

**Tuesday, December 21, 2010, 7:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

Web Site: [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

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

**Addressing the Council on Items on the Agenda** - The Brown Act provides that every regular Council meeting shall provide an opportunity for the public to address the Council on any item within its jurisdiction before or during the Council's consideration of the item, provided no action shall be taken on any item not on the agenda. Each citizen will be allowed a maximum of five minutes for input or testimony. At the Mayor's discretion, additional time may be granted. The City Clerk shall be the timekeeper.

**Consent Calendar** - All items listed on the Consent Calendar are considered routine and/or consistent with previous Council direction. A motion and roll call vote may enact the entire Consent Calendar. No separate discussion of Consent Calendar items will occur unless members of the City Council, City staff or the public request discussion on a specific item at the beginning of the meeting.

**Addressing the Council on Items not on the Agenda** – The Brown Act prohibits discussion or action on items not on the posted agenda. Individuals addressing the Council should state their names and addresses for the record, and for contact information. "Items from the Audience" following the Consent Calendar will be limited to 15 minutes. "Items from the Audience" listed near the end of the agenda will not have a maximum time limit. The five minute maximum time limit for each speaker applies to all "Items from the Audience." Any item not on the agenda, brought up by the public shall automatically be referred to staff. In accordance with Council policy, if staff is not able to resolve the matter satisfactorily, the member of the public may request a Council Member to sponsor the item for discussion at a future meeting. When citizens address the Council, speakers should be as specific as possible about their concerns. If several speakers comment on the same issue, an effort should be made to avoid repetition of views already expressed.

**Presentations to Council** - Persons who wish to make presentations which may exceed the time limits are encouraged to submit comments in writing at the earliest possible time to ensure distribution to Council and other interested parties. Requests for letters to be read into the record will be granted only upon approval of the majority of the Council. Power Point (or similar) presentations need to be provided to the City Clerk's office at least 24 hours prior to the meeting. All presentations must comply with the applicable time limits. Prior to the presentation, a hard copy of the Power Point (or similar) presentation will be provided to the City Clerk's office for inclusion in the record of the meeting and copies shall be provided to the Council. Failure to comply will result in the presentation being rejected. Any materials distributed to a majority of the Council regarding an item on the agenda shall be made available for public inspection at the City Clerk's office (address above) during regular business hours.

**Notice** - A 90 day limit is set by law for filing challenges in the Superior Court to certain City administrative decisions and orders when those decisions or orders require: (1) a hearing by law, (2) the receipt of evidence, and (3) the exercise of discretion. The 90 day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge a City Council action in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised during the public hearing, or raised in written correspondence delivered to the City Council prior to or at the public hearing.

**Full copies of the agenda are available at City Hall, 333 Civic Center Plaza, the Tracy Public Library, 20 East Eaton Avenue, and on the City's website [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)**

CALL TO ORDER  
PLEDGE OF ALLEGIANCE  
ADMINISTRATION OF OATH OF OFFICE  
INVOCATION  
ROLL CALL

1. CONSENT CALENDAR

- A. Minutes Approval
- B. Award a Construction Contract in the Amount of \$108,543.30 for the Sidewalk, Curb & Gutter Repairs (ADA Improvements - FY10-11) - CIP 73122, to Nor-Cal Concrete of Suisun, California, and Authorize the Mayor to Execute the Construction Contract
- C. Acceptance of the Patterson Pass Water Booster Pump Station Replacement Project - CIP 75097, and the Valpico Road Pressure Monitoring Station - CIP 75098, Completed by Conco West Inc., of Manteca, California, and Authorization for the City Clerk to File the Notice of Completion
- D. Approve a List of City of Tracy Projects for San Joaquin Council of Government's One Voice Trip to Washington D.C., for Congressional Funding Appropriation Requests
- E. Approval of and Authorization for Mayor to Sign the 2010 Drainage Agreement Between the City of Tracy and the West Side Irrigation District
- F. Adopt Resolution Approving the Annual Report on Development Impact Fee Revenues and Expenditures, and Making Findings as to Unexpended Funds
- G. Resolution Approving a Property Tax Sharing Agreement Between the County of San Joaquin and the City of Tracy
- H. Adoption of a Resolution Designating Muniservices as an Authorized City Representative to Examine Sales and Use Tax Records
- I. Acceptance of the City of Tracy's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2010
- J. Approve Amendment of the City's Adopted Budget For FY 2010-11 to Create a New Capital Improvement Project – CIP 74091, for Recycled Water Distribution System and Authorize an Appropriation of \$25,000 from the Wastewater Fund 521 to this Project

