, is relatively transient and is primarily comprised of college students and people just entering the job market. The City’s proportion of young adults/~~early middle-and-retirement~~ aged individuals also decreased during ~~the~~ this same time period, while the proportion of middle age/near retirement aged persons aged 45 to 64 years increased by approximately six percent. A continuation of these trends could be seen through 2013. According to the American Community Survey (ACS) data, the age distribution of Tracy residents between 2009~~6~~ and 2013~~08~~ was as follows: ~~nine-nine~~ percent children under five; ~~22-23~~ percent school age children, ten percent college age, 10-28 percent young adults/~~early middle age, 33~~ percent adults, ~~20-23~~ percent middle-age/~~near retirement~~ adults, and ~~six-eight~~ percent seniors.

The City’s age distribution reflects an aging and -family-oriented community, where family households with school age children those nearing retirement age and seniors make up an increasingly significant portion of the population. ~~This age distribution also suggests that Tracy residents are no longer aging in place (a smaller senior population) and young people just entering the job market are not staying in Tracy (with a small population of late teen and college age persons).~~ The lack of affordable smaller housing units in Tracy may explain some portion of the recent population trends become an increasingly important critical issue for the City in the coming years.

Table 2: Age Distribution

Age Group	19902000			2010			% Change	
	#	%	% CA	#	%	% CA	Tracy	CA
Preschool (<5 yrs.)	5,360 497	9% 1%	7% 8%	6,600 360	8% %	7% 7%	-1% 1%	0% 1%
School Age (5-17 yrs.)	14,239 7,006	25% 1%	20% %	20,068 14,239	24% 5%	18% %	= 1%	= 2%

Late Teens/College Age (18-24)	4,248 3,069	7% 9%	10% 11%	7,476 4,248	9% 7%	11% 10%	2% -2%	1% -2%
Young Adults/Early Middle Age (25-44)	19,947 12,621	35% 8%	32% 35%	23,826 19,947	29% 3%	28% 32%	-6% 3%	4% -3%
Middle Age/Near Retirement (45-64)	9,498 4,656	17% 4%	21% 17%	19,202 9,498	23% 7%	25% 21%	6% 3%	4% 3%
Senior (65+)	3,637 2,709	6% 8%	11% 11%	5,750 2,637	7% 6%	11% 11%	1% -2%	0% 0%

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. For example, the two percent decrease shown for seniors does not mean that the senior population decreased, but rather that the representation of seniors decline from eight percent of the overall population in ~~1990-2000~~ to six percent in ~~2010~~.

Source: Bureau of the Census, ~~1990-2000~~ and ~~2010~~.

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.

~~With the recent population growth~~ Similar to most other jurisdictions throughout the state and the nation, Tracy has become more racially and ethnically diverse over time. Between ~~1990-2000~~ and ~~2010~~, the ~~non-Hispanic~~ White population in the City decreased from ~~68-54~~ percent to ~~56-36~~ percent (Table 3). During the same time period, the ~~representation-proportion~~ of all other minority ~~groups~~ residents, except Native Americans, increased in Tracy. ~~In~~ By 2010, ~~Nevertheless,~~ Tracy's racial and ethnic diversity had matched ~~remains is less diverse compared~~ nearly equal to the diversity that ~~of~~ both San Joaquin County and the State California in terms of population racial and ethnic diversity (see Figure 2).

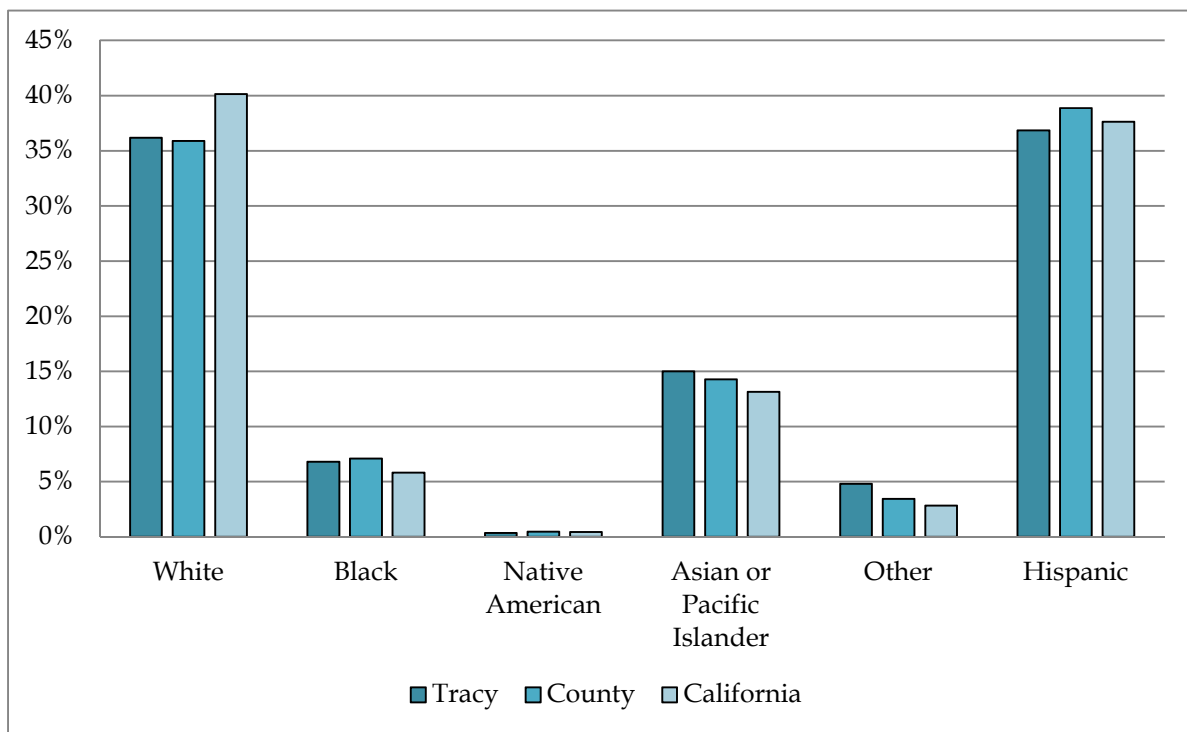
According to ACS data, the racial/ethnic distribution of Tracy residents between 2009~~6~~ and 2013~~08~~ was as follows: ~~39-35~~ percent White, ~~36-39~~ percent Hispanic, ~~13-16~~ percent Asian, ~~seven~~ ~~six~~ percent Black, and ~~five-five~~ percent Other.

Table 3: Race and Ethnicity

Race/Ethnicity	2010			Percentage Distribution Change, 1990-2010		
	Tracy	County	California	Tracy	County	California
White	36% 56%	36% 47%	40% 48%	-18% -12%	-11% -11%	-7% -9%
African American/Black	7% 5%	7% 6%	6% 7%	2% 3%	1% 1%	-1% 0%
Native American	0% 1%	0% 1%	0% 1%	0% 0%	0% 0%	0% 0%
Asian or Pacific Islander	15% 9%	14% 11%	13% 11%	7% 4%	3% 0%	2% 2%
Hispanic/Other	5% 29%	3% 31%	3% 33%	1% 5%	0% 7%	0% 7%
Hispanic	37%	39%	38%	9%	8%	5%

Source: Bureau of the Census, 2000 and 2010.

Figure 2: Race and Ethnicity



Source: Bureau of the Census, 2010.

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.](#)

[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."

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.

However, for zoning purposes, California court cases have ruled that a definition of "family" that: 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 is invalid. 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 recently 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.

2.1. Household Type and Size

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

The proportion of family households in Tracy increased ~~four one percent~~percentage point from ~~1990-2000~~ to 2010, representing 82 percent of all households in the City in 2010. . The

proportional share of family households in California, however, did not change. Average family size also increased slightly in Tracy (Table 4). Compared to California, Tracy has a much larger share of married-couple, family households with children (38 percent versus 23 percent, respectively). ~~However, the share overall proportion of this family type increased-decreased by fourthree percent during the 2001990s, which drove the City's average household size and average family size higher. The number of non-family households increased between 1990-2000 and 20100, but the share of non-family households as a percentage of total household decreased during this period. The same was true for the number of single households, which comprised most of these non-family households. Among otherall household types, other family households experienced the largest growth (four percent) in-proportion-of-all households between 2000 and 2010.~~ According to the American Community SurveyCS data, between 2006-2009 and 201308, 80-81 percent of Tracy households were family households. Of the City's households, 53-51 percent included children under the age of 18, and 47-49 percent did not include children. About 16-14 percent of Tracy residents lived alone and four-five percent were other non-family households.

The City's average household size and average-family size, both of which have historically been higher than the State average, increased even more between 2000 and 2010. According to Department of Finance (DOF) estimates for 20092015, Tracy's average household size is person per household size is 3.48 persons,27. ~~This was~~ the second highest among San Joaquin County cities, ~~(after the City of Lathrop) and the County overall.~~

Table 4: Household Types

Household Type	1990-2000			2010			% Change in Distribution (Percentage Points)		
	Tracy HHs	%	CA %	Tracy HHs	%	CA %	Tracy HHs	%	CA %
Families	14,308	81%	69%	19,945	82%	69%	5,637	1%	0%
Married w/ Children	8,617	77%	9%	14,308	1%	9%	5,691	%	%
Married No Children	7,237	41%	26%	9,148	38%	23%	1,911	-	-3%
Other Families	2,011	37%	7%	2,377	1%	6%	3,036	3%	1%
Non-Families	4,213	24%	25%	5,974	25%	26%	1,761	1%	1%
Singles	2,858	16%	18%	4,823	20%	19%	1,965	4%	1%
Other Non-Families	662	15%	6%	858	6%	8%	1,196	%	%
Total Households	3,312	19%	31%	4,386	18%	31%	10,747	-1%	0%
	591	23%	1%	312	9%	1%	21	4%	%
	2,530	14%	24%	3,326	14%	23%	796	0%	-
	12	18%	%	530	4%	4%	8	4%	1%
	782	4%	8%	1060	4%	8%	278	0%	0%
	57	%	%	82			3	1%	16%
	17,620	100%	100%	24,331	100%	100%	6,711	---	---
	11,208	10%	100%	17,620	100%	100%	6,412	---	---
Average Household Size	Tracy	CA	Tracy	CA	Tracy	CA			
	3.21	2.87	3.40	2.90	3.21	2.87	6%	1%	
Average Family Size	Tracy	CA	Tracy	CA	Tracy	CA			
	3.56	3.43	3.72	3.45	3.39	3.56	4%	1%	

Note: The % Change column represents a percentage point change of the share of each type of household between 1990-2000 and 2010, not the percentage growth of each type of household. "HHs" = households.

Source: Bureau of the Census, (1990-2000 and 2010).

3.2. 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.

In 2013, households in the County of San Joaquin Valley had a significantly lower median income (\$36,638) than surrounding regions. However, residents of the San Joaquin Valley also had a much lower cost of living. In general, though, Tracy's median household income (\$62,794) is much more comparable to the nearby counties of Alameda and San Francisco than its own County. The City's median household income was 71 percent higher than that of the San Joaquin Valley region, 53 percent higher than that of San Joaquin County, and 32 percent higher than that of the State average. Tracy's median household income is more similar to East Bay and Bay Area communities west of the City than it is the communities of the San Joaquin Valley (Figure 3).

The San Joaquin Valley has become a destination for Bay Area workers seeking lower cost housing and a lower cost of living overall. This can create difficulty for local workers

competing for valley housing. Compared to the East Bay counties, the median income in the County of San Joaquin Valley is approximately ~~35~~^{six}~~35~~ percent ~~lower~~^{higher}~~lower~~ than Alameda County (\$~~55,946~~^{72,112}), ~~51~~¹⁷~~72~~ percent lower than Santa Clara County (\$~~74,335~~^{91,702}), ~~48~~¹⁴~~65~~ percent lower than San Mateo County (\$~~70,819~~^{88,202}), ~~34~~^{one}~~42~~ percent ~~lower~~^{higher}~~lower~~ than San Francisco County (\$~~55,221~~^{75,604}), and ~~42~~^{four}~~48~~ percent lower than Contra Costa County (\$~~63,675~~^{78,756}).

Figure 3: Median Household Income



Source: Bureau of the Census, American Community Survey, 2009-2013.

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).

According to the ACS data, between 2009 and 2013, a majority of Tracy households earned annual incomes of \$75,000 or more. 15-12 percent of households earned less than \$25,000, while approximately 22-19 percent of City households earned incomes between \$25,000 and \$49,999 (Table 5). In addition, households earning \$100,000 or more comprised over one-third of households in the City. Approximately 45-33 percent of Tracy households earned incomes between \$50,000 and \$99,999 and 19-36 percent reported \$100,000 or more in income in 1999-2013. InBy comparison, the County household incomes in San Joaquin County distribution was were more evenly distributed throughout all the various the income levels – with , explaining the lower median household income reported for San Joaquin County when compared to Traca significantly higher proportion of households earning less than \$50,000 annually and a noticeably lower proportion of households earning more than \$100,000.

Table 5: Household Income Distribution (1999-2013)

Household Income	Tracy		County	
	Number	%	Number	%
Less than \$10,000	847	3.5%	12,419	5.8%
\$10,000 to \$14,999	564	2.3%	12,641	5.9%
\$15,000 to \$24,999	1,476	6.0%	23,162	10.7%
\$25,000 to \$34,999	1,743	7.1%	21,547	10.0%
\$35,000 to \$49,999	2,927	12.0%	30,908	14.3%
\$50,000 to \$74,999	4,445	18.2%	39,089	18.1%
\$75,000 to \$99,999	3,659	15.0%	26,972	12.5%
\$100,000 or more	8,769	35.9%	48,825	22.6%
Total	24,430	100.0%	215,563	100.0%

Note: The 2008-2013 American Community Survey estimates measure household income in the past 12 months (in 2013 inflation-adjusted dollars). 2000 Census measured income earned in 1999.

Source: Bureau of the Census, American Community Survey, 2009-2013.

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: The State Department of Housing and Community Development (HCD) categorizes households into five income groups based on County Area Median Incomes (AMI):

- 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 2011, approximately 78-76 percent of Tracy households earned moderate or above moderate incomes, while 22-24 percent of households had incomes in the can be classified as extremely low, very low, and low income levels households (Table 6).²

² Data was obtained from the Comprehensive Housing Affordability Strategy (CHAS) prepared for HUD by the Census Bureau using 2000 Census data. CHAS data does not provide a breakdown of household income for those with more than 80 percent AMI as those households are not qualified for federal housing programs.

Table 6: Households by Income Category (2000-2011)

Income Category (% of County AMI)	Households	Percent
Extremely Low (30% or less)	1,380 983	5.8% 5.6%
Very Low (31 to 50%)	1,735 948	7.4% 5.4%
Low (51 to 80%)	2,495 1,860	10.6% 10.6%
Moderate or Above (over 80%)	17,990 13,732	76.2% 78.4%
Total	23,60017,523	100.0%100.0%

Source: Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS), ~~2000~~ based on the 2007-2011 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 determines 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 labor force between 2006 and 2010 included 27,121,398,837 persons, 25,492,354,333 of whom were employed and 1,581,400 of whom were unemployed—constituting an unemployment rate of four 7.9 percent. Tracy's unemployment rate continues to be one of the lowest for cities in the County. As reported in the ACS, between 2008 and 2013, the unemployment rate in Tracy doubled increased to had an unemployment rate of 8.99.7 percent; compared to—similar to the ten 10.1 percent unemployment rate for San Joaquin in the County. The City's unemployment rate has increased slightly (by just under two percentage points) since between 2006 and 2010. The manufacturing and education/health/social service, and manufacturing, and retail industries have employed the most Tracy residents between 2006 and 2010 since 2006 in 2000 (Table 7). These industries While education/health/social service and manufacturing jobs usually offer are typically associated with moderate incomes, retail jobs : However, between the 2000 Census and by 2008 2013 ACS, the percentage of residents employed in manufacturing industries shrank and the from 17 percent of the employed residents to 14 percent of the employed residents employed in retail trade grew. These industries tend to offer lower wages. In contrast, the recreation/accommodation/food service The education/health/social service industries expanded to employ eight 15 percent of the labor force. These industries tend to offer lower wages. Table 8 lists the top ten employers in Tracy. Safeway is the City's largest employer, followed closely by the Tracy Unified School District, the Defense Depot, Tracy Unified School District, and the Deuel Vocational Institute.~~

Table 7: Employment Profile

Industry	2006-2010		2008-2013	
	#	%	#	%
Agriculture, Forestry, Fishing and Hunting, and Mining	<u>430</u> ²⁹⁸	<u>1.2%</u> ^{1.2}	<u>505</u>	<u>1.4%</u> ^{1.1}
Construction	<u>3,346</u> ^{2,070}	<u>9.4%</u> ^{8.1}	<u>3,248</u>	<u>8.9%</u> ^{9.2}
Manufacturing	<u>4,755</u> ^{4,373}	<u>13.4%</u> ^{17.2}	<u>4,561</u>	<u>12.5%</u> ^{13.7}
Wholesale Trade	<u>1,176</u> ^{1,438}	<u>3.3%</u> ^{5.6}	<u>1,758</u>	<u>4.8%</u> ^{4.0}
Retail Trade	<u>4,785</u> ^{3,306}	<u>13.5%</u> ¹³	<u>5,485</u>	<u>15.0%</u> ^{12.0}
Transportation and Warehousing, and Utilities	<u>2,295</u> ^{1,493}	<u>6.5%</u> ^{5.9}	<u>1,957</u>	<u>5.4%</u> ^{7.8}
Information	<u>1,236</u> ^{1,212}	<u>3.5%</u> ^{4.8}	<u>1,255</u>	<u>3.4%</u> ^{2.7}
Finance, Insurance, Real Estate	<u>2,376</u> ^{1,637}	<u>6.7%</u> ^{6.4}	<u>2,016</u>	<u>5.5%</u> ^{7.4}
Professional, Scientific, Management, Administrative	<u>4,227</u> ^{2,709}	<u>11.9%</u> ^{10.6}	<u>4,273</u>	<u>11.7%</u> ^{11.7}
Educational, Health and Social Services	<u>5,106</u> ^{3,496}	<u>14.4%</u> ^{13.7}	<u>5,580</u>	<u>15.3%</u> ^{13.5}
Arts, Entertainment, Recreation, Accommodation & Food Services	<u>2,581</u> ^{1,368}	<u>7.3%</u> ^{5.4}	<u>2,882</u>	<u>7.9%</u> ^{8.0}
Other Services	<u>1,412</u> ⁹⁴⁰	<u>4.0%</u> ^{3.7}	<u>1,563</u>	<u>4.3%</u> ^{3.7}
Public Administration	<u>1,708</u> ^{1,152}	<u>4.8%</u> ^{4.5}	<u>1,454</u>	<u>4.0%</u> ^{5.3}
				<u>100.0%</u>
Total	<u>35,433</u> ^{25,492}	<u>100.0%</u> ^{100.0}	<u>36,537</u>	<u>100.1%</u> ^{100.1%}

Sources: Bureau of the Census, ~~2000 Census~~ and American Community Survey, (2006-2010 and 2008-2013)08.

Table 8: Major Employers

Firm	Industry	Employees
Safeway Distribution Center	Distribution	1,800 2,000
Tracy Unified School District	Education	1,600
Defense Depot San Joaquin	Government Agency	1,375 1,530
Tracy Unified School District	Education	1,500
Deuel Vocational Institute	State Prison Facility	1,200 1,300
Sutter Tracy Community Hospital	Medical Care	568 635
Diversified Collection Service	Collection services	
City of Tracy	Municipal Services	570 461
Taylor Farms Pacific	Medical Care Food Processor	540 408
Community Hospital		
Owens-Illinois, Inc.	Glass Container Manufacturer	400 513
Costco Wholesale	Distribution Grocery	
Barbosa Cabinets	Cabinet Builders Car Auction	500 360
Adesa Golden Gate		
Costco Distribution Center	Glass Container Manufacturer Distribution Perishable	440 329
Owens-Illinois, Inc.		

Source: City of Tracy, 201509.

Housing development in the City is 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 9 displays mean annual wage data for occupations compiled by the California Employment Development Department (EDD) for the Stockton Metropolitan Statistical Area. Table 9 shows that ~~the farming,~~ food preparation and serving, [personal care and service, maintenance, and health care support,](#) ~~production, and social services~~ occupations offer [the lowest wages in the region.](#) At least 10 percent of the City's population (Table 7) is employed in these low wage occupations.

Table 9: Mean Salary By Occupation (2014 1st Quarter~~08~~)-Stockton MSA, [San Joaquin County](#)

Occupation	Mean Annual Salary
Management	\$93,401 98,185
Legal	\$90,221 95,830
Healthcare Practitioners and Technical	\$74,931 86,279
Computer and Mathematical	\$68,983 69,424
Architecture and Engineering	\$67,609 81,291
Life, Physical and Social Sciences	\$64,533 72,206
Business and Financial	\$61,669 66,800
Protective Service	\$52,065 52,569
Community and Social Services	\$46,556 52,346
Construction and Extraction	\$45,011 51,872
Installation, Maintenance and Repair	\$42,966 47,297
Arts, Design, Entertainment, Sports and Media	\$41,891 43,797
Office and Administrative Support	\$36,645
Production	\$35,139
Transportation and Material Moving	\$33,086 34,888
Office and Administrative Support	\$33,025
Sales	\$31,793 34,408
Production	\$31,282
Healthcare Support	\$26,857 30,109
Building and Grounds Cleaning and Maintenance	\$26,376 29,081
Personal Care and Service	\$23,332 24,053
Food Preparation and Serving	\$20,074 22,249
Farming, Fishing and Forestry	\$19,218 19,682

Source: California Employment Development Division, 2015~~09~~.

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 2008 and 2013, n](#)Nearly ~~60~~55 percent of Tracy’s workforce travels to another county for employment. [This rate is more than double that of San Joaquin County’s- \(rate of 26 percent\), and -](#)the highest ~~proportion~~ among ~~the~~ surrounding counties (Table 10). ~~However~~[While the proportion of long distance commuters in Tracy remains high, †The number percentage of Tracy residents employed outside the County](#)this number was high ~~in 1990~~[has decreased by three percent since 2000. However, this decrease may have been a result of the recession.](#)

According to the 2013 Interregional Multimodal Commute Trip Planning Study, commuters from the counties of San Joaquin, Merced, and Stanislaus primarily travel to the Bay Area for work. To better serve commuters in this tri-county area, the Study has recommended that the San Joaquin Council of Governments (SJCOG) take the following actions:

- Establish a centralized “one stop shop” for commuters to get information on travel mode alternatives.
- Give information to commuters and other travelers about available options that might save them time or money.
- Shift people from single occupant vehicles to other modes, allowing for cleaner air and less peak period traffic congestion.
- Provide employers with an additional tool to help them comply with rule 9410 and to provide an additional benefit to their employees.
- Provide easy interface with emerging technologies such as smart phones and tablet computers to provide commuters with more convenient access to information on travel modes and road conditions.
- Help transit operators provide more coordinated service in the region.
- Keep planners informed about current travel patterns and mode choice trends.
- This number continued to increase during the 1990s; Tracy had the largest percentage point increase in employment outside the County between 1990 and 2000. The high rate of residents working in other counties corresponds with longer commute times in Tracy compared to the rest of the County

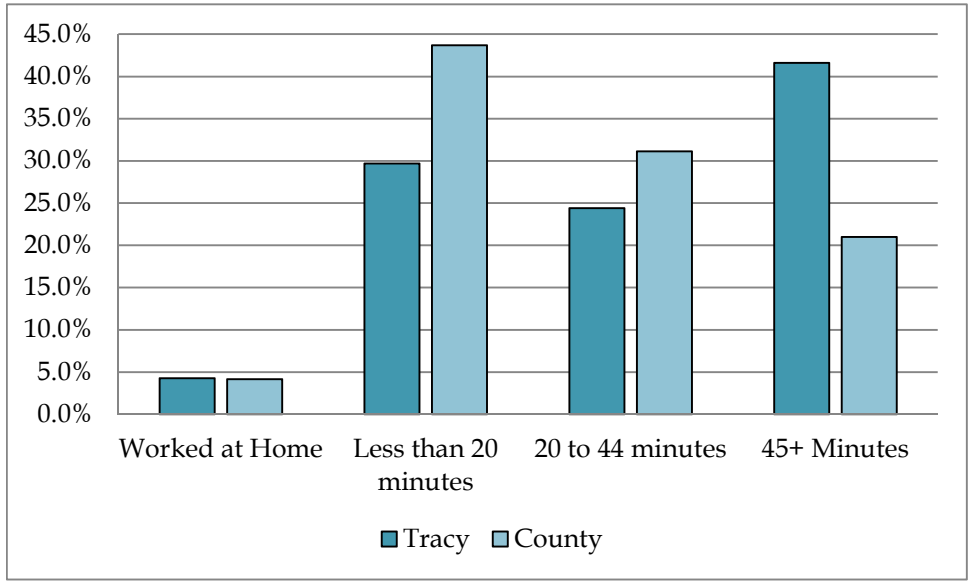
Table 10: Place of Work

Place of Work	CA	Alameda Co.	Contra Costa Co.	San Joaquin Co.	San Mateo Co.	Santa Clara Co.	Tracy
Outside of County of Residence 1990 <u>2000</u>	17% <u>15%</u>	33% <u>30%</u>	42% <u>41%</u>	23% <u>17%</u>	42% <u>43%</u>	12% <u>11%</u>	58% <u>51%</u>
Outside of County of Residence <u>2010</u> 30	<u>17%</u> 17%	<u>34%</u> 33%	<u>41%</u> 42%	<u>26%</u> 23%	<u>41%</u> 42%	<u>13%</u> 12%	<u>55%</u> 58%
<u>Percentage Change in Proportion</u> <u>(1990-2000 - 2010-30)</u>	<u>0%</u> 2%	<u>1%</u> 3%	<u>-1%</u> 1%	<u>3%</u> 6%	<u>-1%</u> -1%	<u>1%</u> 1%	<u>-3%</u> 7%

Source: Bureau of the Census, 2000 and American Community Survey, 2008-2013.

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 4 shows summarizes travel commute times for workers age 16 and over in Tracy and San Joaquin County-, according to 2009-2013 ACS data in 2000. One-third Approximately 34 percent of employed Tracy residents either worked at home or lived relatively close to their place of employment (had travel times to work of less than 20 minutes). An additional 24 percent had commutes between 20 to 44 minutes and the remaining ~~43~~42 percent had commutes of 45 minutes or longer.

Figure 4: Travel Time to Work



Source: Bureau of the Census, American Community Survey, 2009-2013.

~~Compared to residents countywide, a slightly smaller Pproportions of both County and~~
~~The vast majority of Tracy residents (77 percent) who drove alone to work between 2009 and 2013 were~~
~~nearly equal in 2000 and A similar proportion of County residents also drove to work alone~~
~~during this time period. larger proportion of County residents carpooled, while or took more~~
~~Tracy resident took public transportation~~
~~In general, the method of transportation City residents~~
~~chose to take to work matched cCountywide trends -(Table 11).~~

Table 11: Means of Transportation to Work

Means of Transportation	Tracy	County
Drove Alone	76.9% 72.5%	76.7% 74.6%
Carpooled	13.6% 18.9%	14.5% 17.0%
Public Transportation	2.4% 2.1%	1.4% 1.4%
Motorcycle		0.4% 0.1%
Bike	0.4% 0.5%	0.5% 0.7%
Walked	1.4% 1.6%	1.9% 2.3%
Taxicab, Motorcycle, Other Means	0.9% 1.0%	0.9% 0.9%
Worked at home	4.3% 3.3%	4.2% 2.9%
Total	100.0%100.0%	100.0%100.0%

Source: Bureau of the Census, American Community Survey, 2009-2013.

According to the 2013 Interregional Multimodal Commute Trip Planning Study, commuters from the counties of San Joaquin, Merced, and Stanislaus primarily travel to the Bay Area for work. To better serve commuters in this tri-county area, the Study has recommended that the San Joaquin Council of Governments (SJCOG) take the following actions:

- Establish a centralized “one-stop shop” for commuters to get information on travel mode alternatives.

- Give information to commuters and other travelers about available options that might save them time or money.
- Shift people from single occupant vehicles to other modes, allowing for cleaner air and less peak ~~and~~
- ~~less peak~~-period traffic congestion.
- Provide employers with an additional tool to help them comply with rule 9410 and to provide an additional benefit to their employees.
- Provide easy interface with emerging technologies such as smart phones and tablet computers to provide commuters with more convenient access to information on travel modes and road conditions.
- Help transit operators provide more coordinated service in the region.
- Keep planners informed about current travel patterns and mode choice trends.

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 2007-2011 ~~0~~ Census-ACS is displayed in Table 12. 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.

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

- ~~In general, r~~ Renter-households had are more likely to experience a higher level of housing problems (50-56 percent) ~~compared to than~~ owner-households (40-50 percent).
- Large renter-families ~~had the highest level of~~ were more likely to experience housing problems ~~regardless of income level~~ than all other household types (67-79 percent).
- ~~Extremely~~ Very low income (80-86 percent) and ~~very~~ low income households (78-82 percent) ~~had the highest incidence of~~ were significantly more likely than households of other income levels to experience housing problems.

Table 12: Housing Assistance Needs of Lower Income Households (2011~~00~~)

Household by Type, Income, and Housing Problem	Renters				Owners			Total Households
	Elderly	Small Families	Large Families	Total Renters	Elderly	Large Families	Total Owners	
Extremely Low Income (0-30% MFI)	<u>215</u> 22 3	<u>435</u> 234 2	<u>85</u> 69 0	<u>905</u> 59 9	<u>150</u> 19 3	<u>0</u> 92 -	<u>475</u> 384 9	<u>1,380</u> 983 6
% with any housing problem	<u>33%</u> 8 2.5	<u>82%</u> 81 2	<u>100%</u> 1 0	<u>64%</u> 8 3.8	<u>73%</u> 6 6.3	<u>--</u> 68.5 -	<u>65%</u> 72 9	<u>64%</u> 79.6 9
% with cost burden >30%	<u>33%</u> 8 2.5	<u>82%</u> 72 6	<u>100%</u> 1 0	<u>64%</u> 7 9.8	<u>73%</u> 6 6.3	<u>--</u> 68.5 -	<u>65%</u> 72 9	<u>64%</u> 77.1 9
% with cost burden > 50%	<u>21%</u> 5 8.3	<u>71%</u> 62 4.2	<u>100%</u> 0 4.2	<u>56%</u> 6 5.9	<u>67%</u> 4 8.7	<u>--</u> 68.5 -	<u>58%</u> 64 1	<u>57%</u> 65.2 1
Very Low Income (31-50% MFI)	<u>320</u> 10 9	<u>490</u> 204 8	<u>215</u> 105 0	<u>1,190</u> 517 4.9	<u>135</u> 19 4.7	<u>105</u> 159 7	<u>545</u> 431 3	<u>1,735</u> 948 3
% with any housing problem	<u>61%</u> 8 3.5	<u>91%</u> 82 8	<u>100%</u> 1 0	<u>85%</u> 8 4.9	<u>52%</u> 4 4.7	<u>100%</u> 93 7	<u>88%</u> 70 3	<u>86%</u> 78.3 3
% with cost burden >30%	<u>62%</u> 8 3.5	<u>91%</u> 82 8	<u>100%</u> 7 6.2	<u>86%</u> 8 0.1	<u>56%</u> 4 4.7	<u>100%</u> 93 7	<u>89%</u> 66 8	<u>87%</u> 74.1 8
% with cost burden >50%	<u>53%</u> 5 8.7	<u>79%</u> 43 6	<u>65%</u> 61 9	<u>67%</u> 5 1.8	<u>37%</u> 2 7.6	<u>100%</u> 78 6	<u>76%</u> 53 4	<u>70%</u> 52.5 4
Low Income (51-80% MFI)	<u>251</u> 65 0	<u>485</u> 425 5	<u>340</u> 163 7	<u>1,175</u> 913 5.9	<u>310</u> 37 5.1	<u>495</u> 319 0	<u>1,320</u> 9 47	<u>2,495</u> 1,86 0
% with any housing problem	<u>60%</u> 7 5.8	<u>72%</u> 76 5	<u>96%</u> 84 7	<u>80%</u> 7 5.9	<u>56%</u> 3 5.1	<u>98%</u> 76.5 -	<u>84%</u> 61 5	<u>82%</u> 68.5 5
% with cost burden >30%	<u>60%</u> 7 5.8	<u>69%</u> 54 1	<u>87%</u> 38 7	<u>73%</u> 5 7.3	<u>56%</u> 3 5.1	<u>98%</u> 76.5 -	<u>83%</u> 58 8	<u>79%</u> 58.1 8
% with cost burden > 50%	<u>60%</u> 1 2.1	<u>45%</u> 0 -	<u>26%</u> 9.2 9	<u>35%</u> 4 9	<u>47%</u> 1 7.6	<u>82%</u> 50.2 -	<u>71%</u> 32 2	<u>54%</u> 18.8 2
Total Households	<u>1,025</u> 705	<u>3,950</u> 2,263	<u>1,330</u> 9	<u>7,695</u> 4,817	<u>2,015</u> 1,552	<u>3,190</u> 7,560	<u>15,905</u> 12,706	<u>23,600</u> 17,523
% with any housing problem	<u>54%</u> 6 3.7	<u>50%</u> 43 5	<u>79%</u> 66 7	<u>56%</u> 4 9.6	<u>38%</u> 3 3.3	<u>61%</u> 33.5 -	<u>50%</u> 36 1	<u>52%</u> 39.8 -

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 2007-2011 American Community Survey)~~-2000.

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.

~~The CHAS tabulations (based on Census ACS data) reported that 35-48 percent of Tracy households (5,777/11,417 households) overpaid for housing in 2000 between 2007 and 2011. Similar to overcrowding, a household's Housing cost burden typically varies by income level, tenure, household type, and household size. In Tracy, renters and owners were overpaying for housing at a approximately the same/nearly an equal rate, whereas in the County as a whole, State, and nearby cities, overpayment among owners were/was less prevalent than among renters.~~

~~s. Tracy renters were experiencing overpayment at lower rates than renters in the County, the State, and nearby cities. Approximately one-third of Tracy renters (1,712 households) were overpaying for housing compared to over 40 percent in the comparison areas. A slightly higher percentage of Tracy renters were spending 25 to 29 percent of their income on housing, compared with these other areas. The rate of overpayment decreased in Tracy during the past 10 years, down from 40 percent at the time of the 1990 Census.~~

~~The story is different for owner-occupied housing in Tracy, as a higher proportion of households (4,065 households) in the City were overpaying for housing compared to homeowners in the County, State, and nearby cities (Table 14). While 29 percent of owner households in nearby cities and the County were overpaying for housing, 34 percent were doing so in Tracy. The percentage of owner households overpaying for housing was stable between 1990 and 2000. Overall, overpayment affected approximately the same proportion of renters as homeowners (33 percent vs. 31 percent respectively).~~

~~Overall, the high cost of housing in Tracy relative to wages has contributed to a relatively high instance of overpayment for housing. Younger owners and older renters are the age/tenure groups most prone to overpaying for housing in Tracy (Table 15). While higher income families with more income security may voluntarily choose expensive housing for which they will technically overpay, many other households with limited incomes and available housing options are forced to overpay for housing or live in crowded conditions.~~

~~Specifically, senior renter households, which tend to be smaller in size and on fixed incomes, may have a particular risk for overpayment in Tracy. Approximately 66 percent of senior households (those with a householder 65 years of age or older) were overpaying for rental housing, while only 30 percent of senior owner households were overpaying. Low-cost senior housing provision is a priority.~~

~~In addition, younger households, which tend to be first time homebuyers and have smaller household sizes, are not having their needs fully met by the private housing development market. Development of smaller, perhaps attached, less expensive housing could help to fill these needs.~~

~~As shown in Table 16, lower income households have a very high incidence of overpayment for both owner and rental housing. The percentage of households overpaying for rental housing drops off significantly between the \$20,000 to \$34,000 and \$35,000 to \$50,000 income range. However, the overpayment rate did not drop off for owner housing until the \$75,000 to \$100,000 income range. The rate of overpayment was higher for owner households for all income groups except the \$10,000 to \$20,000 income range, where 88 percent of renter households overpay for housing.~~

~~According to the ACS data, between 2006 and 2008, 54 percent of owner-occupied households in Tracy spent more than 30 percent of their household income on housing. By contrast, a slightly higher percentage of renter households (57 percent) overpaid for housing.~~

11.2. Overcrowding

Overcrowding is typically defined as a housing unit occupied by more than one person 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 [Census2008-2013 ACS](#), approximately ~~ten-six~~ percent of housing units in the City (~~1,7831,546~~ units) were overcrowded ~~in 2000~~. Overcrowding disproportionately affected renters (~~13 percent versus three percent~~), indicating overcrowding may be the result of an inadequate supply of larger sized rental units. While ~~71-80~~ 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 a ~~small-portion~~[fraction](#) of these units (~~12-22~~ percent) were occupied by renters.

Table 13: Overcrowding (2013-2000)

Occupants per Room	Owner Occupied		Renter Occupied		Total	
	#	%	#	%	#	%
0 To 1 Occupants per Room	<u>15,639</u> 1,937	<u>97.3%</u> 7.9%	<u>7,245</u> 861	<u>86.8%</u> 2.0%	<u>22,884</u> 5,798	<u>93.7%</u> 9.9%
1.01 To 1.50 Occupants per Room	<u>327</u> 553	<u>2.0%</u> 3.1%	<u>798</u> 456	<u>9.6%</u> 2.6%	<u>1,125</u> 1,009	<u>4.6%</u> 5.7%
1.51 To 2.00 Occupants per Room	<u>44</u> 213	<u>0.3%</u> 1.2%	<u>306</u> 369	<u>3.7%</u> 2.1%	<u>350</u> 582	<u>1.4%</u> 3.3%
2.01 Or More Occupants per Room	<u>71</u> 24	<u>0.4%</u> 0.1%	<u>0</u> 168	<u>0.0%</u> 1.0%	<u>71</u> 192	<u>0.3%</u> 1.1%
Overcrowded Units	<u>442</u> 790	<u>2.7%</u> 4.5%	<u>1,104</u> 993	<u>13.2%</u> 5.6%	<u>1,546</u> 1,783	<u>6.3%</u> 10.1%
Total Housing Units	<u>16,081</u> 2,727	<u>100.0%</u> 72.3%	<u>8,349</u> 854	<u>100.0%</u> 27.7%	<u>24,430</u> 7,581	<u>100.0%</u> 100.0%

Source: Bureau of the Census, [American Community Survey, 2009-2013](#) ~~2000~~.

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](#), ~~homeless~~, single-parent households, ~~large households~~, and ~~migrant~~/farmworkers, [persons living in poverty](#), and [the homeless](#) (Table 14). 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 14: Special Needs Groups (2000)

Special Needs Group	Number of Persons or Households	Number of Owners	%	Number of Renters	%	% of Total Households or Persons
Households with Members Age 65+	<u>4,234</u> 2,593	--	--	--	--	<u>17.4%</u> 14.7%
Senior-Headed Households	<u>2,895</u> 2,171	<u>2,112</u> 1,530	<u>73.0%</u> 70.5%	<u>783</u> 641	<u>27.0%</u> 29.5%	<u>11.9%</u> 12.3%
Senior Living Alone	<u>1,026</u> 1,015	<u>555</u>	<u>54.7%</u>	<u>460</u>	<u>45.3%</u>	<u>4.2%</u> 1.8%
Persons with Disabilities	<u>6,909</u> 7,666	--	--	--	--	<u>8.3%</u> 13.6%
Large Households	<u>5,829</u> 3,421	<u>3,660</u> 2,486	<u>62.8%</u> 72.7%	<u>2,169</u> 935	<u>37.2%</u> 27.3%	<u>24.0%</u> 19.4%
Female-Headed Households	3,073	1,601	52.1%	1,472	47.9%	17.4%
Single-Parent Households with Children	<u>2,713</u> 1,607	-- 701	-- 43.6%	-- 906	-- 56.4%	<u>11.2%</u> 9.1%
Female-Headed Households	<u>1,827</u> 1,016	-- 467	-- 46.0%	-- 549	-- 53.9%	<u>7.5%</u> 5.8%

with Children			46.0%		54.0%	
In Poverty	441,201	---	---	---	---	1.8% 19.8%
Farmworkers	505,209	---	---	---	---	0.6% 0.4%
Residents Living Below Poverty	6,770,928	---	---	---	---	7.0% 7.0%
Homeless	25,122	---	---	---	---	0.2% 0.2%

Sources: Bureau of the Census, 2010, American Community Survey (ACS), 2009-2013; San Joaquin County 2015 Point-in-Time Unsheltered Homeless Count Report; and San Joaquin County Homeless County, 2010.