2. ITEMS FROM THE AUDIENCE

3. PUBLIC HEARING TO APPROVE THE FINAL COSTS OF WEED ABATEMENT AND DESCRIPTION OF THE STRATEGY FOR FUTURE ABATEMENTS

4. DECLARE 100 ACRES OF CITY PROPERTY LOCATED AT NORTH OF LARCH ROAD AND EAST OF TRACY BLVD AT HOLLY SUGAR AS SURPLUS PROPERTY, AUTHORIZATION OF A PURCHASE AGREEMENT WITH SAN JOAQUIN COUNTY FOR THE SALE OF SAID PROPERTY AND AUTHORIZATION FOR THE MAYOR TO EXECUTE THE SALE AGREEMENT AND RELATED DOCUMENTS
5. PUBLIC MEETING TO CONSIDER COMMENTS FROM THE STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND REVISIONS TO THE DRAFT HOUSING ELEMENT
6. DISCUSS GUIDELINES FOR THE MEASURE E RESIDENTS' OVERSIGHT COMMITTEE, APPOINT COUNCIL SUBCOMMITTEE TO INTERVIEW OVERSIGHT COMMITTEE APPLICANTS AND DIRECT STAFF TO RETURN TO COUNCIL WITH A RESOLUTION ESTABLISHING THE RESIDENTS OVERSIGHT COMMITTEE GUIDELINES AND BY-LAWS
7. APPOINT ONE APPLICANT TO THE TRACY ARTS COMMISSION
8. ITEMS FROM THE AUDIENCE
9. COUNCIL ITEMS
  - A. Consideration of a Request by Council Member Abercrombie to Reconsider Previous Council Direction Regarding the Use of Additional City Resources on the Van Lehn's Noise Complaint with Leprino Foods Processing Facility Located at 2401 N. Macarthur Drive
10. ADJOURNMENT

**October 19, 2010, 7:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

Web Site: [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

Mayor Ives called the meeting to order at 7:00 p.m. and led the Pledge of Allegiance.

The invocation was given by Pastor Scott McFarland, Journey Christian Church.

Roll call found Council Members Abercrombie, Maciel, Tolbert, Mayor Pro Tem Tucker and Mayor Ives present.

Mayor Ives presented a proclamation to Herve Chevallier, President, Tracy Rotary Club, and Mike Belden, President, Tracy Sunrise Rotary Club, recognizing October 24, 2010 as World Polio Day in Tracy.

As part of the City's ongoing effort to reduce costs Mayor Ives recognized vendors who have agreed to a voluntary reduction in the cost of their services to the City. The following companies were recognized: AP Technology, Government Outreach; Profit Stars; Loomis, and Moss, Levy & Hartzheim.

1. CONSENT CALENDAR - It was moved by Council Member Abercrombie and seconded by Mayor Pro Tem Tucker to adopt the Consent Calendar. Roll call vote found all in favor; passed and so ordered.
  - A. Minutes Approval – Special meeting minutes of August 31, 2010, and closed session minutes of October 5, 2010, were adopted
  - B. Approve the First Amendment to the Offsite Improvement Agreement with Winco Holdings, Inc. of Boise, Idaho, for the WinCo Foods Facility and Authorize the Mayor to Execute the Amendment – Resolution 2010-168 approved the amendment.
  - C. Approval of Permit for the Consumption of Alcoholic Beverages on City Streets for the Tracy Chamber of Commerce “Downtown Mixer” on October 28, 2010, and the Tracy City Center Association “Downtown Wine Stroll” on October 29, 2010 – Resolution 2010-169 approved the permit.
  - D. Approval of Amendment Number Two to the Professional Services Agreement with Design, Community, and Environment (DC&E) for the General Plan Amendment, Final Environmental Impact Report, and Municipal Services Review to Change the Scope of Work and Augment the Budget, Authorize the Use of \$24,639 from the Infrastructure Master Plans Staff Time Funds, and Authorize the Mayor to Execute the Amendment – Resolution 2010-170 approved the amendment.