1. Seniors

Seniors face unique housing circumstances because of three factors: a limited or fixed income; health care costs; and disabilities. ~~Many senior-headed households have special needs due to their relatively low incomes, disabilities or limitations, and dependency needs.~~ 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 2010 Census, ~~over approximately 3,600~~ 5,750 seniors (about ~~6~~ seven percent of the total population) lived in Tracy. ~~In addition, approximately 12 percent of all households in the City were headed by seniors, which is a decrease from 15 percent in both 1990 and 2010.~~ Of these senior-headed households, most (~~71~~ 73 percent) owned their homes; ~~the while the remaining~~ ~~der~~ (29-27 percent) of senior-headed households rented their homes. Housing cost burden is a significant issue for these households. Approximately ~~39~~ 43 percent of senior-headed households overpaid for housing. ~~Specifically, 29~~ 38 percent of senior homeowners ~~overpaid, while~~ and ~~72~~ 52 percent of senior renters ~~overpaid~~ experienced a housing cost burden.

Aside from ~~overpayment~~ housing cost burden issues ~~problems~~ faced by seniors due to their relatively fixed incomes, many seniors are also faced with various disabilities. Approximately ~~38~~ 35 percent of Tracy seniors had a disability ~~in 1990-2010 which, according to~~ between 2009- and 2013 ~~Census ACS – a~~ grew to approximately ~~slightly~~ decrease from ~~lower than the~~ 50 ~~38~~ percent by ~~in the year~~ 2000 (when 38 percent of seniors reported having a disability).

The 2010 Census reported ~~that among the elderly residents in Tracy, 63~~ 75 percent of the City's ~~elderly residents~~ were living in family households either with spouse or with other family members (Table 15). ~~However, a significant portion (18 percent) of these seniors lives alone.~~ ~~Approximately 28~~ 20 percent of elderly residents were living in non-family households,

~~primarily living alone but some were living with roommates. Another nine five percent of elderly persons were living in group quarters such as convalescent homes.~~

Table 15: Elderly Residents by Household Type

Household Type	Number	%
Family Households	4,322 <u>2,248</u>	75.2% <u>63.1%</u>
Living with Spouse	1,020 <u>708</u>	23.6% <u>17.8%</u>
Other Family Household	3,302 <u>1,540</u>	76.4% <u>57.4%</u>
Non-Family Households	1,175 <u>1,006</u>	20.4% <u>28.3%</u>
Elderly Living Alone	1,026 <u>980</u>	87.3% <u>17.8%</u>
Group Quarters	253 <u>307</u>	4.4% <u>8.6%</u>
Total Elderly Population	5,750 <u>3,561</u>	100.0% <u>100.0%</u>

Source: Bureau of the Census, 2010.

~~According to the ACS data, between 20096 and 201308, over 4,6006,400 seniors (about 6 eight percent of the total population) lived in Tracy and about four four percent of all households (1,010 households) in the City were comprised of seniors living alone.~~

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 – ~~the Village~~Tracy Garden Apartments and Tracy Place Senior Apartments. In addition, the City contracts with the San Joaquin County Housing Authority to provide ~~Section 8 Housing Choice Vouchers assistance~~ to very low income households. The City also facilitates housing options for seniors through residential care facilities. As of June 2015, a total of ten 16 senior residential care facilities for the elderly (with a total capacity of 327 beds) are operating in the City Tracy, with a total capacity of over 300327 beds.

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.
- Daily Nutrition Lunch: Hot lunches provided for individuals over the age of 60.
- 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: A Fixed Route bus service for seniors and persons with disabilities.

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.

~~The 2000 Census defines six types of disabilities: sensory, physical, mental, self-care, go outside home, and employment. The Census defines sensory and physical disabilities as “long-lasting conditions.” Mental, self-care, go outside home, and employment disabilities are defined as conditions lasting six months or more that makes it difficult to perform certain activities. A more detailed description of each disability is provided below:~~

- ~~• Sensory disability: Refers to blindness, deafness, or severe vision or hearing impairment.~~
- ~~• Physical disability: Refers to a condition that substantially limits one or more basic physical activities, such as walking, climbing stairs, reaching, lifting, or carrying.~~
- ~~• Mental disability: Refers to a mental condition lasting more than six months that impairs learning, remembering, or concentrating.~~
- ~~• Self-care disability: Refers to a condition that restricts ability to dress, bathe, or get around inside the home.~~
- ~~• Go outside home: Refers to a condition that restricts ability to go outside the home alone to shop or visit a doctor’s office.~~

- ~~Employment disability: Refers to a condition that restricts ability to work at a job or business.~~

According to the ~~2000-2009-2013~~ Census ACS, approximately ~~14~~ nine percent of Tracy residents (~~7,666,909~~ persons) over five years of age had a disability. The ~~Census ACS~~ tallied the number of disabilities by type for residents with one or more disabilities. Among the disabilities tallied, ~~ambulatory (49 percent) and cognitive (38 percent) difficulties were the most prevalent common.~~ ~~Among other types of disabilities tallied, 8~~ 10 percent were sensory disabilities ~~vision difficulties, 23~~ 19 percent were physical disabilities ~~self-care difficulties, 11~~ 25 percent were mental disabilities ~~hearing difficulties, seven percent were self-care disabilities, 20 percent were disabilities that limited the ability to go outside the home, and 31 percent were employment disabilities and 35 percent were independent living difficulties~~ (Table 16). ~~However, the prevalence of certain disabilities does vary by age. For example, Mental disabilities~~ Cognitive difficulties accounted for ~~72-78~~ percent of disabilities tallied among five to 17 ~~5~~ year olds, while ~~42-45~~ 69 percent of disabilities tallied for ~~18-64~~ 64 year olds ~~among seniors limited their ability to work were ambulatory difficulties. Physical disabilities~~ Ambulatory difficulties (69 percent) and independent living difficulties (52 percent) were most prevalent disabilities that restrict the ability to go outside the home alone accounted for 59 percent of disabilities tallied among Tracy's senior population.

Table 16: Disabilities Tallied by Age and Type

Type of Disability	%# of Disabilities Tallied			
	5 to 17 <u>5</u>	18 <u>6</u> to 64	65+	Total
With a hearing difficulty <u>Sensory disability</u>	10.2% 54	19.8% 561	38.5% 509	24.8% 1,124
With a vision difficulty <u>Physical disability</u>	6.6% 40	8.3% 1,985	13.6% 1,264	9.8% 3,289
With a cognitive difficulty <u>Mental disability</u>	78.0% 318	36.8% 904	27.5% 466	37.8% 1,688
With an ambulatory difficulty <u>Self-care disability</u>	3.4% 31	45.3% 580	68.9% 427	48.8% 1,038
With a self-care difficulty <u>Go outside home disability¹</u>	12.1% —	14.4% 2,182	27.8% 739	18.5% 2,921
With an independent living difficulty <u>Employment disability²</u>	-- —	32.4% 4,448	51.6% —	35.3% 4,448
Total Persons with Disabilities <u>Total</u>	677 443	4,027 10,660	2,205 3,405	6,909 14,508

Notes:

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

2. ~~Persons may have multiple disabilities.~~

1. ~~Tallied only for persons 16 years and over.~~

2. ~~Tallied only for persons 16 years to 64 years.~~

Source: Bureau of the ~~Census, Census, American Community Survey, 2009-2013~~ 0.

A recent change in State law requires that the Housing Element discuss the housing needs of persons with developmental disabilities. As defined by the Section 4512 of the Welfare and Institutions Code, "developmental disability" means "a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual. As defined by the State of California's Director of Developmental Services, in consultation with the Superintendent of Public

Instruction, this term shall include mental retardation, cerebral palsy, epilepsy, and autism. This term shall also include disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, but shall not include other handicapping conditions that are solely physical in nature.” This term also reflects the individual’s need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.~~A recent change in State law (SB 812 passed in November 2010) requires that the Housing Element discuss the housing needs of persons with developmental disabilities. As defined by federal law, “developmental disability” means a severe, chronic disability of an individual that:~~

- ~~—— Is attributable to a mental or physical impairment or combination of mental and physical impairments;~~
- ~~—— Is manifested before the individual attains age 22;~~
- ~~—— Is likely to continue indefinitely;~~
- ~~—— Results in substantial functional limitations in three or more of the following areas of major life activity: self care; receptive and expressive language; learning; mobility; self-direction; capacity for independent living; or economic self-sufficiency;~~
- ~~Reflects the individual’s need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.~~

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person’s living situation as a child to an appropriate level of independence as an adult.

The Census does not record developmental disabilities. According to the U.S. Administration on Developmental Disabilities, an accepted estimate of the percentage of the population that can be defined as developmentally disabled is 1.5 percent. This equates to 1,244 persons in Tracy with developmental disabilities, based on the 2010 Census population.~~Based on this general estimate, approximately 1,250 Tracy residents may have developmental disabilities.~~

The Valley Mountain Regional Center (VMRC) provides services for persons with developmental disabilities in Amador, Calaveras, San Joaquin, Stanislaus, and Tuolumne counties. According to VMRC, as of July~~March~~ 2015~~1~~, VMRC serves 520~~725~~ Tracy residents. Most of these individuals were residing in a private home with their parent ~~or~~ guardian (89 percent) and 470 ~~of these persons~~ (65 percent) ~~with developmental disabilities~~ were under the age of 18.~~Of these, 89 percent are living with parents, relatives, or legal guardians. The remaining 11 percent are living in community care facilities, foster homes, and other independent living facilities. Of those living with family members or guardians, 10 percent are young adults aged 18 to 22 and 17 percent are adults aged 23 to 59. A portion of these may desire independent living arrangements.~~

Resources Available

~~The City offers the Rehabilitation Home Loan Program and the Emergency Home Repair Assistance Program to improve or repair housing occupied by lower income households. Accessibility improvements to benefit persons with disabilities are eligible uses of these programs.~~ Housing options for persons with disabilities also include community care facilities. As of June 2015, the City of Tracy currently has:

- ~~5-6~~Six Adult Residential Care facilities - ~~30-35~~ beds total
- ~~2-4~~One Group Homes - ~~12-23~~ beds total
- ~~10-16~~ Residential Care for the Elderly facilities - ~~303-327~~ beds total

~~Combined, these facilities offer a capacity of 345-385 beds.~~

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 ~~2010~~, approximately ~~19-24~~ percent of total households in Tracy were considered large households. Of these large households, approximately ~~73-63~~ percent owned the units they occupied and ~~27-37~~ percent rented. Finding large rental units (with three or more bedrooms) is a ~~typical common~~ problem for large families, particularly large renter households with earning lower income levels. According to the 2009-2013 ACS, oOf the ~~17,727~~24,430 occupied housing units in Tracy, ~~71-80~~ percent had three or more bedrooms (the minimum size considered large enough to avoid most overcrowding issues for large households). However, only about a one-fifth small portion fraction of these units (~~12-22~~ percent) were occupied by renters.

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 2010 Census showed that single parent ~~households~~ comprised approximately ~~nine~~ eleven percent of Tracy ~~families~~ households. Of these ~~families~~ households, ~~63–67~~ percent (1,827 households) were headed by females. Female-headed ~~families~~ households, and particularly those with children, often have a higher incidence of poverty when compared to ~~all other households~~ types. ~~According to the 2009-2013 ACS data, o~~Of female-headed families with children under 18 in Tracy, approximately ~~20–22~~ percent had incomes below the poverty level. Female-headed households need affordable housing in areas ~~suitable for child-rearing and~~ with access to transit networks, schools and parks, and daily services. ~~According to the ACS data, between 2006 and 2008, approximately 22 percent of Tracy households were single-parent households. Female-headed households with children made up 57 percent of these single-parent households.~~

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 ~~2009-2013 ACS~~ 2000 Census reported found that 209–505 people–Tracy residents being were employed in the agriculture, forestry, fishing and hunting, farming, fishing and mining forestry occupations industry, making up approximately ~~0.4–1.4~~ percent of the population in Tracy. ~~According to the ACS data, approximately 420 Tracy residents (0.7 percent) were employed in the agriculture, farming, fishing and forestry occupations between 2006 and 2008.~~

Resources Available

Because the City's farmworker population is ~~so~~ small, no special housing programs for this group are ~~warranted~~ necessary. The Housing needs ~~for of~~ farmworkers in the City can be ~~addressed–met~~ through the various affordable housing programs that are available for to all lower income households ~~offered by the City~~.

6. Residents Living Below Poverty

Families, particularly female-headed families, are disproportionately affected by poverty. According to 2009-2013 ACS data ~~In 2000, seven–eight~~ percent of the City's total residents

(~~3,928~~6,770 persons) were living in poverty. ~~Nearly~~ However, nearly 20-22 percent of female-headed families with children, ~~however,~~ had incomes below the poverty level.

7. Homeless

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.

According to the San Joaquin County ~~2011~~2015 Point-In-Time Unsheltered Homeless Count ~~2009, there are 25122 homeless adults and 12 homeless children-unsheltered~~32 homeless persons were counted in the City of Tracy.

~~A The majority of the City's County's unsheltered homeless (22-66 percent) persons) are male.~~

Resources Available

Services and facilities available to the homeless in and around Tracy are listed in Table 17.

Table 17: Homeless Services

Organization	Services
Central Valley Low Income Housing Corporation	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	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	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 a maximum of 8 to 10 weeks of shelter to homeless families and <u>single</u> women.
Stockton Shelter for the Homeless	Provides short- and long-term housing and supportive services for homeless families and individuals.
Gospel Center Rescue Mission	Provides emergency housing and services to homeless families and individuals and operates the New Hope Family Shelter, a six-month transitional program.

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

Tracy ~~has~~ experienced ~~strong-rapid~~ housing growth ~~since-from~~ 1990 ~~to~~ 2005. The total number of housing units in the City increased 49 percent between 1990 and 2000 and ~~another~~ 41-44 percent from 2000 to 2010~~9~~. Until 2010, Tracy's housing growth ~~has~~ consistently outpaced countywide housing growth as well as growth experienced in most surrounding communities (Table 18). Much of the housing growth that occurred between 2000 and 2010~~9~~, however, took place ~~early-on-in~~ 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. The City issued over 6,600 residential building permits during that ~~five~~four-year time period. 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 has declined further ~~in~~ since 2007 ~~and 2008~~ as a result of the economic downturn and tightening of the credit market. By

~~Since 2010, housing growth in all of San Joaquin County has had declined steeply – with many communities, including Tracy, experiencing less than one percent growth in their housing stock. Since January 1, 2007, only 354 building permits have been finalized.~~

Table 18: Housing Growth

Jurisdiction	1990	2000	2010 2019	2015	1990 – 2000	% Change 2000 – 2010 2019	2010-2015
Escalon	1,640	2,132	2,610 2,519	<u>2,648</u>	30.0%	22.4% 18.2%	<u>1.5%</u>
Lathrop	2,040	2,991	5,261 4,992	<u>5,801</u>	46.6%	75.9% 66.9%	<u>10.3%</u>
Lodi	19,676	21,378	23,792 23,368	<u>23,830</u>	8.7%	11.3% 9.3%	<u>0.2%</u>
Manteca	13,981	16,937	23,132 22,961	<u>24,856</u>	21.1%	36.6% 35.6%	<u>7.5%</u>
<u>Ripon</u>	<u>2,653</u>	<u>3,432</u>	<u>5,129</u>	<u>5,227</u>	<u>29.4%</u>	<u>49.4%</u>	<u>1.9%</u>
Stockton	72,525	82,042	99,637 96,854	<u>100,097</u>	13.1%	21.4% 18.1%	<u>0.5%</u>
Tracy	12,174	18,087	25,963 25,566	<u>26,080</u>	48.6%	43.5% 41.4%	<u>0.5%</u>
County Total	166,274	189,160	233,755 28,981	<u>237,905</u>	13.8%	23.6% 21.1%	<u>1.8%</u>

Sources:

~~1.~~ Bureau of the Census, (1990, and 2000, and 2010) California Department of Finance, (2015).
California Department of Finance, Population and Housing Estimates, 2009.

2. Housing Type

Table 19 shows the mix of housing units in Tracy, according to 2009-2013 ACS data~~in 2009~~. Tracy’s housing stock is comprised mostly of single-family detached homes (~~82~~82 percent). Another ~~four~~four percent of units are single-family attached units (such as zero lot line or second units).– Just ~~12~~13 percent of ~~the~~ units in the City are comprised of multi-family ~~development units, while~~and in mobile homes, boats, RV, van, etc. make up about ~~two~~two percent of total housing units.

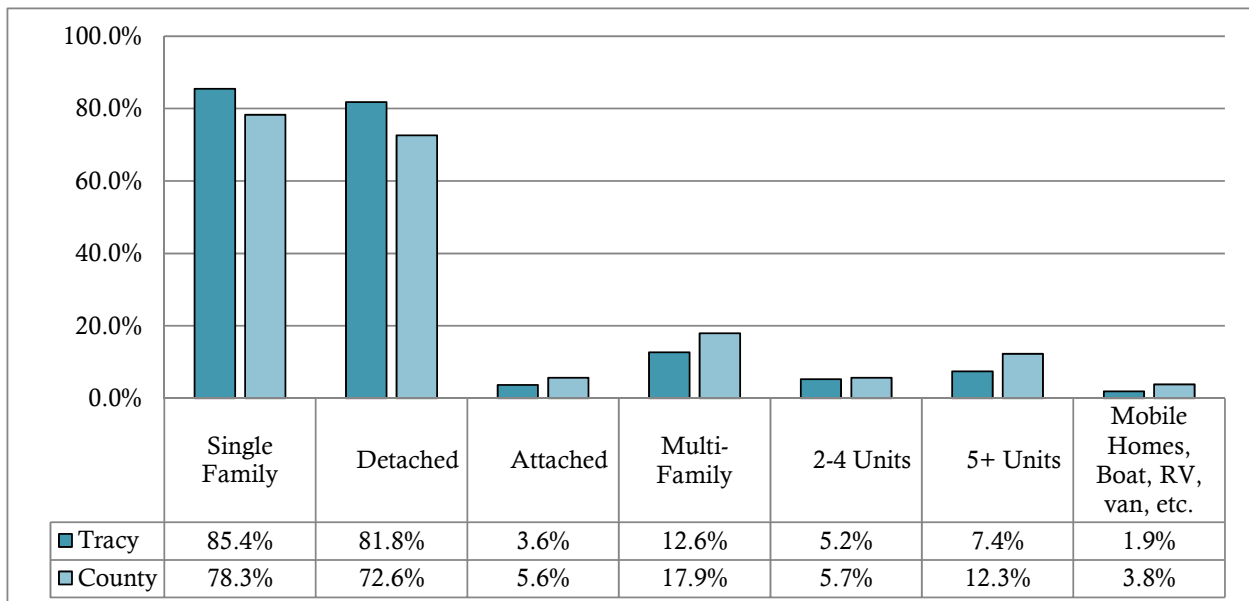
Table 19: Housing Stock Characteristics

Unit Type	Number	Percent
Single-Family	21,886 21,997	85.4% 86.0%
Detached	20,952 20,968	81.8% 82.0%
Attached	934 1,029	3.6% 4.0%
Multi-Family	3,240 3,093	12.6% 12.1%
2-4 Units	1,339 1,029	5.2% 4.0%
5+ Units	1,901 2,064	7.4% 8.1%
Mobile Homes, <u>Boat, RV, van, etc.</u>	492 476	1.9% 1.9%
Total Housing Units	25,618 25,566	100.0% 100.0%
Total Occupied	24,430 24,906	95.4% 97.4%
Vacancy Rate		2.6% 4.6%

Source: Bureau of the Census, American Community Survey, 2009-2013. ~~State~~
Department of Finance, Population and Housing Estimates, 2009.

Tracy’s housing stock ~~is~~ has a higher proportion of single-family homes than the County as a whole. ~~less diverse than the countywide housing stock~~ comparable to the County’s. ~~Only About 76-73 percent of the~~ housing units in San Joaquin County consisted of single-family detached homes and nearly one-fifth ~~18 percent of the total housing stock~~ was made up of multi-family units (Figure 5).

Figure 5: Housing Stock Composition



Sources: Bureau of the Census, American Community Survey, 2009-2013

3. Housing Availability and Tenure

Housing vacancy rates and tenure are important indicators of the supply and cost of housing in a community. Vacancy rates can indicate whether there is a balance between the population and available housing units ~~in the community~~. 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 three and five percent is considered optimal for rental housing ~~and optimal vacancy rate for ownership housing is usually estimated at~~ while ~~two to three percent is ideal for ownership housing~~. The City's overall ~~current~~ vacancy rate ~~is in 2010 was~~ 2.6 percent (Table 19). Given the City's housing mix of primarily single-family homes, this vacancy rate is considered ~~optimal~~ high, ~~indicating a balance between housing supply and demand~~.

Housing tenure refers to whether a unit is owned or rented. According to the Census, approximately ~~72-66~~ percent of Tracy households were homeowners, while the remaining ~~28-34~~ percent were renters (Table 20). The home ownership rate in Tracy was ~~significantly moderately~~ higher than ~~for the County as a whole~~ average, but ~~comparable below to the~~ that of the neighboring cities of Escalon and Lathrop. Furthermore, comparing this tenure distribution with the composition of the City's housing stock indicates that a significant number of single-family homes are used as rentals, reflecting a demand for rental housing in the community. ~~A much smaller proportion of households owned their homes in Lodi and Stockton.~~

Table 20: Housing Tenure

Jurisdiction	Owner		Renter	
	#	%	#	%
Escalon	1,792 <u>1,549</u>	72.4% <u>75.3%</u>	684 <u>507</u>	27.6% <u>24.7%</u>
Lathrop	3,604 <u>2,319</u>	75.4% <u>79.7%</u>	1,178 <u>589</u>	24.6% <u>20.3%</u>
Lodi	12,091 <u>11,308</u>	54.7% <u>54.6%</u>	10,006 <u>9,384</u>	45.3% <u>45.4%</u>
Manteca	13,521 <u>10,305</u>	62.5% <u>63.0%</u>	8,097 <u>6,063</u>	37.5% <u>37.0%</u>
<u>Ripon</u>	<u>3,530</u>	<u>72.7%</u>	<u>1,325</u>	<u>27.3%</u>
Stockton	46,738 <u>40,534</u>	51.6% <u>51.6%</u>	43,867 <u>38,022</u>	48.4% <u>48.4%</u>
Tracy	16,163 <u>12,717</u>	66.4% <u>72.2%</u>	8,168 <u>4,903</u>	33.6% <u>27.8%</u>
County Total	127,270 <u>109,667</u>	59.2% <u>60.4%</u>	87,737 <u>71,962</u>	40.8% <u>39.6%</u>

Source: Bureau of the Census, 20190.

According to the ACS ~~data~~, between 20096 and 201308, ~~72-66~~ percent of Tracy households were ~~owner occupied while 28-34~~ percent were ~~renter occupied~~. ~~The~~ owner vacancy rate ~~was had~~ dipped to ~~five~~1.5 percent ~~and while~~ the renter vacancy rate was ~~six~~ 4.3 percent, indicating a slightly tightened housing market compared to 2010. ~~If ownership vacancy rates continue to fall in the City, it may be an indicator of an insufficient number of available ownership housing units.~~

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 higher for all household size categories compared with the State and the County (Table 21).

Table 21: Percentage Homeowner by Household Size

Household Size	Tracy		CA		County		Difference	
	Count	%	Count	%	Count	%	Tracy-CA	Tracy-County
1 person	3,326	58.5%	2,929	45.8%	42,389	52.4%	12.7%	6.1%
	377	4%	0,197	6%	,226	1%	%	%
2 people	5,546	72.3%	3,653	62.1%	57,790	68.7%	10.2%	3.6%
	312	5%	4,005	3%	,795	9%	2%	%
3 people	4,354	68.0%	2,043	57.0%	35,266	58.9%	11.0%	9.1%
	366	3%	9,758	8%	,799	0%	6%	%
4 people	5,276	68.0%	1,883	60.0%	35,058	59.5%	8.0%	8.5%
	158	9%	0,816	2%	,983	4%	%	%
5 person	3,198	65.4%	1,040	55.5%	22,349	55.0%	9.9%	10.4%
	579	5%	906	8%	970	8%	%	7%
6 person	1,473	60.6%	507	53.8%	11,484	52.9%	6.7%	7.7%
	9	4%	15	5%	408	4%	%	%
7 or more+ people	1,158	58.3%	519	54.0%	10,671	50.0%	4.3%	8.3%
	32	1%	243	3%	486	6%	%	%

Source: Bureau of the Census, 2010.

Racial and ethnic minorities in Tracy are much more likely to own their homes than their counterparts elsewhere in California, as shown in Table 22. The difference is especially apparent for African-Americans Blacks and Asian/Pacific Islanders. While Approximately 56 percent of African-American Black households in Tracy owned their homes compared to 42 percent in San Joaquin County. Similarly, about and 78 percent of Asian households in Tracy of Asian/Pacific Islanders have nearly 80 percent rates of homeownership householders owned their homes were homeowners in Tracy, these same racial groups have rates of homeownership closer of 42 percent and compared to only to 5063 percent, respectively, in San Joaquin County countywide and California. Homeownership rates for these two racial/ethnic groups were even lower statewide.

Table 22: Homeownership by Race/Ethnicity

Homeownership by Race	Tracy	County	CA
White	11,086	72%	64%
	9,231	74%	63%
Black or African American	1,893	56%	37%
	786	78%	39%
American Indian/Alaska Native alone	108	55%	51%
	103	56%	46%
Asian/Pacific Islander	3,300	78%	57%
	1,039	83%	55%
Some other race	641	61%	44%
	003	54%	40%
Two or more races	720	64%	46%
	565	68%	44%
Hispanic of any race	7,160	55%	48%
	2,297	59%	44%

Source: Bureau of the Census, 2010.

For all but the two youngest age cohorts shown below, owner households in Tracy outnumber renter households. Households with a householder between 15 and 24 years of age rented approximately 732 percent of the time, while householders between 25 to 34 years of age rented approximately 54 percent. The next highest level of renting was for householders 85 years old

~~and older, 42 38 percent of whom were renter households. The 2535 to 34 44 age range had 65 percent owners and 35 percent renters. For all other age cohorts shown below, owner households outnumbered renter households at a ratio of two to one or more. Younger and older households tend to prefer smaller housing units, and the tenure rates may be further evidence of the need for smaller housing units in the City, especially affordable for rent housing.~~

~~Income is typically a powerful explanatory variable for tenure. As income increases, home ownership becomes more common. This trend is noticeable in Tracy, as the income groups tracked by the Census ACS show increasing ownership as one moves up the income brackets. For example, while homeownership for households earning \$20,000 – \$24,999 occurred at a rate of 47 36 percent, homeownership rates for households earning \$75,000 – \$99,999 was almost approximately 80 70 percent. Compared to the County and State, the share of each most income groups in owner-occupied housing was were higher in Tracy. The differences between the City and comparison areas were particularly pronounced for low income groups earning up to \$20,00014,999 per year as a household.~~

~~The difference in income between owner households and renter households in Tracy (as a percentage of the median income) was not as pronounced as in the County or State (Table 29). Owners have a 70 70 percent higher median income in the County compared to renters, and a 64 69 percent higher median income in the State. Several factors, including the lack of low-cost rental housing in the City may contribute to this phenomenon. Low income households may simply choose not to live in Tracy due to the cost of housing relative to other San Joaquin Valley communities.~~

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 23). The housing stock in the City is significantly newer than ~~that housing~~ in the County, State, and nearby cities – indicating that there is not a critical need for housing rehabilitation in Tracy (Figure 6). 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 7,0836,557 units (39 26 percent of the housing stock) in Tracy were constructed prior to 1980 and would be of sufficient age to ~~be susceptible to deterioration~~ requiring maintenance or rehabilitation ~~as of 20092013~~. According to the City's Code Enforcement Division, an estimated 100 several hundred housing units in the City are in substandard condition. ~~These housing units tend to be older homes and have substantial amounts of one or more of the following types of conditions: non-operating~~

electrical or plumbing fixtures; non-operating water heaters and HVAC units; leaky roofs; substantial amounts or prolonged periods of debris, appliances, auto parts or recyclables collected from elsewhere stored on the property; substantial weeds or otherwise unmaintained landscaping; structural deficits, such as hazardous electrical, foundations or other systems; illegal conversions, room additions, or other construction.

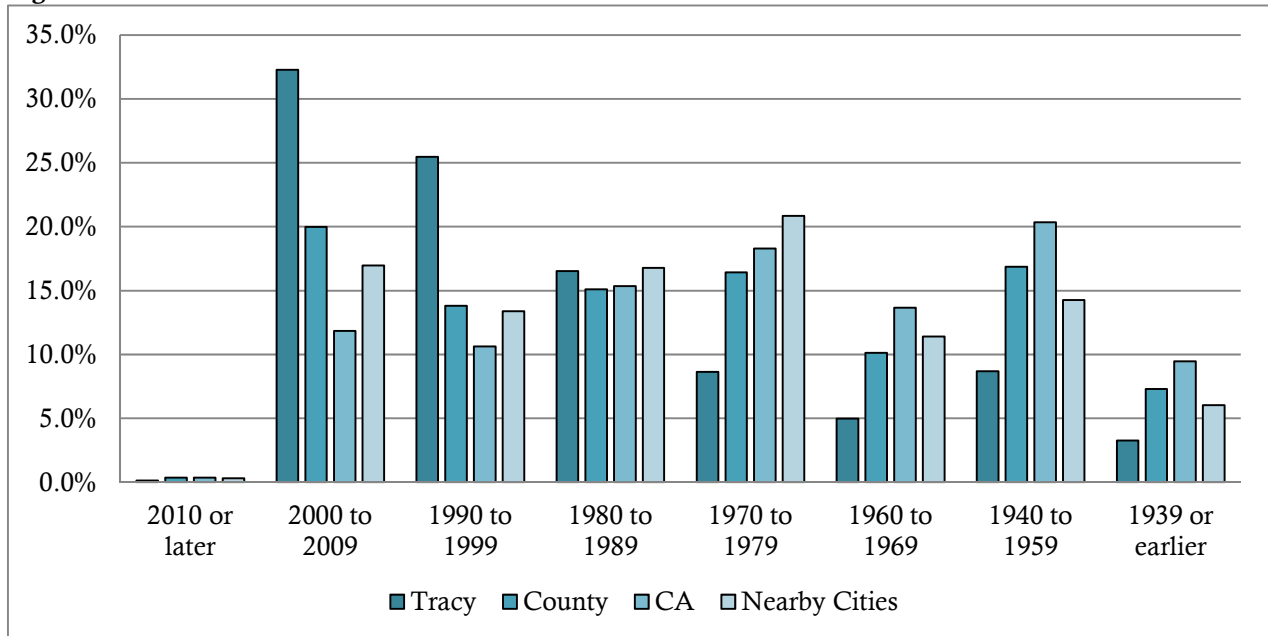
An additional 750 units are damaged foreclosed homes that are in otherwise in reasonable structural condition but have incurred relatively recent (within the past two years) interior or exterior damage, typically due to neglect or vandalism to the building(s) or the site, such as holes in walls, broken windows and doors, copper wiring torn out, fences falling down, substantial weeds or other landscaping neglect, illegal occupancy or use, and similar conditions. According to the 2009-2013 ACS, the median age year of homes in Tracy in 2009 was 17 years a structure was built was in 1993 (a housing unit built between 1990 and 1994). The housing stock near Tracy's downtown (an area containing a significant portion of the City's affordable housing stock), however, is impacted by deferred maintenance. The older housing stock near the City's historic center is significantly more affordable than the new housing being developed on the fringes of the City.

Table 23: Age of Local Housing Stock

Year Housing Unit Was Built	Tracy Number	Tracy %	County	State	Nearby Cities
2000 to 2009	7,519	29.4%	17.4%	9.7%	15.4%
1999-2010 or later to March 2000	341,103	0.1%4.3%	0.4%2.1%	0.4%1.4%	0.3%2.0%
1995-2000 to 1998-2009	8,2662,412	32.3%9.4%	20.0%5.2%	11.8%4.0%	17.0%4.8%
1990 to 1994	6,5233,441	25.5%13.5%	13.8%7.3%	10.6%6.2%	13.4%7.6%
1980 to 1989	4,2384,008	16.5%15.7%	15.1%15.6%	15.3%15.5%	16.8%17.6%
1970 to 1979	2,2132,287	8.6%8.9%	16.4%17.1%	18.3%18.5%	20.8%21.0%
1960 to 1969	1,2751,479	5.0%5.8%	10.1%11.5%	13.7%15.1%	11.4%12.7%
1940 to 1959	2,2292,495	8.7%9.8%	16.9%17.1%	20.4%21.0%	14.3%14.0%
1939 or earlier	840822	3.3%3.2%	7.3%6.7%	9.5%8.6%	6.0%4.9%
Total	25,61825,566	100.0%100.0%	100.0%100.0%	100.0%100.0%	100.0%100.0%

Note: Nearby Cities includes Lathrop, Manteca, Modesto, Turlock, Stockton, and Livermore.
 - Bureau of the Census, American Community Survey, 2009-2013
 - the Census, 2000.
 - State Department of Finance, 2009.

Figure 6: Years Structure Built



Sources: Bureau of the Census, American Community Survey, 2009-2013

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

Tracy's for-sale residential market has largely followed the boom-and-bust cycle experienced throughout California and across the country. Like many other cities, Tracy's home values increased ~~steadily in the first half of the decade 2000s~~ between 2000 and 2004 before falling substantially ~~during the current economic downturn in the second half~~ in the subsequent five to seven years.

The California Association of Realtors (CAR) publishes median home sales price data compiled by ~~DataQuick~~ CoreLogic for cities and counties throughout the State. The median home sales price in Tracy ~~declined~~ increased by approximately ~~18~~ 14 ~~four~~ percent between ~~2008~~ March 2014 and ~~2009~~ March-August 2015 (Table 24). ~~but~~ Median median home prices in the City are ~~still~~ the highest (\$~~245~~ 415 ~~20,000~~) in San Joaquin County. ~~Home P~~ Home P prices ~~dropped~~ increased approximately ~~22~~ eight ~~nine~~ percent countywide ~~from 2008 to 2009~~ during the that same time period. During the housing market crisis, median home prices were significantly lower in 2009, at \$245,000 for Tracy and \$167,000 countywide.

Table 24: Median Home Sale Price (2014-2015)

Jurisdiction	# of Homes Sold in October March August 2015	Median Price		% Change in Price 2014-2015
		October March 2015	March August 2015	
Escalon	71 11	\$288,500 \$278,500	\$300,000 \$243,500	-3.8% 14.4%
Lathrop	514 752	\$332,750 \$336,500	\$309,000 \$289,000	7.7% 16.4%
Lodi	776 278	\$271,000 \$235,500	\$250,750 \$215,000	8.1% 9.5%
Manteca	1421 08135	\$341,000 \$321,500	\$319,500 \$300,000	6.7% 7.2%
Ripon	33	\$365,000	\$332,000	9.9%
Stockton	4213 72495	\$210,000 \$196,000	\$185,000 \$165,000	13.5% 18.8%
Tracy	1681 66208	\$420,000 \$415,000	\$402,500 \$365,750	4.3% 13.5%
San Joaquin County	9207 961,022	\$290,000 \$268,500	\$265,000 \$249,300	9.4% 7.7%

Source: DQNewsCoreLogic.com, 2015.

2. Rental Market

As previously noted, while over 85 percent of the City’s housing stock is comprised of single-family homes, about 66 percent of the households were owner-occupied households. This would suggest that many single-family homes in the City were being used as rentals. ~~in Table 20 on page 30, the majority of housing units in Tracy are owner-occupied. This has resulted in a limited number of units available for rent in the City.~~ Market-rate rents for ~~apartments housing~~ in Tracy are summarized in Table 25. Rental rates were compiled based on a review of ~~208~~~~81~~ over 150 rental listings ~~posted on various online resources in September in posted from April to December May 2015~~ 2015. ~~Based on the listings, rents in Tracy ranged from \$642-675 (for a studio) to \$1,811-2,700 (for a fivefour bedroom house). Most of the units for rent were two-bedroom apartments and four bedroom houses, with an average median rent of \$780-1,683 and \$1,053-2,100 respectively. Rents varied significantly by housing type (single-family home versus apartment) and by the number of bedrooms. The majority of apartments available consisted of one- and two-bedroom units renting for approximately \$1,500-\$1,600 per month. The single-family homes available for rent were typically much larger (three or four bedrooms) and ranged in price from \$1,800-\$2,200 per month.~~

Table 25: Rental Rates (201509)

Size	# of Listings	Average Rent	Average Rent	Median Rent	Rent Range	# of Listings
<i>Apartments</i>						
Studio	24	\$642	\$755	\$1,150	\$773-\$1,150	\$799-\$1,150
1 Bedroom	13	\$842	\$1,497	\$1,584	\$1,575-\$1,610	\$1,852-\$1,870
2 Bedrooms	16	\$780	\$1,760	\$1,624	\$1,683-\$1,735	\$2,139-\$2,610
3 Bedrooms	2	\$1,048	\$2,017	\$1,678	\$2,017-\$1,695	\$2,128-\$1,985
Subtotal	35	\$49	\$1,562	\$1,599	\$1,600-\$1,622	\$2,139-\$2,610
<i>Single-Family Homes, Townhomes, Condominiums</i>						
1 Bedroom	1	\$943	=	=	=	\$1,400
1-2 Bedrooms	4	\$1,053	-\$1,213	-\$1,350	-\$1,350	\$1,400-\$1,350
3 Bedrooms	29	\$1,395	\$1,947	\$1,886	\$2,000-\$1,895	\$2,350-\$2,195
4 Bedrooms	25	\$1,549	\$2,112	\$2,204	\$2,100-\$2,200	\$2,700-\$2,795
5 Bedrooms	4	\$1,811	\$2,173	\$2,344	\$2,150-\$2,323	\$2,500-\$2,995
Subtotal	104	\$46	\$2,032	\$2,107	\$2,000-\$2,195	\$2,700-\$2,995
Total	81	\$153	\$1,829	\$1,944	\$1,895-\$1,950	\$675-\$2,700
Second Units	\$673					3

Source: Craigslist, Padmapper, Apartments.com, Forrent.com, Trulia, Realtor.com, and various rental property websites. (accessed September 2015). (accessed December May 200159); Apartmenthunterz.com (accessed December May 201509); RentalHouses.com (accessed December 2009)

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. ~~The maximum affordable home and rental prices for residents of San Joaquin County are shown in Table 33.~~

Table 26 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 24) and market rental rates (Table 25) 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 ~~\$13,351~~13,950 for a one-person household and up to ~~\$20,650~~28,410 for a five-person household in 2015~~09~~. 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 ~~\$22,250~~23,250 for a one-person household and up to ~~\$34,350~~35,850 for a five-person household in 2015~~09~~. A very low income household can afford homes offered at prices between ~~\$86,983~~49,965~~59,304~~ and ~~\$130,345~~70,897~~84,148~~, 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 household at the maximum income limit can afford to pay approximately ~~\$462~~478 to ~~\$639~~693 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 ~~\$35,650~~37,150 for a one-person household and up to ~~\$54,950~~57,300 for a five-person household in 2015~~09~~. The affordable home price for a low income household at the maximum income limit ranges from ~~\$156,321~~79,398~~94,237~~ to ~~\$236,940~~116,376~~138,127~~. Based on the asking prices of homes for sale in ~~March~~ 2015~~08~~ (Table 24), 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 ~~\$797~~593 in rent per month and a five-person low income household could afford to pay as much as ~~\$1,154~~871. In ~~December~~ ~~May~~ 2015~~09~~, low income households in Tracy ~~should~~ would have ~~no~~ trouble finding affordable adequately sized apartment units (Table 25).