- E. Approve an Expenditure Plan for the Use of Proposition 1B Funds in the Amount of \$1,205,764.40, for the Design and Reconstruction of Street Overlays in the City and Authorization to Amend the Budget to Include a New CIP for City-Wide Street Overlays with Proposition 1B Funds – Resolution 2010-171 approved the expenditure plan.
2. ITEMS FROM THE AUDIENCE - Dave Helm, a downtown business owner, addressed Council regarding the elimination of the downtown police officer. Mr. Helm expressed concern with vandalism and the presence of transients. Mr. Helm read a commendation for Officer Flores. Mr. Helm requested a future agenda item to discuss the issue.

Singh Dale, owner of Big O Tires, addressed Council regarding an increase in vandalism downtown due to the absence of Officer Flores. Mr. Dale indicated it was affecting the way he operated his business. Mr. Dale also requested a future agenda item to discuss the issue.

Brandy Hearld, President of Tracy Excellence Foundation, invited Council to attend a Murder Mystery Party, Saturday, October 25<sup>th</sup>, 2010, and provided Council with a flyer regarding the event.

Paul Miles, 1397 Mansfield Street, addressed Council regarding the statement read by Mayor Ives at the last City Council meeting. Mr. Miles provided a rebuttal to that statement and asked that his rebuttal be read into the record. The rebuttal is included as follows:

October 19, 2010  
City of Tracy City Council  
333 Civic Center Plaza Tracy, CA 95376

Members of the Council:

On October 5, 2010, Mayor Ives read a prepared statement in response to allegations I have made of serious misconduct on the part of the Tracy Police. This letter is a rebuttal to that statement.

Mr. Ives states that I disagree with the conclusions of a Tracy Police accident report and subsequent investigations. This is a mischaracterization. The report falsely represents both witness statements and the existing traffic control devices. These are not omissions, but falsification of the facts. Subsequent investigations added additional false statements and attempted to conceal criminal behavior. The Police are entitled to any conclusions they wish. They are not entitled to falsify the facts. These acts are red flags of corruption. Mr. Ives goes on to state that the council believes the Tracy Police Officers, and the Chief of Police, acted properly. On April 28, 2010 I delivered, to this Council, approximately 80 pages of documentation and digital recordings of witness interviews. This documentation unambiguously demonstrates that three officers of the Tracy Police Department have made false statements on official reports. The recordings moreover demonstrated that the witnesses were recorded without their knowledge, in their own homes, where they had every expectation of privacy. This is not proper or legal behavior. Moreover, as each member of this Council knows, Chief Thiessen has failed to respond to formal

citizen complaints alleging serious Police misconduct. Ms. Thiessen is required by both Department policy and the California Penal Code to respond in writing to these complaints, a fact which was brought to this Council's attention in writing on March 7, 2010 and orally on June 15, 2010. The law is unambiguous and unqualified: "The department or agency shall provide written notification to the complaining party of the disposition of the complaint within 30 days of the disposition." Violation of the Penal Code is not proper or legal behavior.

Mr. Ives closes his statement by asserting that the City Council has determined my allegations are unfounded – that is, false and without basis in fact. Like his earlier assertion of proper behavior, this statement is untrue, a fact which is easily demonstrated simply by Ms. Thiessen's failure to respond to my complaints. If Mr. Ives and this Council cannot show me, and the people of Tracy, Ms. Thiessen's response, then this statement is itself "unfounded."

I am extremely disturbed that this Council, collectively, could act so irresponsibly. You have taken a deliberate decision to close your eyes to not only allegations of criminal behavior on the part of City police, but gross negligence on the part of our City Manager and City Attorney. This is not the path to improved Public Safety. The fact that you chose to do this in closed session, such that the people of Tracy cannot know which of you are responsible, is still more troubling.

Your only honest and ethical course is to order an independent investigation of these allegations. Failure to do so will truly be a betrayal of every citizen of the City of Tracy.

Regretfully,  
Tracy, CA Paul Miles  
1397 Mansfield St.

Brian Van Lehn, 540 Winston Court, addressed Council regarding the lack of resolution to noise complaints with Leprino Foods. Mr. Van Lehn provided a petition signed by home owners in the neighborhood.

3. THAT COUNCIL CONDUCT A PUBLIC HEARING DECLARING THE EXISTENCE OF WEEDS, RUBBISH, REFUSE AND FLAMMABLE MATERIAL ON EACH OF THE PARCELS LISTED IN EXHIBIT "A" TO THIS AGENDA ITEM A NUISANCE; CONSIDER OBJECTIONS TO ABATEMENT OF SAID NUISANCE, AND APPROVE A RESOLUTION AUTHORIZING FIRE DEPARTMENT STAFF TO ORDER CONTRACTOR TO ABATE SAID NUISANCES WITH THE REMAINING FUNDS AVAILABLE - Germane Friends, Interim Fire Chief, presented the staff report. On September 2, 2010, and September 8, 2010, pursuant to Tracy Municipal Code, Section 4.12.280, the Fire Department sent a notice to the property owner(s) listed in Exhibit "A" to the staff report. The notice required the owner to abate weeds, rubbish, refuse and flammable material on his/her parcel within 20 days, and informed the property owner(s) that a public hearing would be conducted on October 19, 2010, where any protests regarding the notice to abate would be heard.

Under the provisions of Tracy Municipal Code, Section 4.12.290, the Fire Department will proceed at Council's direction with instructing the City's contractor to perform weed abatement on the parcels. After the parcels have been abated, Fire Department staff

will notify the property owners, pursuant to Tracy Municipal Code, Section 4.12.320, of a public hearing where Council will consider the report of costs for abatement and any objections of the property owners liable for the cost of abatement. A 25% administrative charge to each individual property will also be imposed.

The total fiscal year 2010/2011 budget for weed abatement is approximately \$12,000. The first weed abatement public hearing conducted on July 20, 2010 resulted in abatement costs totaling \$10,300 leaving a balance of \$1,700.

The current fiscal situation requires the City to re-evaluate its current practices for greater efficiencies and explore alternative approaches to address service delivery options. Staff proposed the following four strategies. Staff will return to Council at a later time for the appropriate Council actions related to the administrative fee adjustment, but the strategies were presented to inform Council of the proposed direction.

**Strategy One: Develop a Neighborhood Outreach Program:**

The City will ensure weed abatement is addressed utilizing the regulatory options available, including imposing administrative citations and administrative fees. In addition, the City will develop an outreach program to educate and empower neighborhoods to initiate actions that would better place weed abatement in the hands of the responsible parties. The outreach and education program will include working with existing Neighborhood Watch programs throughout the City to assess their interest in establishing a volunteer neighborhood clean up effort or to communicate with owners to urge them to ensure the property is maintained properly. This City/Neighborhood partnership ensures regulatory and administrative remedies are exercised by the City, while working with interested neighborhood groups to encourage property owners to take ownership in the fire safety of their properties.

**Strategy Two: Actively Assess Property Ownership:**

The City will initiate an assessment to clarify which properties to be abated are in foreclosure, which have absentee landlords, (property owners that do not live at the property to be abated) and which properties are owned by developers. This property assessment will result in targeted efforts by City staff to attempt to get the weeds abated.

**Strategy Three: Increase the Administrative Fee:**

Staff conducted an analysis of the weed abatement revenue received by the City over the last five years to determine whether the weed abatement program has recovered its costs and whether the administrative fees need to be adjusted. Table 1 below shows that the annual average cost recovery for weed abatement over the last five years is \$10,786.

The administrative charge for weed abatement was last reviewed in March 2003, Resolution 2003-059. Increasing the administrative charge from 25% to several times the cost of the abatement will be more reflective of the City's actual cost recovery needs and should encourage property owners to abate their own properties rather than neglect them, leaving the City to abate by default.

**Strategy four: Issue Administrative Citations:**

Currently, with respect to weed abatement, staff does not issue many administrative citations for non-responsive property owners. Staff intends to include the issuance of administrative citations as part of its overall strategy to reduce the number of properties requiring the City's contractor to perform weed abatement. Staff expects that combining regulatory and administrative remedies with a neighborhood partnership strategy will result in increased weed abatement compliance by property owners and increase the City's cost recovery efforts.

The weed abatement budget for FY 10/11 is \$12,100. There is a \$1,784 balance for the remainder of the fiscal year.

Staff recommended that Council conduct a public hearing declaring the existence of weeds, rubbish, refuse and flammable material on each of the parcels listed in exhibit "A"; consider objections to abatement of said nuisance, and approve a resolution authorizing fire department staff to order contractor to abate said nuisances with the remaining funds available.

Council Member Maciel asked if this action was primarily due to complaints about properties, or does the Fire Department find these properties on its own. Chief Friends indicated action was complaint driven. Council Member Maciel asked how the City notifies the property owners of violations. Chief Friends indicated by certified letter.