Moderate income Households

Moderate income households earn between 81 percent and 120 percent of the County's Area Median Income - up to ~~\$82,400~~\$85,900 depending on household size in 2015~~09~~. The maximum affordable home price for a moderate income household is ~~\$294,221~~\$165,662~~196,624~~ for a one-person household and ~~\$450,043~~\$249,469~~296,095~~ for a five-person family. Moderate income households in Tracy will also have ~~little~~ trouble purchasing adequately-sized homes. The maximum affordable rent payment for moderate income households is between ~~\$1,241~~\$1,173 and ~~\$1,840~~\$1,766 per month. Appropriately-sized market-rate rental housing ~~is also affordable~~may be difficult to secure~~to~~ for households in this income group.

Table 26: Housing Affordability Matrix – San Joaquin County (2015) ~~Housing Affordability Matrix – San Joaquin County (201509)~~

Household	Annual Income	Affordable Costs Available for		Utilities		Taxes and Insurance	Affordable Rent	Affordable Home Price
		Rental	Ownership	Renters	Owners			
Extremely Low Income (0-30% AMI)								
1-Person	\$13,950 \$13,350	\$349 \$334	\$349 \$334	\$103 \$94	\$123 \$136	\$122 \$67	\$246 \$240	\$24,132 \$20,332 \$40,930
2-Person	\$15,950 \$15,300	\$399 \$383	\$399 \$383	\$136 \$115	\$141 \$151	\$140 \$77	\$263 \$268	\$27,506 \$23,175 \$47,916
3-Person	\$20,090 \$17,200	\$502 \$430	\$502 \$430	\$150 \$141	\$163 \$172	\$176 \$86	\$352 \$289	\$38,043 \$32,053 \$53,401
4-Person	\$24,250 \$19,100	\$606 \$478	\$606 \$478	\$172 \$178	\$187 \$200	\$212 \$96	\$434 \$300	\$48,191 \$40,602 \$57,437
5-Person	\$28,410 \$20,650	\$710 \$516	\$710 \$516	\$203 \$220	\$221 \$229	\$249 \$103	\$507 \$296	\$56,011 \$47,191 \$59,455
Very Low Income (31-50% AMI)								
1-Person	\$23,250 \$22,250	\$581 \$556	\$581 \$556	\$103 \$94	\$123 \$136	\$203 \$111	\$478 \$462	\$59,304 \$49,965 \$86,983
2-Person	\$26,550 \$25,450	\$664 \$636	\$664 \$636	\$136 \$115	\$141 \$151	\$232 \$127	\$528 \$521	\$67,595 \$56,951 \$100,437
3-Person	\$29,850 \$28,600	\$746 \$715	\$746 \$715	\$150 \$141	\$163 \$172	\$261 \$143	\$596 \$574	\$74,955 \$63,152 \$112,390
4-Person	\$33,150 \$31,800	\$829 \$795	\$829 \$795	\$172 \$178	\$187 \$200	\$290 \$159	\$657 \$617	\$81,850 \$68,961 \$123,153
5-Person	\$35,850 \$34,350	\$896 \$859	\$896 \$859	\$203 \$220	\$221 \$229	\$314 \$172	\$693 \$639	\$84,148 \$70,897 \$130,345
Low Income (51-80% AMI)								
1-Person	\$37,150 \$35,650	\$696 \$891	\$812 \$891	\$103 \$94	\$123 \$136	\$284 \$178	\$593 \$797	\$94,237 \$79,398 \$156,321
2-Person	\$42,450 \$40,700	\$796 \$1,018	\$928 \$1,018	\$136 \$115	\$141 \$151	\$325 \$204	\$660 \$903	\$107,600 \$90,656 \$179,348
3-Person	\$47,750 \$45,800	\$895 \$1,145	\$1,044 \$1,145	\$150 \$141	\$163 \$172	\$365 \$229	\$745 \$1,004	\$120,032 \$101,131 \$201,391
4-Person	\$53,050 \$50,900	\$995 \$1,273	\$1,160 \$1,273	\$172 \$178	\$187 \$200	\$406 \$255	\$823 \$1,095	\$131,998 \$111,213 \$221,986
5-Person	\$57,300 \$54,950	\$1,074 \$1,374	\$1,253 \$1,374	\$203 \$220	\$221 \$229	\$439 \$275	\$871 \$1,154	\$138,127 \$116,376 \$236,940
Moderate Income (81-120% AMI)								
1-Person	\$55,700 \$53,400	\$1,276 \$1,335	\$1,489 \$1,558	\$103 \$94	\$123 \$136	\$521 \$312	\$1,173 \$1,241	\$196,624 \$165,662 \$294,221
2-Person	\$63,850 \$61,050	\$1,459 \$1,526	\$1,702 \$1,781	\$136 \$115	\$141 \$151	\$596 \$356	\$1,323 \$1,411	\$224,613 \$189,243 \$337,299

3-Person	\$71,600 \$68,650	\$1,641 \$1,716	\$1,914 \$2,002	\$150 \$141	\$163 \$172	\$670 \$400	\$1,491 \$1,575	\$251,672 \$212,041 \$378,833
4-Person	\$79,550 \$76,300	\$1,823 \$1,908	\$2,127 \$2,225	\$172 \$178	\$187 \$200	\$744 \$445	\$1,651 \$1,730	\$278,265 \$234,446 \$419,220
5-Person	\$85,900 \$82,400	\$1,969 \$2,060	\$2,297 \$2,403	\$203 \$220	\$221 \$229	\$804 \$481	\$1,766 \$1,840	\$296,095 \$249,469 \$450,043

~~Assumptions~~ Sources:

- ~~1. State Department of Housing and Community Development Income Limits, 2015.~~
- ~~2. HCD income limits, 201509.~~
- ~~3. Health and Safety code definitions of affordable housing costs (between 30 and 35% of household income depending on tenure and income level)~~
- ~~2. San Joaquin County Housing Authority, Utility Allowances, 01/01/2015.~~
- ~~3. Health and Safety code definitions of affordable housing costs (between 30 and 35% of household income depending on tenure and income level)~~

- ~~Assumptions: San Joaquin County Housing Authority HUD utility allowances.~~
- ~~20% of monthly affordable cost for taxes and insurance;-~~
- ~~1310% down payment;-~~
- ~~54% interest rate for a 30-year fixed-rate mortgage loan.~~
- ~~Taxes and insurance apply to owner costs only; renters do not usually pay taxes or insurance.~~

~~Sources:~~

- ~~State Department of Housing and Community Development Income Limits, 201509.~~
- ~~San Joaquin County Housing Authority, Utility Allowances, 01/01/201505.~~
- ~~Veronica Tam and Associates.~~

|

H. Affordable Housing

State law requires that the City identify, analyze, and propose programs to preserve existing multi-family rental units which are eligible to convert to non-low-income housing uses due to termination of subsidy contract, mortgage prepayment, or expiring use restrictions during the next ten years. Thus, this at-risk housing analysis covers ~~a ten-year~~ the period from ~~July 1~~ December 31, 2014 ~~2015~~ through ~~June 30~~ December 31, 2023 ~~2025~~ 19. 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. ~~Publicly~~ 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. ~~As the relatively tight rental housing market continues to put upward pressure on market rents, property owners are more inclined to discontinue public subsidies and convert the assisted units to market rate housing.~~

The City of Tracy has seven ~~publicly~~ publicly assisted housing developments ~~that total 730 units, including with a combined total of~~ 659 units that are set aside as ~~housing~~ affordable ~~to for~~ lower income households. These projects are presented in Table 27, ~~along with information on the funding programs, unit mix, and duration of affordability.~~ ~~No~~ None of the projects are at-risk of ~~conversion~~ converting to market-rate ~~housing~~ within the ~~Housing Element~~ at-risk analysis ~~planning~~ period.

~~In addition to affordable housing units presented in Table 34, Central Valley Low Income Housing assists the homeless and recently homeless in finding housing, and pays for a portion of the rent on a 12-month program designed to result in independent living at the end of the period. The San Joaquin County Housing Authority also operates two farm worker camps – one in Stockton and one in Lodi that provide housing for low income households employed as farm workers in the County.~~

Table 27: Inventory of Assisted Units

Project Name	Total Units	Assisted Units	Unit Size	Type	Funding Source(s)	Expiration of Affordability
Village-Tracy Garden Apartments	88	87	87 1-br	Seniors	Low Income Housing Tax Credit program; HUD-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; HUD	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
San Joaquin County Housing Authority Tracy Homes	195	195	24 1-br 32 2-br 15 3-br	Family	San Joaquin County Housing Authority of the County of San Joaquin	None
Total	730 730	659 659				

Sources: [SJCOG 5th Cycle Housing Element Data Package, 2014](#); [City of Tracy, 2009](#); [2015](#).

Resources for Preserving Affordable Units

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 ~~City of Tracy Community Development Agency Tax Increment Set Aside monies~~, bond financing, as well as CDBG and HOME funds, Section 8 rental assistance, low income housing tax credits, and Proposition 1C funds. (See the Housing Resources section later for further details.)

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 [2014-2023 Regional Housing Needs Allocation Plan \(RHNA/RHNP\)](#) on August 28, 2014. The [Regional Housing Needs Allocation \(RHNA\)](#) covers a [7.5-nineteen-year planning period \(from January 1, 2014 through December 31, 2023\)](#) 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 [a total of 4,888,976 new units](#) for the January 1, 2014 to [June 30/December 31, 2023/14](#) period. This allocation is distributed into [four-five](#) income categories, as shown below in Table 28. 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.

Table 28: Housing Needs for 200147-202314

Income Category (% of County AMI)	Number of Units	Percent
Extremely Low (30% or less)	453 513	10.3% 9.3%
Very Low (31 to 50%) ¹	454 467	9.4% 9.3%
Low (51 to 80%)	632 705	14.2% 12.9%
Moderate (81% to 120%)	813 828	16.6% 16.6%
Above Moderate (Over 120%)	2,535 2,463	49.5% 51.9%
Total	4,8884,976²	100.0%100.0% 00.0%100.0%

Note:

1.—Pursuant to AB 2634, local jurisdictions are also required to project the housing needs of extremely low income households (0-30% AMI). In estimating the number of extremely low income households, a jurisdiction can use 50% of the very low income allocation or apportion the very low income figure based on Census data. As shown in Table 12Table 12Table 12, extremely low income households constitute 50.9% of the very low income group. Therefore, the City's RHNA of 907 very low income units can be split between 453 extremely low and 454 very low income units.

2.—Total numbers may not add up due to rounding; however, the number of housing units required at each income level is fixed.

Source: [San Joaquin County Final Regional Housing Needs Allocation Plan \(RHNP\)](#), SJCOG, August 28, 201408.

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. Economic Factors

Market forces on the economy and the trickle down effects on the construction industry can act as a barrier to housing construction and especially to affordable housing construction. During the 1980s, Tracy experienced a period of major growth ~~influenced as a result of the high cost of housing in by~~ the East Bay area of the San Francisco Bay region ~~with its high cost of housing. San Francisco, Silicon Valley, and surrounding areas are continuing to experience a steady upsurge in housing prices – primarily as a result of the increase in high-income technology jobs and limited housing stock. For many households, particularly those working in lower-wage sectors, San Joaquin County offers more affordable housing alternatives than the Bay Area. Tracy, with more affordable housing than the Bay area, became an attractive residential location for many Bay area workers.~~ Today, Tracy is considered an outer suburb of the Bay area, rather than a small agricultural and industrial town.

In the summer of 2005, the statewide housing market peaked when it experienced an influx of housing supply coupled with low interest rates. ~~This peak, however, was soon followed by a severe crash just several years later.~~ The San Joaquin Valley ~~has since~~ experienced a virtual halt to residential construction ~~beginning in 2007~~ and a resulting collapse of the housing market. The period between 2006 and 2009 reflected ~~s~~ a time of significant change as the lending market broke down and home prices saw significant decreases. ~~Double digit decreases in median sale prices were recorded throughout the State. These lower than normal home prices allowed for a large increase in the number of homes sold initially until the availability of credit became increasingly limited.~~ From 2007 to October 2009 home prices in Tracy decreased 52 percent. ~~Along with the gradual recovery of the housing market, Fortunately,~~ home prices in the City appear to have stabilized and ~~even~~ began to increase in recent years (Table 24). The median price of a home in Tracy recorded in ~~March~~ August 2015 (\$41520,000) represented a ~~14~~four-percent increase from ~~the~~ the previous year. Despite these signs of rebounding, the San Joaquin Valley remains in prolonged recovery, lagging behind the coastal housing markets which have recovered more rapidly.

2. 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. ~~According to the City's 2006 General Plan, 3,110 acres of vacant land existed within City limits at that time. While t~~The City ~~does have~~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, and again most recently in April 2013](#)~~2000 by the voter-initiated Measure A~~. Significant future housing construction is anticipated in the City's Specific Plan areas, including the Tracy Hills Specific Plan, the Downtown Specific Plan and the Ellis Specific Plan, as well as other residential areas identified in the General Plan.

Construction costs ~~are the largest component of total costs for a single family detached unit, accounting for 30 to 40 percent of the finished sale price.~~ [vary according to type of housing development, with multi-family housing being generally less expensive to construct 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.](#)

[An 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 take into account regional differences, and does not include the price of the land upon which the building is built. The national average for development costs per square foot for apartments and single-family homes in February 2015 are as follows:](#)

- [Type I or II, Multi-Family: \\$133.25 to \\$152.86 per sq. ft.](#)
- [Type V Wood Frame, Multi-Family: \\$102.41 to \\$106.66 per sq. ft.](#)
- [Type V Wood Frame, One and Two Family Dwelling: \\$112.65 to \\$119.73 per sq. ft.](#)
- [The unit costs for residential care facilities generally range between \\$129.43 and \\$180.72 per square foot.](#)

~~In general, construction costs can be lowered by increasing the number of units in a [According to RS Means Residential Square Foot Costs \(2008\)](#), construction costs for an average two-story single family home (2,000 square feet of living area), and built of stucco on wood frame total \$93.74 per square foot in the Tracy area. For multi family attached units, construction costs are slightly lower as developers can usually benefit from economies of scale with discounts for materials and diffusion of equipment mobilization costs. Density bonuses for senior and affordable housing can enhance this per unit cost reduction for multi-family developments. A reduction in amenities and quality of building materials could result in lower costs and sale prices; however, Compliance with the California Building Code is necessary to maintain minimum health and safety standards.~~ [development to a certain extent, until the scale of the project requires a different construction type that commands a higher per square foot cost.](#)

3. 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 29 summarizes the disposition of loan applications submitted to financial institutions in 2013³ 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, ~~approved but not accepted by the applicant,~~ denied, and withdrawn by the applicant, ~~or~~ and incomplete).

Table 29: Disposition of Home Loans (2013³)

<u>Disposition Loan Type</u>	<u>Home Purchase Government-Backed Total Applicants</u>	<u>Conventional Percent Approved</u>	<u>Refinances Percent Denied</u>	<u>Home Improvement Percent Other</u>
<u>Approved Government-backed</u>	761 77.3%	75.6% 57.6%	13.3% 48.3%	11.2% 46.1%
<u>Denied Conventional</u>	1,266 18.2%	76.8% 27.4%	11.2% 34.5%	12.0% 41.1%
<u>Withdrawn or Incomplete Refinance Home Improvement</u>	5,293 4.5%	67.0% 15.0%	15.5% 17.2%	17.4% 12.8%
	210	46.2%	41.4%	12.4%
Total	7,530 100.0% 100.0%	69.0% 100.0% 100.0%	15.3% 100.0% 100.0%	15.8% 100.0% 100.0%
	%100.0%	%100.0%	%100.0%	%100.0%

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.

Source: www.LendingPatterns.comTM, 2015. Source: Home Mortgage Disclosure Act (HMDA) data, 2007.

Home Purchase Loans

In 2013³, a total of 3,727 1,266 Tracy households applied for conventional loans to purchase homes. The overall loan approval rate was 58-77 percent and 27-11 percent of applications were denied. ~~Similarly~~ By comparison, 58-75 percent of ~~the~~ conventional home loan applications were approved countywide. ~~Only~~ A total of 22-761 applications were submitted for the purchase of homes in Tracy through government-backed loans (e.g. FHA, VA) in 2013³. ~~To be eligible for such loans, residents must meet the established income standards, maximum home values, and other requirements.~~ Among applications for government-backed home purchase loans in 2013³, 17-76 percent were approved (77 percent) and four-13 percent were denied (18 percent). For government-backed loans Countywide, the approval rate (27-73 percent) for this type of loan was ~~higher~~ slightly lower at 73 percent ~~countywide~~.

³ 2014⁰⁸ HMDA data not yet available at the writing of this Housing Element.

Refinance Loans

~~Relatively low interest rates and a high prevalence of interest only, adjustable rate, and balloon payment mortgages~~ The vast majority of loan applications filed by Tracy residents in 2013 to file 6,893,293 applications for were for home refinance loans (5,293 applications) in 2013. About 3,300 (48.67 percent) of these applications were approved, while 35.16 percent were denied. ~~The recent credit crisis that began in 2007 and heightened in 2008, however, will likely cause refinancing activities to fall over the coming years.~~ Countywide, 47.65 percent of the refinancing applications were approved.

Home Improvement Loans

~~A larger proportion of Tracy applicants were denied for~~ Within the City of Tracy, home improvement loans were the least likely to be approved ~~than any other type of loan.~~ Approximately 41.41 percent of home improvement loan applications were denied and 46.46 percent were approved by lending institutions in 2013 in 2013. The large high proportion of home improvement loan denials may be explained by the nature of these loans. Most home improvement loans are second loans and therefore more difficult to qualify due to high income-to-debt ratios. Countywide, home improvement loan applications had an higher similar approval rate (49.45 percent) similar than in the City of Tracy.

~~To address potential private market lending constraints and expand homeownership and home improvement opportunities, the City of Tracy offers and/or participates in a variety of programs. These include the Rehabilitation Home Loan, Weatherizing and Home Security, Exterior Enhancement, and Emergency Home Repair Assistance programs. Such programs assist lower and moderate income residents by increasing access to funds in order to purchase or improve their homes.~~

Foreclosures

~~With low interest rates, "creative" financing (e.g., zero down, interest only, adjustable loans), and predatory lending practices (e.g. aggressive marketing, hidden fees, negative amortization), many households nationwide purchased homes that were beyond their financial means between 2000 and 2005. Under the false assumptions that refinancing to lower interest rates would always be an option and home prices would continue to rise at double digit rates, many households were (and still are) unprepared for the hikes in interest rates, expiration of short-term fixed rates, and decline in sales prices that set off in 2006. Suddenly faced with significantly inflated mortgage payments, and mortgage loans that are larger than the worth of the homes, foreclosure was the only option available to many households.~~

Like many cities in San Joaquin County, Tracy ~~has~~ experienced a dramatic rise in home foreclosures beginning since in 2007. According to a 2010 Regional Analyst Report on foreclosures completed by the Eberhardt School of Business in partnership with the San Joaquin Council of Governments, foreclosure rates were particularly high in south and west Tracy (ZIP Code 95377). ~~There were only eight foreclosures in the City of Tracy during the first quarter of 2006. By the first quarter of 2008, that number had risen to 456 foreclosures. Foreclosures~~

~~continued to rise through 2008, peaking at 698 foreclosures during the third quarter of 2008.⁴ Neighboring cities such as Manteca, Modesto, and Stockton have seen similar increases in foreclosures between 2006 and 2008. During the second quarter of 2008, there were 1,815 foreclosures in Stockton and 1,100 in Modesto, compared to 557 in Tracy. Although Tracy had fewer foreclosures than Stockton and Modesto, the rate of foreclosure in Tracy was actually higher on a per-household basis.~~

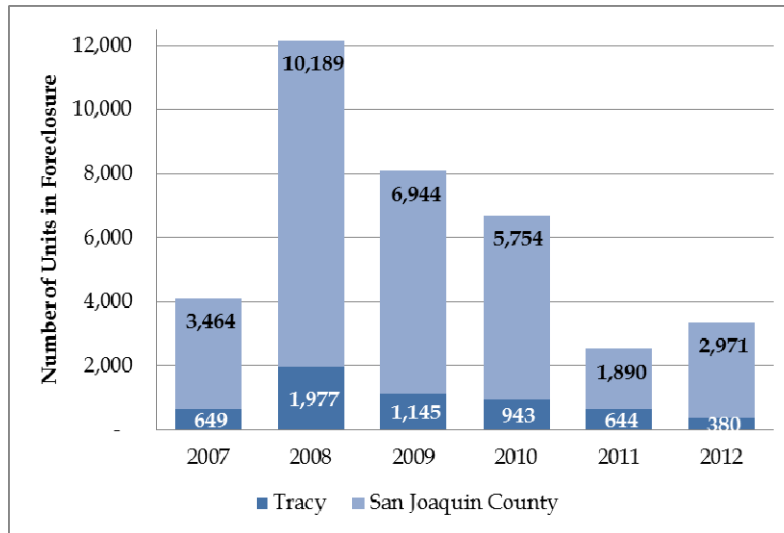
~~In Tracy and across California, the number of foreclosures fell during the fourth quarter of 2008, in part due to a new State law that required lenders to take added steps to keep troubled homeowners in their homes. At the time, economists predicted that the fourth quarter decline in foreclosures was a temporary one due to the State law that went into effect in September 2008 which required lenders to take added steps to keep troubled homeowners in their homes.~~

~~Statewide, the number of foreclosures reached a record high during the first quarter of 2009, increasing by 80 percent over the previous quarter. By June 2009, 2,559 homes in Tracy were listed as foreclosures. These homes were listed at various stages of foreclosure (from pre-foreclosures to auctions) and ranged in price, with some properties listed as high as \$2,800,000. The high prices of these homes facing foreclosure indicate that the impact of foreclosure extends not only to lower and moderate income households, but also households with higher incomes. DataQuick reports that approximately 20 percent of homeowners who go into default are able to emerge from the foreclosure process by bringing their payments current, refinancing, or selling the home and paying off what they owe. One year ago, approximately 46 percent of homeowners were able to avoid foreclosure. The increased number of homes lost to foreclosure reflects the weakness in the real estate market, as well as the number of homes bought at the height of the market with multiple loan financing, which makes lender "work-outs" difficult.⁵ The San Joaquin County GIS Department tracked foreclosure data provided by the County Recorder from 2007 to 2012. The number of foreclosures in Tracy peaked in 2008 and steadily declined each year after.~~

⁴ ~~—Affordable and Workforce Housing Briefing Book, May 2009.~~

⁵ ~~—<http://www.dqnews.com/News/California/CA-Foreclosures/RRFor081023.aspx>, accessed June 2009.~~

Figure 7: Foreclosures in Tracy and the Region (2007-2012)



Source: San Joaquin County Recorder, (2007-2012).

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. Land Use Controls

The Land Use Element 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 30 lists the land use designations of the General Plan that permit residential uses.

Table 30: 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) High Density Residential Zone (HDR)/ Professional Office and Medical Zone (POM)/ General Highway Commercial (GHC)/ Central Business District (CBD)	12.1 to 25.0	Includes triplexes, fourplexes, townhouses, apartments, and includes condominiums as an ownership type.
<u>Traditional Residential (TR)</u>	<u>n/a</u>	<u>Varies</u>	<u>Applies only in combination with a Specific Plan or other project level plan.</u>
<u>Traditional Residential – Ellis (TR-Ellis)</u>	<u>n/a Ellis Specific Plan</u>	<u>Varies 4.0 to 9.0</u>	<u>Applies to the Ellis Specific Plan area.</u>
Downtown (D)	<u>Central Business District Zone (CBD), General Highway Commercial Zone (GHC), Planned Unit Development (PUD), Professional Office and Medical Zone (POM)</u>	15.0 to 450.0*	Pedestrian-oriented environment, vertical mixed-use development, a diverse mix of retail, office, high-density residential, cultural and public-serving uses public and private uses, streets on a grid or modified grid, multi-modal street design, and with direct pedestrian and bicycle connections to residential neighborhoods.
Village Center (VC)		12.1 to 25.0	Relatively small retail or mixed-use areas. <u>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.</u> Areas designated for Village Centers generally range in size from 10 to 20 acres, and are to be designed as “Main Streets” serving one or more neighborhoods.

Source: Land Use Element, City of Tracy General Plan, (2006/2011).
~~* For senior housing, the City allows a density of up to 50 units per acre.~~

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 ~~six~~ eight residential land use designations: Residential Very Low, Residential Low, Residential Medium, Residential High, Traditional Residential, Traditional Residential-Ellis, Downtown, and Village Center. However, two of these land use designations (Traditional Residential and Traditional Residential-Ellis) are to be implemented only in conjunction with a separate development-level plan (i.e. Specific Plan). ~~These~~ remaining six residential designations are ~~being~~ implemented through ten zoning districts (Table 30):

- Residential Estate Zone (RE)
- Low Density Residential Zone (LDR)
- Medium Density Cluster Zone (MDC)
- Residential Mobile Home Zone (RMH)
- Medium Density Residential Zone (MDR)
- High Density Residential Zone (HDR)
- Professional Office and Medical Zone (POM)
- General Highway Commercial (GHC)
- Planned Unit Development (PUD)
- Central Business District (CBD)

Growth Management Ordinance

The City of Tracy adopted the residential Growth Management Ordinance (GMO) Guidelines in 1987. The GMO was amended from time to time with significant amendments occurring in 1994, 2000, ~~and again most recently in June 2009,~~ 2012, and again most recently in April 2013. 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) in order 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 for market rate housing, 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. 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.
- The project is a fourplex or lesser number of dwelling units developed on a single existing lot.
- The project is a secondary residential unit.

The City of Tracy has given provided Affordable Housing Project Exceptions to all residential developers who apply for them. ~~For the past several years, homes sale prices in Tracy have been such that Mmoderate income households can afford to purchase median priced homes. Building permits within the normal limits of the GMO (without seeking Affordable Housing Project Exceptions) are so also readily available, that and residential developers have not needed to obtain Affordable Housing Exceptions. Currently, the supply of building permits without Affordable Exception criteria exceeds the demand.~~

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, however, ~~is proposing a~~ adopted an amendment to the Growth Management Ordinance in 2013 program that would ensure the RHNA could be entirely accommodated, notwithstanding the numerical limits stated in Measure A or the GMO.

~~However, tThe voter approved Measure A provides in part,~~

~~*"Nothing in this Initiative Ordinance shall be construed to preclude, prohibit, or limit the City from complying with any requirements under State housing law."*~~

~~Specifically, the program would add a new exemption in the GMO for building permits needed to meet the RHNA. Current Other exemptions in the GMO include the following: (1) rehabilitations, remodeling or additions to existing structures; (2) ~~conversions of apartments to condominiums~~; (3) replacement of previously existing dwelling units that had been demolished; (4) construction of “model homes” until they are converted to residential units; (5) development of a project with four or fewer dwelling units; and (6) secondary residential units.~~

~~Residential projects exempt from the GMO are not counted toward the 600 annual average or the 750 annual maximum. By adding another exemption (that is, building permits needed to meet the RHNA), these, too, would not be counted toward the annual 600 average or 750 maximum. This proposal is consistent with Measure A, based on the provision identified above.~~

~~As mentioned earlier, the GMO has been amended several times since its adoption in 1987. The GMO is part of the City’s development process to help ensure residential development occurs concurrent with needed public facilities. Other tools through which the City reviews residential development include the City’s Subdivision Ordinance (consistent with the State Subdivision Map Act), the Development Review Ordinance (for multi-family projects), and the City’s General Plan. The following discussion summarizes these amendments:~~

2006 Revisions

~~Furthermore, i~~n 2006, the City Council created a policy that authorizes the City to approve as many building permits for affordable projects as are qualified, effectively negating the maximum building permit limit of 150.

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 proposed program to create a new GMO exemption, identified above, will furthermore ensure that the RHNA can be accommodated.~~

The costs associated with residential development are outlined in the project’s finance and implementation plan, 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 to obtain up to 600 RGAs per year. The 2009 revision of the GMO also established “Primary Residential Growth Areas,” which Under the new GMO regulations, Primary Areas are given first priority (aside from any Development Agreement projects that may be in place projects vested under any previous GMO Guidelines) when issuing building permits. Once all of the available building permits are issued to Primary Area projects, then projects in Secondary Areas may receive any remaining building permits. An amendment to the GMO in 2012 clarified the order of priority allocations for RGAs.

RGA Allocation Priorities

1. Vested Projects
2. Primary Residential Growth Areas - The Primary Area includes most of the existing City limits. Up to 100 RGAs annually are reserved for development in the City’s Primary Residential Growth Areas.
3. Development Agreements - In the event of any conflict between the development agreement and GMO Guidelines, the development agreement provisions prevail.
4. Tracy Hills and Ellis Specific Plan Projects - These specific plan projects are entitled to receive the following RGAs annually:
 - a. 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
 - b. 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
 - c. 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. Either Tracy Hills or Ellis may apply for these RGAs no later than the March 31st GMB meeting. If Tracy Hills or Ellis does not apply for RGAs prior to the March 31st GMB meeting, the RGAs will be made available to other projects.
5. “Other” Projects - Development sites that “promote efficient residential development patterns and orderly expansion of residential areas to maximize the use of existing public services and infrastructure.” (as identified in the General Plan Objective LU 1.4) but are not within the Primary Areas (as defined in the GMO Guidelines). “Other” projects are entitled to receive the following RGAs annually:
 - a. In years where 750 RGAs may be allocated, “Other” Projects shall be entitled to receive 50 RGAs per year

b. In years where 600 RGAs may be allocated, “Other” Projects shall be entitled to receive 40 RGAs per year

Any remaining RGAs will be made available to projects for which a complete application has been submitted. During years when a number of RGAs other than 600 or 750 are available, the RGAs will be issued in proportionate amounts as established above.

In addition to the priorities established above, the GMO Guidelines outline additional criteria for development projects within Primary Residential Growth Areas.~~The Primary and Secondary Residential Growth Areas are created in the City’s General Plan and clarified for RGA and building permit priority in the GMO Guidelines. General Plan Objective LU 1.4 calls on the City to~~ Some of the General Plan policies supporting that objective include the following:

~~P2. On a regular basis, the City shall prioritize the allocation of RGAs and building permits for new residential development to meet the goals of the General Plan including, but not limited to, growth concentrated around existing urban development and services, infill development, affordable housing, and development with a mix of residential densities and housing types, as a high priority.~~

~~P3. The City shall encourage residential growth that follows an orderly pattern with initial expansion targeted for [the Secondary Residential Growth Areas after the Primary Residential Growth Areas].~~

~~P4. The City shall continue to make available RGAs and building permits for downtown and infill development [included in the, Primary Residential Growth Areas] as a high priority.~~

~~The Primary Area includes most of the existing City limits. The Secondary Areas include seven sites comprising over 3,600 acres: three sites have been annexed to the City as part of their ongoing development process and four have not yet been annexed. All seven sites have initiated the development process in some form. Currently, the Secondary Areas mostly contain agriculture related uses or are otherwise undeveloped. Two of the sites have City-approved specific plans: Tracy Hills (already annexed to the City) and Ellis (in the annexation process). Although the City is actively entertaining development in the Secondary Area, no Secondary Area sites are included in the site inventory.~~

~~In the past, up to 100 building permits per year were reserved for infill projects or other “Priority Project” areas. The new Primary Areas process priority allows for infill projects to potentially receive all available building permits in a given year without having to compete with the typically larger, greenfield developments that lie outside of the central core of the City. This process makes infill development a priority for all building permits rather than just the first 100 building permits.~~ The following criteria was established for determining which infill projects have priority over other infill projects, should there be demand exceeding the supply of RGAs in any given year:

- Housing Type (in order of importance):
 - ~~0~~1) High Density Residential (12.1 du/acre or more)
 - ~~0~~2) Medium Density Residential (5.9-12.0 du/acre)
 - ~~1~~3) Low Density (up to 5.8 du/acre)
 - ~~2~~4) Projects with an affordable component, including moderate and low to very low income categories (RGAs for the affordable component come from the "Affordable Housing Exception" category in the GMO)
 - ~~3~~5) Mixed Use and other innovative housing types (i.e mixing products in a single project, cluster housing, mixed-use developments)

- Geographic Area (in order of importance):
 - ~~1~~) ~~Redevelopment Area~~
 - ~~2~~1) Village Center
 - ~~3~~2) Connection of incomplete infrastructure
 - ~~4~~3) ~~Combination~~ Projects that combine of several smaller parcels
 - ~~5~~4) Compatibility with surrounding area

- Project Size and Proximity to Existing Development (in order of importance):
 - 1) Small Infill-less than five acres and surrounded by development on three sides
 - 2) Large Infill-over five acres and surrounded by development on three sides
 - 3) Projects already in progress that need additional RGAs for completion

- Project Design (in order of importance):
 - 1) High level of connectivity – pedestrian and vehicular
 - 2) Amenities – parks, schools, etc.
 - 3) Architecture
 - 4) Energy Efficient Design
 - 5) Walkability and high intersection density
 - 6) Building and type and building frontage variation

~~Scoring~~ Priority criteria are utilized for projects within the Primary Area only; they are not utilized for projects in the Secondary Residential Growth Area. Only when there is competition between projects in the Primary Area (~~which has never happened in Tracy's history~~) do the scoring criteria apply. There is no impact on the timing of development due to the criteria because projects are evaluated against the criteria after Development Review approval and during the period between RGA application submittal (September) and RGA issuance (typically in October or November). Projects are not rejected, they are ranked. The criteria do not add to the costs of development because they are not required and there is no City fee associated with the criteria. Developers choose to design their projects in accordance with market demands and opportunities; nothing in the criteria is beyond the developers' control. For example, high density housing types are addressed by location through zoning, not the RGA criteria. The geographical area of a project does not change as a result of the RGA criteria – the project is where the developer chooses to locate it. The project size and proximity to development is a function of the developers' lot size, not the RGA criteria. Project design is evaluated at the time of Development Review approval, not RGA issuance.

2013 Revisions

The 2009 GMO amendment defines sd Affordable Housing as a very low, low, or moderate income unit deed restricted for 55 years. ~~Recognizing that the 55-year deed restriction term is not consistent with several State and federal housing programs, the Housing Element also includes a program to amend the~~ The 2013 GMO amendment ~~to reduced~~ the this affordability restriction to ten years.

~~Interpreting and implementing this provision of Measure A, the City is proposing to adopt a program in the Housing Element~~ The 2013 amendment also 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). ~~directing the City Council to adopt an amendment to the GMO which would allow issuance of building permits, up to the City's RHNA in each income category based on HCD criteria.~~

~~Should the demand for building permits exceed Measure A limits in a calendar year, the City would issue building permits until the City's RHNA obligation in each income category has been met.~~

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.

~~However, the number of building permits issued is not to exceed the RHNA goals in each income category. Any building permits issued in accordance with this provision will not require an RGA.~~

The GMO Guidelines summarized above 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 ~~with identifying~~ all RGA applications being ~~identified on a single spreadsheet, and posted on the internet~~ considered, which results in a high level of transparency and predictability in ~~understanding~~ determining ~~any given~~ a project's chances for approval.

Building Permits and RHNA

~~From January 1, 2007 to June 30, 2014, a total of 3,192 housing units can be constructed in the City of Tracy based on the limits of the GMO. However, this does not include exceptions for affordable housing, secondary units, or small projects of four or fewer units.~~

~~Between January 1, 2007 and October 2009, the City finalized building permits for 354 new housing units. Among these units, 50 were affordable senior housing units and four were duplex units exempt from the GMO building permit limit. Based on the projects with approved vesting tentative maps and the limits of the GMO, an estimated 1,703 building permits may be issued during the remaining planning period of the Housing Element: 100 per year in 2010 and 2011, 303 in 2012, and 600 per year in 2013 and 2014 (through June 30, 2014). These remaining building permits were divided between the City's moderate and above moderate income RHNA. To reflect the City's RHNA distribution, approximately 25 percent of~~

~~the remaining building permits were allocated to moderate income units and 75 percent were allocated to above moderate income units (Table 38). The development of very low and low income units (up to 100 percent of the City's very low and low income RHINA of 1,489 units) may be issued building permits past the GMO limit based on the City policy to not limit the development of affordable housing. The City can accommodate 3,192 housing units during the planning period, representing a shortage of 1,341 units.~~

Residential Growth Allotment Allocation Process

The City's Growth Management Ordinance, as amended, ~~in 2009 and 2012,~~ 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 and Engineering Services Director, and the Public Works 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 ~~Section K provides that "[t]he City Council shall undertake periodic revisions of these GMO Guidelines...as necessary to implement City policies."~~ 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, and not a change to the Growth Management Ordinance.

The approval process for RGA issuance relates to the other entitlements 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 as 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 and Engineering Services Director, and the Public Works Director.

The GMO approval process allows both small and large residential projects to obtain adequate RGAs ~~for small or large projects~~. Projects of over 500 units have successfully been built in the past, and ~~one 2,250-unit project, Ellis, is~~ two very large ongoing projects—Ellis (over 2,000 housing units) and Tracy Hills (over 5,000 housing units) – a currently obtaining re set to obtain their RGAs over the course of a number of years. The following ~~three~~ examples help illustrate the availability of RGAs: ~~Ellis, an infill (Priority Area) site, and Tracy Hills Specific Plan.~~

1. The GMO was amended in 2012 to allow the s-projects with a Development Agreement to receive up to 225 RGAs per year. The City and Surland Companies (owners of the Ellis project) have entered into a Development Agreement with the City allowing Ellis (194 RGAs) and Tracy Hills (406 RGAs) projects to obtain up to ~~225~~ 600 RGAs per year.
2. Infill sites: ~~the~~ GMO Guidelines state that infill (Priority Areas) sites may receive up to 100 percent of their requested RGAs after the contractual obligation with Development Agreement projects is first satisfied. Ellis is the only project with a Development Agreement. If Ellis requests all 225 RGAs allowed by their Development Agreement, 375 RGAs would be available to this theoretical infill project in any given year. Assuming 75 RGAs per year are requested on an ongoing basis (which is higher than any anticipated infill project in Tracy), then 300 RGAs would remain available for projects other than Ellis or infill projects annually. Projects in the City’s “Primary Residential Growth Areas” are given first priority (aside from projects vested under any previous GMO Guidelines) when issuing building permits.
3. ~~Tracy Hills: After fulfilling the Development Agreement obligation with Surland Companies and providing 75 RGAs to the infill project, 300 would be available to Tracy Hills or other projects.~~

~~These three examples represent more RGAs than have been requested, per year, in the past eight years. Clearly, a n average of 600 RGAs per year, plus the program to exceed 600 RGAs per year to accommodate the RHNA, will allow ample opportunities for economies of scale for infrastructure financing that may be desired for larger projects. Hundreds of additional RGAs~~

~~and building permits will be available each year through the RHNA exemption program identified above, if the City has not achieved its RHNA yet, in any allocation year.~~

GMO and Affordability

The rate of housing overpayment in Tracy has increased substantially~~for housing decreased in Tracy between~~since 1990 and 2000. Between 2007 and 2011, nearly one-half (48 percent) of Tracy households overpaid for housing compared to~~down from 40 percent at the time of the 1990 Census to about 35 percent in 2000.~~ (Table 12). ~~In fact, according to the 2000 Census, the percentage of income spent on housing in Tracy was less than the overall rate for San Joaquin County, the State, and nearby cities, including Lathrop, Manteca, Modesto, Turlock, Stockton, and Livermore. Observations of falling or stable levels of overpayment obviously do not fully disentangle all the elements~~It is unclear, however, what impact the~~necessary to conclude that the~~ GMO has ~~not led to an increase in~~had on housing costs in the City. The effect of inclusionary housing ordinances, growth management ordinances, and urban growth boundaries on the affordability of housing is a prominent topic for current academic research. There are researchers and scholars with varying and conflicting ideas of the causal relationship (if any) between growth management and housing 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 ~~Growth Management Ordinance (GMO)~~ has had an effect on the cost of housing.

Historically, there are more RGAs and building permits available than the market can absorb in Tracy. Furthermore, ~~the proposed 2013 amendment to the GMO that established the~~ RHNA exemption ~~program, described above, could potentially~~ 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 ~~program 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

The Planned Unit Development (PUD) Zone is designed to allow for greater flexibility and creativity in site planning for residential, commercial, and industrial uses to achieve greater efficiency in land use by maximizing open space, preserving natural amenities, and creating additional amenities. Maximum height and bulk requirements, as well as the minimum setback, yard, parking and loading requirements are established for each PUD Zone by a preliminary development plan, which must be reviewed and approved by the Planning Commission and City Council to ensure its acceptability.