Council Member Abercrombie asked who would oversee the volunteers listed in Strategy 1. Chief Friends stated it would be part of the strategy made between the City and the neighbors. Council Member Maciel asked if the City would offer some type of resources. Chief Friends stated yes.

Council Member Tolbert indicated she was concerned with the approaches listed under Strategy 1 and asked if the City would divide abatement needs into absentee landlords, etc. Council Member Tolbert stated she also had concerns with Strategy 3, specifically the administrative charge. Council Member Tolbert further stated the City should make it a 100% cost recovery program, and while she did not have a problem with administrative citations they should have been put in place at the commencement of the program.

Mayor Pro Tem Tucker indicated she was concerned with the City being aggressive with those individuals living in the homes vs. absentee landlords.

Council Member Maciel asked if the administrative citation was an option. Bill Sartor, Assistant City Attorney, indicated an updated ordinance would be presented before the next weed abatement season.

Council Member Maciel stated that since the Fire Department is addressing the issue, he hoped that fire safety would be stressed and not aesthetics.

Mayor Ives opened the public hearing. As there was no one wishing to address Council on the item, the public hearing was closed.

It was moved by Council Member Abercrombie and seconded by Mayor Pro Tem Tucker to adopt Resolution 2010-172 declaring the existence of weeds, rubbish, refuse and



flammable material on the parcels listed in Exhibit "A" to the staff report, a nuisance and authorize Fire Department staff to order the contractor to abate. Voice vote found all in favor; passed and so ordered.

4. RECEIVE PUBLIC TESTIMONY FROM PUBLIC HEARING FOR ANNUAL UNMET TRANSIT NEEDS, CITY OF TRACY, FISCAL YEAR 2010-11 - Ed Lovell, Management Analyst, presented the staff report. Under provisions of the State of California Transportation Development Act (TDA), local public hearings must be held annually to review any unmet transit needs prior to the allocation of TDA funds. The hearings were held on October 19, 2010, at 1:30 p.m. in the Tracy Transit Station Conference Room 105, and again at 7:00 p.m. in City Hall Council Chambers during the regularly scheduled Council meeting.

The City requested TDA funds for Fiscal Year 2009-10 for the following purposes:

1. Public Transportation Operating Costs	\$733,710
2. Public Transportation Capital Costs	\$178,139
3. Roads and Streets Projects	\$2,286,300
4. Pedestrian and Bicycle Projects	\$50,512
5. TDA Administration	\$90,845
 Total 2009-10 Claim	 \$3,339,506

The TRACER Public Transit System provides Fixed Route and Paratransit Bus services Monday through Friday from 7:00 a.m. until 7:00 p.m., and Saturdays from 9:00 a.m. to 5:00 p.m. The Paratransit Subsidized Taxi service operates during the days and hours that the Paratransit Bus service is not in operation.

The purpose of the public hearing is for the City Council to receive public testimony concerning any unmet transportation needs which may exist for the Tracy community. No decision as to the sufficiency of local transit services is requested from the Council. The minutes of the public hearing on October 19, 2010, shall be forwarded to the San Joaquin County Council of Governments (SJCOG) which has the responsibility of determining whether transit needs remain unmet and would be reasonable to meet by the applicable jurisdiction. Staff members from SJCOG attended the Tracy public hearings to witness the community responses and to answer specific questions concerning the TDA process.

Mayor Ives opened the public hearing. Since there was no one wishing to address Council on the item the public hearing was closed.

Council Member Abercrombie suggested staff look at the suggested items and bring back an estimate of what they would cost. Rod Buchanan indicated staff could bring that information back at a future meeting.

Mayor Ives asked how Mountain House was being funded for TDA. Mr. Buchanan stated the County receives the funding and that it was up to SJRTD to provide the service.

Mayor Ives asked if Mountain House residents were given an opportunity to offer suggestions. Mr. Buchanan stated yes.

Council Member Tolbert asked if information could be provided on ridership and how it is being marketed.

Council Member Maciel indicated a couple of the comments related to services outside the city limits. Mr. Buchanan stated due to funding restraints, the City is limited to local service. Mr. Buchanan added that in order to expand any services, the City would need to be able to quantify the service levels and ridership.

Council accepted the report.