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. The City grants density bonuses to developers who build housing developments of five or more units and construct at least one of the following:

- **Very low income units:** Five percent of the total units of the housing development as target units affordable to very low-income households; or
- **Low Income Units:** Ten percent of the total units of the housing development as target units affordable to low-income households; or
- **Moderate Income Units:** Ten percent of the total units of a newly constructed condominium project or planned development as target units affordable to moderate-income households, provided all the units are offered for purchase; or
- **Senior Units:** A senior citizen housing development of 35 units or more.

Density bonuses and development incentives are based on a sliding scale, where the amount of density bonus and number of incentives provided vary according to the amount of affordable housing units provided.

[The City of Tracy updated its density bonus ordinance in 2008 to comply with the requirements of California Government Code Section 65915 that was in effect as of December 2014. However, the recently adopted AB 2222 added new requirements to the State's density bonus provisions, which took effect in January 2015. Specifically, AB 2222 extends the affordability control to 55 years for the affordable units and requires the replacement of existing affordable units removed in order to qualify for a density bonus, incentive, or concession. The City will update the density bonus ordinance again to comply with these additional requirements by 2016.](#)

Specific Plans

~~The City of Tracy has adopted, or is in the process of adopting, the following specific plans, which offer a range of housing types, densities, and mix of uses:~~

- ~~• Tracy Hills Specific Plan (Adopted June 1998)~~
- ~~• Ellis Specific Plan (Adopted December 2008)~~
- ~~• Downtown Specific Plan (Expected adoption in 2010)~~

The City anticipates that much of its new residential growth will occur in ~~these~~ [the Tracy Hills and Ellis Sspecific Pplan](#) areas. ~~Combined, these areas have the capacity to accommodate over 15,000 new housing units, ranging from low density single family homes to high density multiple family apartments and townhomes.~~

Tracy Hills Specific Plan

Upon buildout, Tracy Hills will consist of 5,499 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 31 summarizes the permitted uses within the Specific Plan area.

Table 31: Tracy Hills Specific Plan Permitted and Conditionally Permitted Residential Uses

	Land Use Zones			
	RE-TH	LDR-TH	MDR-TH	HDR-TH
Attached Single-Family <u>Dwellings</u>	- <u>P</u>	- <u>P</u>	<u>PP</u>	<u>PP</u>
Detached Single <u>Two-Family Dwellings</u>	<u>P</u> -	P	P	P
Multiple-Family <u>Dwellings</u>	--	--	P	P
<u>Residential Care Facilities (<6 persons)</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Residential Care Facilities (>6 persons)</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>
<u>Mobilehome Parks</u>	=	=	=	<u>P</u>
Second Units	€	€	-	-

Ellis Specific Plan

The Ellis community will be 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 Specific Plan, while Table 33 summarizes the permitted uses allowed within each land use category:

- **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.

Table 32: Ellis Specific Plan Permitted and Conditionally Permitted Residential Uses

	Land Use Zones	
	VC Village Center RML	RMM Residential Mixed RMH
Attached Single-Family	- P	P PP
Detached Single-Family	-- P	P PP
Multiple-Family	P P	P PP
Live/Work	PP -	-- -

~~The Ellis Specific Plan area was officially annexed into the City of Tracy in 2013. The first tentative map was approved in 2014 and construction of the first phase began in 2015. However, the project is the subject of a lawsuit filed by a local slow growth group called —TRAQC. Ellis Specific Plan is located in the unincorporated County area. The City has already initiated the process to annex this area; however, the annexation is delayed due to pending litigation. In 2011, the court ordered the certification of the Original Ellis EIR and Development Agreement be set aside for legal infirmities. The developer and the City subsequently appealed the judgment.~~

Downtown Specific Plan

~~In 2006, the City began the process of preparing a Specific Plan for Tracy’s downtown area. The Downtown Specific Plan is expected to be adopted in 2010. The boundaries of this Specific Plan area and the location of the various zoning districts within the Plan are illustrated in . The current draft of Tracy’s Downtown Specific Plan allows for residential development in the following zoning districts:~~

~~**Downtown Core (DC):** The backbone of the Downtown Core is and will remain Central Avenue between 6th and 11th Streets, and 10th Street between Central Avenue and North A Street. Housing, lodging and office uses will be located on the upper floors where office workers, residents and visitors prize their convenient proximity to Downtown’s restaurants, shops and entertainment venues. The Downtown Core will be the most urban part of the Specific Plan Area. Buildings will stand the tallest in the district and be built right up to the sidewalk with little or no space between them.~~

~~**The Outer Core (OC):** The Outer Core completes the part of the district that most people will primarily identify as “Downtown.” The Outer Core shares all of these distinguishing physical characteristics with the Downtown Core, with two key differences. First, buildings in the Outer Core will more typically be single-use. Rather~~

than featuring ground level retail or restaurant uses, the urban housing and offices in Outer Core buildings will more typically extend to the ground level. Second, the Outer Core provides a transition between the Downtown Core and the typically less urban and more exclusively residential uses beyond. In particular, the Outer Core will create a buffer between the activity and traffic in the Downtown Core and the more tranquil single family neighborhoods.

Downtown Gateway (DG): Eleventh Street is the primary arterial roadway that connects the Downtown Core with the rest of the City. This district will contain a mixture of urban office and residential buildings, perhaps a hotel and some large scale retail uses that help draw people to the Downtown Core. Buildings will be oriented toward the thoroughfare, with civic scale entrances and grand scale first floor façade composition designed to match the scale of a wide road and prominent address.

Mixed Use Corridor (MUC): As 11th Street moves farther away from the Downtown Core, the uses on the corridor will transition from the urban character of the Downtown Gateway District toward the more suburban character of the portions of 11th Street that runs through the rest of the City. Buildings in the Mixed Use Corridor segment will not be as tall and will feature deeper front and side setbacks with more landscaping. To provide a pleasing transition to single family homes located to the rear of development fronting 11th Street, buildings will provide additional step backs in the building mass as well as deeper buffering rear yards.

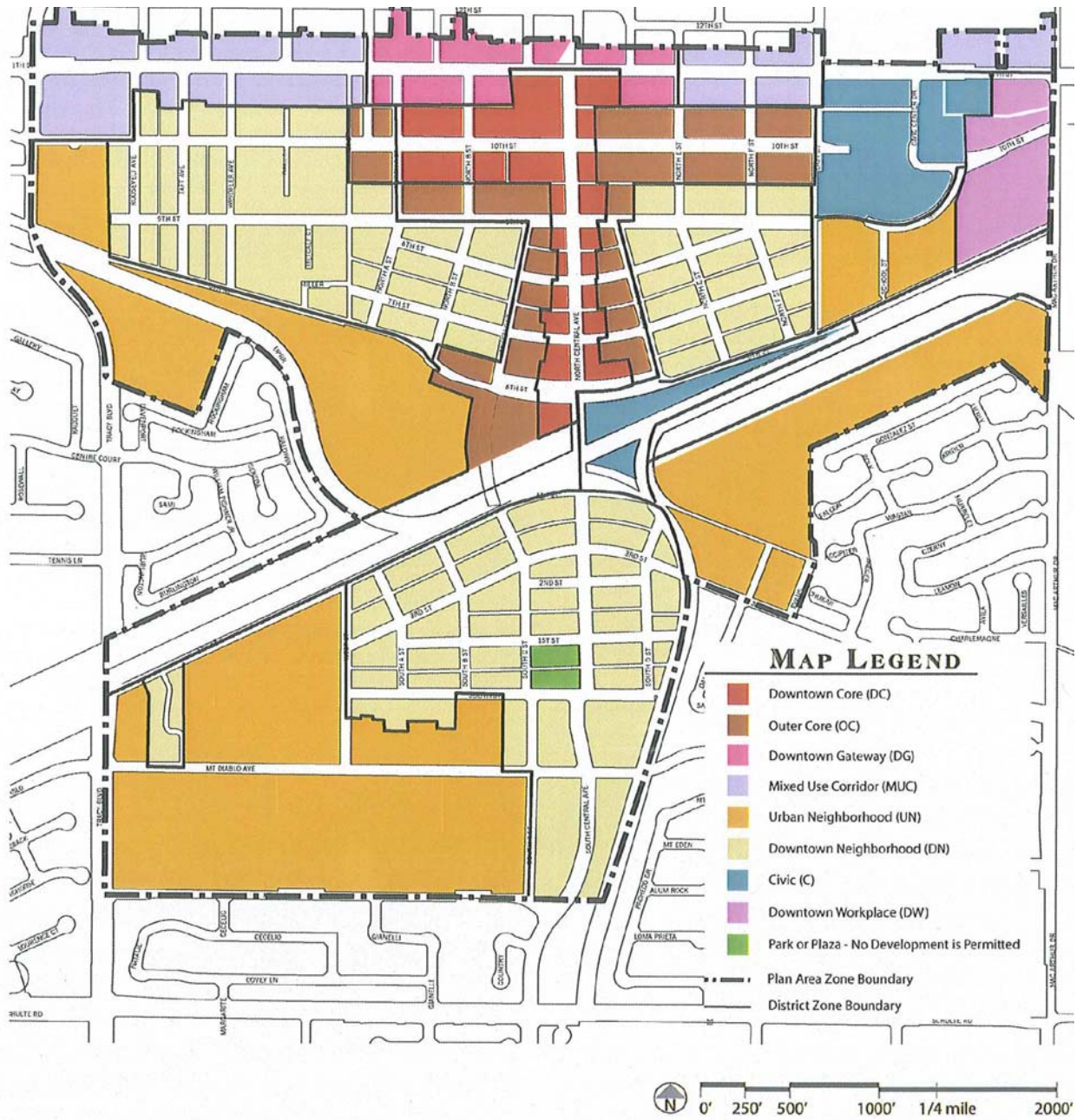
Downtown Workplace (DW): The eastern edge of the Specific Plan Area between 11th Street and the railroad tracks is a conglomeration of light industrial and distribution uses. These businesses are important to the economy of Tracy; however, their location in the Downtown Neighborhood will come under increasing pressure as investment in Downtown increases. As change occurs in this area, new investment will take the shape of modern workspaces that will accommodate office, civic, medical, and/or live work types of businesses of various scales.

Urban Neighborhood (UN): New development in the Urban Neighborhood areas will present the opportunity to live within a few minutes' walk of cafes, restaurants, entertainment, services, and transit. Ideally, a healthy mix of residential building types—townhomes, duplex homes, small lot single family homes, flats, and courtyard types—will widen the range of housing choices, complementing rather than competing with the City's suburban single family neighborhoods.

Downtown Neighborhood (DN): The primarily single family residential neighborhood areas surrounding the more urban development of the other Downtown Districts will remain over time as the revitalized Downtown increases the attraction of properties close to it. The historic pattern of small blocks and the mixture of housing types and styles of these Downtown Neighborhood areas will remain the foundation of their character and identity. New homes and remodels/additions to existing homes will be designed using the historic features of the bungalows and farm houses that are prevalent throughout the area and generous green front and side yards will continue to be the norm.

Figure 77: Downtown Specific Plan

Figure 7: Downtown Specific Plan



~~Residential development up to 40 units per acre can be accommodated in the Downtown area. The Downtown Specific Plan also establishes residential development standards that differ from the rest of the City. Table 41 summarizes the standards specific to the City's downtown area.~~

~~To facilitate residential and mixed use development in the Downtown Specific Plan area, the City has proposed the following parking requirements:~~

- ~~• Live/Work: 1 space per unit + one space per employee~~
- ~~• Studio: 0.75 space per unit~~
- ~~• One Bedroom: 1 space per unit~~
- ~~• Two+ Bedrooms: 1.5 space per unit~~
- ~~• Guest Parking: 1 guest space per 10 units~~

~~These parking requirements are lower than citywide requirements and are intended to facilitate higher intensity uses in the Downtown area, allowing a development to achieve the densities intended for the area.~~

1.2. Residential Development Standards

~~Citywide, e~~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- and two-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 attached single-family dwellings 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 that is applied 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-, or 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, attached single-family dwellings, 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 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 dwellings are also allowed by right in the High Density Residential zone. Mobile home parks and subdivisions, condominiums and planned residential developments, and attached single-family dwellings 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) - 5.8 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) - 40 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 40 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 33. 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. Limiting the number of units that can be constructed will increase the per-unit land costs and can, all other factors being equal, result in higher development costs that may impact housing affordability.

Table 33: Residential Development Standards

Zoning District	Maximum Building Height	Minimum Net Lot Area (sq. ft.)	Minimum Lot (ft.)		Setbacks (ft.)			Maximum Lot Coverage	
			Width	Depth	Front	Rear	Side		
RE	35' (2 ½ 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' (2 ½ stories)	6,000	60	n/a	15-20	10	3-10	45%	
HDR				n/a	15-20		5-10		
POM	none	7,500	70	n/a	10		10		10
GHC		none	none	n/a	n/a	15	15	15	none
CBD				None		none			

Source: City of Tracy Zoning Ordinance, ~~2009~~2015.
n/a = No prescribed minimum or maximum standard.

Parking requirements for single-family and multi-family residential uses in Tracy are summarized in Table 34. 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. 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.

Table 34: 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, ~~2009~~2015.

* -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 recently 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\(e\). 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.](#)

2.3. 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 35 below summarizes the various housing types permitted within the City’s zoning districts.

Table 35: Housing Types Permitted by Zone

Housing Types	RE	LDR	MDC	RMH	MDR	HDR	POM	GHC	CBD
One-Family Dwelling	P	P	P		P	P			
Second Units	<u>P</u>	EP	<u>P</u>		<u>P</u>	<u>P</u>			
Manufactured Housing/ <u>Mobile Homes</u>	<u>P</u>	P			<u>P</u>	<u>P</u>			
Mobile Homes	C	P	C		C	C			
Mobile Home Parks	C	<u>C</u>	C	P	C	C			
Multi-Family			P		P	<u>P</u>	P	C	C
Residential Care Facility (less than 6 persons)	EP	EP	<u>P</u>		P	P	P		
Residential Care Facility (more than 6 persons)	C	C	<u>C</u>		PC	C	P		

Source: City of Tracy Zoning Ordinance, ~~2009~~2015.

Notes: P = Permitted C = Use Permit Required

One-Family Dwellings

A “one-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 ~~the RE, LDR, MDC, MDR, and HDR~~ all of the City’s residential zones, with the exception of the RMH zone.

Secondary Residential Unit

Second units may be an alternative source of affordable housing to lower income households and seniors. A “secondary residential unit” is defined as a separate residential unit containing sleeping, kitchen, and bathroom facilities, and created on a lot in the Low Density Residential Zone (LDR) zone which already contains one legally created residential unit. A secondary residential unit may be created by the conversion of a portion of, or an addition to, an existing dwelling or by the construction of a new structure. ~~The City has approved three applications for secondary residential units since 2003.~~

~~The Tracy Municipal Code calls for secondary residential units to receive conditional use permit approval within the LDR zone, subject to the following standards:~~

- ~~• The unit shall be exclusively for rental occupancy, or for occupancy by other family members. Sale or ownership separate from the principal dwelling is prohibited.~~
- ~~• The lot on which the unit is to be located must have an area of at least 8,000 square feet.~~
- ~~• The exterior of the unit must be constructed of the same general materials as the principal dwelling.~~
- ~~• The unit must conform to all yard, coverage, and height requirements for the principal dwelling.~~
- ~~• At least one additional off-street parking space is required.~~
- ~~• The floor area must be no less than 300 square feet or more than 460 square feet.~~

The passage of AB 1866 (effective July 2003) requires cities to use a ministerial process to consider second units in effort to facilitate the production of affordable housing state-wide. Second units must be permitted in all residential zones where a primary single-family unit already exists. [The City of Tracy is currently considering an amendment to the Zoning Ordinance that will permit the development of second units in the RE, LDR, MDC, MDR, and HDR zones. This amendment was reviewed by the Planning Commission in October 2015 and adoption is anticipated in November 2015.](#) ~~Since July 2003, the City has approved secondary residential units without conditional use permit approval. The City will amend the Zoning Ordinance to comply with AB 1866 within one year of adoption of the Housing Element.~~

Manufactured and Mobile Homes

Manufactured housing and mobile homes can be an affordable housing option for low and moderate income households. The California Department of Finance reported in 2009 that Tracy's housing stock included 476 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.

[Currently, the City's Zoning Ordinance defines manufactured housing as "a home which conforms to the National Manufactured Housing Construction and Safety Standards Act of 1944." The City also includes a definition of factory-built housing and mobile home in the Zoning Ordinance. Factory-built housing is defined as "a home which conforms to the standards of the California Factory Built Housing Law of 1969." Mobile home is defined as "a vehicle or trailer designed or used as permanent or semi-permanent housing for human habitation, including any kind of mobile living or sleeping quarters." ~~None of these definitions complies with the National Manufactured Home Construction and Safety Act of 1974.~~](#)

The City's Zoning Ordinance conditionally permits mobile home parks in ~~the RE, MDC, MDR, and HDR~~ all of its residential zones, with the exception of the RMH zone where they are permitted by right. [The City of Tracy is currently considering an amendment to the Zoning Ordinance that will to permit the development of manufactured homes in the RE, LDR, MDR, and HDR zones. This amendment was reviewed by the Planning Commission in October 2015 and adoption is anticipated in November 2015.](#) ~~Mobile homes are also permitted in the LDR zone. The City will amend its Zoning Ordinance to allow mobile homes that meet the building~~

~~standards and are installed on a permanent foundation in all residential zones where single-family dwelling are permitted.~~

Multiple-Family Housing

According to the ~~State Department of Finance~~[American Community Survey](#), multiple-family housing ~~makes up~~[comprised](#) approximately ~~12-13~~ percent of the ~~2009~~-housing stock in Tracy ~~between 2009 and 2013~~ (Table 19 on page 40). Multiple-family housing is permitted within the MDC, MDR, [HDR](#) and POM zones~~-districts~~. Conditional use permits are required for the construction of multiple-family housing in the GHC and CBD zone districts.

Residential Care Facilities

~~Residential care facilities licensed or supervised by a Federal, State, or local health/welfare agency provide 24-hour non-medical care of unrelated persons who are handicapped and in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual in a family-like environment. 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 ~~Health and Safety Code Section 1566.3~~[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 All five residential zones (RE, LDR, MDC, MDR, and HDR) allow~~ 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. The City will amend its Zoning Ordinance to fully comply with the provisions of the Lanterman Act by 20XX16.~~

~~It should be noted, however, that the lack of explicit provisions for residential care facilities in the Zoning Ordinance has not precluded the development of this housing type in the City. According to the State Department of Social Services, Community Care Licensing Division, as of June 2015, two one licensed group homes with 12-six beds, 16 licensed residential care facilities for the elderly with a combined capacity of 368 beds, and five-seven licensed adult residential facilities with a combined capacity of 30-95 beds, are located in Tracy.~~

~~Use Group 25 in the Zoning Ordinance includes foster homes, rooming houses, and homes for the aged serving six or fewer residents. These facilities are permitted in the MDR, HDR, and POM zones by right and in the LDR, LDC, and RE zones through issuance of a conditional use permit. Education and Institutional Uses (Use Group 26) with residential accommodations of~~

~~more than six are permitted in the MDR and POM zones and conditionally permitted in the RE, LDR, LDC, MDR, HDR zones.~~

~~The Community Care Facilities Act (California Health and Safety Code) and Lanterman Disability Services Act (California Welfare and Institution Code) require that State-licensed residential care facilities serving six or fewer persons (including foster care) must be treated as a regular residential use and therefore must be permitted by right in all residential zones allowing residential uses. These facilities cannot be subject to more stringent development standards, fees, or other standards than the same type of housing single family homes in the same district. The City will amend the Zoning Ordinance to permit residential care facilities for six or fewer persons by right where residential uses are permitted. Residential care facilities serving seven or more clients will be conditionally permitted in the _____ zone(s).~~

Emergency Shelters

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. Tracy's share of the regional unsheltered homeless population is estimated to be 32 individuals.

~~The City of Tracy's Zoning Ordinance does not explicitly address emergency shelters. The City will amend its Zoning Ordinance within one year of adoption of the Housing Element to permit homeless shelters by right, without discretionary review, within the MDR and HDR zones, consistent with State law. Properties zoned MDR and HDR are located along major transportation corridors within the City. Many MDR and HDR properties are also located near Downtown Tracy, allowing easy access to public transportation and services. Over 20 acres of vacant MDR and HDR designated properties exist in the City. These zones will be more than able to accommodate, in vacant and underutilized properties or through conversion of older buildings, at least one emergency shelter for Tracy's homeless population of 32 homeless individuals.~~

The City of Tracy is currently considering an amendment to the Zoning Ordinance that will add a definition of emergency shelters to the Municipal Code and permit their development in the MDC, MDR, and HDR zones by right without discretionary review. Emergency shelters will be 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.

This amendment was reviewed by the Planning Commission in October 2015 and adoption is anticipated in November 2015.

Transitional and Supportive Housing

State law (AB 2634 and SB 2) requires local jurisdictions to address the provisions for transitional and supportive housing. 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, that 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 is currently considering an amendment to the Zoning Ordinance that will add a definition of transitional housing and supportive housing to the Municipal Code. Transitional housing will be 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 will be 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 amendment was reviewed by the Planning Commission in October 2015 and adoption is anticipated in November 2015.

~~California Health and Safety Code (Section 50675.2) defines "transitional housing" and "transitional housing development" as buildings configured as rental housing developments, 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, which shall be no less than six months. Residents of transitional housing are usually connected to supportive services designed to assist the homeless in achieving greater economic independence and a permanent, stable living situation. Transitional housing can take several forms, including group quarters with beds, single family homes, and multi-family apartments and typically offers case management and support services to help return people to independent living (often six months to two years).~~

~~Transitional housing facilities are not explicitly addressed in the City's Zoning Ordinance. The City will amend its Zoning Ordinance, within one year of adoption of the Housing Element, to differentiate transitional housing in the form of group quarters versus as regular housing developments. For transitional housing facilities that operate as regular housing developments, such uses will be permitted where housing is otherwise permitted. For transitional housing facilities that operate as group quarters, such facilities will be permitted as residential care facilities. Potential conditions for approval of large residential care facilities (for more than six persons) as transitional housing may include hours of operation, security, loading requirements, noise regulations, and restrictions on loitering. Conditions would be similar to those for other similar uses and would not serve to constrain the development of such facilities.~~

Supportive Housing

~~Supportive housing links the provision of housing and social services for the homeless, people with disabilities, and a variety of other special needs populations. California Health and Safety Code (Section 50675.2) defines "supportive housing" as housing with no limit on length of stay, that is occupied by the low income adults with disabilities, and that is linked to on-site or off-site services that assist 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 includes adults with low incomes having one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services provided under the Lanterman Developmental Disabilities Services Act (Division 4.5, commencing with Section 4500, of the Welfare and Institutions Code) and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people.~~

~~Similar to transitional housing, supportive housing can take several forms, including group quarters with beds, single family homes, and multi-family apartments. Supportive housing usually includes a service component either on or off site to assist the tenants 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.~~

~~The Tracy Zoning Ordinance does not currently address the provision of supportive housing. The Zoning Ordinance will be amended to differentiate supportive housing in the form of group quarters versus regular housing developments. For supportive housing facilities that operate as regular housing developments, such uses will be permitted by right where housing is otherwise permitted. For supportive housing facilities that operate as group quarters, such facilities will be permitted as residential care facilities. Potential conditions for approval of~~

~~supportive housing for more than six persons may include hours of operation, security, loading requirements, noise regulations, and restrictions on loitering. Conditions would be similar to those for other similar uses and would not serve to constrain the development of such facilities.~~

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 City of Tracy is currently considering an amendment to the Zoning Ordinance that will add a definition of SROs to the Municipal Code and permit their development in the MDR and HDR zones. SROs will also be conditionally permitted in the MDC zone. This amendment was reviewed by the Planning Commission in October 2015 and adoption is anticipated in November 2015.](#)

~~The Tracy Zoning Ordinance does not contain specific provisions for SRO units. The City will amend its Zoning Ordinance to facilitate the provision of SROs consistent with SB 2 enacted in 2007. The Zoning Ordinance will be amended within one year of the adoption of the Housing Element to permit SROs with a Conditional Use Permit in the MDR and GHC zones.~~

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 zone.](#)~~Approximately 209 residents of Tracy were identified by the 2000 Census as being employed in farming, fishing, or forestry occupations, however, the City's 2006 General Plan does not designate any land within City limits as agricultural land.~~

~~Within the City's Sphere of Influence, 1,230 acres of land are designated for agricultural use. Allowable land uses within this general agricultural designation include livestock ranges, animal husbandry, field crops, tree crops, nurseries, greenhouses, agricultural related residences and structures, public parks and recreational areas, farm employee residences and agricultural offices. Application of treated effluent is also allowed on this land. However, these agricultural lands are all outside City limits.~~[s. However, farm employee housing is not similarly permitted in these zones. The City's Zoning Ordinance also has no provisions for employee housing. City staff will amend the Zoning Ordinance by 2016 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 Amendment 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 ~~five~~-residential zones (~~RE, LDR, MDC, MDR, and HDR~~) also allow residential care facilities of seven or more persons with a Conditional Use Permit. The City will amend its Zoning Ordinance by 2016 to reflect this current policy and fully comply with the provisions of the Lanterman Act.

~~State licensed residential care facilities serving six or fewer clients are permitted only in the MDR, HDR, and POM zones (see detailed discussion under Residential Care Facilities). The City will amend its Zoning Ordinance, within one year of adoption of the Housing Element, to permit small residential care facilities serving six or fewer persons (including adult and senior residential facilities, as well as small family homes) in all residential zones.~~

~~Large residential care facilities serving more than six persons are permitted in the MDR and POM zones. These facilities are also conditionally permitted in the RE, LDR, and HDR zones. The City has not adopted a spacing requirement for residential care facilities.~~

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 of Tracy is currently considering an amendment to the Zoning Ordinance that will modify the definition of "family" to "one or more persons occupying a single dwelling unit, under no more than one written or oral rental agreement." This amendment was reviewed by the Planning Commission in October 2015 and adoption is anticipated in November 2015.

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.

~~The City of Tracy Zoning Ordinance defines a “family” as “any number of persons living or cooking together on the premises as a single dwelling unit, but it shall not include a group of more than four (4) individuals not related by blood or marriage or legal adoption.” This definition of a family limits the number of non-related individuals in a household and may be construed as restrictive to housing for persons with disabilities (e.g. residential care facilities). The City will amend its definition of a family in the Zoning Ordinance to eliminate any requirements on the number of persons constituting a family.~~

Building Codes: The Building and Safety Division actively enforces ~~2007-2010~~[2013](#) 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 is 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 is currently considering an amendment to the Zoning Ordinance that will add a formal reasonable accommodations procedure to the Municipal Code. This amendment was reviewed by the Planning Commission in October 2015 and adoption is anticipated in](#)

~~November 2015. The City currently has no established process in place and reasonable accommodations are granted on a case-by-case basis. The City will amend the Zoning Ordinance to implement a reasonable accommodation procedure to address reasonable accommodation requests.~~

~~**Permits and Fees:** As there is no established procedure in place, no specific permits or fees are required for reasonable accommodation requests.~~

3.4. 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 and development impact fee schedule for residential development are displayed in Table 36. 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 36: Permit Processing Fees

Type	Amount
Conditional Use Permit	
5+ lots <u>Class A</u>	\$ 9,595 (\$960) \$5,905 (\$608)
3-4 lots <u>Class B</u>	\$ 5,300 (\$530) \$3,760 (\$390)
1-2 lots	\$ 3,375 (\$340)
Development Review	
5+ lots <u>Class A</u>	\$3,800 \$4,361
3-4 lots <u>Class B</u>	\$2,700 \$3,098
Environmental Initial Study/Negative Declaration	\$1,420 \$1,582
Environmental Impact Report	Reimbursement <u>Cost Recovery</u> Agreement
General Plan Amendment	Reimbursement <u>Cost Recovery</u> Agreement
Planned Unit Development	\$7,850 \$8,746
Planning Commission Determination	\$1,005 \$1,120
Residential Growth Allotment	\$1,669 \$1,859
Specific Plan Amendment	\$5,100 \$5,682
Tentative Parcel Map	\$7,300 \$8,133
Tentative Subdivision Map	
5-100 lots	\$10,000 \$11,141
101+ lots	\$15,600 \$17,380
Variance	\$672 \$749
Zone Change	\$2,550 \$2,841

Source: City of Tracy, Development and Engineering Services (DES) Department ~~Application Processing~~ Master Fee Schedule, 2008 ~~11~~ 2015.

Notes:

() = Fee for non-profit organizations.

Notes:

1. Class A = 4 or more units
2. Class B = 1-3 units

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. 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 recent 21-unit single-family subdivision totaled approximately \$50,000 per unit. For a recent 300-unit multi-family development, fees totaled approximately \$25,000 per unit. Appendix CD shows the development impact fees for a typical single-family unit and a typical multi-family unit.

~~Building permit fees are collected by the City of Tracy in accordance with State law. Building permit fees (plan check, inspection, electrical, mechanical, and plumbing) are typically received when building permits are issued. Tracy's building permit fees have not changed since 1997.~~

The following fees are included in the category of building permit fees:

- ~~— Building plan check fees~~

- ~~— Permit (inspection) fees~~
- ~~— The amount due for each permit in these two categories is directly from Chapter 3 of the Uniform Administrative Code and is based on a project's valuation (as determined by the ICC Building Valuation Data Table).~~
- ~~— Electrical, mechanical, and plumbing permit fees~~
- ~~— These fees are primarily based on the number and type of fixtures.~~
- ~~— Strong Motion Implementation Program fee~~
- ~~— This is a State imposed fee, collected by all local jurisdictions on behalf of the California Department of Conservation.~~
- ~~— California Building Standards Commission fee~~
- ~~— This is a State imposed fee collected by all local jurisdictions and sent directly to the Commission.~~
- ~~— Digitizing Fee~~
- ~~— This fee offsets costs of electronic, long term archives and document storage. Its rate is based on the size and number of pages of construction documents, typically costing less than \$10 per residential dwelling unit.~~

~~Building permit fees vary by project, based on the size of each home, the number and type of electrical, mechanical, and plumbing fixtures, and the project's valuation. Typically, total building permit fees for a 1,862 square foot single family home are approximately \$3,295. A 2,032 square foot duplex would pay approximately \$1,642 per unit. A 40,723 square foot, 50-unit apartment complex would pay approximately \$766 per unit. These fees represent a minute percentage of the overall development cost of a housing unit and therefore do not serve to constrain housing development.~~

~~The City collects fees to offset the costs of plan check and inspections for public right of way improvements (such as streets, sidewalks, street lights, and utilities). The public improvement plan check and inspection fees, combined, are 9.28% percent of the public improvement construction costs. Other Engineering processing fees include those for grading permits, final map review, and subdivision improvement agreements. A recent single family home subdivision paid approximately a total of \$ 6,888 per single family home lot in Engineering plan check fees, and inspection fees, final map review, improvement agreements, and related subdivision improvement and documentation fees.⁷ While this project's fees are slightly higher than normal because of the oversizing this project performed for future development areas, it is one of the most recent subdivisions in Tracy.~~

~~As shown in Table 37, development impact fees vary depending on housing type and the location of the project. Tracy Unified School District, which covers kindergarten through eighth grade, collects a school facilities mitigation fee of \$5.32 per square foot of new residential construction. Rather than paying the per square foot fee, some single family residential projects have entered into mitigation agreements requiring payments of \$13,721 at building permit issuance or \$14,249 at the time the home is sold by the builder.~~

~~In the South Industrial Specific Plan area, a developer can expect to pay \$32,933 in total development impact fees for a typical single family dwelling unit. For a small multi-family~~

~~⁷ Norm Soaras, Bright Development. The project in reference is the 71 lot Southgate Subdivision.~~

~~project (2-4 units), development impact fees total approximately \$23,843 per unit, and for large multi-family projects (5+ units), fees total approximately \$20,448 per unit. In the Infill Planning area, a developer can expect to pay \$38,859 in total development impact fees for a typical single-family dwelling unit. For a small multi-family project (2-4 units), development impact fees total approximately \$32,433 per unit, and for large multi-family projects (5+ units), fees total approximately \$25,057 per unit. These fees usually represent between 15 to 20 percent of the total development costs and are comparable to developments in other Central Valley communities.~~

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 regulations policies in place that to facilitate the development of affordable housing, including: increased ~~the~~ priority ~~under the~~ Growth Management Ordinance, decreased ~~construction costs~~ through reduced standards (i.e. reduced parking, etc.), ~~or and eliminate zoning requirements (such as density bonus) for affordable housing, reduced fees.~~ The Community Development Agency also helps finance affordable housing projects. ~~In addition, some of the City's processing fees are reduced for nonprofit organizations.~~

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 recent 21-unit single family subdivision totaled approximately \$50,000 per unit. For a recent 300-unit multi-family development, fees totaled approximately \$25,000 per unit. These fees represent a very small percentage of overall development costs and do not serve to constrain housing development.

4.5. 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 37). Alternative street designs are permitted within specific plan areas.

Table 37: 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, ~~2009~~2015.
 VPD=Vehicles per day

5.6. Building Codes and Enforcement

In addition to land use controls, local building codes also affect the cost of housing. The City currently implements the ~~2007~~2013 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.

6.7. 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 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 two to four months. Table 38 provides a detailed summary of the typical processing procedures and timelines of various types of projects in the City.

Table 38: 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	2-4 months
Multiple-Family	DES Director	Yes	Planning Commission	2-4 months
Multiple-Family (with subdivisions)	Planning Commission*	Yes	City Council	2-4 months
Mixed Use	Planning Commission	Yes	City Council	2-4 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 39. These applications are often processed concurrently. Depending on the level of environmental review required, the processing time for a project may be lengthened. 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 39: Approximate Processing Times

Process/Application	Time
Conditional Use Permit	2-3 months
Development Review	1-3 months
General Plan Amendment	3-4 months
Environmental Impact Reports	6-12 months
Plan Check/Building Permits	1-3 months
Tentative Map	2-3 months
Variance	1-2 months
Zone Change	3-4 months

Source: City of Tracy Planning Department, 2015⁹⁹.

Development Review

A Development Review Permit is required for all housing developments or improvements that require a building permit, 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 DES Director reviews applications and has the authority to approve, conditionally approve, or deny an application. In reviewing and evaluating an application, the 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.

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. In order 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 must be held within 30 days after the date the application was filed. Notice of the public hearing must be 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;
- 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.

7.8. 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 new homeowners.

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 and passed on to the consumer. However, the presence of these regulations helps preserve the environment and ensure environmental quality for Tracy residents.

B.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 and Engineering 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. The 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.

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 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 (CDF) 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 City of Tracy Fire Department 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. No sites improved with residential development to meet or exceed the RHNA are in a high fire hazard area.

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 Police and Fire Departments work with San Joaquin County to implement this plan.

The City of Tracy participates with San Joaquin County in a household hazardous waste program. ~~Approximately 45,642 pounds of household hazardous waste was collected from the events hosted in Tracy.~~ 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:

- 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

~~The City of Tracy provides water service to all of its residents. The City has 23,414 metered service connections, 22,253 of which are residential users and 1,161 are commercial or industrial users.~~

Tracy obtains water from both surface and groundwater sources. The City has access to up to 39,000 acre-feet of water per year from both surface and groundwater sources combined and utilizes less than half that amount each year. Furthermore, the City is pursuing additional water supplies to accommodate future growth. The amount from either source as a percentage of the total water supply used by Tracy varies from year to year based on contractual agreements, annual precipitation and City policy about how to expend water resources. The supply of groundwater sources is dependent on the capacity of the Tracy Aquifer.

~~In 2009, the City used approximately 16,700 acre-feet of water. Approximately 94 percent of this came from surface water sources and the remainder came from groundwater.~~ The City of Tracy receives the majority of its surface water supply from the South County Surface Water Supply Project (SCSWSP), a partnership with the cities of Manteca, Lathrop, and Escalon and the South San Joaquin Irrigation District. The SCSWSP delivers up to 10,000 acre-feet per year of treated Stanislaus River water to the City.

Another 10,000 acre-feet per year is available through a Bureau of Reclamation contract from the Delta Mendota Canal. An additional 10,000 acre-feet of less reliable supply is available from the Delta Mendota Canal through agricultural water contracts the City purchased from the Banta-Carbona Irrigation District and the West Side Irrigation District.

Finally, the City owns and operates eight wells through which it has historically pumped up to 9,000 acre-feet per year for municipal use. Since obtaining access to surface water supplies, the City only uses well water for meeting peak demands or during the annual maintenance outage of the City's Water Treatment Plant. The well water is less desirable because it is heavily mineralized.

In addition to the current water supply sources indicated above, the City is pursuing thousands of additional acre-feet per year for future urban growth from the Byron-Bethany Irrigation District, the Plain View Water District, water recycling, aquifer storage and recovery, and out-of-area storage through the Semitropic Water Banking project.

The City of Tracy provides water service to all of its residents. In 2009, the City used approximately ~~16,700~~17,000 acre-feet of its 39,000 acre-feet supply. Upon General Plan buildout, potable water demand is projected at about 36,300 acre feet per year. The City's water supply ~~is~~ comes from both surface and groundwater sources and totals approximately 38,000 acre feet per year. ~~the City is pursuing additional supplies to accommodate future growth.~~ The City will have adequate water to accommodate ~~new residential construction in excess of the RHNA~~projected water demands at buildout of the General Plan.

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. Wastewater treatment capacity exceeds demand. In ~~2009~~2012, the average dry weather flows for the entire City was were 87.6 million gallons per day (mgd). This flow is treated at the City's WWTP which has ~~Currently, the City's wastewater treatment plant has a design capacity of 10.8 mgd and a planned expansion to 16 mgd. The City is also proposing the development of a second treatment facility to process flow generated by the Tracy Hills development. This facility received conceptual approval in 2000.~~ Through existing facilities and approved expansions, the City will have adequate wastewater treatment capacity to meet and exceed the RHNA.

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, Swainson's hawk, 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. The SJMSCP provides habitat mitigation for sufficient amounts of land for Tracy to exceed the RHNA.

H.IV. Housing Resources

The extent of housing needs in a community often exceeds the resources available. The City of Tracy must ~~pull~~ pool together limited resources and use them efficiently in order to address the current and projected housing needs of its residents. This section of the Housing Element provides an overview of resources available to the City.

A. Regional Housing Needs Allocation

1. Projected Housing Needs

State Housing Element law requires that a local jurisdiction accommodate a share of the region's projected housing needs for the planning period. This share, called the Regional Housing Needs Allocation (RHNA), is important because State law mandates that jurisdictions provide sufficient land to accommodate a variety of housing opportunities for all economic segments of the community. —Compliance with this requirement is measured by the jurisdiction's ability in providing adequate land to accommodate the RHNA. The San Joaquin Council of Governments (SJCOG), as the regional planning agency, is responsible for allocating the RHNA to individual jurisdictions within the region.

The RHNA is distributed by income category. For the ~~2009-2015~~ Housing Element update, the City of Tracy is allocated a RHNA of ~~4,888~~4,976 units⁸ as follows:

- ~~Extremely Low~~⁹ (~~up to 30 percent of AMI~~): ~~513~~ 513 units (~~10.3~~ 10.3 percent)
- ~~Very Low Income~~ (~~up 31~~ to 50 percent of AMI): ~~907~~467 units (~~18.6~~9.4 percent)
- Low Income (51 to 80 percent of AMI): ~~632~~705 units (~~12.9~~14.2 percent)
- Moderate Income (81 to 120 percent of AMI): ~~813~~828 units (16.6 percent)
- Above Moderate Income (more than 120 percent of AMI): ~~2,535~~2,463 units (~~51.9~~49.5 percent)

Credits toward the RHNA

Since the RHNA uses January 1, ~~2007-2014~~ as the baseline for growth projections for the Housing Element planning period of ~~2009-2015-2014~~2023, jurisdictions may count toward the RHNA any new units built or issued certificates of occupancy since January 1, ~~2007-2014~~. ~~Since January 2007, 354 housing units have been developed in Tracy~~As of May 2015, 1,896 market-

⁸—~~This total may vary as a result of rounding, however, the number of housing units required at each income level is fixed.~~

⁹~~The City has a RHNA allocation of 980 very low income units (inclusive of extremely low income units). Pursuant to new State law (AB 2634), the City must project the number of extremely low income housing needs based on Census income distribution or assume 50 percent of the very low income units as extremely low. According to the CHAS data developed by HUD using 2007-2011 ACS data, the City had 3,115 households with incomes at or below 50 percent AMI (1,380 extremely low and 1,735 very low income) as shown in Table 12. Therefore, the City's RHNA of 980 very low income units may be split into 434 extremely low and 195 very low income units. However, for purposes of identifying adequate sites for the RHNA, State law does not mandate the separate accounting for the extremely low income category.~~

rate housing units are under construction or have been approved in Tracy (Table 40). The location of these developments is illustrated in Figure 10.