5. APPROVAL OF AN AMENDMENT TO THE SAN JOAQUIN COUNTY MULTI-SPECIES HABITAT CONSERVATION AND OPEN SPACE PLAN (SJMSCP) DEVELOPMENT FEE, RESULTING IN AN OVERALL DECREASE IN FEES FOR 2011 - Victoria Lombardo, Senior Planner, presented the staff report. In 2001, City Council approved a resolution to establish the authority to collect a development fee for the SJMSCP. The fee was established in 2001, and subsequently updated in 2005, 2007, 2008, 2009 and 2010.

The formula for updating the fee was categorized into three distinct components to better calculate an accurate fee per acre [FEE = Category A (acquisition) + Category B (assessment & enhancement) + Category C (management & admin)]. The final mitigation fees (Table 1) reflect true costs in each category and other real costs associated to fulfill the goals of the plan.

**Category A (acquisition) – Comparables** - This category is directly related to land valuation based on comparables which occur in specific zones of the plan. This category is evaluated on a yearly basis by taking all qualified comparables in each zone, including SJCOG, Inc. easements, to set a weighted cost per acre using the same methodology as in the Financial Analysis Update in 2006 created by EPS. The SJCOG, Inc. easements are evaluated using the appraised value of the property in the before condition included with the fee title sales of other property occurring in San Joaquin County. The final weighted cost per acre of each zone is calculated into a blended rate under Category A (acquisition) figure for each habitat type.

The criteria to determine valid comparables used in the weighted calculation are:

1. All SJCOG, Inc. transactions (fee title and appraised value of unencumbered property)
2. Sales not less than 40 acres
3. Sales not greater than 500 acres
4. No parcels with vineyard or orchard (except SJCOG, Inc. transactions for special needs)
5. Must be land which would fulfill mitigation under the plan
6. Not greater than 2 years old from the date of June 30<sup>th</sup> of each year with all acceptable comparables included (criteria 1-5). A minimum of 10 acceptable comparables are required for analysis. If the minimum of 10 transactions are not available, the time period will extend at 3 month intervals prior to the beginning date until 10 comparables are gathered.

The calculation results in a decrease to the Agricultural/Natural Habitat type of Category A component from \$10,011.11 to \$8,576.04.

**Category B (assessment & enhancement) - Consumer Price Index (CPI)** - This category averages the CPI, as reported by the California Department of Finance, for a 12 month period following a fiscal year (July – June) to keep up with inflation on a yearly basis. The CPI has been deemed appropriate regarding the cost of inflation for this category. The California CPI calculation increased 1.8% which results in an increase of \$2,996.88 to the Category B component.

**Category C (management & administration) - Consumer Price Index (CPI)** - This category averages the CPI, as reported by the California Department of Finance, for a 12 month period following a fiscal year (July – June) to keep up with inflation on a yearly basis. The CPI has been deemed appropriate regarding the cost of inflation for this category. The California CPI calculation increased 1.8% which results in an increase of \$1,689.55 to the Category C component.

SJCOG, Inc. staff calculated the fees using the SJMSCP Financial Analysis formula model [FEE= Category A (acquisition) + Category B (assessment & enhancement) + Category C (management & Admin)] which is shown in Table 1 below. The overall result in the calculations was a decrease in the fees from 2010 to 2011.

All land within and adjacent to the current City limits is classified as Open Space or AG/Natural, as there are no vernal pools near the City. The current (2010) per-acre fees in the relevant categories are \$7,307 per acre for Open Space, and \$14,615 for AG/Natural.

**Monitoring Plan Funding** - Along with the annual index adjustment, the SJMSCP is required to monitor the plan to address funding shortfalls as stated in Section 7.5.2.1 of the plan. SJCOG, Inc. shall undertake an internal review of the SJMSCP funding plan every three years to evaluate the adequacy of each funding source identified in the plan, identify existing or potential funding problems, and identify corrective measures, should they be needed in the event of actual or potential funding shortfalls. This will be reported to the permitting agencies for review in Annual Reports. A review of the Financial Analysis Plan, similar to the process undertaken in the 2006 review, will occur every five years to ensure the adopted methodology is fulfilling the goals of the plan.

This agenda item does not require any specific expenditure of funds. All fees collected with each project will be applied toward the SJMSCP.

Staff recommended that the Council approve the amended development fees for the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan, as shown in the City Council Resolution 2010-173 dated October 19, 2010.