- ~~**Tracy Senior Apartments:** Among these 354 units constructed, 50 units were developed as Tracy Senior Apartments, deed restricted as housing affordable to low income seniors with income not exceeding 60 percent of the AMI.~~
- ~~**Forest Greens Apartments:** Another 32 units were developed as the Forest Greens Apartments (eight fourplex structures). These 32 fourplex rental units are moderate in size and according to rental rates for two and three bedroom units (average rents range from \$780 to \$1,048) in Tracy, these 32 units are affordable to moderate income households (maximum affordable rents for this income group range from \$1,575 to \$1,840).~~
- ~~**Duplex Units:** Four units were developed as duplex developments. Given the moderate size of these units, they are affordable to moderate income households at market rents. (Average rent for three bedroom units is \$1,048 in Tracy, with maximum affordable rents for this moderate income households ranging from \$1,575 to \$1,840).~~
- ~~**Waterstone Edgewood:** This apartment complex contains one and two bedroom units. According to rental rates for this complex, rents range from \$999 for a one bedroom unit to \$1,410 for a two bedroom unit.¹⁰ These rental rates are affordable to moderate income households in Tracy.~~
- ~~**Single Family Homes and Other Private Developments:** These types of housing total 160 units. These units are generally affordable only to above moderate income households.~~

Overall, the City has a remaining RHNA of ~~4,533~~2,513 units, including ~~907~~980 extremely low/very low income units, ~~582~~705 low income units, and 669~~828~~ moderate income units, ~~and 2,375 above moderate income units.~~

¹⁰ ~~www.apartments.com~~, accessed January 6, 2010.

Table 40: Credits Toward the RHNA

<u>Project Name (Map ID)</u>	Extremely Low/ Very Low 0-50% AMI	Low 51-80% AMI	Moderate 81-120% AMI	Above Moderate > 120% AMI	Total
Projects Building Permits Finaled Under Construction					
<u>Primrose (1)</u>	0	0	0	252	252
<u>The Bungalows (2)</u>	0	0	0	57	57
<u>Trinity Lane (3)</u>	0	0	0	60	60
<u>Muirfield VII—Phase 4 (4)</u>	0	0	0	61	61
<u>Lyon Crossroads (5)</u>	0	0	0	59	59
<u>Aspire Apartments (6)</u>	0	0	0	301	301
<u>Yosemite Vista (7)</u>	0	0	0	166	166
<u>Tiburon Village Ventana (8)</u>	0	0	0	105	105
<u>Subtotal</u>	0	0	0	1,061	1,061
Projects Approved and Not Yet Constructed					
<u>Brookview (9) Brookview</u>	00	00	00	8080	8080
<u>Southgate (10) Southgate</u>	00	00	00	7070	7070
<u>Seventh Street Commons (11) Seventh Street Commons</u>	00	00	00	1010	1010
<u>Elissagaray Infill (12) Elissagaray Infill</u>	00	00	00	4747	4747
<u>Trigo Duplexes and Triplexes (13) Trigo Duplexes and Triplexes</u>	00	00	00	1818	1818
<u>Valpico Apartments (14) Valpico Apartments</u>	00	00	00	184184	184184
<u>MacDonald Apartments (15) MacDonald Apartments</u>	00	00	00	6060	6060
<u>Tracy Apartments at Grant Line (16) Tracy Apartments at Grant Line</u>	00	00	00	441441	441441
<u>Ellis Specific Plan—Phase I (17) Ellis Specific Plan (Phase I)</u>	00	00	00	299299	299299
<u>Barcelona Infill (18) Barcelona Infill</u>	00	00	00	5151	5151
<u>Subtotal</u>	0	0	0	1,260	1,260
<u>Tracy Place Senior Apts.</u>	0	50	0	0	50
Projects Pending Approval					
<u>Tracy Hills Specific Plan—Phase I (19)</u>	0	0	0	1,162	1,162
<u>Middlefield Apartments (20)</u>	0	0	0	144	144
<u>Bates Stringer (21)</u>	0	0	0	226	226
<u>Tracy Village (22)</u>	0	0	0	585	585
<u>Harvest at Tracy (23)</u>	0	0	0	300	300
<u>Aspire II Apartments (24)</u>	0	0	0	47	47
<u>Berg Road Subdivision (25)</u>	0	0	0	71	71
<u>Subtotal</u>	0	0	0	2,535	2,535
Total	0-0	-500	-1500	-1544,856	-3544,856
RHNA	907980	632705	813828	2,5352,463	4,9764,888

Remaining RHNA

~~907~~980

~~582~~705

~~663~~828

~~2,381~~0

~~2,513~~4,533

2. Residential Sites Inventory

State law requires that jurisdictions demonstrate in the Housing Element that the land inventory is adequate to accommodate that jurisdiction's share of the regional growth. The City is committed to identifying sites at appropriate densities as required by law. The State, through AB 2348, has established "default" density standards for local jurisdictions. State law assumes that a density standard of 20 units per acre for suburban jurisdictions, such as Tracy, is adequate to facilitate the production of housing affordable to lower income households. Therefore, in estimating potential units by income range, it is assumed that:

- A density of 0 to 10 units per acre (primarily for single-family homes) is assumed to facilitate housing in the above moderate income category;
- A density of 11 to 19 units per acre (primarily for medium density multi-family developments) is assumed to facilitate housing in the moderate income category; and
- A density of 20 or more units per acre (primarily for higher density multi-family developments) is assumed to facilitate housing in the [extremely low](#), very low and low income categories.

Residential Development Potential in Specific Plan Areas

The City anticipates that much of its future residential growth will occur within two Specific Plan areas – the Tracy Hills Specific Plan and the Ellis Specific Plan. These Specific Plan areas have ~~a combined total of approximately 1,500 acres of vacant land with~~ the potential to yield ~~950 lower income units, 3,933 moderate income units, and 2,622 above moderate income~~ [over 6,600](#) units. ~~The two Specific Plan areas~~ [and](#) are described in detail below:

Tracy Hills Specific Plan

The Tracy Hills Specific Plan ~~was adopted in 1998 and~~ [Development Area](#) ~~encompasses approximately 2,731 acres within the southern portion of the City surrounding the existing interchange at Corral Hollow Road and the proposed Lammers Road interchange on Interstate 580~~ [is approximately 6,175 acres of rolling terrain that parallels both sides of Interstate 580 north of Corral Hollow Road. The specific plan area is anticipated to include 5,499 housing units. This Development Plan Area surrounds one of the six Urban Centers located and defined within the City of Tracy's General Plan Urban Management Plan \(UMP\). Tracy Hills is planned as a Community Area with distinct residential villages offering a broad range of housing types and supportive services. These support services include a village center with commercial and retail uses, public recreational facilities and greenbelt, greenways and open space system. In addition to the residential component, areas have been designated for \[commercial\]\(#\), industrial and office uses ~~so that jobs can be more closely located to the homes of employees.~~ -The \[site Specific p\]\(#\)Plan offers four housing densities for a diverse range of ~~ownership residential~~ opportunities: ~~These housing densities are designated as~~ Residential Estate ~~Lots~~ \(0.5 to 2.0 units per acre\), Low Density Residential \(2.1 to ~~5.4~~ \[8\]\(#\) units per acre\), Medium Density Residential \(~~5.5~~ \[9\]\(#\) to 12.0 units per acre\), and High Density Residential \(12.1 to 25.0 units per acre\).](#)

Full development of the Tracy Hills Specific Plan area may take up to 20 years or more to complete, depending on market conditions. Conceptually, it will be phased generally from east to west or from the Corral Hollow Road end of the site to the western portions of the planning area. ~~The first phase of development Tracy Hills Specific Plan is currently under review and expected to be considered by the City Council in 2016 (Figure 8). This development application also includes an amendment to the 1998 Specific Plan that proposes to rearrange the land uses within the planning area. The total number of proposed dwelling units will not change; however, the distribution of units (by land use category) will be modified slightly. Table 41 below reflects the new distribution of housing units, according to the proposed Tracy Hills Specific Plan amendment that is anticipated to be adopted—considered in 2016. has a total residential capacity of 5,499 419 housing units.~~

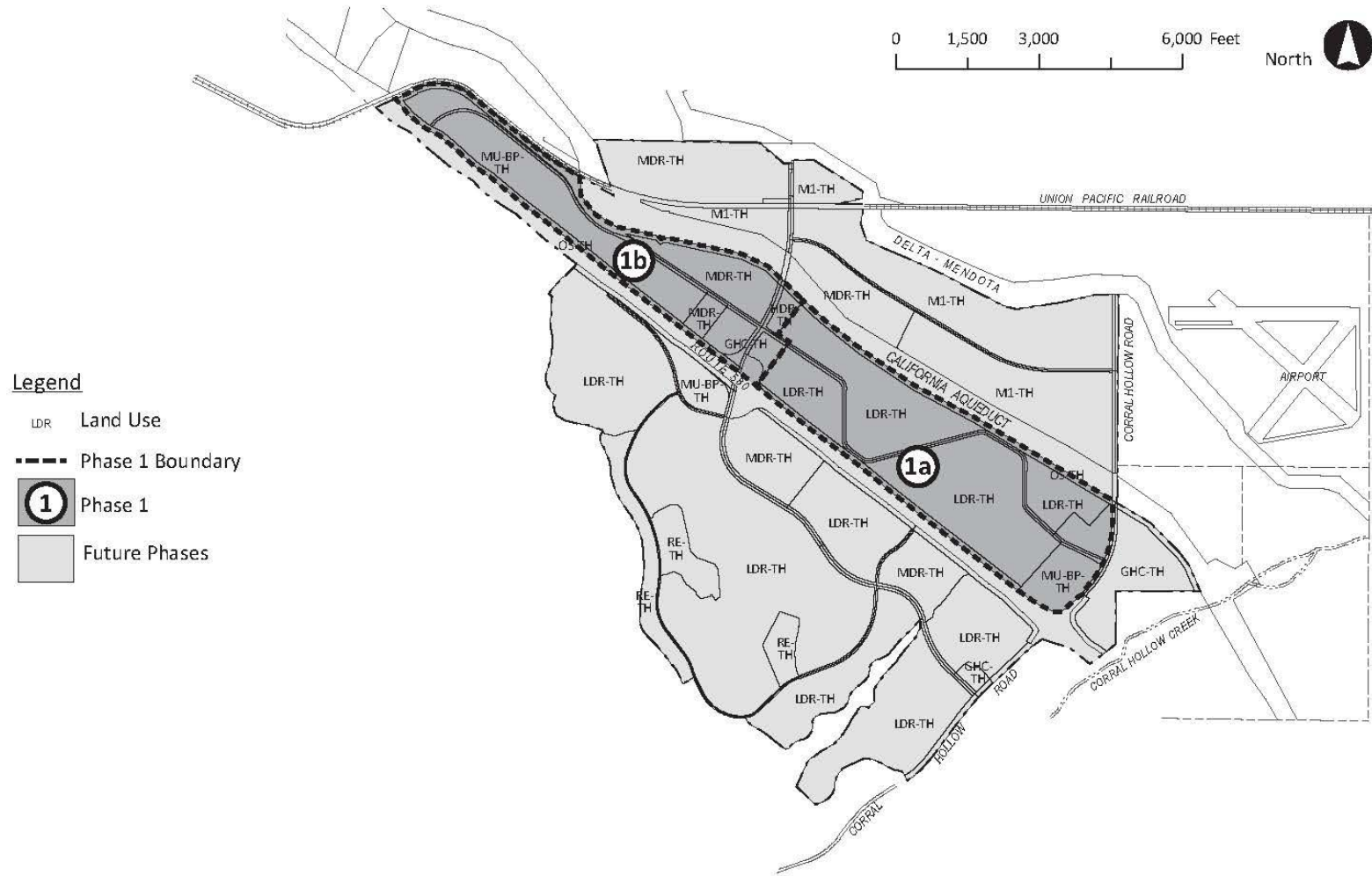
Table 41: Residential Development Potential in the Tracy Hills Specific Plan (Proposed Amendment)

Land Use (Zoning)	Acreage ¹	Density (du/acre)	# of Units
Residential Estate	81.3	0.5-2.0	122
Low Density Residential	876.3	2.1-5.8	3,238
Medium Density Residential	270.4	5.9-12.0	2,014
High Density Residential	7.8	12.1-25.0	125
Total	1,235.8		5,499

Notes:

1. Indicates adjusted developable acres.

Figure 8: ~~Tracy Hills~~ Tracy Hills - Specific Plan



Ellis Specific Plan

The 2011 Tracy General Plan established a separate and distinct land use classification for the Ellis Project entitled Traditional Residential-Ellis (TR-Ellis). In December 2011, the developer filed applications with the City for a modification and amendment to the Original Ellis Development Agreement (DA); a modification and amendment to the Original Ellis Specific Plan; and Petition for Annexation and Pre-Zoning and General Plan Amendment (collectively referred to as the “Modified Project”). ~~The application for the General Plan Amendment seeks to make minor modifications to the language in the TR-Ellis designation identified in the City’s 2011 General Plan.~~

~~The Ellis project is the subject of a lawsuit filed by a local slow-growth group called TRAQC. The lawsuit challenged the sufficiency of the Original Ellis EIR and the Original Ellis DA in the Superior Court. On October 31, 2011, the trial court issued its Statement of Decision and Judgment, ordering that the certification of the Original Ellis EIR and the Original Ellis DA be set aside for legal infirmities. The other requested entitlements were also ordered to be set aside. The Project Applicant and the City subsequently appealed the judgment of the Superior Court to the District Court of Appeal. The result of the appeal is that the judgment of the Superior Court is stayed, pending the outcome of the appeal.~~

~~A revised Ellis EIR was prepared pursuant to the California Environmental Quality Act (CEQA) and the CEQA Guidelines in response to the trial judge’s Statement of Decision and Judgment regarding the lawsuit filed by TRAQC. The revised Ellis EIR addresses and remedies those issues that the trial judge found objectionable. The Ellis Specific Plan area was officially annexed into the City of Tracy in 2013.~~

The Modified Ellis Specific Plan (ESP) pertains to a 321-acre parcel identified ~~as Urban Reserve 10~~ designated as Traditional Residential-Ellis (TR-Ellis), Commercial, and Village Center (VC) in the City of Tracy General Plan. The area is located between Lammers Road and Corral Hollow Road along the north side of the Union Pacific rail line. The vision for Ellis is to create a village with a broad mix of residential housing types and densities, neighborhood parks, and an opportunity to include a Family-Oriented Swim Center (Family Swim Center) serving as a Community Park ~~/Family Swim Center~~. Ellis will be a pedestrian-friendly, compact, planned development. A Village Center with commercial and office/professional uses will be located adjacent to the ~~Community Park~~ /proposed Family Swim Center and will serve as the focal point of community activities. These uses will all be within walking distance of each other. ~~The plan is also designed to accommodate a multimodal transit hub (Transit Center), with ACE train and Tracer bus service and as well as commercial space in the event such a use becomes desirable and feasible.~~

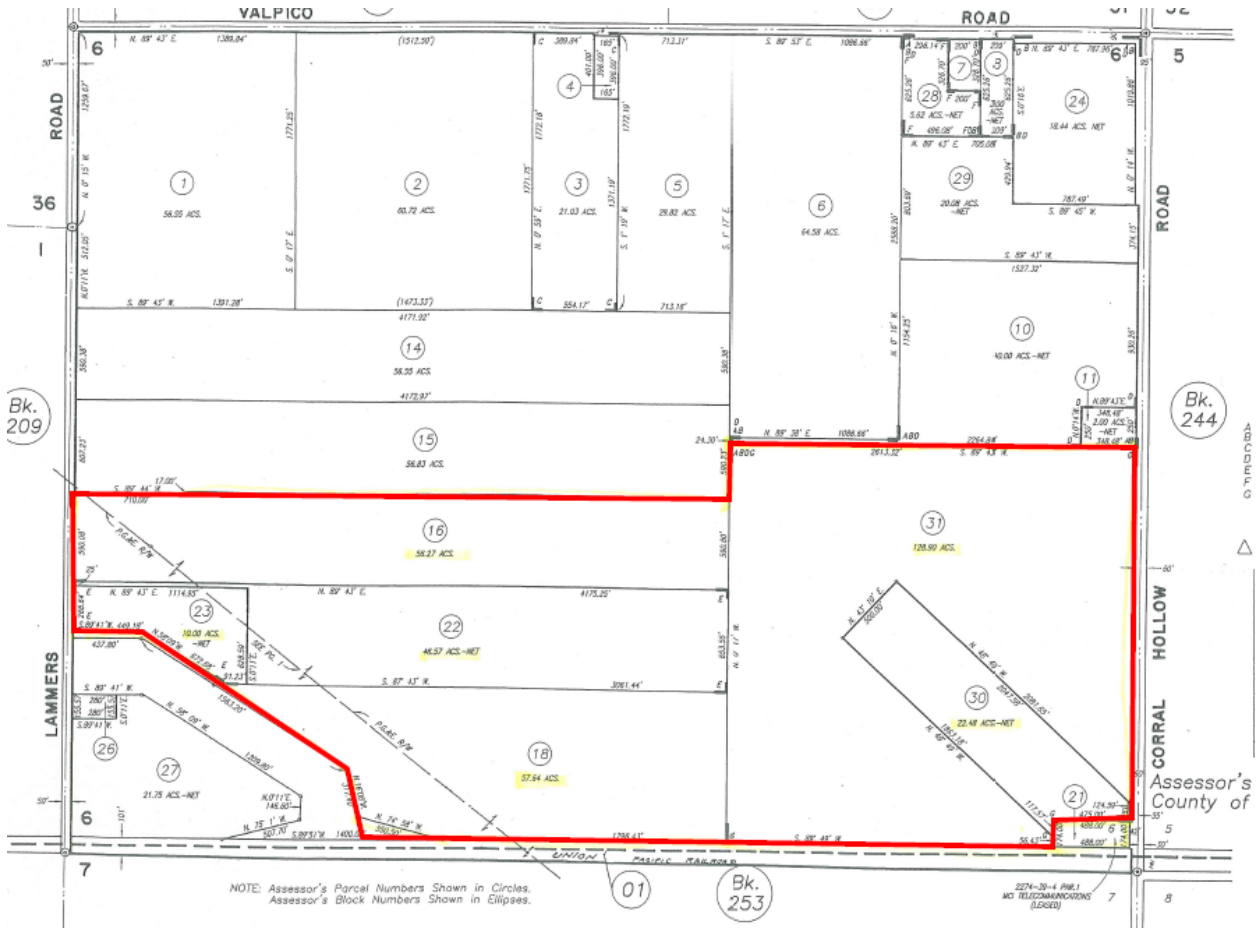
~~Ancillary and low-intensity commercial uses are included as well.~~

The Modified Ellis Specific Plan identifies ~~four~~ two ~~residential~~ land use designations that allow for residential development: Residential Mixed ~~Low (2.1 to 8.0)~~ 4.0 to 9.0 units per acre), ~~Residential Mixed Medium (4.0 to 16.0 units per acre), Residential Mixed High (8.0 to 25.0 units per acre),~~ and Village Center (~~4.0 to 16.0~~ up to 9.0 units per acre). Upon buildout, the plan will accommodate a maximum of 2,250 residential units (minimum ~~1,200-000~~ units), not including secondary residential units.

~~The Ellis Specific Plan area is located in the unincorporated County. Its exact location is illustrated in Figure 9. The City has already initiated the annexation process. Annexation will need to be approved by the San Joaquin Local Agency Formation Commission (LAFCo). LAFCo has already received the Plan for Services, upon which their findings are based; however, the City has no control over the writing of the LAFCo findings. However, in addition, annexation is delayed due to pending litigation. The City anticipates completing the annexation in 2011.~~

Figure 9: Ellis Specific Plan (Location and Existing Parcels)





In order for sites in the Ellis Specific Plan to become available, the following entitlements are required:

1.—An adopted Zoning Document and a City General Plan Designation.

~~Status: These two requirements were met on December 16, 2008 when the Ellis Specific Plan (Zoning document) and General Plan Amendment were approved by the Tracy City Council by Resolution Number 2008 261, and Ordinance 1130. Following the Original Ellis EIR approvals, the City prepared an update to its General Plan and adopted the 2011 General Plan. The 2011 General Plan established a separate and distinct land use classification for the Ellis Project entitled Traditional Residential Ellis (TR-Ellis). In December 2011, the developer filed applications with the City for a modification and amendment to the Original Ellis DA; a modification and amendment to the Original Ellis Specific Plan; and Petition for Annexation and Pre Zoning and General Plan Amendment (collectively referred to as the "Modified Project"). The application for the General Plan Amendment seeks to make minor modifications to the language in the TR-Ellis designation identified in the City's 2011 General Plan.~~

- — Environmental documentation in compliance with CEQA.

~~Status: On December 16, 2008, by Resolution Number 2008-260, the Tracy City Council certified an Environmental Impact Report (SCH #2006102092) and adopted required Findings of Fact, a Statement of Overriding Considerations, and a Mitigation Monitoring Program. This step is solely under the authority of the Tracy City Council. A revised Ellis EIR was prepared pursuant to the California Environmental Quality Act (CEQA) and the CEQA Guidelines in response to the trial judge's Statement of Decision and Judgment regarding a lawsuit filed by TRAQC challenging the sufficiency of the Original Ellis EIR and Original Ellis DA. The revised Ellis EIR addresses and remedies those issues that the trial judge found objectionable. The updated Ellis EIR was released for public review in 2012.~~

~~2. Official annexation of the Ellis site to the City of Tracy.~~

~~Status: On December 16, 2008, the Tracy City Council approved a Petition for Annexation by Resolution Number 2008-262. A Plan for Services is required to be submitted to LAFCo in order for LAFCo to be able to approve the annexation of the Ellis site to the Tracy City Limits. The timeframe for LAFCo action on the Plan for Services is tied to LAFCo approval of the City's overall Municipal Services Plan and Sphere of Influence. The City submitted the Municipal Services Plan and Sphere of Influence to LAFCo on June 23, 2011. Upon LAFCo action of the Municipal Services Plan and Sphere of Influence, individual annexations can occur. This step requires City Council authorization to annex which occurred on December 16, 2008. This step also requires LAFCo approval, which is anticipated in 2012. LAFCo has been involved in the project since the project's inception, specifically through review of the EIR prepared for the annexation and development of the site. The Ellis Specific Plan area was officially annexed into the City of Tracy in 2013.~~

~~—Tentative Subdivision Map, processed in accordance with the State Subdivision Map Act. The Tracy Municipal Code also requires approval by the Tracy City Council.~~

~~Status: On November 24, 2010, an application for a Tentative Subdivision Map approval for the first 400 lots phase of the project (299 units) was received by the City. Approval is anticipated to coincide with annexation approval in 2012was granted in July 2014.~~

~~3. Building permits are required prior to construction commencing on any lot within the Ellis Specific Plan site.~~

~~Status: The City is in the process of approving construction documents for a Swim Center that will be located at the Ellis site.~~

~~—Resolution of ongoing lawsuit.~~

~~Status: The Ellis project is the subject of a lawsuit filed by a local slow-growth group called TRAQC. The lawsuit challenged the sufficiency of the Original Ellis EIR and the Original Ellis Development Agreement in the Superior Court. TRAQC has filed other lawsuits in Tracy in the past. On October 31, 2011, the trial court issued its Statement of Decision and Judgment, ordering that the certification of the Original Ellis EIR and the Original Ellis DA be set aside for legal infirmities. The other requested entitlements were also ordered to be set aside. The Project Applicant and the City subsequently appealed the judgment of the Superior Court to the District Court of Appeal. The result of the appeal is that the judgment of the Superior Court is stayed, pending the outcome of the appeal. Although no injunction or restraining order has been issued by the court, the lawsuit could affect the timing of the project. A court verdict on the lawsuit is expected later this year.~~

~~Realistically, annexation by LAFCo could be accomplished in 2012. The Ellis site currently has received 250-100 RGAs, to date, and is anticipated to receive more in the future, in accordance with their DA development Agreement with the City the Growth Management Ordinance (GMO). The first phase of development within the Ellis Specific Plan was approved in 2014 and if development of the Ellis project proceeds on schedule, construction could commence is expected to begin began in 201215. From that point, market demand will likely be the biggest factor to determine the rate of construction. Assuming 125 units per year, construction from the start of the project (2012) to the end of the current planning period (2014) could yield 375 units, although a stronger market demand could result in a quicker rate of construction. The specific plan area has a remaining capacity of 1,131 units.~~

- ~~• Required entitlement process steps, timelines, and findings to make sites available in the planning period. Which steps are under the City’s control to initiate?~~
- ~~• Status of San Joaquin Local Area Formation Commission’s required findings for annexation of Ellis~~
- ~~• Estimate of the number of units that could be developed in Ellis during the planning period]~~

Table 42: Residential Development Potential in the Ellis Specific Plan

Land Use (Zoning)	Acres	Allowed Density Range (du/acre)	Maximum Number of Units	Potential Number of Units (Mid-Range)
Low Density				
Residential Mixed	284.7 <u>170.3</u>	4.0-9.0	2,250 <u>1,532</u>	1,625 <u>1,106</u>
Village Center	5.7	0.0-9.0	50	25
	176.0<u>290.4</u>		1,582	1,131

Notes: Potential number of dwelling units is estimated as the midpoint of the dwelling unit range specified in Specific Plan.

Residential Development Potential on ~~Other~~ Vacant Sites

In addition to the Specific Plan areas discussed above, future housing units can also be accommodated on various vacant sites located throughout the City.

Low and Medium Density Sites

~~This~~ ~~The~~ sites inventory includes several vacant sites designated for lower density residential ~~Residential Low and Residential Medium~~ uses (up to 12 units per acre). The residential capacity on these sites is counted towards the City's moderate- and above moderate-income RHNA ~~in various parts of the City.~~ ~~Several of these sites already have approved housing projects but due to the housing market, no building permits have been issued yet. In the cases of sites with approved projects, the capacity is based on the actual approved number of units.~~

High Density Sites in Downtown Area

~~The majority of Tracy's larger vacant sites are located in its Downtown area, within the proposed Downtown Specific Plan area.~~ The City plans to accommodate ~~its~~ the majority of its lower income RHNA on ~~its~~ land designated as ~~inventory of~~ Downtown (D), ~~Village Center (VC), Commercial (C), Urban Reserve (UR),~~ and Residential High (RH) ~~designated land by the General Plan.~~ Residential development within ~~the Downtown area~~ the RH designation can occur at a density of up to 25 units per acre, ~~while the~~ in the RH, VC, C, and UR designations and Downtown designation can accommodate up to 40 units per acre ~~in the Downtown designation.~~ Senior housing is allowed within the Downtown designation at a density of up to 50 units per ~~gross~~ acre. "

~~A portion of the area designated by the General Plan as Downtown is zoned Light Industrial (such as in sites G and H which are listed in greater detail in Appendix B). The Light Industrial zoning on these remaining sites on the south side of the Downtown area became obsolete in 2006 when the property was designated by the General Plan as Downtown. As a matter of land use policy, the General Plan is the guiding land use document in the City.~~

~~The zoning on these sites is required to become consistent with the Downtown General Plan designation within a reasonable period of time. The City has initiated the DSP and a City-wide Zoning Code Update, either of which will cause the Light Industrial Zoning to be changed in order to be consistent with the General Plan. Both of these projects are anticipated to be completed in 2012. In the meantime, if any development is proposed on the Downtown sites zoned as Light Industrial prior to the completion of the DSP or the Zoning Code Update, the City will change the zoning to match the General Plan, concurrent with the development project's discretionary approval.~~ The Downtown properties included in the sites inventory (detailed in Table 43 and illustrated in Figure 10) all have zoning in place that accommodates residential development.

Altogether, the City has identified ~~approximately nearly 14035~~ acres of this high density land, with a total capacity of ~~3,502 44551,054~~ lower income units. ~~The land use designations for these sites are in place to allow high density residential development to occur. While a few parcels will require the City to change the zoning concurrent with the development approval, such zoning change is technical in nature in order to maintain consistency with the General Plan and therefore would not introduce uncertainty to the approval process. A detailed parcel by parcel inventory of these sites can be found in Appendix B.~~

City staff used their extensive knowledge of the City to select these particular vacant properties based on a variety of factors, including parcel size, location, and redevelopment potential. ~~Table 53 presents a summary of the total development capacity on the vacant sites identified by the City. These vacant sites were previously identified in the City's 2009-2014 Housing Element and are currently still vacant and available for future residential development.~~

~~Table 54 summarizes the housing capacity on these same vacant sites based on the existing zonings that allow for residential development. Even without rezoning, the City's vacant parcels can still accommodate approximately 1,540 housing units, nearly one-half (723645 units) of which will be suitable for lower and moderate income households.~~

~~While Table 53 above and Appendix B describe the total potential housing capacity on the City's vacant sites, not all of the sites identified can currently support the development of housing because zoning for the specific parcels has not yet been updated to match current land use designations.~~

~~Table 54 summarizes the housing capacity on the City's vacant sites based on existing zoning. Even without rezoning, the City's vacant parcels can still accommodate approximately 1,540 housing units, nearly one-half (723 units) of which will be suitable for lower and moderate-income households.~~

Table 43: Vacant Sites Inventory

Map ID	APN	General Plan	Zoning	Acres	Density (units/acre)	Maximum Capacity	Potential Capacity	Existing Use	Notes
<i>Low Density</i>									
A E	235-100-32	Residential Low	Low Density Residential	2.00	5.8	11	8	Vacant	
Subtotal				2.0		11	8		
<i>Medium Density</i>									
B A	234-070-06	Residential Medium	Medium Density Residential	2.4 39 ¹	12.0	35	35	Vacant	The MDR zone permits one dwelling unit for each 2,900 square feet of net lot area.
C B	234-070-04	Residential Medium	Medium Density Residential	7.1 09 ¹	12.0	106	106	Vacant	The MDR zone permits one dwelling unit for each 2,900 square feet of net lot area.
D K	233-460-04	Residential Medium	General Highway Commercial	1.8 75	12.0	21	16	Vacant	
Subtotal				11.3		162	157		

Table 43: Vacant Sites Inventory

Map ID	APN	General Plan	Zoning	Acres	Density (units/acre)	Maximum Capacity	Potential Capacity	Existing Use	Notes
<i>High Density</i>									
E	235-150-06	Downtown	Low-Density Residential	6.88	40.0 ²	275	220	Vacant	The General Plan designations for these sites is Downtown, which allows high-density residential. The zoning will be changed to be consistent with the General Plan designation prior to development approval of the site.
E	235-150-23	Downtown	Central Business District	17.1 ⁰⁵	40.0 ²	682	545	Vacant	The General Plan designation for these sites is Downtown and the zoning is Central Business District, which allows multiple-family dwellings at a density of up to 40 units per acre.
F	235-150-06	Downtown	Central Business District	6.9	40.0 ²	275	220	Vacant	
G	235-150-24	Downtown	Central Business District	4.4	40.0 ²	176	123	Vacant	
	235-150-24		Low-Density Residential	4.41		176	140		
G	246-140-01	Residential High	Light Industrial	34.18	25.0	854	683	Vacant	The General Plan designation for this site is Residential High. The zoning will be changed to be consistent with the General Plan designation prior to development of the site.
I	214-320-83	Commercial	General Highway Commercial	1.66	25.0	41	40	Vacant	The GHC Zone permits multi-family uses with a conditional use permit. The Tracy Municipal Code does not prescribe a maximum density for multi-family uses in the GHC zone. A development application, including Conditional Use Permit, for a 40 unit multi-family project on this parcel has been submitted to the

Table 43: Vacant Sites Inventory

Map ID	APN	General Plan	Zoning	Acres	Density (units/acre)	Maximum Capacity	Potential Capacity	Existing Use	Notes
									City and is currently under review.
HJ	240-660-37	Residential High	Planned Unit Development	3.4 3	25.0	85	68	Vacant	
I	<u>235-150-07</u>	<u>Downtown</u>	<u>Central Business District</u>	<u>3.5</u>	<u>40.0²</u>	<u>140</u>	<u>98</u>	<u>Vacant</u>	
Subtotal				137.06 <u>35.3</u>		4,321,358	3,459,105 <u>4</u>		
Total				212.26 <u>48.6</u>		4,837,153	3,912,121 <u>9</u>		

Notes:

- 1. Represents net acreage.
- 2. Up to 50 units per acre is allowed for senior housing.

Proposed Rezoning

The City’s existing inventory of vacant sites has a shortfall of approximately 500 lower- income units for meeting its RHNA obligations. To meet the RHNA for the upcoming planning period, the City will rezone adequate acreage within the City. Specifically, the City will rezone four properties (totaling over 31 acres) designated Residential High by the General Plan to HDR. The location of these parcels is illustrated in Figure 10.

Table 44: Proposed Rezoning

Map ID	APN	General Plan	Current Zoning	Proposed Zoning	Acres	Density (units/acre)	Maximum Capacity	Potential Capacity Existing Use
J	246-130-03	Residential High	Low-Density Residential Light Industrial	2.00 HDR	5.87.68	11 25	8192	Vacant 153
K	246-130-04	Residential High	Light Industrial	HDR	5.00	25	125	100
L	246-130-05	Residential High	Light Industrial	HDR	11.29	25	282	225
M	246-130-06	Residential High	Light Industrial	HDR	7.69	25	192	153
Subtotal				-2.0	31.7	11	7918	631

These four parcels are currently zoned Light Industrial; however, the Light Industrial zoning on these sites became obsolete in 2006 when they were re-designated by the General Plan for residential uses. As a matter of land use policy, the General Plan is the guiding land use document in the City. The rezoning of these four properties is, therefore, technical in nature in order to maintain consistency with the General Plan and will be accomplished within two years of the adoption of the 2015-2023 Housing Element. The rezoning of properties to accommodate the City’s RHNA shortfall will also meet the following requirements:

- Sites must be rezoned to permit owner-occupied and rental multi-family housing by right without discretionary review of the use or density; and
 - Sites must be zoned with a minimum density of at least 1620 units per acre.
- ~~— At least 50 percent of the lower income RHNA shortfall will be permitted on sites designated for residential use where nonresidential uses or mixed use are not permitted.~~

Sites Redesignated and Rezoned During the Last Housing Element Period

~~During the last Housing Element planning period, the City re-designated 21 acres of vacant land that currently have zoning that permits multi-family (high density) development. Approximately 15 acres (APNs 235-150-06, 07, and 24) allow multi-family development without any express upper end density limit. The General Plan establishes a maximum density on these Downtown sites (zoned CBD) of 40 du per acre. Assuming an average yield of 28 du per acre, the 15 acres zoned CBD would yield 413 dwelling units. An additional six acres (APNs 235-130- City of Tracy~~

~~15 and 20) were rezoned in 2007 to provide for high density, multi-family development. Multi-family development is principally permitted on these parcels, without a Conditional Use Permit. Assuming an average yield of 18 du per acre, these six acres zoned ISP would yield 111 dwelling units.~~

Recent Development Trends

Residential development capacity in the specific plan areas are based on the approved number of units in the specific plans. In ~~the vacant sites within the City's~~ downtown area, the capacity is estimated based on 80 percent of ~~the~~ allowable densities. Table 45 presents examples of ~~recently constructed~~ currently under construction or recently approved projects. These projects demonstrate that the City's development standards are reasonable and that developers are able to achieve ~~an average density at 84~~ over 80 percent of the maximum density permitted.

Table 45: Recent Development Projects (Constructed, Approved, and Proposed)

Project Name	Land Use Designation (Zoning)	Residential Density Allowed	Actual Density		Acreage	Max. Capacity (units)	Actual Capacity (units)
			Density	% of Max.			
Aspire Apartments	Corridor SP	25 [City to confirm]	27.8 <u>23.7</u>	111% <u>95%</u>	10.80	270	301
Seventh Street Commons	CBD	40	43.5	109%	0.23	9	10
Tracy Apartments at Grant Line	Corridor SP	25 [City to confirm]	22.0	88%	20.04	501	441
Valpico Apartments	HDR	25	21.0	84%	8.75	218	184
Downtown MF Project (Site D)	Residential High (PUD)	25	18.5	75%	4.30	108	80
Waterstone Apartments	Residential High	25	23.9	96%	6.52	163	156
Tracy Place ¹	Residential High	25	39.8	159%	1.28	32	50
Chesapeake Bay	Residential High	25	17.9	72%	12.06	301	216
Avalon Condos	Residential High	25	24.4	100%	1.35	33	33

Note 1: Tracy Place received a density bonus approval to achieve the increased density.

Comparison of Sites Inventory and RHNA

In addition, to nearly 5,000 housing units already approved, under construction, or in review, ~~the City of Tracy has the capacity to accommodate 113,944,826,569 over 8,000 housing units in Tracy Hills and Ellis Specific Plan areas and larger within specific plan areas, vacant sites, and properties proposed for rezoning (Figure 10) throughout the City.~~ This capacity exceeds the ~~remaining City's RHNA need~~ of 4,533-976 units. Table 46 provides a summary of the City's ~~available sites residential capacity~~ and RHNA status. ~~Adoption of the Downtown Specific Plan is not required in order to allow residential development to occur in the Downtown area as the General Plan Downtown designation is already in place. Even without the Ellis Specific Plan, the City has more than adequate capacity to accommodate its remaining RHNA. In fact, Tracy Hills Specific Plan alone will offer adequate capacity to accommodate the City's remaining RHNA. While reliance on the Ellis Specific Plan or Downtown Specific Plan is not necessary for purposes of RHNA, these two areas, particularly the Downtown Specific Plan area, represent important growth areas in the area.~~

Table 46: Comparison of Sites Inventory and RHNA

Income Category	Projects Approved, Under Construction and In Review	Tracy Hills Specific Plan	Ellis Specific Plan	Other Vacant Sites	Sites Redesignated Proposed Rezoning for Previous RHNA	Total Sites	Remaining RHNA	Surplus/ Deficit
Very Low and Low	0	125,425	515	1,054	631	1,810	1,685	+125
Lower		435		723	969	36	489	+953
Moderate	0	2,014	955	157	00	2,171	828	+1,343
		975		380		37	9	+3,744
Above Moderate	4,856	3,360	1,131	846	00	9,353	2,463	+6,892
		2,006	6	546		3	375	+7,147
Total	4,856	5,499	1,131	1,219	631	13,336	4,976	+8,360
					1,969	461		+04,93
						9		24,985
						44		

Availability of Infrastructure and Services

The Tracy Hills ~~project and Ellis projects was~~ were analyzed for infrastructure requirements through ~~the their respective EIRs,~~ in accordance with CEQA. ~~(SCH # 95122045). The Ellis project was analyzed for infrastructure requirements through the EIR in accordance with CEQA (SCH # 2006102092).~~ More specifically, the Tracy Hills project will be provided with wastewater treatment at either the existing WWTP or a new facility. Water for Tracy Hills will be provided

City of Tracy

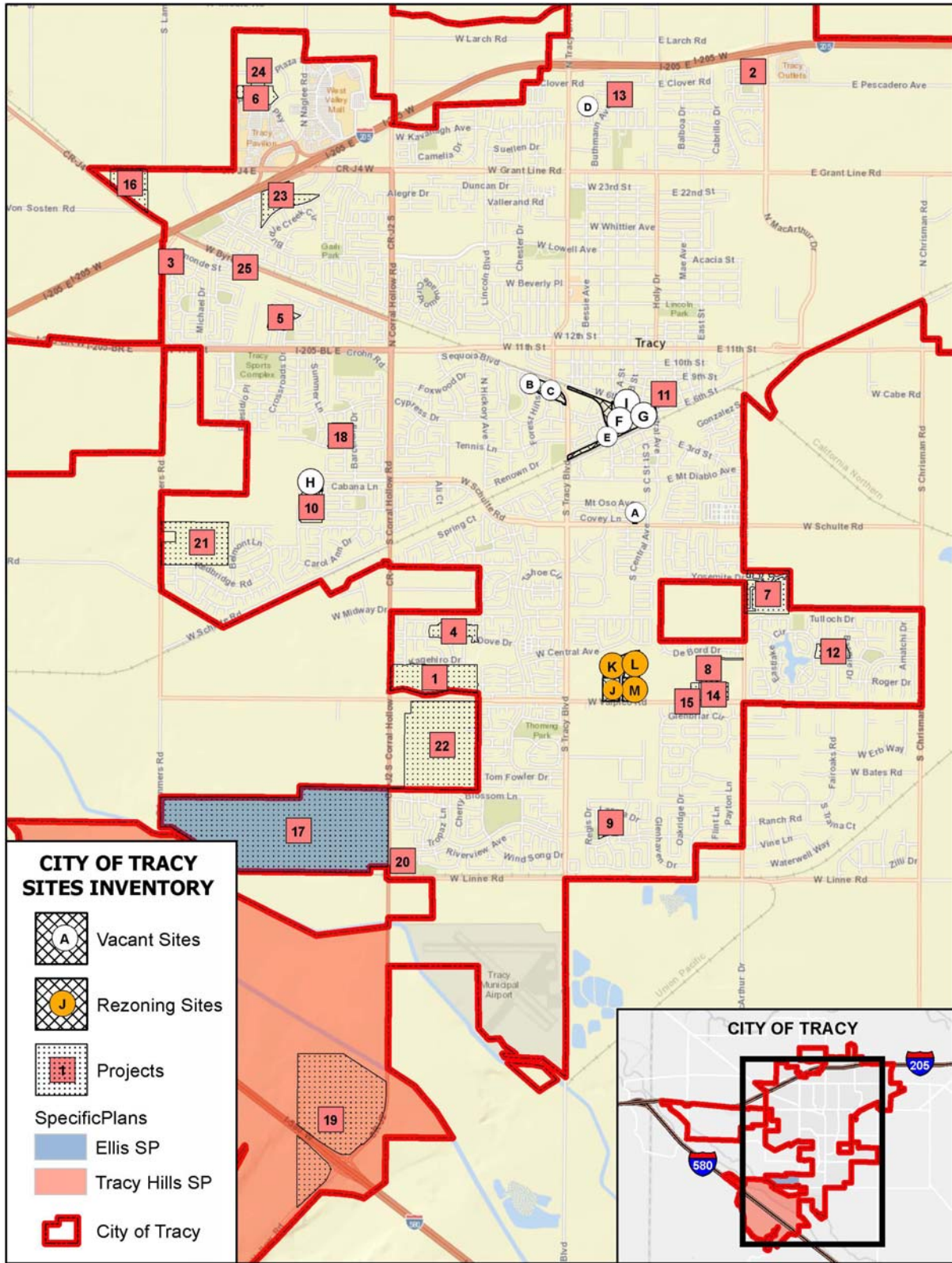
2015-2023 Housing Element _____ 128 _____ Preliminary Public Review Draft City of Tracy

2009-2014 Housing Element _____ 90 _____

_____ HCD Draft

after improvement and financing plans are completed. The Ellis project will be supplied with both water and wastewater from the City's existing water supplies and the existing WWTP.

Figure 10: Residential Sites Inventory



~~B. Adequate Sites Commitment from Prior Housing Element~~

~~AB 1233 amended the State Housing Element law to promote the effective and timely implementation of local housing elements. If a jurisdiction fails to implement programs in its Housing Element to identify adequate sites or fails to adopt an adequate Housing Element, this bill requires local governments to zone or rezone adequate sites by the first year of the new planning period. The rezoning of sites is intended to address any portion of the Regional Housing Needs Allocation (RHNA) that was not met because the jurisdiction failed to identify or make available adequate sites in the previous planning period.~~

~~1. Applicability~~

~~For the 2003 Housing Element, the City of Tracy had a RHNA of 6,469 units, in the following income distribution:~~

- ~~• Very Low Income: 1,178 units~~
- ~~• Low Income: 914 units~~
- ~~• Moderate Income: 1,054 units~~
- ~~• Above Moderate Income: 3,323 units~~

~~This RHNA covers the planning period of January 1, 2001 through June 30, 2009 (extended by legislation from June 30, 2008). The City of Tracy's 2003 Housing Element outlines the following strategy for meeting its RHNA of 6,469 units for the planning period:~~

- ~~• **Newly Constructed:** Between January 1, 2001 and July 31, 2003, the City issued building permits for an estimated 3,526 single family units and 294 multi-family units, inclusive of the 214 unit Chesapeake Bay project. The Chesapeake Bay development provides 88 units of low income, multi-family housing (126 unrestricted units). The remaining 206 multi-family units are assumed to provide moderate income housing.~~
- ~~• **Multi-Family Units in Review:** As of June 2006, another 100 units of multi-family residential units were also in development review.~~
- ~~• **Multi-Family Units Approved:** Between January 1, 2001 and July 31, 2003, 271 multi-family units had been approved by the Development and Engineering Services Department, but had not yet been issued building permits.~~
- ~~• **Second Units:** Second units are exempt from the City's Growth Management Ordinance requirements. It was assumed that second units could provide housing opportunities for moderate income households, and that 50 units could potentially be added during the Housing Element planning period.~~
- ~~• **Tracy Hills Specific Plan:** The Tracy Hills Specific Plan Area alone would satisfy the City's requirement for above moderate income housing units. In the Tracy Hills Specific Plan Area, 1,146 acres of land is designated for low and medium density development,~~

~~providing a total of 4,993 single family housing units. Tracy Hills, at build out, will provide for 4,993 low density, single family homes and 435 medium density, multi-family units.~~

- ~~• **Vacant Multi-Family Sites:** Vacant properties with a zoning designation that allows multi-family development of at least 25 units per acre were assumed to be adequate for accommodating lower income housing. The 2003 Housing Element identified two High Density Residential (which have an allowable maximum density of 25 units per acre) sites, which were capable of supplying a total of 217 low income units.~~

~~The strategy described above left the City of Tracy with a remaining very low and low income RHNA of 1,785 units (Table 55).~~

~~The 2001-2009 Housing Element commits to redesignating/rezoning 72 acres of land at 25 units per acre to provide a capacity of 1,800 units. As the City relied on the re-designation or upzoning of several vacant and/or underutilized parcels to fulfill its remaining RHNA for the 2001-2009 planning period, the City must conduct an analysis in this Housing Element to assess if any obligations under AB 1233 have been incurred. In the 2003 Housing Element, approximately 109 acres were identified as potential sites for rezoning to multi-family residential use. Using conservative assumptions, this land had the potential to accommodate approximately 2,354 lower income units, adequate for meeting the City's remaining RHNA of 1,785 lower income housing units (Table 58).~~

~~As a part of the General Plan update, some of the sites identified in Table 58 plus others totaling approximately 96 ⁹² acres were re-designated for high density residential use. Using conservative assumptions, this land had the potential to accommodate approximately 1,969 ⁸⁰⁰ lower income units, sufficient for meeting the City's remaining RHNA of 1,785 lower income housing units (Table 57). ^{earlier 92} ^{Table 59} ²¹ ^{currently} . Approximately 15 acres (APNs 235-150-06, 07, and 24) allow multi-family development per per 413. An additional six acres (APNs 235-130-15 and 20) were rezoned in 2007 to provide for high density, multi-family development. Multi-family development is principally permitted on these parcels, without a Conditional Use Permit. Assuming an average yield of 18 du per acre, these six acres zoned ISP would yield 111 dwelling units.~~

~~C. Adequate Sites Commitment from Prior Housing Element~~

~~AB 1233 amended the State Housing Element law to promote the effective and timely implementation of local housing elements. If a jurisdiction fails to implement programs in its Housing Element to identify adequate sites or fails to adopt an adequate Housing Element, this bill requires local governments to zone or rezone adequate sites by the first year of the new planning period. The rezoning of sites is intended to address any portion of the Regional Housing Needs Allocation (RHNA) that was not met because the jurisdiction failed to identify or make available adequate sites in the previous planning period.~~

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1. Applicability

For the 2003 Housing Element, the City of Tracy had a RHNA of 6,469 units, in the following income distribution:

- Very Low Income: 1,178 units
- Low Income: 914 units
- Moderate Income: 1,054 units
- Above Moderate Income: 3,323 units

This RHNA covers the planning period of January 1, 2001 through June 30, 2009 (extended by legislation from June 30, 2008). The City of Tracy's 2003 Housing Element outlines the following strategy for meeting its RHNA of 6,469 units for the planning period:

- **Newly Constructed:** Between January 1, 2001 and July 31, 2003, the City issued building permits for an estimated 3,526 single family units and 294 multi-family units, inclusive of the 214 unit Chesapeake Bay project. The Chesapeake Bay development provides 88 units of low income, multi-family housing (126 unrestricted units). The remaining 206 multi-family units are assumed to provide moderate income housing.
- **Multi-Family Units in Review:** As of June 2006, another 100 units of multi-family residential units were also in development review.
- **Multi-Family Units Approved:** Between January 1, 2001 and July 31, 2003, 271 multi-family units had been approved by the Development and Engineering Services Department, but had not yet been issued building permits.
- **Second Units:** Second units are exempt from the City's Growth Management Ordinance requirements. It was assumed that second units could provide housing opportunities for moderate income households, and that 50 units could potentially be added during the Housing Element planning period.
- **Tracy Hills Specific Plan:** The Tracy Hills Specific Plan Area alone would satisfy the City's requirement for above moderate income housing units. In the Tracy Hills Specific Plan Area, 1,146 acres of land is designated for low and medium density development, providing a total of 4,993 single family housing units. Tracy Hills, at build out, will provide for 4,993 low density, single family homes and 435 medium density, multi-family units.
- **Vacant Multi-Family Sites:** Vacant properties with a zoning designation that allows multi-family development of at least 25 units per acre were assumed to be adequate for accommodating lower income housing. The 2003 Housing Element identified two High Density Residential (which have an allowable maximum density of 25 units per acre) sites, which were capable of supplying a total of 217 low income units.

The strategy described above left the City of Tracy with a remaining very low and low income RHNA of 1,785 units (Table 57).

As the City relied on the re-designation or upzoning of several vacant and/or underutilized parcels to fulfill its remaining RHNA for the 2001-2009 planning period, the City must conduct an analysis in this Housing Element to assess if any obligations under AB 1233 have been incurred. In the 2003 Housing Element, approximately 109 acres were identified as potential sites for rezoning to multi-family residential use. Using conservative assumptions, this land had the potential to accommodate approximately 2,354 lower income units, adequate for meeting the City's remaining RHNA of 1,785 lower income housing units (Table 58).

Table 58: Proposed Rezoning

Site Name	Acres Available	Current Zoning	Current GP Designation	Proposed Zoning	Max. Density (du/ac)	Estimated Yield (du/ac)	Estimated Potential Units
High School	9.5	HS	C	HDR	25	18	171
GHC Site	1.7	GHC	M	HDR	25	18	31
44-128 units	2.7	PUD	M	HDR	25	18	49
	2.6	PUD	M	HDR	25	18	47
Western Bowtie	5.0	CBD	C	CBD	No Max	28	138
	10.0	CBD/LDR	C	CBD	No Max	28	275
Eastern Bowtie	10.0	M1	I	CBD	No Max	28	280
Mt. Oso/ Mt. Diablo	20.8	MDR	M	HDR	25	18	374
Tortilla Factory	0.3	M1	I	HDR	25	18	6
	0.4	M2	I	HDR	25	18	7
Laurence Ranch	10.0	LDR	L	PUD	25	18	180
Kagehiro	10.0	LDR	L	PUD	25	18	180
11th Site	0.4	GHC	C	HDR	25	25	10
City Owned	10.0	AG	PUB	PUD	25	25	250
	10.0	AG	PUB/C	PUD	25	25	250
PUD-1 Vacant Site	2.7	PUD	M	HDR	25	20	54
PUD-2 Vacant Site	2.6	PUD	M	HDR	25	20	52
Total	108.7						2,354

~~As a part of the General Plan update, some of the sites identified in Table 58 plus others totaling approximately 92 acres were re-designated for high density residential use. Using conservative assumptions, this land had the potential to accommodate approximately 1,800 lower income units, sufficient for meeting the City's remaining RHNA of 1,785 lower income housing units (Table 57). However, follow up action to rezone these sites has not yet occurred in response to the General Plan changes. As indicated earlier, re-zoning of these sites will occur when an application for a multi-family project is submitted or with the City's Zoning Code Update project, which is currently in progress, whichever occurs first. Of the 92 acres identified in Table 59, 21 acres currently have zoning that permits multi-family (high density) development. Approximately 15 acres (APNs 235-150-06, 07, and 24) allow multi-family development without any express upper end density limit. The General Plan establishes a maximum density on these Downtown sites (zoned CBD) of 40 du per acre. Assuming an average yield of 28 du per acre, the 15 acres zoned CBD would yield 413 dwelling units. An additional six acres (APNs 235-130-15 and 20) were rezoned in 2007 to provide for high density, multi-family development. Multi-family development is principally permitted on these parcels, without a Conditional Use Permit. Assuming an average yield of 18 du per acre, these six acres zoned ISP would yield 111 dwelling units.~~

2. Conclusion

~~Despite not re-designating all of the specific parcels originally proposed in the 2003 Housing Element, the City was still able to provide adequate sites at appropriate development standards and densities through the re-designation of other comparable sites. The City's Zoning Code update is underway. Rezoning of these properties could have occurred as individual project applications are submitted. However, no development projects were proposed on these sites. The City provided adequate opportunities to meet its remaining RHNA for the previous planning period. Based on these findings, the City of Tracy did not incur any penalty under AB 1233.~~

3. Conclusion

~~Despite not re-designating all of the specific parcels originally proposed in the 2003 Housing Element, the City was still able to provide adequate sites at appropriate development standards and densities through the re-designation of other comparable sites. The City's Zoning Code update is underway. Rezoning of these properties could have occurred as individual project applications are submitted. However, no development projects were proposed on these sites. The City provided adequate opportunities to meet its remaining RHNA for the previous planning period. Based on these findings, the City of Tracy did not incur any penalty under AB 1233.~~

D.B. Financial Resources

As a small city, Tracy has limited access to financial resources for affordable housing. The following list presents the realistic funding available to the City.

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~~1. Redevelopment Set Aside Funds~~

~~Pursuant to state law, at least 20 percent of the net tax increment revenues (after debt services and pass-throughs) generated by redevelopment activity are required to be set aside for housing purposes for low and moderate income households. "Tax increment funds" are created through the increased property tax revenues generated as the result of initial public investment in the redevelopment area, which in turn result in new private investment in the area. Redevelopment law authorizes the acquisition and assembly of land for redevelopment purposes as well, which can include the construction of new housing, the provision of low or no cost land subsidies for affordable housing, or other forms of assistance in the preservation and upgrading of the redevelopment project area.~~

~~Redevelopment law also enables the Tracy Community Development Agency to issue tax allocation bonds and loans to generate revenues for implementing redevelopment plans. This includes land acquisition and financing for the construction of new housing or rehabilitation of existing units. The Agency can also negotiate purchases. At least six percent of new or rehabilitated housing in a redevelopment project must be affordable to low income households; another nine percent must be affordable to moderate income households (for a total inclusionary housing requirement of 15 percent). As of 2010, the Tracy Community Development Agency had a Set Aside balance of approximately \$3,684,804. The annual deposit fluctuates from year to year, due to changes in the assessed values of properties. The annual deposits in 2008 and 2009 were approximately \$1.9 million. During the 2009-2014 planning period, the City anticipates receiving a total of \$_____ in set aside deposits.~~

~~The Tracy Community Development Agency has used redevelopment set aside funds for the following programs and activities:~~

- ~~• Downpayment Assistance Program~~
- ~~• Downtown Rehabilitation Loan Program~~
- ~~• Downtown Rehabilitation Grant Program~~

~~Property Acquisition and Improvement Program~~
~~Based on the recent changes to redevelopment law, the City of Tracy will need to pay approximately \$2.7 million (and approximately \$631,000 per year thereafter) in order to maintain its redevelopment agency. At this point in time, it is uncertain if the City can viably maintain the redevelopment function and the City has not yet made a formal decision on whether or not it will maintain its Redevelopment Agency.~~

~~If the City decides to maintain its Redevelopment Agency, the Agency will use its redevelopment set aside funds for the following programs and activities:~~

- ~~• Downpayment Assistance Program (approximately \$350,000 annually)~~
- ~~• Downtown Rehabilitation Loan Program (approximately \$20,000 annually)~~
- ~~• Downtown Rehabilitation Grant Program (approximately \$8,000 annually)~~
- ~~• Property Acquisition and Improvement Program (approximately \$1.5 million over the next 5 years)~~

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2.1. 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. ~~Cities with populations of over 50,000 receive CDBG funds directly from HUD, while smaller cities usually use county administered CDBG funds.~~ 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. ~~CDBG funds are best used in combination with other subsidy sources or to provide pre-development funding to initiate housing development.~~

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. ~~For FY 2010-11, Tracy was~~ is typically allocated approximately \$402450,079-000 in CDBG funds annually.

3.2. 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 has used redevelopment set-aside funds to provide this match.~~

The City participates in the HOME program through San Joaquin County and ~~has used these funds to support the Downpayment Assistance Program administered for the City by the San Joaquin County. In FY 2010-11, the City of Tracy was allocated~~ receives approximately \$18660,525-000 in HOME funds annually.

4.3. Housing Choice Voucher Assistance (Section 8)

The Housing Choice Voucher Program (formerly known as Section 8) is a federal program that provides rental assistance to very low-income persons in need of affordable housing. The Housing Choice Voucher ~~Program~~ (HCV) program offers a voucher that pays the difference between the payment standard and what a tenant can afford to pay (e.g., 30 percent of their income). The voucher allows a tenant to choose housing that may cost above the payment standard, with the tenant paying the extra cost. The Housing Authority of the County of San Joaquin (HACSJ) administers the HCV program for a number of communities in the County, including Tracy. ~~As of December 2009, there were 166~~ Approximately 150 Tracy households are currently being assisted with Housing Choice Vouchers ~~Program participants in Tracy.~~ However, the HCV waiting list has been closed since 2009.

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5. Proposition 46 and Proposition 1C Funds

~~Recognizing the need to address the housing crisis in California, the voters authorized the issuance of general obligation bonds under Proposition 46 (2002) and Proposition 1C (2006) to provide financing for housing development. Eligibility for these funds requires that the City maintains a Housing Element that complies with State law. Programs funded with Proposition 46 and 1C funds include: 1) Multi-Family Housing; 2) Supportive Housing; 3) Downpayment Assistance (through CalHFA); 4) CalHome; 5) Building Equity & Growth in Neighborhoods (BEGIN); 6) Self Help Construction Management; 7) Farmworker Housing; 8) Migrant Farmworker Housing; 9) Emergency Housing Assistance; 10) Transit Oriented Development Implementation Program; 11) Infill Incentives Grant; 12) Affordable Housing Innovation Fund; and 13) Housing-Related Parks.~~

6. Tax Exempt Multi-family Revenue Bonds

~~The construction, acquisition, and rehabilitation of multi-family rental housing developments can be funded by tax exempt bonds which provide a lower interest rate than is available through conventional financing. Projects financed through these bonds, which can be issued by the Redevelopment Agency, are required to set aside 20 percent of the units for occupancy by very low income households or 40 percent of the units to be set aside for households at 60 percent of the area median income. Tax exempt bonds for multi-family housing may also be issued to refinance existing tax exempt debts, which are referred to as a refunding bond issue.~~

E.C. Administrative Resources

The following agencies and organizations can assist the City of Tracy in implementing the housing programs and activities contained in this Housing Element, including preserving affordable units that are at risk of converting to market-rate housing.

1. Development and Engineering Services (DES) Department

The Development and Engineering Services (DES) Department enhances and maintains the community character of Tracy through application of the City's General Plan goals and objectives. The DES Department comprehensively reviews and processes land development applications for compliance with land use and design standards adopted in the Tracy Municipal Code, Specific Plans, and other design standards and guidelines. The DES Department also coordinates review of development applications between the project applicant, internal divisions and departments, and outside agencies.

2. Community Development Agency

~~The Community Development Agency of the City of Tracy was created in 1990 under the provisions of the Community Redevelopment Law (California Health and Safety Code) to remove blight in the project area. The Community Development Project Area Plan was adopted in July 1990, to provide an improved physical, social, and economic environment in the Project~~

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~~area. The City Council serves as the governing body of the Agency and the City Manager serves as the Executive Director. The Agency's primary source of revenue is incremental property taxes.~~

3.2. Finance Department

The Finance Department ensures the fiscal foundation and information systems necessary to deliver community services and is responsible for City budget preparation and compliance, accounting and financial reporting, debt issuance and management, accounts payable, City employee payroll preparation, utility billing, business licensing, accounts receivable, cashiering and sales, and information systems. The Finance Department also includes the elected office of City Treasurer who oversees the investment of City funds and the Information Systems Division.

4.3. Housing Authority of the County of San Joaquin (HACSI)

The Housing Authority of the County of San Joaquin ([HACSI](#)) is the agency responsible for providing decent, safe, and affordable housing for low-income families, elderly, and the disabled. ~~HACSI It was established by state legislation, is federally funded, and has been continually serving the low-income population of San Joaquin County since 1942. Since 1974 the San Joaquin Housing Authority has manages~~ [HACSI](#) ~~and~~ the Housing Choice Voucher ([HCV](#)) ~~p~~Program, providing rent subsidies in the form of housing assistance payments to private landlords on behalf of eligible families. The [HCV program](#) ~~Housing Choice Voucher Program, funded by the U.S. Department of Housing and Urban Development,~~ 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 Housing Authority~~ [HACSI](#) currently assists more than 19,000 people through distribution of 4,800 housing vouchers (including single family homes spread throughout the County) and by managing and maintaining ~~1,075-071~~ units in the County's public housing developments. The [HCV](#) ~~Housing Choice Voucher P~~rogram also includes programs such as Family Self-Sufficiency and Welfare to Work. These are designed to assist families in becoming economically self-sufficient.

5.4. Non-Profit Housing Developers

Due to the high cost of housing development, many communities have found that partnerships with non-profit housing developers are an effective tool for creating affordable housing units. In Tracy, several affordable housing developments have been made possible through close coordination and partnership with non-profit housing developers.

Visionary Home Builders of California

Visionary Home Builders (VHB) is an organization whose mission is to create stable, vibrant communities through the development of affordable housing and provision of related programs

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and services for low and moderate income families, seniors and people with special needs. VHB began as a small group of farm workers in 1983 whose sole purpose was to improve the living environment for farm workers living in public housing. VHB is a prominent leader in the development and renovation of housing in the Central Valley region. VHB has developed over 1,000 units of rental housing and 350 single-family homes, including the affordable 37-unit Mountain View Townhomes in the City of Tracy. VHB also offers homebuyer education classes to residents of San Joaquin County.

CFY Development, Inc.

CFY Development, Inc. is a committed community developer with over 25 years of experience acquiring, developing, building and rehabilitating workforce housing. The company's portfolio includes 29 projects in 18 cities, with approximately 2,605 units under management. In addition to specializing in affordable housing, the company is also active in mixed-use and mixed-income development. The Tracy Community Development Agency entered into a below market deferred loan agreement with CFY Development, Inc. to provide gap financing for a 50-unit affordable senior housing complex, the Tracy Place Apartments. The complex was completed in 2008.

Bridge Housing

BRIDGE creates high-quality, affordable homes for working families and seniors. With over 13,000 homes and counting, BRIDGE has become the leading affordable housing developer in California. Recently, BRIDGE acquired a 90-unit apartment complex in the Kentfield neighborhood of Stockton as part of a coordinated neighborhood revitalization program initiated by the City of Stockton. The City had identified the Kentfield Apartments as severely distressed and BRIDGE began a major rehabilitation of the property in 2008.

Eden Housing

Eden Housing is an affordable housing developer whose mission is to build and maintain high-quality, well-managed, service-enhanced affordable housing communities that meet the needs of lower income families, seniors and persons with disabilities. Though traditionally based in Alameda County, Eden has by now partnered with 20 cities in six counties to develop affordable housing and is expanding its geographical operations at a rapid pace to new communities, including the San Joaquin Valley. In 1996, the Agency assisted Eden in the development and construction of 72 low-income family apartments, the Stone Pine Meadow complex, located at 229 W. Grant Line Road.

6.5. Opportunities for Energy Conservation

Energy-related housing costs can directly impact the affordability of housing. While state building code standards contain mandatory energy efficiency requirements for new development, the City and utility providers are also important resources to encourage and facilitate energy conservation and to help residents minimize energy-related expenses.

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City Programs and Policies

In Tracy, energy conservation can be achieved via a reduction in electricity usage and private automobile use, encouraging efficient siting and exposure for buildings, and implementing land use and transportation policies that encourage fewer and shorter vehicle trips. The City's Open Space and Conservation Element identifies the following goals, objectives, policies, and actions to make efficient use of energy resources throughout the City of Tracy:

- New development projects should be designed for solar access and orientation. Maximum efficiency is gained by siting homes on an east-west axis.
- New development projects should include measures to reduce energy consumption through site and building design, material selection and mechanical systems.
- Use of on-site alternative energy sources, such as photovoltaic (PV) cells for commercial, residential and industrial users to install shall be encouraged.
- The City will encourage businesses to replace diesel vehicles with less polluting alternatives such as compressed natural gas (CNG), bio-based fuels, hybrids and electric cars.
- Study programs that encourage "green" building, such as the LEED (Leadership in Energy & Environmental Design) program developed by the US Green Building Council, and consider code amendments that encourage "green" construction.
- Develop a program to educate the public about energy efficiency technologies and practices for homes and businesses, such as solar panels and low-energy appliances.
- Partner with public utilities to establish and promote a program for home weatherization and solar retrofit.
- Develop design guidelines for residential construction to address the placement solar panels.
- New vehicles purchased and leased by the City should be alternatively fueled to the extent feasible. Common alternative fuel technologies include hybrid, electric bio-based fuels and compressed natural gas (CNG).

- The City will promote the development of alternative energy systems, including but not limited to solar thermal, photovoltaic and other clean energy systems, directly into building design and construction.
- The City will support public and private efforts to develop and operate alternative systems of wind, solar and other electrical production that take advantage of local renewable resources.
- Future development projects are expected to consider the following design features, during the Specific Plan, PUD, subdivision, and design development review: solar access and orientation, natural ventilation, energy efficient landscaping and energy efficient and conserving building design and technologies.
- The City shall encourage and support voluntary retrofit energy programs for residential, commercial, and industrial buildings.
- The City shall pursue the implementation of energy efficiency measures of existing and future City facilities as opportunities arise.
- The City shall support land use patterns that maximize energy efficiency, both by minimizing transportation and by making use of existing capital improvements.
- Develop or otherwise make available information to developers and citizens on energy efficient and conserving building design and technologies, including enhanced wall and ceiling insulation, thermally efficient glazing, and efficient heating and cooling equipment and household appliances.
- Review, and revise if necessary, the zoning ordinance and building codes, to allow for a variety of energy efficiency technologies so long as the revisions do not adversely impact human health or safety or conflict with other goals in this General Plan.

~~In addition to the above efforts, the City offers several housing rehabilitation programs that can assist Tracy residents with energy saving improvements for their homes. The Rehabilitation Home Loan Program offers low interest and, in some cases, deferred payment loans up to \$50,000 for mechanical, electrical, plumbing, heating and structural systems repair or replacement, drainage improvements, roof repair, painting, siding and weatherizing. The Weatherizing and Home Security Program offers grants up to \$2,000 for weatherizing and home security improvements. And, the Emergency Home Repair Assistance Program offers grants up to \$2,000 for needed emergency repair or accessibility modifications.~~

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Utility Provider Programs

PG&E¹⁹ offers energy efficiency rebates to property owners and managers of multifamily dwellings. The program encourages owners of existing properties to upgrade to qualifying energy-efficient products in individual tenant units and in the common areas of residential apartment buildings, mobile home parks and condominium complexes. PG&E also offers an Energy Efficiency Savings Assistance Program that provides qualified customers with energy-saving improvements at no charge.

~~the SmartAC program to homeowner, renters and small businesses to reduce energy demand during peak periods. When installed on or near an air conditioner (AC) unit, SmartAC technology can be remotely activated in anticipation of a state or local energy supply emergency. When activated, the AC unit will generate cool air for about 15 minutes of every half hour and then circulate already cool air for the remaining 15 minutes. SmartAC technology is free and participation in the SmartAC program can help to prevent power interruptions in the event of an energy supply emergency. In addition to the SmartAC program, PG&E also offers the ClimateSmart program. This program helps to balance out a home's greenhouse gas (GHG) emissions through a voluntary, tax-deductible donation to your monthly PG&E bill—around five dollars a month for the typical home. The proceeds of this donation go to supporting projects that reduce or absorb GHG emissions by conserving and restoring native redwood forests or capturing methane gas from dairy farms and landfills.~~

~~The Energy Partners Program, also provided by PG&E, offers income-qualified customers free energy education, weatherization measures and energy-efficient appliances to reduce gas and electric usage. A wide range of rebates is also available to PG&E customers for a variety of energy saving measures from lighting products to appliance recycling.~~

III.V. Review of Past Accomplishments

State law (California Government Code Section 65588(a)) requires each jurisdiction to review its housing element as frequently as appropriate and evaluate:

- The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal;
- The effectiveness of the housing element in attainment of the community’s housing goals and objectives; and
- The progress in implementation of the housing element.

The evaluation provides valuable information on the extent to which programs have been successful in achieving stated objectives and addressing local needs, and to which these programs continue to be relevant to addressing current and future housing needs in Tracy. The evaluation provides the basis for recommending modifications to policies and programs and the establishment of new objectives in the ~~2009~~2015-2014-2023 Housing Element.

This section summarizes the City’s accomplishments in implementing the ~~2003-2009-2014~~ Housing Element. A program-by-program review is contained in Appendix ~~BC~~. Table 47 summarizes Tracy’s quantified objectives for the ~~2003~~2009-2009-2014 Housing Element period and compares the City’s progress in fulfilling these objectives. ~~Between 2003 and 2009, a total of 4,001 building permits for new housing units were finalized in the City of Tracy. The City exceeded its new construction goal by over 3,700 housing units. However, most of these new units were attributed to market rate housing development, and the City fell short of its production goal for affordable units.~~

Table 47: 2009-2014 Housing Element Summary of Quantified Objectives

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
<u>Objectives</u>						
New Construction (RHNA)	453	454	632	813	2,535	4,888
Rehabilitation						
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
Preservation						
No units at risk during planning period						
Assistance						
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
<u>Actual</u>						
<u>New Construction (permitted)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>784</u>	<u>784</u>
<u>Rehabilitation</u>						
<u>Downtown Rehabilitation Loan</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	2
<u>Downtown Rehabilitation Grant</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11</u>	<u>0</u>	11
<u>NSP</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14</u>	<u>0</u>	14
<u>Preservation</u>						
<u>No units at risk during planning period</u>						
<u>Assistance</u>						
<u>Downpayment Assistance</u>	<u>0</u>	<u>4</u>	<u>12</u>	<u>7</u>	<u>0</u>	23
<u>County GAP-DPA Program</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>	<u>0</u>	8
Section 8	83	83	0	0	0	166
Family Self Sufficiency	8	9	0	0	0	17

IV.VI. 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 ~~2009-2014~~2015-2023 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 48 at the end of this section summarizes the quantified objectives of the various housing programs for the period of ~~December 31, 2009 through June 30, 2014~~July 1, 2015 through December 31, 2023~~July 1, 2009 through June 30, 2014~~.

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 ~~housing rehabilitation and improvement programs, and~~ 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.

Program 1: ~~Downtown Housing Rehabilitation Home Loan Program~~

The City previously offered several housing rehabilitation programs, including the Downtown Rehabilitation Loan Program and the Downtown Rehabilitation Grant Program. However, due to the dissolution of the Tracy Community Development Agency in 2012, the City ~~was forced to~~ eliminated both programs due to lack of funding. . Housing rehabilitation programs offered by the County of San Joaquin have also been suspended with no timeline for reinstatement. The City will work to identify and pursue additional funding sources to reinstate a housing rehabilitation program, if feasible. ~~This program offers low interest and, in some cases, deferred payment loans of up to \$50,000 to qualified, income-eligible, owner-occupied homeowners in the downtown area for needed home rehabilitation work. Eligible improvements include mechanical, electrical, plumbing, heating and structural systems repair or replacement, drainage improvements, roof repair, painting, siding and weatherizing.~~

Objectives and Timeframe:

- ~~• Continue to provide loans to qualified low and moderate income homeowners.~~
- ~~• Disseminate information to homeowners regarding rehabilitation standards and the Downtown Rehabilitation Home Loan Program.~~
- ~~• Improve one housing unit annually (for extremely low income, very low income, low income, or moderate income households). Annually consult the HCD and HUD websites to identify and pursue potential funding opportunities and funding sources 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 includes housing rehabilitation programs (currently suspended).

Responsible Agency: Tracy ~~Community~~Economic Development
~~Department~~Division~~Agency~~

Funding Sources: ~~CDA Set Aside~~General Fund

Program 2: ~~Downtown Rehabilitation Grant Program~~

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The Downtown Rehabilitation Grant Program has three components:

1. ~~1. — **Downtown Weatherizing and Home Security Program:** This program offers grants of up to \$2,000 to qualified, income-eligible, owner-occupied homeowners in the downtown area for weatherizing and home security improvements. Eligible improvements include insulation for attic and walls, weather stripping for doors and windows, security lighting, doors and screen doors, energy efficient windows, smoke and carbon monoxide detectors, residential security systems, and roof and siding repairs. Grant funds are available on a first come, first served basis, after completion of the repair work.~~

2. ~~2. — **Downtown Exterior Enhancement Program:** This program offers grants of up to \$2,000 to qualified, income-eligible, owner-occupied homeowners in the Downtown area for home exterior improvements. Eligible improvements include exterior painting, new fencing, roof repairs or replacement, security doors and security screen doors, front yard landscaping, and driveway repair or replacement. Grant funds are available on a first come, first served basis, after completion of the repair work.~~

3. ~~3. — **Downtown Emergency Home Repair Assistance Program:** This program offers grants of up to \$2,000 to qualified, income-eligible, owner-occupied homeowners in the downtown area for needed emergency repair or accessibility modifications. Eligible improvements include mechanical, electrical, plumbing and structural systems, drainage improvements to prevent or correct flooding of structures, and roof repairs. Grant funds are available on a first come, first served basis, after completion of the repair work.~~

Objectives and Timeframe:

- ~~• — Continue to provide assistance to qualified low and moderate income homeowners.~~
- ~~• — Disseminate program information to homeowners regarding rehabilitation standards.~~
- ~~• — Improve five housing units annually (estimated one extremely low income, one very low income, two low income, and one moderate income households).~~

~~*Responsible Agency:* Tracy Community Development Agency~~

~~*Funding Sources:* CDA Set Aside~~

Program 3: 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:

- Continue to investigate possible code violations.
- Continue to disseminate information on [available](#) housing rehabilitation assistance ~~available~~ to address code violations and other housing issues.

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Responsible Agency: Tracy Code Enforcement Division
Funding Sources: General Fund

Program 3: Graffiti Removal Program

The majority of graffiti is done by graffiti vandals known as "taggers." They are motivated by the need to be recognized. The City of Tracy ~~is proud to have~~ operates a Graffiti Removal Program. Residents can report any graffiti they happen to see 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 completely anonymous.

Objectives and Timeframe:

- Continue to operate the Graffiti Hot Line.

Responsible Agency: Public Works Department
Funding Sources: General Fund

Program 4: Affordable Housing Monitoring

The City has a large inventory of affordable housing units with different terms of affordability covenants. None of the City's affordable units are at-risk of converting to market rate during the planning period; however, ~~the~~ City will continue to monitor the status of affordable units with the objective of preserving the ~~City's~~ affordable housing stock.

Objectives and Timeframe:

- 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.

Responsible Agency: ~~Tracy Economic Development Department~~ Tracy Community Development Agency
Funding Sources: ~~CRA Set Aside~~ 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.

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- 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.

Program 5: Down Payment Assistance ~~-(DAP) Loan Program~~

The City of Tracy Down Payment Assistance (DAP) Loan Program provides deferred downpayment assistance loans to low income, first-time homebuyers for the purchase of homes in the City of Tracy. The loans are intended to bridge the gap between the cost of a home and what a low-income household can afford by providing 10 percent of the home sales price (up to \$15,000, whichever is the lesser) to qualified households. ~~is designed to assist qualified first-time homebuyers who wish to purchase a home within designated areas of the Community Development Agency Project Area to increase the proportion of homeownership. The program provides deferred, down payment assistance loans of up to 30 percent of the purchase price of the home with a cap of \$75,000 for low income, first-time homebuyers for the purchase of newly built or existing homes.~~ All first-time home buyers must be certified as first-time home buyers by a HUD approved agency (i.e., Visionary Home Builders). The DAP is administered by the San Joaquin County Neighborhood Preservation Division. ~~In order to qualify for assistance, the property proposed for purchase must be located with the specified areas of the City of Tracy Community Development Agency Project Area.~~

Objectives and Timeframe:

- Continue to provide down payment assistance to qualified lower ~~and moderate~~ income ~~homeowners~~ households (up to 80 percent AMI).
- Disseminate information to prospective first-time homeowners-homebuyers on the ~~Down Payment Assistance Program~~ DAP Loan Program.
- Assist ~~12 three~~ households ~~annually~~ (an estimated four one very low income and two, five one low income, and three one moderate income households) annually.

Responsible Agency: [San Joaquin County Neighborhood Preservation Division](#)~~Tracy~~
~~Community Development Agency~~
Funding Sources: ~~CDA Set-Aside~~[HUD 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:

- [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](#) [Visionary Home Builders \(VHB\)](#) to offer homebuyer education classes to residents and .~~
- ~~P~~[ublicize the availability of \[homebuyer education\]\(#\) \[these\]\(#\) classes to residents.](#)

Responsible Agency: [San Joaquin County Neighborhood Preservation Division](#); [Visionary Home Builders](#); [Neighbor Works](#); [NID-HCA \(Housing Counsel Agency\)](#)~~VHB~~
Funding Sources: HUD funds

Program 7: Affordable Housing Development~~ers~~

Local governments can support the production of affordable and workforce housing by contributing capital funds to local affordable housing developments. This financial assistance can come in a variety of ways. Many jurisdictions defer, waive, or reimburse local permitting fees for affordable units, either in 100 percent affordable developments or in mixed-income inclusionary projects. While jurisdictions cannot legally waive impact fees, which are meant to mitigate impacts generated by the project, they may ~~use redevelopment agency funds~~[offer financial assistance](#) to cover these costs. Alternately, cities can pay for the necessary infrastructure improvements to prepare a site for residential development, in lieu of collecting impact fees. Below-market rate loans for land acquisition and predevelopment can prove vital for affordable housing developers with limited capital. ~~Local redevelopment agencies often provide these resources using housing set-aside funds.~~The State also offers a number of funding sources for acquisition and predevelopment costs.

Objectives and Timeframe:

- ~~In 2011/2012, investigate the feasibility of providing fee assistance or below market loans to affordable housing developers in order to support the production of~~

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~~affordable and workforce housing. Specifically,~~ Continue to prioritize ~~assistance~~ 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).

- ~~Proactively encourage and facilitate on an ongoing basis~~ the development of affordable housing by ~~efforts of non-profit organizations for the construction of affordable housing~~ 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.
- Continue to provide density bonuses and other incentives to developers who provide affordable units.