Mayor Ives invited members of the audience to address Council on the item. There was no one wishing to address Council on the item.

It was moved by Council Member Abercrombie and seconded by Council Member Maciel to adopt Resolution 2010-173 amending development fees for the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan. Voice vote found Council Member Abercrombie, Maciel, Tolbert, and Mayor Ives in favor; Mayor Pro Tem Tucker opposed. Motion carried 4:1.

6. ADOPTION OF RESOLUTION OF INTENTION TO APPROVE AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF TRACY AND THE BOARD OF ADMINISTRATION OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM; INTRODUCE AN ORDINANCE AUTHORIZING THE AMENDMENT TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM PLAN TO INCLUDE A '2% AT 55 MODIFIED FORMULA AND THREE-YEAR FINAL COMPENSATION' BENEFIT FOR MISCELLANEOUS CLASSIFICATION PLAN EMPLOYEES HIRED AFTER DECEMBER 16, 2010 - Maria Olvera, Human Resources Director, presented the staff report. Ms. Olvera stated that Council has recently taken a number of actions to approve a second tier of retirement benefits for miscellaneous classification employees. On August 17, 2010, Council approved the Teamster Memorandum of Understanding, which included a second-tier retirement benefit. On September 7, 2010, the Council approved a Letter of Understanding for Mid-Managers, as well as revisions to the Compensation and Benefits Plans for Department Heads, Confidential Managers, and Technical and Support Services Unit, to also provide for a second tier in employee retirement benefits.

This item is the next step in the process. Once all steps in the process are completed and approved by the Council, new employees in the miscellaneous classification plan, hired after December 16, 2010, will receive the reduced retirement benefit of 2% @ 55, three year final compensation. While the City does not anticipate hiring in the near future, over time, this reduced benefit level will decrease benefit costs paid by the City.

There is no fiscal impact for adoption of the new benefit formula. For FY 2010-11, there will be minimal, if any, savings from the implementation of this second tier (2% at 55) because all miscellaneous classification employees hired prior to the contract amendment will continue to receive the prior retirement formula of 2.5% at 55. The City will begin to see savings as new employees are hired at the less costly second tier formula.

Staff recommended the Council:

- 1) Adopt a Resolution of Intention to approve a contract amendment between the City of Tracy and the Board of Administration of the Public Employees' Retirement System to include the '2% at 55 Modified Formula' and 'Three-Year Final Compensation' benefit (Sections 21354 and 20037 of the Public Employees Retirement Law) for miscellaneous classification personnel hired after December 16, 2010; and
- 2) Introduce an Ordinance authorizing the amendment to the contract between the City of Tracy and the Board of Administration of the California Public Employees' Retirement System to implement this benefit effective December 17, 2010.

Mayor Pro Tem Tucker asked staff to provide a clear explanation of "2% at 55". Ms. Olvera explained that it represented 2% of an employee's final compensation multiplied by the number of years an employee has been in public service.

Council Member Maciel asked if there was a PERS cap at 90%. Ms. Olvera stated yes.

Robert Tanner, 1371 Rusher Street, addressed Council regarding funded and unfunded retirement benefits.

Leon Churchill, Jr., City Manager, stated the City is dependent on CalPers. A City is generally considered fully funded if the pension fund is 90% funded or greater. Mr. Churchill added that currently CalPers is approximately 83% funded.

Mayor Ives asked staff to discuss post employment benefits. Ms. Olvera stated the City of Tracy does not provide post retirement benefits.

It was moved by Council Member Abercrombie and seconded by Council Member Maciel to adopt Resolution 2010-174, a Resolution of Intention to approve an amendment to the contract between the City of Tracy and the Board of Administration of the Public Employees' Retirement System; to include a second tier, '2% at 55 modified formula and three-year final compensation' Benefit for miscellaneous classification plan employees hired after December 16, 2010. Voice vote found all in favor; passed and so ordered.

The Clerk read the title of proposed Ordinance 1153.

It was moved by Council Member Abercrombie and seconded by Council Member Maciel to waive the reading of the text. Voice vote found all in favor; passed and so ordered.

It was moved by Council Member Abercrombie and seconded by Council Member Maciel to introduce Ordinance 1153. Voice vote found all in favor; passed and so ordered.