Responsible Agency: Tracy ~~Community Development Agency~~ Development and Engineering Services (DES) Department

Funding Sources: ~~CDA Set Aside~~ General funds

Program 8: Housing Choice Voucher Program (~~Section 8~~)

The City of Tracy contracts with the ~~San Joaquin~~ Housing Authority of the County of San Joaquin (HACSI) to manage the Housing Choice Voucher (HCV) ~~p~~Program, which provides rent subsidies in the form of housing assistance payments to private landlords on behalf of eligible families. The HCV Housing Choice Voucher 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:

- ~~Continue to participate in the federally sponsored Section 8 Housing Choice Voucher program.~~
- Disseminate information to the public regarding the ~~Section 8 Program~~the HCV program and promote participation by rental property owners.
- Annually contact the HACSI to obtain information on the status of the HCV program and other available resources.
- Continue to support HACSI's petition for increased funding from HUD.
- Continue to work with the ~~San Joaquin Housing Authority~~HACSI to provide ~~Section 8 Vouchers~~HCVs to ~~166 households annually~~Tracy residents.
- Continue to work with the ~~San Joaquin Housing Authority~~the HACSI to ~~A~~assist 17 households ~~annually~~through the Family Self-Sufficiency Program.

Responsible Agency: Housing Authority of the County of San Joaquin

Funding Sources: HUD funds

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Program 9: Sustainability Program

~~At the City Council Prioritization Workshop of April 15, 2008, Council directed staff to allocate funding for consulting services to assist the City in implementing a Sustainability Program. Since the April City Council meeting, City staff has formed an Environmental Sustainability Strategic Priority Team consisting of representatives from the City Manager's Office, Development and Engineering Services, and Public Works. The team has completed an assessment of the City's existing and potential sustainability, or "greening," practices and policies to develop recommendations for a Citywide Sustainability/Greening Strategy. The team has already conducted research on sustainability programs and practices, contacted numerous cities and organizations to acquire knowledge about sustainability efforts, and conducted a citywide greenhouse gas emission inventory and forecast. In addition, the team has reviewed research on City of Tracy sustainability performed by CSU Stanislaus Executive MBA students. A draft~~The City adopted a Sustainability Action Plan ~~has been developed and is anticipated to receive City Council consideration in 2010~~2011. The Sustainability Action Plan provides the City with a guide to reduce GHG emissions, reduce consumption of nonrenewable resources, improve public health, promote economic vitality, implement the General Plan, and engage residents~~will include a measure to develop incentives to promote green building techniques and features. Implementation of the Sustainability Action Plan will also place Tracy at a competitive advantage in attracting new job industries. The Plan identifies opportunities for Tracy to be a destination of local employment centers and green jobs, an emerging field that diversifies Tracy's economic base and attracts complementary industries. Approximately every five years following the adoption of the Sustainability Action Plan in 2011, or as funding is available, the City will conduct a comprehensive update to the greenhouse gas emission inventory and release a progress report. The progress report will list the measures that have been implemented to date and summarize the results of periodic reviews that have been conducted.~~

Objectives and Timeframe:

- Continue to ~~develop~~implement the Sustainability Action Plan.
- ~~Update the baseline 2006 greenhouse gas emission inventory and release a progress report.~~

Responsible Agency: Tracy Development and Engineering Services (DES) Department

Funding Sources: ~~Federal Grants and City~~ General Funds

Program 10: Affordability by Design

"Affordability by Design" refers to a series of zoning and site design standards that regulate building form to promote the construction of affordable housing. These standards facilitate more efficient use of land, thereby lowering a development's per unit costs without sacrificing construction or building design quality. Although Affordability by Design concepts do not

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guarantee the provision of affordable housing, they do establish a regulatory environment wherein affordable units may occur. ~~Examples of Affordability by Design concepts include:~~

- ~~• Reduced parking requirements, particularly in higher density, pedestrian-oriented urban areas and locales near major transit nodes;~~
- ~~• Permitting of accessory dwelling units (ADUs) in single-family zones;~~
- ~~• Regulation of residential building density through height, bulk, and setback requirements, rather than units per acre; and~~
~~Increased flexibility in open space requirements.~~

• The City recently 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 also 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). 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.

Objectives and Timeframe:

- ~~• Within one year of adoption of the Housing Element, update~~Continue to implement the recently adopted Zoning Amendments that incorporate~~the Zoning Ordinance to be consistent with the~~ affordability by design concepts described in the General Plan.
- Promote Affordability by Design principles by placing information on City website and at public counters by 2016.

Responsible Agency: Tracy Development and Engineering Services (DES) Department

Funding Sources: Departmental Budget

C. Provide Adequate Housing Sites

A ~~major~~ 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.

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- Policy 3.1** Provide for a range of residential densities and products, including low-density single-family uses, moderate-density town—homes, 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 11: ~~Inventory of Residential Sites~~ Provision of Adequate Sites

The City is committed to ensuring that adequate sites at appropriate densities remain available during the planning period, as required by law. The City will maintain an inventory of vacant sites to accommodate the City’s Regional Housing Needs Assessment (RHNA) of ~~4,888-976~~ units. Specifically, the City ~~has already achieved~~ has 354-4,856 housing units under construction, approved, or under review since January 1, ~~2007~~2014 – ~~leaving, with~~ a remaining RHNA of ~~4,533~~2,513 ~~lower- and moderate- income units (907 extremely low/very low, 582 low, 669 moderate, and 2,378 above moderate income units).~~ The City will ensure that an adequate supply of vacant sites, at appropriate densities and development standards, are available during the planning period to accommodate the remaining RHNA.

Most of this lower- income RHNA can be accommodated on vacant sites throughout the City that are currently zoned ~~for~~ to allow higher density residential uses. The City will also rezone a group of four adjacent properties, totaling over 31 acres, from Light Industrial to HDR. : These four parcels, located at the intersection of Valpico Road and Mission Court, are already designated Residential High by the General Plan. The rezoning of these four properties is, therefore, technical in nature in order to maintain consistency with the General Plan and will be accomplished within two years of the adoption of the 2015-2023 Housing Element. The rezoning of properties to accommodate the City’s RHNA shortfall will also meet the following requirements:

- Sites must be ~~pre~~zoned to permit owner-occupied and rental multifamily housing by right without discretionary review of the use or density; and
- Sites must be zoned with a minimum density of at least ~~16~~20 units per acre.

Objectives and Timeframe:

- ~~• Continue to pursue the annexation of Ellis Specific Plan area with a target date of 2012.~~
- ~~• Adopt Downtown Specific Plan in 2012.~~
- Complete Zoning Code update to implement the General Plan in 2012, specifically rezone Raleys properties (33.8 acres) and Valpico Road properties (37.1 acres) from Industrial to High Density Residential consistent with the General Plan to provide a maximum capacity of 1,772 units and an average capacity of 1,276 units, where multi-family is permitted by right. Complete rezoning of the four parcels on Valpico Road within one two year of the adoption of the 2015-2023 Housing Element.
- Monitor and update the sites inventory annually to assess ~~the City's continued ability to facilitate a range of residential housing types~~ 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 for accommodating any shortfall, per Government Code § 65863.

Responsible Agency: Tracy Development ~~and Engineering~~ Services (DES) Department
Funding Sources: Departmental Budget

Program 12: Property Acquisition and Improvement

~~The Community Development Agency will previously worked to acquire, through voluntary acquisitions, and strategically prepare parcels within the Project Area for disposition to qualified developers who committed to a specified program of timely redevelopment. However, 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. The City will continue to identify and seek partnerships with organizations and the County in order to acquire, improve, and develop affordable housing. The Agency may also acquire property in downtown for the purpose of public parking. Such Agency acquisition may involve assembly of multiple parcels into a unified development site or purchase of single parcels. The acquired parcels may be vacant or occupied by structures. The Agency may "landbank" properties for disposition at a later time or work with preselected property owners or developers in the acquisition process. In addition, the Agency may make site improvements or conducts soils remediation on properties to prepare them for disposition and redevelopment.~~

Objectives and Timeframe:

- Continue to identify and seek partnerships with organizations and the County in order to acquire, improve, and develop affordable housing~~Continue to identify additional properties for potential development, particularly within the~~

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~~Redevelopment Project Area, and pursue development rights or purchase of these properties.~~

- 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.

Responsible Agencies: Tracy Development ~~and Engineering~~ Services (DES) Department; ~~Community Development Agency,~~ Economic Development ~~Department~~ Division; San Joaquin County Neighborhood Preservation Division; and local nonprofits

Funding Sources: CDBG funds, ~~CDA set-aside funds,~~ and other funding sources, as available

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). ~~The current housing market and local affordability conditions do not merit creation of a mandatory inclusionary housing program in Tracy today. Moreover, a program would prove unproductive, as little to no new residential development is occurring. However, if the cost of housing increases to the extent that it becomes in~~ In order to make affordable housing more accessible to workforce-income households, the City could consider ways to incorporate ~~additional~~ voluntary inclusionary housing incentives into the GMO to increase the supply of low, moderate, and/or workforce income units. ~~Establishing a policy when fewer projects are in the pipeline allows developers time to incorporate the affordable units into their pro formas and land costs, and facilitates a more gradual transition into the program.~~

Objectives and Timeframe:

- Continue to explore the potential and set the stage for a voluntary inclusionary housing program that includes an extremely low income housing component.
- ~~Bi-annually~~ M—~~m~~onitor the City's affordability conditions and identify an inclusionary housing trigger, if necessary.

Responsible Agency: Tracy Development ~~and Engineering~~ Services (DES) Department

Funding Sources: Departmental Budget

Program 14: Resale of Foreclosed Properties

~~Although thousands of households have lost their homes in the ongoing wave of foreclosures, this crisis also represents an opportunity to purchase foreclosed properties and resell them to moderate income buyers at affordable prices. In addition to helping families access affordable homes, reselling foreclosed properties can help stabilize local property values and mitigate blight caused by unmaintained homes. HUD's new Neighborhood Stabilization Program (NSP), passed as part of President Bush's September 2008 Economic Recovery Act, provides ~~\$3.92~~ nearly \$4 billion of emergency grants to state and local governments to acquire, redevelop, and resell foreclosed properties.~~

~~San Joaquin County received one-time stimulus funds for the Neighborhood Stabilization Program (NSP-3), which ended March 2014. The County expended these funds for the acquisition, rehabilitation and resale of foreclosed single-family ~~foreclosed~~ homes and multi-family apartment complexes throughout the County. Twelve of these foreclosed properties were located in the City of Tracy and resold to income-qualified ~~moderate-income~~ households. The County also worked with Stocktonians Taking Action To Neutralize Drugs (STAND) to rehabilitate six foreclosed properties in Tracy and resell those homes to ~~moderate-income~~ income-qualified households. As of December 2015, funding for these programs has been exhausted but the City will work with the County to identify additional funding sources to continue this program. ~~\$9 million under the NSP, of which \$1.9 million is to be spent on activities in Tracy. Specifically, only homes in five Census Block Groups that cover the northwestern corner of the City may be acquired and resold under the NSP. These areas were identified by the County in its NSP grant application as having the "greatest need" due to the concentration of foreclosure activities.~~~~

Objectives and Timeframe:

- ~~• Continue to collaborate with the County to identify and pursue available resources for the acquisition/rehabilitation of foreclosed and/or substandard housing as affordable housing. Identify and pursue additional funding sources to reinstate a program that acquires, rehabilitates, and resells foreclosed homes. Acquire and rehabilitate nine foreclosed properties, and subsequently resell or rent them to households earning up to 120 percent of AMI.~~
- ~~• Conduct outreach and publicize the availability of these foreclosed properties to residents.~~

Responsible Agency: ~~Tracy Development and Engineering Services (DES) Department; San Joaquin County Neighborhood Preservation Division~~ San Joaquin County Community Development Department with Visionary Home Builders

Funding Sources: ~~NSP funding~~ Departmental Budget

D. Remove Governmental Constraints

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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 15: ~~Extremely Low Income and Special Needs Housing~~ Zoning Ordinance

The City of Tracy is currently considering an amendment to the Zoning Ordinance that includes updated provisions for emergency shelters, transitional and supportive housing, SROs, manufactured housing, and second units. The amendment will also update the City's definition of "family" and establish a formal reasonable accommodations procedure. The Planning Commission reviewed this amendment in October 2015 and adoption by the City Council is anticipated in November 2015.

Additional revisions related to density bonuses, residential care facilities, farmworker housing, and employee housing will be completed by 2016. The City will also continue to evaluate its Zoning Ordinance for any potential constraints to the development of housing on an ongoing basis and process amendments as necessary.

~~Extremely low income households and households with special needs have limited housing options in Tracy. Housing types appropriate for these groups include: emergency shelters, transitional housing, supportive housing, and single room occupancy (SRO) units. The City of Tracy Zoning Ordinance does not specifically address the provision of such housing types. Pursuant to State law, the City will amend the Zoning Ordinance to address these housing options.~~

Objectives and Timeframe:

- Complete Zoning Ordinance amendments to address the provision of density bonuses, residential care facilities, farmworker housing, and employee housing by 2016. Specifically:
 - **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.
- 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.

Evaluate Zoning Ordinance for any potential constraints to the development of housing on an ongoing basis. ~~Within one year of the adoption of the Housing Element, the City will amend the Zoning Ordinance to address the following:~~

- ~~• Emergency Shelters: The City will amend its Zoning Ordinance to permit homeless shelters with a ministerial permit within the MDR and HDR zones. Objective performance standards will be established and these standards will be the same as similar uses in the MDR and HDR zones.~~
- ~~• Transitional Housing: The City will amend its Zoning Ordinance to differentiate transitional housing in the form of group quarters versus as regular housing developments. For transitional housing facilities that operate as regular housing developments, such housing will be permitted where similar housing is otherwise permitted. For transitional housing facilities that operate as group quarters, such facilities will be permitted as residential care facilities.~~
- ~~• Supportive Housing: The Zoning Ordinance will be amended to differentiate supportive housing in the form of group quarters versus as regular housing developments. For supportive housing facilities that operate as regular housing developments, such uses will be permitted where similar housing is otherwise permitted. For supportive housing facilities that operate as group quarters, such facilities will be permitted as residential care facilities.~~
- ~~• Single Room Occupancy Units (SROs): The City will amend its Zoning Ordinance to permit SROs with a Conditional Use Permit in the MDR and GHC zones.~~
- ~~• Reasonable Accommodation: The City will amend the Zoning Ordinance to implement a reasonable accommodation procedure to address reasonable accommodation requests.~~

- ~~• *Second Units:* The City will amend its Zoning Ordinance to permit second units in residential zones where a primary single family unit already exists.~~
- ~~• *Manufactured and Mobile Homes:* The City will amend its Zoning Ordinance to allow manufactured/mobile homes installed on a permanent foundation in all residential zones where single family dwellings are permitted~~

Responsible Agency: Tracy Development ~~and Engineering~~ Services (DES) 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, and ~~again~~ most recently in April 2013. Under the GMO, builders must obtain a Residential Growth Allotment (RGA) in order to secure a residential building permit. The 2013 amendment ensured that the RHNA could be entirely accommodated, notwithstanding the numerical limits stated in Measure A or the GMO. 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 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.

~~Under the GMO, builders must obtain a Residential Growth Allotment (RGA) in order 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 for market rate housing, with a maximum of 750 units in any single year. The City is proposing to amend the GMO to ensure that the RHNA be entirely accommodated. Specifically, the City is proposing to amend the GMO which would allow issuance of building permits, up to the City’s RHNA in each income category based on HCD criteria. Should the demand for building permits exceed Measure A limits in a calendar year, the City would issue building permits until the City’s RHNA obligation in each income category has been met.~~

~~The amendment would add a new exemption in the GMO for building permits needed to meet the RHNA. Current exemptions in the GMO include the following: (1) rehabilitations or additions to existing structures; (2) conversions of apartments to condominiums; (3) replacement of previously existing dwelling units that had been demolished; (4) construction of “model homes” until they are converted to residential units; (5) development of a project with four or fewer dwelling units; and (6) secondary residential units.~~

~~Residential projects exempt from the GMO are not counted toward the 600 annual average or the 750 annual maximum. By adding another exemption (that is, building permits needed to~~

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~~meet the RHNA), these, too, would not be counted toward the annual 600 average or 750 maximum.~~

~~In addition, the current GMO requires that the affordable units utilizing the affordable housing exemption be deed restricted for 55 years. Recognizing that the 55-year deed restriction term is not consistent with several State and federal housing programs, the City will be amending the GMO to reduce the affordability restriction to ten years.~~

Objectives and Timeframe:

- ~~• Amend the GMO within one year of the adoption of the Housing Element.~~
- 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 annual review will analyze the ability to accommodate the City's regional housing need, constraints on supply and affordability of housing and the process for applying and reviewing allocations.~~ 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. ~~Factors to be considered include:~~

- ~~• New RHNA exemption program;~~
- ~~• Overall impacts on housing supply based on the new RHNA exemption in addition to the annual limit;~~
- ~~• Number of building permits issued under the exemption by income categories and housing type;~~
- ~~• Number of total applications, applications approved or denied and developer interest in applications;~~
- ~~• Timing for approving allocations; and~~
- ~~• Potential uncertainty associated with scoring criteria used to evaluate application for allocations.~~

~~Information will be included and evaluated as part of the annual Growth Management Status report, published in the fourth quarter of each calendar year. Based on the outcomes of the evaluation and consideration of stakeholder input, the City will establish appropriate action such as revising the ordinance within one year of the evaluation.~~

Responsible Agency: Tracy Development ~~and Engineering~~ Services (DES) 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 ~~regardless of race, religion, sex, family size, marital status, ancestry, national origin, color, age, or physical disability~~ 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 ~~regardless of age, race, color, national origin, ancestry, sex, disability, marital status, familial status, source of income, sexual orientation, and any other arbitrary factors~~ consistent with Federal and State fair housing laws.

Policy 5.1 Provide fair housing services to Tracy residents, and ensure that residents are aware of their rights and responsibilities regarding fair housing.

Policy 5.2 Provide equal access to housing for special needs residents such as the homeless, elderly, and disabled.

Policy 5.3 Promote the provisions of disabled-accessible units and housing for mentally and physically disabled.

~~Program 18: Definition of “Family”~~

~~The Tracy Zoning Ordinance has the following definition of family, “any number of persons living or cooking together on the premises as a single dwelling unit, but it shall not include a group of more than four (4) individuals not related by blood or marriage or legal adoption.” This definition of a family limits the number of non-related individuals in a household and may be construed as restrictive to housing for persons with disabilities (e.g. residential care facilities).~~

~~Objectives and Timeframe:~~

- ~~• The City will amend its definition of a family in the Zoning Ordinance to eliminate any requirements on the number of persons constituting a family within one year of adoption of the Housing Element.~~

~~Responsible Agency: Tracy Development and Engineering Services (DES) Department~~

~~Funding Sources: Departmental Budget~~

Program 19: Reasonable Accommodation

The Fair Housing Act, as amended in 1988, requires that cities and counties provide reasonable accommodation to rules, policies, practices, and procedures where such accommodation may be necessary to afford individuals with disabilities equal housing opportunities. While fair housing laws intend that all people have equal access to housing, the law also recognizes that people with disabilities may need extra tools to achieve equality. Reasonable accommodation is one of the tools intended to further housing opportunities for people with disabilities. Reasonable accommodation provides a means of requesting from the local government flexibility in the application of land use and zoning regulations or, in some instances, even a waiver of certain restrictions or requirements because it is necessary to achieve equal access to housing. Cities and counties are required to consider requests for accommodations related to housing for people with disabilities and provide the accommodation when it is determined to be “reasonable” based on fair housing laws and the case law interpreting the statutes.

Objectives and Timeframe:

- Amend the Tracy Municipal Code to address requests for reasonable accommodation to land use and zoning decisions and procedures regulating the siting, funding, development and use of housing for people with disabilities within one year of adoption of the Housing Element.

Responsible Agency: Tracy Development and Engineering Services (DES) Department

Funding Sources: Departmental Budget

Program 17: Fair Housing

The City actively furthers fair housing in the community. Specifically, the City contracts the San Joaquin Fair Housing Association ~~continues to support the Stockton San Joaquin Community Housing Resource Board in its activities to promote fair housing~~ to promote fair housing and provide fair housing services for its residents. The City refers complaints regarding fair housing and housing discrimination to the agency, whose office is located in downtown Stockton, and maintains this service using CDBG funds. ~~The City refers complaints regarding fair housing and housing discrimination issues to the Fair Housing Office of the San Joaquin County Housing Authority and maintains this service using CDBG funds.~~

Objectives and Timeframe:

- Continue to support the San Joaquin Fair Housing Association, or other qualified fair housing agencies ~~with CDBG funds~~ Stockton San Joaquin Community Housing Resource Board and provide referral services ~~residents seeking fair housing assistance to this agency.~~
- Advertise the services provided by ~~of~~ the San Joaquin Fair Housing Association ~~Stockton San Joaquin Community Housing Resource Board (or other qualified fair housing agencies)~~ in City buildings and other public buildings (such as public libraries, community centers, County Housing Authority offices, and post offices, etc.), ~~at a variety of community locations (such as offices of nonprofit service~~

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providers), and distribute flyers to apartment management companies and real estate offices.);

Responsible Agency: Tracy Development and Engineering Services (DES) Department, Community Development Agency, and Stockton San Joaquin Community Housing Resource Board and San Joaquin Fair Housing Association

Funding Sources: CDBG funds

Table 48: Summary of Quantified Objectives

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
New Construction (RHNA)	453513	454467	632705	813828	2,5354,856 2,463	4,8887,369 4,976
Rehabilitation	1	2	2	0	0	5
—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
Preservation	No units at risk during planning period					
Assistance						
Down Payment Assistance	0	201	252	250	0	603
Section 8 Housing Choice Vouchers	8375	8375	0	0	0	166150
<u>Note: The City's new construction objectives are estimated based on the following:</u>						
- <u>Very Low Income – City's RHNA</u>						
- <u>Low Income – City's RHNA figure</u>						
- <u>Moderate Income – City's RHNA figure</u>						
- <u>Above Moderate Income – 4,856 units approved, under construction, or in review</u>						
—Family Self-Sufficiency	8	9	0	0	0	17

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Appendix A: Public Participation

A. Planning Commission Study Session – August 12, 2015

1. Outreach Flyer



City of Tracy

Housing Element Update

Tracy is updating the General Plan Housing Element. The Housing Element will assess housing needs within the City and outline goals and policies the City can pursue to address these needs. As members of the Tracy community, we want your input on current housing needs. This feedback will help us to develop our housing strategy for the next eight years.

The City invites you to participate in a special meeting to provide input on housing needs in Tracy.

Planning Commission Study Session

Date: August 12, 2015 **Time:** 7:00 PM

City Council Chambers
333 Civic Center Plaza
Tracy, CA 95376



2. Mailing List

First Name	Last Name	Title	Title	Title	Title	Title	Title
Sofia	Valenzuela	CEO	Tracy Chamber of Commerce	223 East 10th Street	Tracy	CA	95376
John	Beckman	Chief Executive Officer	BIA of the Greater Valley	1701 W. March Lane, Ste. F	Stockton	CA	95207
Rosa	Vazquez	Deputy Executive Director	Housing Authority of the County of San Joaquin	448 South Center Street	Stockton	CA	95203
Carol J.	Ornelas	CEO	Visionary Home Builders of California	315 N. San Joaquin Street	Stockton	CA	95202
			San Joaquin Fair Housing Association	436 N. El Dorado Street	Stockton	CA	95202
Michael	Huber	Executive Director	Habitat for Humanity of San Joaquin County	4933 West Lane	Stockton	CA	95210
Chris	Long	President	The Surland Companies	1024 Central Ave.	Tracy	CA	95376
Carol	Bright	President	Bright Homes	1620 N Carpenter Rd Bldg B	Modesto	CA	95351
			Ability Access	400 Mossdale Road	Lathrop	CA	95330
			Alcohol Recovery Center	914 N Center St	Stockton	CA	95202
Greg	Diederich	Director of Health Care Services	Health Plan of San Joaquin	7751 South Manthey Road	French Camp	CA	95231
			California Rural Legal Assistance (CRLA)	145 E Weber Ave	Stockton	CA	95202
Medea	White	Site Manager	California Tribal TANF Partnership	2321 W. March Lane, Suite 200	Stockton	CA	95207
Elvira	Ramirez	Executive Director	Catholic Charities Diocese of Stockton	1106 N. El Dorado Street	Stockton	CA	95202
			Central Valley Low-Income Housing Corp	2431 W March Ln Ste 3	Stockton	CA	95207
			Clearpoint Credit Counseling Solutions	1024 W Robinhood Dr	Stockton	CA	95207
Michelle M.	Mazzilli	Executive Director	Community Center For The Blind	130 W. Flora Street	Stockton	CA	95202
			Community Medical Centers, Inc	P.O. Box 779	Stockton	CA	95201
Jose R.	Rodriguez	President/CEO	Council for the Spanish Speaking (El Concilio)	445 N. San Joaquin Street	Stockton	CA	95202
Erte T.	Boyette	Director	Larch Clover Community Center	11157 W. Larch Road	Tracy	CA	95376
			Linkages	102 S. San Joaquin Street	Stockton	CA	95201
			Lolly Hansen Senior Center	375 E. 9th Street	Tracy	CA	95376
			Meals on Wheels for San Joaquin County	102 S San Joaquin St	Stockton	CA	95202

First Name	Last Name	Title	Title	Title	Title	Title	Title
			New Hope Family Shelter	224 E Sonora St	Stockton	CA	95203
			Ombudsman Program	102 S. San Joaquin Street	Stockton	CA	95201
Marlon	Foxworth	CEO	Peacemakers, Inc.	3081 Teagarden Street	San Leandro	CA	94577
			Sutter Healthy Connections	35 East 10th Street Suite A	Tracy	CA	95376
Fred	Shiel		STAND	1209 East 8th Street	Stockton	CA	95206
		CEO	United Cerebral Palsy	333 West Benjamin Holt Drive, Suite 1	Stockton	CA	95207
Patrick	Wallace	Association Executive	Central Valley Association of REALTORS	16980 S. Harlan Road	Lathrop	CA	95330
Carol	Roberts	President/CEO	Lutheran Social Services of Northern California	1465 Civic Court Building D, Suite 810	Concord	CA	94520
Dale	Benner	Executive Director	New Directions	P.O. Box 5070	Stockton	CA	95205
Lani	Schiff-Ross, L.C.S.W.	Executive Director	FIRST 5 San Joaquin	P.O. Box 201056	Stockton	CA	95201
			Human Services Agency of San Joaquin County	P.O. Box 201056	Stockton	CA	95201
Tod	Davis	Executive Director	Mary Graham Children's Foundation	P.O. Box 96	French Camp	CA	95231
			San Joaquin Head Start Program	P.O. Box 201056	Stockton	CA	95201
Vic	Singh	BHS Director	Substance Abuse Services Administration	630 N. Aurora St. Suite #1	Stockton	CA	95202
		CEO	Stockton Family Shelter	411 South Harrison Street	Stockton	CA	95203
Lindy	Turner-Hadin	Executive Director	CAPC	P.O. BOX 1257	Stockton	CA	95201
Robina	Asghar	Executive Director	Community Partnership for Families of San Joaquin	P.O. Box 1569	Stockton	CA	95201
Mario	Supnet	Executive Director	Emergency Food Bank and Family Services	7 W. Scotts Avenue	Stockton	CA	95203
			Family law Service Center	42 N. Sutter St., Suite 302	Stockton	CA	95202
Olga	Rodriguez	Executive Director	Haven of Peace	P.O. Box #724	Stockton	CA	95201
Darlene	Quinn	Director	Tracy Interfaith Ministries	P.O. Box 404	Tracy	CA	95378
			Boys and Girls Club of Tracy	753 W. Lowell Avenue	Tracy	CA	95376
Armenia	Pereira	Director	McHenry House for the Homeless	757 A Street	Tracy	CA	95376
			Pregnancy Resource Center of Tracy	P.O. Box 1237	Tracy	CA	95376
			Tracy Volunteer Caregivers	1217 El Portal Avenue	Tracy	CA	95376

First Name	Last Name	Title	Title	Title	Title	Title	Title
Ger	Vang	CEO	Lao Family Community Empowerment, Inc.	8338 N. West Lane Suite 105	Stockton	CA	95210
			Lao Khmu Association, Inc.	1044 N El Dorado St.	Stockton	CA	95202
Edward	Figueroa	CEO	St. Mary's Dining Room	545 W. Sonora St.	Stockton	CA	95203
			San Joaquin AIDS Foundation	4330 N. Pershing Avenue, Suite B-3	Stockton	CA	95207
Cathy	Long		San Joaquin County Local Child Care Planning Council	P.O. Box 213030	Stockton	CA	95213
Joelle	Gomex	CEO	Women's Center-YFS	620 North San Joaquin Street	Stockton	CA	95202
Manuel	Nunez	Director	San Joaquin County Office of Education, Migrant Education	P.O. Box 213030	Stockton	CA	95213
Kay G.	Ruhstaller	Executive Director	Family Resource and Referral Center	509 W. Weber Ave., Suite 104	Stockton	CA	95203
			Tracy WorkNet Center	543 W. Grant Line	Tracy	CA	95376
Paul	Billodeau	Executive Director	Valley Mountain Regional Center	P.O. Box 692290	Tracy	CA	95269
			San Joaquin County Aging and Community Services Information and Assistance Program	P.O. Box 201056	Stockton	CA	95201
			Dignity's Alcove, Inc.	141 S. California St.	Stockton	CA	95202
Virginia	Wimmer	Director	Veteran's Services	105 South San Joaquin Street, First Floor	Stockton	CA	95202
Andy	Prokop	President/CEO	United Way of San Joaquin County	P.O. Box 1585	Stockton	CA	95201
William R.	Brown	CEO	Gospel Center Rescue Mission, Inc.	P.O. Box 816	Stockton	CA	95201
Willie	Gonzalez	Pastor	Valley Community Baptist Church	903 Corral Hollow Rd	Tracy	CA	95377
Doug & Connie	Diestler	Lead Pastor	Mission City Church	5555 W. Grant Line Road	Tracy	CA	95304
Merrilee	Chapman	Branch Librarian	Tracy Branch Library	20 E. Eaton Ave.	Tracy	CA	95376
Jon	Field	Lead Pastor	Grace Church	346 W. Grant Line Road	Tracy	CA	95376
			Tracy Health Center	1441 N. Tracy Blvd.	Tracy	CA	95376
Brian R.	Stephens, Ed.D.	Superintendent	Tracy Unified School District	1875 W. Lowell Avenue	Tracy	CA	95376
			Emerson House	26 Emerson Avenue	Tracy	CA	95376
Kal	Waetzig	Senior Pastor	St. Paul's Lutheran Church	1635 Chester Dr.	Tracy	CA	95376

First Name	Last Name	Title	Title	Title	Title	Title	Title
Kevin	Polk	Lead Pastor	Center of Hope Church	2514 Holly Drive	Tracy	CA	95376
			Hill Foundation Tiny Hill	11075 W Larch Rd	Tracy	CA	95304
Michael	Nolen	Lead Pastor	Southwinds Church of Tracy	13400 W. Middle Road	Tracy	CA	95304
Gabriel	Ibarra	Branch Manager	Wells Fargo Home Mortgage	3284 W. Grant Line Road, Suite A6	Tracy	CA	95304
Lorie	Nguyen	Director of Branch Banking	Fremont Bank	1879 Holmes Street	Livermore	CA	94550
John	Flanagan	Branch Manager	lmortgage.com	2156 W. Grant Line Rd., Suite 100	Tracy	CA	95377
		Branch Manager	Bank of America - Home Loans	875 S Tracy Blvd	Tracy	CA	95376
		Branch Manager	Bank of America - Home Loans	111 W 10th St	Tracy	CA	95376
		Branch Manager	Bank of America - Home Loans	3120 W Grant Line Rd	Tracy	CA	95304
Alicia M.	Amador	Mortgage Banker	CHASE	691 W 11th St	Tracy	CA	95376
Minaaz	Bibi	Mortgage Banker	CHASE	2751 W Grant Line Rd	Tracy	CA	95304
Diane	Starr		STARR PROPERTY MANAGEMENT	1545 Saint Marks Plaza #4	Stockton	CA	95207
			Jordan Johnson Property Management	1101 Holly Drive	Tracy	CA	95376
Barbara	Johnson		Barbara Johnson Property Management	672 West 11th Street, Suite 343	Tracy	CA	95376
			Eagle Property Management	421 West 11th Street	Tracy	CA	95376
			Standard Pacific Homes, Bay Area	4750 Willow Road, Suite 150	Pleasanton	CA	94588
			Valley Oak Partners, LLC	734 The Alameda	San Jose	CA	95126
			William Lyon Homes	2603 Camino Ramon, Suite 450	San Ramon	CA	94583

3. Public Comments

Planning Commissioners Mitracos and Ransom commented on the need for affordable housing, particularly the need for senior housing. The City should continue to outreach to the seniors to discuss housing needs and also to developers to discuss opportunities.

Several residents attended the Study Session and commented on the need for affordable housing, including housing for the homeless and for the seniors. The City should explore other housing options such as micro units. Senior housing in the City has long a waiting list. The City may consider the “housing first” model such as in Utah where the state pays for housing for the homeless. Adequate roads to serve the new house should also be a consideration; Tracy Boulevard and Carrol Hollow Road are packed. Another resident commented on the need for housing for persons with developmental disabilities.

Representative from the Building Industry Association (BIA) of the Delta also attended the meeting and suggested a new approach to zoning regulations to facilitate housing development by enforcing the minimum density instead of maximum density, and by allowing small lots in existing neighborhoods.

Appendix B: Review of Past Accomplishments

Appendix B: Review of Past Accomplishments

Program Summary (2009-2014)

Program Description	Objectives and Timeframe	Accomplishments	
Goal 1.0: Conserve and improve the condition of the existing housing stock, especially affordable housing.			
1	Downtown Rehabilitation Home Loan Program	<ul style="list-style-type: none"> • Continue to provide loans to qualified low and moderate income homeowners. • Disseminate information to homeowners regarding rehabilitation standards and the Downtown Rehabilitation Home Loan Program. • Improve one housing unit annually (for extremely low income, very low income, low income, or moderate income households) 	<p>Since 2009, the City has provided loans to two moderate-income households. However, due to the dissolution of the Tracy Community Development Agency in 2012, the City eliminated the Downtown Rehabilitation Home Loan Program.</p> <p><i>Continued Appropriateness:</i> 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 2015-2023 Housing Element.</p>
2	Downtown Rehabilitation Grant Program	<ul style="list-style-type: none"> • Continue to provide assistance to qualified low and moderate income homeowners. • Disseminate program information to homeowners regarding rehabilitation standards. • Improve five housing units annually (estimated one extremely low income, one very low income, two low income, and one moderate income households). 	<p>Since 2009, the City has provided grants to 11 moderate-income households. However, due to the dissolution of the Tracy Community Development Agency in 2012, the City eliminated the Downtown Rehabilitation Grant Program.</p> <p><i>Continued Appropriateness:</i> 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 2015-2023 Housing Element.</p>
3	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. 	<p>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.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and will be included in the 2015-2023 Housing Element.</p>

Program Summary (2009-2014)

Program Description		Objectives and Timeframe	Accomplishments
4	Graffiti Removal Program	<ul style="list-style-type: none"> Continue to operate the Graffiti Hot Line. 	<p>The City’s Department of Public Works 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.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and will be included in the 2015-2023 Housing Element.</p>
5	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. 	<p>No affordable housing developments in the City were considered at-risk of losing their affordability status during the 2009-2014 Housing Element planning period. The City will continue to monitor the status of its affordable housing inventory.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and will be included in the 2015-2023 Housing Element.</p>

Program Summary (2009-2014)

Program Description	Objectives and Timeframe	Accomplishments
Goal 2.0: Assist in the provision of housing that meets the needs of all economic segments of the community.		
6	Downpayment Assistance Program	<ul style="list-style-type: none"> • Continue to provide down payment assistance to qualified low and moderate income homeowners. • Disseminate information to homeowners on the Down Payment Assistance Program. • Assist 12 households annually (estimated four very low income, five low income, and three moderate income households). <p>Since 2009, the City has provided down-payment assistance to 23 households. Four of these households were very low income households, 12 were low income, and seven were moderate income.</p> <p>The marketing plan for the program was developed and approved by the City Council on December 7, 2004. However, due to the dissolution of the Tracy Community Development Agency in 2012, the City had to eliminate its Downpayment Assistance Program.</p> <p>To assist residents in need of downpayment assistance, the City provides information on the County’s NSP GAP Loan Program (Downpayment Assistance Program for Home Purchases) on its website. The County program has funded eight moderate income households for GAP-Downpayment Assistance in the City limits.</p> <p>The City also provides information on its website about the Option to Own Program operated by Visionary Home Builders of California, which works with participants develop a plan that allows them to live in their future home for three to five years as they repair their credit, save for a down payment, and plan a household budget that will help sustain a home. At the end of the program, participants should be ready to purchase the home</p> <p><i>Continued Appropriateness:</i> 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 2015-2023 Housing Element.</p>

Program Summary (2009-2014)

Program Description		Objectives and Timeframe	Accomplishments
7	Homebuyer and Financial Literacy Training	<ul style="list-style-type: none"> Partner with Visionary Home Builders (VHB) to offer homebuyer education classes to residents. Publicize the availability of homebuyer education classes to residents. 	<p>The City continues to provide information on its website about available homebuyer education classes provided by the NeighborWorks Home Ownership Center (Sacramento Region) and Visionary Home Builders of California for a fee.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and will be included in the 2015-2023 Housing Element.</p>
8	Affordable Housing Developers	<ul style="list-style-type: none"> In 2011/2012, investigate the feasibility of providing fee assistance or below-market loans to affordable housing developers in order to support the production of affordable and workforce housing. Specifically, prioritize assistance to affordable housing projects that set aside units for extremely low income households. 	<p>The City investigated the feasibility of providing fee assistance and waivers for affordable housing projects.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and a modified version will be included in the 2015-2023 Housing Element.</p>
9	Housing Choice Voucher Program (Section 8)	<ul style="list-style-type: none"> Continue to participate in the federally sponsored Section 8 Housing Choice Voucher program. Disseminate information to the public regarding the Section 8 Program and promote participation by rental property owners. Continue to provide Section 8 Vouchers to 166 households annually. Assist 17 households annually through the Family Self-Sufficiency Program. 	<p>The City continues to participate in the Housing Choice Voucher Program operated by the San Joaquin Housing Authority. About 15- Tracy households are currently receiving housing choice voucher assistance.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and will be included in the 2015-2023 Housing Element.</p>
10	Sustainability Program	<ul style="list-style-type: none"> Continue to develop the Sustainability Action Plan. Disseminate information to the public regarding the Citywide Sustainability Strategy. 	<p>The City adopted the Sustainability Action Plan in February 2011. The entire Plan is available on the City’s website.</p> <p><i>Continued Appropriateness:</i> This program is completed and a modified version will be included in the 2015-2023 Housing Element.</p>

Program Summary (2009-2014)

Program Description	Objectives and Timeframe	Accomplishments
<p>11 Affordability by Design</p>	<ul style="list-style-type: none"> • Within one year of adoption of the Housing Element, update the Zoning Ordinance to be consistent with the affordability by design concepts described in the General Plan. 	<p>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 also 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). 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.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and a modified version will be included in the 2015-2023 Housing Element.</p>

Goal 3.0: Provide suitable sites for housing development which can accommodate a range of housing by type, size, location, price, and tenure.

<p>12 Inventory of Residential Sites</p>	<ul style="list-style-type: none"> • Continue to pursue the annexation of Ellis Specific Plan area with a target date of 2012. • Adopt Downtown Specific Plan in 2012. • Complete Zoning Code update to implement the General Plan in 2012, specifically rezone Raleys properties (33.8 acres) and Valpico Road properties (37.1 acres) from Industrial to High Density Residential consistent with the General Plan to provide a maximum capacity of 1,772 units and an average capacity of 1,276 units, where multi-family is permitted by right. • Monitor the sites inventory annually to assess the City’s continued ability to facilitate a range of residential housing types. • Make the inventory of vacant sites available to interested developers after adoption of the Housing Element. 	<p>The Ellis Specific Plan area was annexed into the City in 2013 and construction began in 2015. The 31 acres for rezone, referenced in Program 11 of the 2015-2023 Housing Element, are included in the Raleys and Valpico properties. These sites will be rezoned to HDR within two years of the adoption of the Housing Element.</p> <p>The City continues to annually monitor the sites inventory to ensure the continued availability of sites to facilitate a range of residential housing types.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and will be included in the 2015-2023 Housing Element.</p>
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Program Summary (2009-2014)

Program Description		Objectives and Timeframe	Accomplishments
13	Property Acquisition and Improvement	<ul style="list-style-type: none"> • Continue to identify additional properties for potential development, particularly within the Redevelopment Project Area, and pursue development rights or purchase of these properties. • 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. • Partner with nonprofit organizations to explore the development of a land trust. If a land trust is established, ensure the land trust program includes a component that benefits households with extremely low incomes. • Bi-annually compile a list of properties considered for acquisition and a summary of sites acquired and number of units produced. 	<p>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 in order to acquire, improve, and develop affordable housing.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and a modified version will be included in the 2015-2023 Housing Element.</p>
14	Inclusionary Housing	<ul style="list-style-type: none"> • Continue to explore the potential and set the stage for a voluntary inclusionary housing program that includes an extremely low income component. • Bi-annually monitor the City’s affordability conditions and identify an inclusionary housing trigger, if necessary. 	<p>The City is committed to continuing to explore a voluntary inclusionary housing program or other creative solutions that will result in additional affordable housing units.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and a modified version will be included in the 2015-2023 Housing Element.</p>

Program Summary (2009-2014)

Program Description	Objectives and Timeframe	Accomplishments
<p>15 Resale of Foreclosed Properties</p>	<ul style="list-style-type: none"> • Acquire and rehabilitate nine foreclosed properties, and subsequently resell or rent them to households earning up to 120 percent of AMI. • Conduct outreach and publicize the availability of these foreclosed properties to residents. 	<p>Since 2009, the San Joaquin County Community Development Department, in partnership with Visionary Home Builders, utilized NSP funds to rehabilitate 12 foreclosed properties in Tracy and successfully resold or rented them to moderate-income households in the City. Additionally, the County worked with Stocktonians Taking Action To Neutralize Drugs (STAND) to rehabilitate six foreclosed properties in Tracy using NSP funds. STAND successfully resold or rented the rehabilitated units to six moderate –income households.</p> <p><i>Continued Appropriateness:</i> 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 2015-2023 Housing Element.</p>

Program Summary (2009-2014)

Program Description	Objectives and Timeframe	Accomplishments
Goal 4.0: Mitigate any potential governmental constraints to housing production and affordability		
<p>16 Extremely Low Income and Special Needs Housing</p>	<p>Within one year of the adoption of the Housing Element, the City will amend the Zoning Ordinance to address the following:</p> <ul style="list-style-type: none"> • Emergency Shelters: The City will amend its Zoning Ordinance to permit homeless shelters with a ministerial permit within the MDR and HDR zones. Objective performance standards will be established and these standards will be the same as similar uses in the MDR and HDR zones. • Transitional Housing: The City will amend its Zoning Ordinance to differentiate transitional housing in the form of group quarters versus as regular housing developments. For transitional housing facilities that operate as regular housing developments, such housing will be permitted where similar housing is otherwise permitted. For transitional housing facilities that operate as group quarters, such facilities will be permitted as residential care facilities. • Supportive Housing: The Zoning Ordinance will be amended to differentiate supportive housing in the form of group quarters versus as regular housing developments. For supportive housing facilities that operate as regular housing developments, such uses will be permitted where similar housing is otherwise permitted. For supportive housing facilities that operate as group quarters, such facilities will be permitted as residential care facilities. • Single Room Occupancy Units (SROs): The City will amend its Zoning Ordinance to permit SROs with a Conditional Use Permit in the MDR and GHC zones. • Reasonable Accommodation: The City will amend the Zoning Ordinance to implement a reasonable accommodation procedure to address reasonable accommodation requests. 	<p>Amendments to the Zoning Ordinance related to emergency shelters, transitional housing, supportive housing, SRO housing units, second units, reasonable accommodations and manufactured housing are expected to be adopted by November 2015.</p> <p><i>Continued Appropriateness:</i> This program is completed and a modified version will be included in the 2015-2023 Housing Element.</p>

Program Summary (2009-2014)

Program Description	Objectives and Timeframe	Accomplishments
	<ul style="list-style-type: none"> • Second Units: The City will amend its Zoning Ordinance to permit second units in residential zones where a primary single-family unit already exists. • Manufactured and Mobile Homes: The City will amend its Zoning Ordinance to allow manufactured/mobile homes installed on a permanent foundation in all residential zones where single-family dwellings are permitted. 	
<p>17 Growth Management Ordinance (GMO)</p>	<ul style="list-style-type: none"> • Amend the GMO within one year of the adoption of the Housing Element. • 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 annual review will analyze the ability to accommodate the City's regional housing need, constraints on supply and affordability of housing and the process for applying and reviewing allocations. The review will reflect the RHNA as a minimum and consider impacts on overall housing supply in addition to accommodating the RHNA. Factors to be considered include: <ul style="list-style-type: none"> • New RHNA exemption program; • Overall impacts on housing supply based on the new RHNA exemption in addition to the annual limit; • Number of building permits issued under the exemption by income categories and housing type; • Number of total applications, applications approved or denied and developer interest in applications; • Timing for approving allocations; and • Potential uncertainty associated with scoring criteria used to evaluate application for allocations. <p>Information will be included and evaluated as part of the annual Growth Management Status report, published in the fourth quarter of each calendar year. Based on the outcomes of the evaluation and consideration of stakeholder input, the City will establish appropriate action such as revising the</p>	<p>The City amended its Municipal Code in 2013 with Ordinance No. 1184 to address the GMO's compliance with the RHNA. The City continues to annually monitor and evaluate the GMO for impacts on the cost, supply and timing of housing.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and will be included in the 2015-2023 Housing Element.</p>

Program Summary (2009-2014)

Program Description	Objectives and Timeframe	Accomplishments	
	ordinance within one year of the evaluation..		
<p>Goal 5.0: Continue to promote equal housing opportunity in the City’s housing market regardless of age, race, color, national origin, ancestry, sex, disability, marital status, familial status, source of income, sexual orientation, and any other arbitrary factors.</p>			
18	Definition of “Family”	<ul style="list-style-type: none"> The City will amend its definition of a family in the Zoning Ordinance to eliminate any requirements on the number of persons constituting a family within one year of adoption of the Housing Element 	<p>This amendment is expected to be adopted by November 2015.</p> <p><i>Continued Appropriateness:</i> This program is completed and will not be included in the 2015-2023 Housing Element.</p>
19	Reasonable Accommodation	<ul style="list-style-type: none"> Amend the Tracy Municipal Code to address requests for reasonable accommodation to land use and zoning decisions and procedures regulating the siting, funding, development and use of housing for people with disabilities within one year of adoption of the Housing Element. 	<p>This amendment is expected to be adopted by November 2015.</p> <p><i>Continued Appropriateness:</i> This program is completed and will not be included in the 2015-2023 Housing Element.</p>
20	Fair Housing	<ul style="list-style-type: none"> Continue to support the Stockton-San Joaquin Community Housing Resource Board and provide referral services. Advertise services of the Stockton-San Joaquin Community Housing Resource Board in City buildings and other public buildings (such as public libraries, community centers, County Housing Authority offices, and post offices, etc.), at a variety of community locations (such as offices of nonprofit service providers), and distribute flyers to apartment management companies and real estate offices. 	<p>The San Joaquin Fair Housing Association is a non-profit agency that provides mediation and fair housing services to residents of Tracy as well as the cities of Stockton, Lodi, Manteca, Lathrop, Ripon, Escalon, and the County of San Joaquin. The City continues to provide information about the San Joaquin Fair Housing Association on its website.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and will be included in the 2015-2023 Housing Element.</p>

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	0	784	784
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					

Appendix C: Development Impact Fees

HARVEST APARTMENTS

I-205 SPECIFIC PLAN

APN: 238-600-27

I-205 PARCEL GL-24C

CAPITAL-IN-LIEU FEES	REVENUE ACCOUNT #	FEE PER UNIT	# OF UNITS	PARCEL OBLIGATION
Arterials, West	353-4231-XIW11	\$ 7,123.32	300	\$ 2,136,996.00
Intersection & Signals, West	353-4231-XIW16	374.56	300	112,368.00
Intersection Mitigations	353-4231-XIW16	647.79	300	194,337.00
Sanitary Sewer Treatment	353-4237-XIA71	3,057.89	300	917,367.00
Sanitary Sewer Collection	353-4237-XIW72	691.99	300	207,597.00
Water Distribution	353-4236-XIW62	158.26	300	47,477.00
Water Distribution - Off-site	353-4236-XIW63	1,402.14	300	420,643.00
Water Supply, Trtmt & Storage	353-4236-XIA61	1,323.63	300	397,088.00
Storm Drains	353-4232-XIW21	36.22	300	10,865.00
Irrigation (NBID) Relocation	353-4232-XIW25	288.27	300	86,480.00
Downtown Assistance	353-4239-XIA51	41.91	300	12,573.00
Park & Ride	353-4231-XIW19	62.70	300	18,810.00
Air Quality	353-4239-XIA53	3.57	300	1,071.00
Swainson Hawk	353-4239-XIA52	122.42	300	36,726.00
Fire/Public Works Capital	353-4234-XIA41	682.78	300	204,833.00
Agricultural Conversion Fee	353-2426-XIA54	11.67	300	3,501.00
Contingency (15%)	353-4239-XIA92	1,951.65	300	585,495.00
Design & Construction Fees (15%)	353-4239-XIA91	1,951.65	300	585,495.00
Program Management	353-4239-XIA95	518.08	300	155,423.00
Parks		5,038.00	300	1,511,400.00
SUB TOTAL DEVELOPMENT IMPACT FEES		\$ 25,488.48		\$ 7,646,545.00
OTHER FEES TO BE COLLECTED AT BUILDING PERMIT ISSUANCE				
New Address Mapping Fees	211-4531-R2365	\$ 36.00	300	\$ 10,800.00
Water Meter Radio Read MXV Fee	511-4618	11.00	300	3,300.00
Agricultural Mitigation Fee	207-2426-D6006	\$2,533.80 / Acre	17.91	45,380.36
County Facilities Fee	391-2426-D6011	Exempt	NAP	NAP
Regional Transportation Impact Fee	808-2426	Exempt	NAP	NAP
Habitat Mitigation Fee		Exempt	NAP	NAP
TOTAL DEVELOPMENT IMPACT FEES				\$ 7,706,025.36

YOSEMITE VISTA - UNIT 2, TRACT 3495

BRIGHT DEVELOPMENT

SOUTH MACARTHUR PLANNING AREA - SINGLE FAMILY DWELLING UNIT

DEVELOPMENT IMPACT FEES	ACCOUNT #	FEE PER SFDU	# OF UNITS (b)	TOTAL FEES (a) x (b)
Water Facilities	352-4236-XSM61	\$ 5,291.50	21	\$111,121.50
Wastewater - East-Side Sewer System Conn	352-4237-XSM72	617.50	21	\$12,967.50
Wastewater - Gravity Sewer Improvements	352-4237-XSM72	401.85	21	\$8,438.85
WWTP Improvements	352-4237-XSM71	11,884.50	21	\$249,574.50
Roadways - Upgrades	352-4231-XSM11	11,144.45	21	\$234,033.45
Roadways - CFD 89-1 Reimbursement	352-4231-XSM12	84.55	21	\$1,775.55
Roadways - RSP Reimbursement	352-4231-XSM13	630.80	21	\$13,246.80
Storm Drainage - Upgrade	352-4232-XSM21	4,219.90	21	\$88,617.90
Storm Drainage - CFD 89-1 Reimbursement	352-4232-XSM22	171.95	21	\$3,610.95
Parks - Mini/Neighborhood	352-4233-XSM31	4,193.30	21	\$88,059.30
Parks - Community Park	352-4233-XSM32	2,224.90	21	\$46,722.90
Public Buildings & Services	352-4234-XSM41	3,782.90	21	\$79,440.90
Program Management	352-4239-XSM91	2,349.90	21	\$49,347.90
SUB TOTAL DEVELOPMENT IMPACT FEES		\$ 46,998.00		\$986,958.00
Other Fees to be Collected at Building Permit				
Water Meter Radio Read MXV Fee	511-4618	\$ 11.00	21	\$ 231.00
New Address Mapping Fee	211-4531-R2365	68.00	21	1,428.00
Habitat Mitigation Fees	352-2426-XSM45	3,054.03	21	64,134.63
Agricultural Mitigation Fee	207-2426-D6006	NAp	NAp	NAp
County Facilities Fees	391-2426-D6011	NAp	NAp	NAp
Regional Transportation Impact Fees	808-2426	NAp	NAp	NAp
TOTAL DEVELOPMENT IMPACT FEES		\$50,131.03		\$ 1,052,751.63

AGENDA ITEM 1-D

REQUEST

PUBLIC HEARING TO CONSIDER AN ORDINANCE ADDING A NEW SECTION 10.08.3198 TO TITLE 10 OF THE TRACY MUNICIPAL CODE RELATING TO DONATION CONTAINERS – CITY INITIATED – APPLICATION NUMBER ZA15-0004

DISCUSSION

Background

The San Joaquin County Grand Jury issued its 2014-2015 Report, Charity Begins at Home: Unattended For-Profit Donation Bins Proliferate Across County (Case No. 1410) and recommended that each city in San Joaquin County adopt regulations addressing donation containers (Attachment A: Grand Jury Report).

On September 1, 2015, City Council approved a response letter to the Grand Jury Report (Attachment B: City Response Letter). Included in the letter were responses to each of the findings in the Grand Jury Report and a commitment from the City to enact an ordinance by December 1, 2015 to regulate donation containers.

Draft Ordinance Related to Donation Containers

In drafting this ordinance, staff aimed to address concerns associated with donation containers, such as graffiti, vandalism, overflow/dumping, litter, lack of property owner consent, and the potential proliferation of donation containers throughout the City, as has occurred in other parts of the County and the State.

The proposed draft ordinance would do the following:

- A Conditional Use Permit would be required, which would provide the City with discretionary review for the placement of donation containers and the ability to apply reasonable conditions;
- Donation containers would only be allowed on parcels zoned for non-residential use;
- Donation containers could not be located on public property, the public right-of-way, or within the 20 feet of any property line;
- Donation containers could not be located within 2,500 feet of another donation container, and there could not be more than one donation container per parcel;
- Performance standards would require that the donation container and the site be maintained free of litter and graffiti; and
- An attendant would be required to be present at the donation container at least 8 hours a day, 7 days a week.

The complete draft ordinance is contained in Exhibit 1 to the attached Draft Planning Commission Resolution.

Environmental Documentation

The draft ordinance is not a project within the meaning of the California Environmental Quality Act because it does not have the potential for causing a significant effect on the environment (CEQA Guidelines, 14 California Code of Regulations, §15061(b).).

RECOMMENDATION

Staff recommends that the Planning Commission recommend that the City Council introduce and adopt an ordinance adding a new Section 10.08.3198 to Title 10 of the Tracy Municipal Code relating to donation containers, as stated in the Planning Commission Resolution dated November 4, 2015 (Attachment C: Planning Commission Resolution).

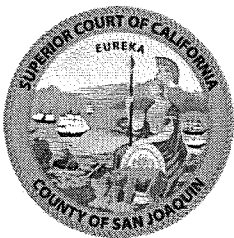
MOTION

Move that the Planning Commission recommends that the City Council introduce and adopt an ordinance adding a new Section 10.08.3198 to Title 10 of the Tracy Municipal Code relating to donation containers, as stated in the Planning Commission Resolution dated November 4, 2015.

Prepared by: Scott Claar, Senior Planner
Reviewed by: Bill Dean, Assistant Development Services Director
Approved by: Andrew Malik, Development Services Director

ATTACHMENTS

- A: 2014-2015 San Joaquin County Grand Jury Report, titled: *Charity Begins at Home: Unattended For-Profit Donation Bins Proliferate Across County* (Case No. 1410)
- B: City Response Letter to the Grand Jury Report



The Superior Court
COUNTY OF SAN JOAQUIN
222 E. WEBER AVENUE, ROOM 303
STOCKTON, CALIFORNIA 95202

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WEBSITE
www.sjcourts.org

FOR IMMEDIATE RELEASE
June 10, 2015

Contact: Trisa Martinez
Judicial Secretary
(209) 992-5290

SAN JOAQUIN COUNTY CIVIL GRAND JURY FINDS UNATTENDED FOR-PROFIT DONATION BINS PROLIFERATE ACROSS COUNTY

The number of unattended donation bins operated by out-of-state for-profit companies has increased dramatically in the county. They are unregulated, unmaintained, and often placed on private property without the owner's permission, an investigation by the San Joaquin County Civil Grand Jury found.

In a report released today, the Grand Jury's recommendation that San Joaquin County and its cities enact ordinances requiring owners of the bins received written permission before placing the collection bins, that they maintain the bins, and that property owners be held harmless for removing such bins placed without permission. Further, the Jury recommends that owners of the bins will be required to post signage making it clear the bins are operated by for-profit companies and not charities.

The Grand Jury's findings and recommendations are based on a months-long investigation that included interviews, tours of various sites where the for-profit bins have been placed, as well as a survey of the county and cities to determine what, if any, regulations exist to control the placement and maintenance of the unattended bins.

Only the Grand Jury foreman is allowed to comment publicly about Grand Jury investigations.

San Joaquin County and the cities of Stockton, Lodi, Tracy, Manteca, Lathrop, Ripon and Escalon are required to submit a response to each finding and recommendation in the report. Those responses must be sent to the Presiding Judge of the San Joaquin County Superior Court within 90 days.

###

San Joaquin County Grand Jury



Charity Begins at Home Unattended For-Profit Donation Bins Proliferate Across County 2014-2015 Case No. 1410

Summary

San Joaquin County residents give cash and donated goods each year valued in the millions of dollars. The United-Way of San Joaquin County alone collects nearly \$4 million in cash donations annually. County residents also give to area charities that operate retail outlets where donated goods are sold to support the agencies' local charitable programs. Often residents drop off their donations at collection points located in area parking lots.

In recent years, unattended donation bins placed by for-profit companies have been appearing in cities and unincorporated areas of San Joaquin County. These unattended donation bins are having a significant negative impact on donations to non-profit charities. There are no ordinances in San Joaquin County and its cities to enable authorities to regulate these for-profit unattended donation bins that are often simply dropped on private property without the owner's consent. In addition, there are safety

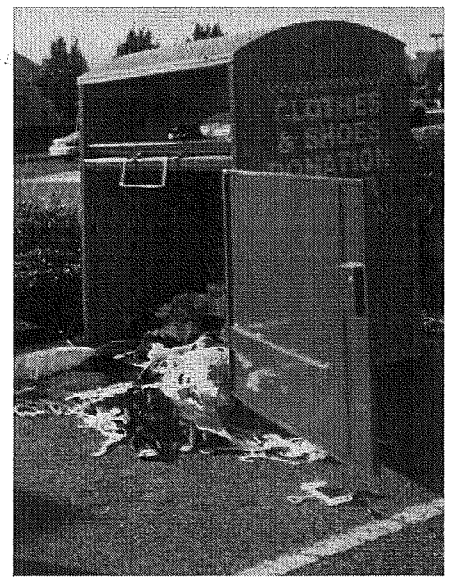


Photo of an unattended donation bin in San Joaquin County.

and liability issues that are not addressed.

The 2014-2015 Grand Jury decided to investigate the proliferation of these for-profit unattended donation bins.

Among the most important findings are:

- San Joaquin County and its cities do not have ordinances that specifically address the placement and monitoring of for-profit unattended donation bins
- These unattended donation bins are operated by for-profit companies that make millions of dollars nationwide, exporting textiles for sale at a profit in Africa and South America
- The profits go to out-of-state corporations that pay no local or state taxes and provide no benefit locally

Among the most important recommendations are:

- San Joaquin County and its seven cities should enact ordinances to regulate for-profit unattended donation bins
- Ordinances should require operators to obtain written consent from property owners before placement of any unattended donation bins, and limit the liability of property owners and their agents who remove unwanted bins from their property

Background



Unattended bin, Roselawn Avenue, east of Mission Road, Stockton

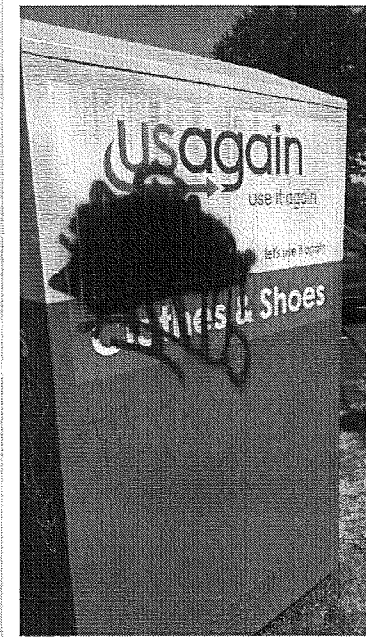
Several non-profit charities, such as Goodwill Industries of San Joaquin Valley, operate parking lot collection sites. Their sites are operated with an attendant present and with the permission of the property owner. There is little chance someone making a donation at one of these sites can be confused about who they are donating to or if that agency is a non-profit or for-profit entity.

In recent years, for-profit companies have moved into San Joaquin County. Although it is unclear exactly how many companies are involved, bins owned by two for-profit operators, USAgain and Discover Books, can be found throughout the County. Collection bins operated by the companies are unattended, often include only small signs to indicate donations are not tax deductible,

and do not spell out that donations are being exported to foreign countries.

In 2011, USAgain, according to the company's website, collected 60 million pounds of clothing from more than 10,000 donation sites in 17 states, including California. Much of the donated material was sold for a profit in Africa and Latin America.

Despite the proliferation of the for-profit unattended collection bins, the Grand Jury found no uniform city or county ordinances to regulate the placement and maintenance of for-profit bins.



Unattended bin, Country Club Boulevard, Stockton

Neither are there ordinances protecting property owners nor removal companies hired in cases where bins are placed on private property without permission and the property owner elects to have the bin removed. Unattended donation bins can attract graffiti, vandalism, and become a public nuisance. They can also be safety hazards when people crawl inside to keep warm or to remove items from the bins.

In February 2012, then-Assemblywoman and now Sen. Cathleen Galgiani, D-Stockton, introduced Assembly Bill 1978 in the California Legislature. It would have required the written consent of a property owner before a collection bin could be placed on his or her property. It also provided a mechanism for the removal of the unapproved bin without liability to the property owner.

The bill had bipartisan support. In August 2012, the bill passed the Assembly on a 70-8 vote and the Senate on a 21-13 vote, but the next month it was vetoed by Gov. Jerry Brown. "I support the author's goal of giving property owners more tools to enforce their property rights," the governor said in his veto message.

"However, I believe the language can be more narrowly crafted to avoid unintended consequences to local charities and nonprofits." Gov. Brown did not spell out what "unintended consequences" concerned him. Some non-profits, such as D.A.R.E. America and Planet Aid, had voiced opposition, arguing that the bill would have unfairly restricted their fundraising efforts.

Reasons for Investigation

The Grand Jury chose this issue because of concerns about the proliferation of unattended, for-profit collection bins in San Joaquin County and its cities. It was discovered that non-profit charities, such as Goodwill Industries and The Salvation Army, do not operate unattended donation bins. Further, they place their collection bins only with the written consent of property owners.

Witnesses testified that donations to some non-profit charities have decreased in the last few years, a change partially blamed on the proliferation of for-profit bins. The Grand Jury was told some donors believe that their donations are being made to non-profit charities. No local jobs

are created by these for-profit companies, although USAgain has many employees at its Hayward warehouse.

Donations placed in unattended bins create profits for out-of-state organizations and create problems when they are placed on private property without written consent from property owners. Many property owners want them removed, but are unable to contact the operator. They are hesitant to pay the cost of removal in case they are held liable for the bin. Other property owners choose to ignore the bin rather than pay for its removal.

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Method of Investigation

Materials Reviewed

- Grand Jury surveys of code enforcement officials in San Joaquin County, Stockton, Lodi, Manteca, Lathrop, Escalon, Ripon, and Tracy
- Grand Jury survey of 12 property owners who have for-profit unattended donation bins located on their premises
- State Assembly Bill 918 (2010), now identified as Welfare and Institutions Code, §150-153 (www.leginfo.ca.gov/cgi-bin/displaycode?section=wic&group=00001-01000&file=150-153)
- State Assembly Bill 1978 (2012), vetoed by the governor
- Stockton, Lodi, and Tracy building codes
- Informational handouts from Goodwill Industries
- Elk Grove and Ceres ordinances governing the placement of unattended collection bins

Interviews Conducted

- San Joaquin County code enforcement staff
- Lathrop code enforcement staff
- Stockton Police Department code enforcement staff
- Goodwill Industries of San Joaquin Valley, Inc., and Shelter Thrift and Donation Center management staff
- Security staff at Lowe's on Hammer Lane in Stockton
- Property owners who have had for-profit donation bins on their property

Sites Visited

- Central Valley headquarters of Goodwill Industries of San Joaquin Valley, Inc.
- Shelter Thrift and Donation Center retail outlet in Stockton
- Fourteen for-profit unattended donation bin sites including locations in Tracy, Manteca, Lodi, Lathrop, Stockton, and the unincorporated county

Facts, Findings, and Recommendations

The 2014-2015 Grand Jury reviewed responses from San Joaquin County and all of its cities to a Grand Jury survey sent in October 2014. These responses show that cities and the county government have reduced staffing in their code enforcement and local police departments.

Although code enforcement officers are generally responsible for code violations, limited staff means that they only investigate when there are complaints. Some California cities, including Elk Grove, Rancho Cordova, and Ceres, have comprehensive ordinances that regulate unattended donation bins. Stockton and Lodi have ordinances directed at recycling collection sites, but not for unattended donation bins.

Different codes and policies in San Joaquin County and its cities have contributed to confusion about unattended donation bins in parking lots and on street corners. Survey responses from San Joaquin County and its cities revealed a lack of ordinances that specifically address unattended donation bins, or simply classifies them as recycling centers (see appendix). In its response to the Grand Jury survey, San Joaquin County officials, for example, said that "a donation box, whether or not for profit, placed on the site of an existing retail establishment would be considered an accessory use to the business operation." However, more than half of the property owners questioned in an informal survey found they had not given permission for the placement of unattended donation bins on their premises.

Different approaches to for-profit collection bins give a flavor of the various methods some cities have used, for example:

- Lodi ordinances refer to "recycling facilities", but do not specifically mention items often given as charitable donations such as books, shoes, household goods, and, clothing.
- Tracy cites Welfare and Institutions Code, §§150 to 153, which sets forth definition of donation bins as well as disclosure requirements that must be printed on each donation bin to provide information to consumers. That information must include the name of the organization benefiting from the donation, contact information, and how their donations would be used. Each bin also is required to have clear information on whether the donation bin is owned by a charitable or commercial (for-profit) entity.

Findings

F1.1 San Joaquin County and its cities do not have regulations that specifically address the placement, maintenance, and monitoring of unattended donation bins.

F1.2 City and county ordinances can effectively clarify who is responsible for removing unwanted donation bins and protect property owners from liability.

F1.3 Local ordinances can provide cities and the county with stronger control over unattended donation bin placement and assist to enforce them efficiently.

F1.4 Donations to out-of-state for profit operators divert donations from local not-for-profit operators, which diminishes their ability to benefit local communities.

Recommendation

R1 By December 1, 2015, San Joaquin County and its incorporated cities should enact ordinances that regulate unattended donation bins, including:

- Shall require written consent from property owners before placement of any donation bin on private property
- Shall obligate the bin owner to maintain it
- Shall obligate the bin owner to hold property owners and their agents harmless from liability who remove unwanted bins from their property
- Shall require donation bins meet or exceed the requirements found in the California Welfare and Institutions Code, §§150 to 153
- Shall adopt sanctions for any violations of the ordinance provisions
- Shall require owners of donation bins that do not have IRS Code 501(c)(3) status to pay a permit fee to generate income to help off-set ordinance enforcement efforts

Conclusion

Unattended donation bins operated by for-profit organizations are unsightly and can become safety hazards. They deprive local charities of donations that benefit our community, providing services and jobs. They generally do not make clear that the bins are placed by for-profit companies, which confuses donors making charitable donations. Understaffed code enforcement offices and confusion about whose responsibility it is to remove unwanted bins has led to lack of action. Implementation of local ordinances is an important tool in preventing this problem and will generate additional income to the county and its cities that could go toward code enforcement efforts.

Disclaimers

Grand Jury reports are based on documentary evidence and the testimony of sworn or admonished witnesses, not on conjecture or opinion. However, the Grand Jury is precluded by law from disclosing such evidence except upon the specific approval of the Presiding Judge of the Superior Court, or another judge appointed by the Presiding Judge (Penal Code Sections 911, 924.1 (a) and 929). Similarly, the Grand Jury is precluded by law from disclosing the identity of witnesses except upon an order of the court for narrowly defined purposes (Penal Code Sections 924.2 and 929).

Response Requirements

California Penal Code Sections 933 and 933.05 require that specific responses to all findings and recommendations contained in this report be submitted to the Presiding Judge of the San Joaquin County Superior Court within 90 days of receipt of the report.

The San Joaquin County Board of Supervisors as well as the city councils of Stockton, Manteca, Tracy, Lodi, Lathrop, Ripon, and Escalon shall respond to each Finding and Recommendation contained in this Report.

Mail or hand-deliver a hard copy of the response to:

Honorable Lesley D. Holland, Presiding Judge
San Joaquin County Superior Court
P.O. Box 201022
Stockton, CA 95201

Also, please email the response to Ms. Trisa Martinez, Staff Secretary to the Grand Jury at grandjury@sjcourts.org

Appendix

	CODE ENFORCEMENT STAFFING	ORDINANCES FOR DONATION BINS	PERMITS REQUIRED	COMPLAINT DRIVEN
SAN JOAQUIN COUNTY	2 full-time, 1 part-time	None	Yes	Yes
ESCALON	2 full-time	None	Yes	Yes
LATHROP	1 part-time	None	No	Yes
LODI	2 full-time	Yes - SEC 17.36	May require deposit	Yes
MANTECA	2 full-time, 1 part-time	None	Yes	Yes
RIPON	1 part-time	None	No	Yes
STOCKTON	26 full-time, 2 part-time	No - SMC 16.20.020, Table 2-2	Yes, on private property	Yes
TRACY	4 full-time, 1 part-time	AB918, Sec. 10.08, 1070, W&I Code §150-153	Yes, on private property	Yes.

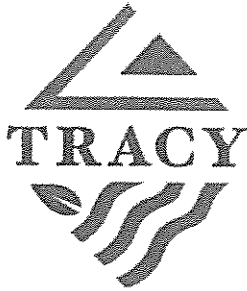
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

CITY COUNCIL

MAIN 209.831.6000

FAX 209.831.6120

www.ci.tracy.ca.us



September 2, 2015

Honorable Lesley D. Holland, Presiding Judge
San Joaquin County Superior Court
P.O. Box 201022
Stockton, CA 95201

Re: Grand Jury Report: 2014-2015 Case No. 1410 – Charity Begins at Home:
Unattended For-Profit Donation Bins Proliferate Across County

Honorable Judge Holland:

This letter responds to the above-referenced Grand Jury Report and is submitted in accordance with California Penal Code Sections 933 and 933.05. The City of Tracy's response relates to the findings and recommendations contained in the Grand Jury Report.

FINDING F1.1

San Joaquin County and its cities do not have regulations that specifically address the placement, maintenance, and monitoring of unattended donation bins.

The City partially disagrees with this finding.

The City of Tracy's zoning regulations preclude the placement of donation bins. They are not permitted or conditionally permitted in any zone in the City and, therefore, are prohibited. (Tracy Municipal Code section 10.08.1070.) Because donation bins are prohibited, the City does not have specific regulations regarding the placement, maintenance, and monitoring of donation bins.

FINDING F1.2

City and county ordinances can effectively clarify who is responsible for removing unwanted donation bins and protect property owners from liability.

The City disagrees with this finding.

The City believes that private property owners already have the authority to remove unauthorized items from their property, under California statutes and case law. (See, for example: Penal Code §602(m) (trespass), Civil Code §820 (rights of owner); Civil Code §§3501-3503 (private nuisance and abatement).) The City questions its legal

authority to impose a regulation regarding private property rights that is within the state's purview to regulate.

FINDING F1.3

Local ordinances can provide cities and the county with stronger control over unattended donation bin placement and assist to enforce them efficiently.

The City agrees with this finding.

FINDING F1.4

Donations to out-of-state for profit operations divert donations from local not-for-profit operators, which diminishes their ability to benefit local communities.

The City has no independent information to agree or disagree with this finding. In any case, the City's zoning and other regulations do not generally distinguish in-state, out-of-state, for-profit and not-for-profit uses, but instead attempt to be neutral in their effect on all property owners and users.

RECOMMENDATION R1

By December 1, 2015, San Joaquin County and its incorporated cities should enact ordinances that regulate unattended donation bins, including:

- **Shall require written consent from property owners before placement of any donation bin on private property**
- **Shall obligate the bin owners to maintain it**
- **Shall obligate the bin owner to hold property owners and their agents harmless from liability who remove unwanted bins from their property**
- **Shall require donation bins meet or exceed the requirements found in the California Welfare and Institutions Code, §§150 to 153**
- **Shall adopt sanctions for any violations of the ordinance provisions**
- **Shall require owners of donation bins that do not have IRS Code 501(c)(3) status to pay a permit fee to generate income to help off-set ordinance enforcement efforts.**

This recommendation has not yet been implemented, but the City will enact an ordinance regulating unattended donation bins by December 1, 2015. However, the contents of such an ordinance is yet to be determined.

Sincerely,



Michael Maciel, Mayor
On Behalf of the Tracy City Council

September 2, 2015
Page 3 of 3

cc: Members of the Tracy City Council
Troy Brown, City Manager
Daniel G. Sodergren, City Attorney
Via email to Ms. Trisa Martinez, Staff Secretary to the Grand Jury at
grandjury@sjcourts.org

RESOLUTION _____

PLANNING COMMISSION RECOMMENDATION THAT CITY COUNCIL
INTRODUCE AND ADOPT AN ORDINANCE ADDING A NEW SECTION 10.08.3198 TO
TITLE 10 OF THE TRACY MUNICIPAL CODE RELATING TO DONATION
CONTAINERS
APPLICATION NUMBER ZA15-0004

WHEREAS, The San Joaquin County Grand Jury issued its 2014-2015 Report, Charity Begins at Home: Unattended For-Profit Donation Bins Proliferate Across County (Case No. 1410) and recommended that each city in San Joaquin County adopt regulations addressing donation containers; and

WHEREAS, The City wishes to regulate donation containers to ensure that they do not become a public nuisance, or public health and safety issue; and

WHEREAS, The proposed ordinance is not a project within the meaning of the California Environmental Quality Act because it does not have the potential for causing a significant effect on the environment (CEQA Guidelines, 14 California Code of Regulations, §15061(b).); and

WHEREAS, The Planning Commission held a duly noticed public hearing on November 4, 2015 to consider the draft ordinance relating to donation containers;

NOW, THEREFORE BE IT RESOLVED, That the Planning Commission recommends that the City Council of the City of Tracy does ordain as follows:

SECTION 1: A new Section 10.08.3198, Donation Containers, is added to Title 10 (Planning and Zoning) of the Tracy Municipal Code, to read as set forth in Exhibit 1, attached.

SECTION 2 This Ordinance shall take effect thirty (30) days after its final passage and adoption.

SECTION 3 This Ordinance shall either (1) be published once in the Tri Valley Times, a newspaper of general circulation, within 15 days after its final adoption, or (2) be published in summary form and posted in the City Clerk's office at least five days before the ordinance is adopted and within 15 days after adoption, with the names of the Council Members voting for and against the ordinance. (Gov't. Code §36933.)

The foregoing Resolution _____ was adopted by the Planning Commission on the 4th day of November 2015, by the following vote:

AYES:	COMMISSION MEMBERS:
NOES:	COMMISSION MEMBERS:
ABSENT:	COMMISSION MEMBERS:
ABSTAIN:	COMMISSION MEMBERS:

CHAIR

ATTEST:

STAFF LIAISON

Exhibit 1
To Resolution _____

A new Section 10.08.3198, Donation Containers, is added to the Tracy Municipal Code to read as follows:

“10.08.3198 Donation containers

(a) **Purpose.** The purpose of this section is to regulate donation containers to ensure that donation containers will not have a negative, blighted visual impact; impede or interfere with public access, circulation and parking; or become hazards or nuisances.

(b) **Definitions.** In this section:

Donation container means a donation or collection box, bin, trailer, or other container used for receiving donations of salvageable personal property.

Salvageable personal property means clothing, shoes, textiles, toys, personal electronic devices, media, books and other similar, small items. It does not include undesirable material, defined below.

Undesirable material means any large items that are unable to fit in the donation container, biological or organic material, or any hazardous material.

(c) **Conditional use permit required.** A property owner wishing to allow a donation container on his or her property must first obtain a conditional use permit from the City, in accordance with Sections 10.08.4250 through 10.08.4420 of Article 34.

(1) **Application.** In addition to the application requirements set forth in Section 10.08.4270 of Article 34, the application must include the following:

- (i) the property owner’s signature, indicating his or her endorsement of the application;
- (ii) the name(s), address(es), and telephone number(s) of the person or organization sponsoring the donation container. If an organization, include the name and contact information for the person managing the container;
- (iii) the proposed location;
- (iv) a detailed description and site plan of the donation container, including size, material, security features, signage, dates and times for regularly scheduled pickups and maintenance (including removal of overflow or unwanted materials); and
- (v) if the donation container will be operated for charitable purposes by a non-profit entity under Internal Revenue Code section 501(c)(3), a tax identification number and an IRS determination letter.

(2) **Findings.** In addition to the findings for a conditional use permit set forth in Section 10.08.4310 of Article 34, the Planning Commission must make the following findings before approving a conditional use permit for a donation container:

- (i) the donation container will be located on a parcel zoned for non-residential use;

- (ii) the donation container will not be located on public property, public right-of-way, or within 20 feet of any property line;
- (iii) the donation container will not be located within 2,500 feet of another donation container, and there may not be more than one donation container on a parcel;
- (iv) the location is adequate in size and shape to accommodate the donation container, allows adequate foot traffic and access by the disabled, does not encroach into or impede access to any parking space, drive aisle, trash enclosure area, landscape area or required setback area; and
- (v) the performance standards set forth in subsection (d) will apply.

(d) **Performance standards.** The following standards apply to a conditional use permit for a donation container:

- (1) Litter and graffiti. The donation container and the site will be maintained free of litter and graffiti. The property owner shall:
 - (i) remove all trash, litter, and unwanted or undesirable materials on a daily basis;
 - (ii) remove graffiti within 48 hours of written notice from the city; and
 - (iii) respond and cure within 48 hours of written notice any vandalism, damaged containers, lack of maintenance or existence of overflow materials.
- (2) Signage. The donation container shall be identified with:
 - (i) the name of the organization maintaining the container, a telephone number, address, and (if available) the internet web address;
 - (ii) the type of material that may be donated; and
 - (iii) a statement to comply with Welfare and Institutions Code sections 150-153.

The signage may be permanently painted, drawn, embedded or affixed with a film adhesive flush to the donation container. No signs shall protrude, project, or be detached from the donation container. The signage of any side may not be larger than one-half of the surface area of that side.

- (3) Attendant. The property owner will ensure that an attendant is present at the donation container at least 8 hours a day, 7 days a week. The attendant shall be fully dedicated to the donation container and not working another job on the site.
- (4) Site planning and architecture. A donation container may be subject to development review, under Section 10.08.3940 of Article 30.
- (5) Proper disposal. The property owner and container operator are responsible for disposing of undesirable material in accordance with city, state and federal laws.
- (6) Parking, Access, and Circulation. Parking, access, and circulation will be reviewed as part of the Conditional Use Permit process. Additional parking may be required.

- (7) Reporting. The container operator must report annually the tonnage collected from containers within the city, including a breakdown by material type, whether the material was reused or recycled, and any other information needed by the City to comply with AB 939 (California Integrated Waste Management Act, Public Resources Code sections 40000-49620). The operator must provide this information to the City by the end of February of each calendar year.
- (8) Insurance. The property owner must maintain a minimum general liability insurance of one million dollars to cover any claims or losses due to the placement, operation, or maintenance of the donation container.
- (e) **Enforcement.** The City may enforce this section by any means authorized in Section 1.16.010, including revocation of the conditional use permit.”