7. PRELIMINARY FISCAL REPORT ON GENERAL FUND FOR FISCAL YEAR 09-10 AND FIRST REPORT ON FINANCIAL AND BUDGETING TRENDS AND CONDITIONS FOR FY 10-11 - Leon Churchill, Jr., City Manager, presented the staff report. The current economic environment has severely affected the fiscal condition of the City. The City receives 93% of its General Fund taxes from just two sources, property tax and sales tax. Because of lower property values, property tax to the City has fallen from \$20.5 million in FY 07-08 to about \$15 million in FY 09-10. Sales tax has fallen from \$13 million in FY 06-07 to about \$9.2 million in FY 09- 10.

The FY 09-10 budget as originally adopted anticipated that the City's General Fund would receive \$46.4 million in revenue, and that the City would have \$53.8 million in expenditures. This would mean the City would need to draw \$7.4 million from reserves. The following can be reported as preliminary figures to close out FY 09-10 (the City's annual audit has begun but has not yet been concluded – the auditor's may have other final adjusting entries for FY 09-10). Actual revenues of \$43.1 are substantially lower than what the budget anticipated (\$46.4 million). However, the City instituted significant budget cutting actions resulting in expenditures of \$49.4 million as compared to the budget of \$53.8. As such, the expected draw from reserves for FY 09-10 should be approximately \$5.9 million instead of \$7.4 million.

The FY 10-11 budget anticipates revenues of \$42.5 million and expenses of \$47.3 million thereby requiring a draw on reserves of \$4.8 million. The revenue projections included an anticipated decrease of 3% in property taxes in FY 10-11. The actual decrease is about 2.5%. As such the City should receive about \$100,000 more than budget in FY 10-11 from property taxes. The City expected sales tax would increase by 4.1% from \$9 million to \$9.4 million. Sales tax has been dropping every quarter for

several years. However, actual sales tax increased by 1.2% for the first quarter of calendar year 2010 as compared to the same quarter in 2009. Sales tax for the second quarter for 2010 also increased by 1.8% as compared to the second quarter in 2009. This, together with the opening of the new Macy's store, makes the original budget estimate of \$9.4 million in sales tax for FY 10-11 look firm.

The FY 10-11 budget also included revenue from the potential implementation of an EMS response fee in January 2011. This fee was estimated at \$227,000 for the six month period from January 2011 to June 2011. The original draw on reserves for FY 10-11 of \$4.8 million looks firm even if the EMS fee is not implemented. EMS fee revenue is likely to be offset by slightly better property tax revenue than budgeted and additional employee salary concessions that were not included in the budget.

The City has two sources of General Fund reserves, the balance of the Economic Uncertainty Fund and the undesignated balance of the General Fund. The balance of these two sources together is estimated as follows:

	Previous Estimate	Revised
Balance as of 6/30/10	\$27,301,785	\$28,801,785
Balance as of 6/30/11	\$22,468,785	\$23,968,785

Mayor Pro Tem Tucker asked for a snapshot of the EMS fees. Mayor Pro Tem Tucker indicated she would like to see this report placed on the website.

Mayor Ives invited members of the public to address Council on the item.

Robert Tanner, 1371 Rusher Street, addressed Council regarding the EMS fees and asked what would happen to those fees if the sales tax measure passes.

Mayor Ives indicated Council has options regarding the EMS fee and would consider it again in January.

Council Member Abercrombie asked that the report also be placed on Facebook.

Council accepted the report.

8. SECOND READING AND ADOPTION OF ORDINANCE 1152 AN ORDINANCE OF THE CITY OF TRACY AMENDING THE CONCEPT DEVELOPMENT PLAN FOR THE BROOKVIEW PLANNED UNIT DEVELOPMENT FROM A 95-LOT RESIDENTIAL SUBDIVISION TO AN 80-LOT RESIDENTIAL SUBDIVISION FOR THE 10-ACRE PARCEL LOCATED AT THE NORTHWEST CORNER OF BROOKVIEW DRIVE AND PERENNIAL PLACE, ASSESSOR'S PARCEL NUMBER 248-560-28 - The Clerk read the title of proposed Ordinance 1152.

It was moved by Council Member Abercrombie and seconded by Council Member Maciel to waive the reading of the text. Voice vote found all in favor; passed and so ordered.

Robert Tanner, 1371 Rusher Street, asked why the City was in favor of eliminating the low income housing portion of the project.

Mr. Churchill stated that statistically 98% of the housing in Tracy is affordable. Mr. Churchill further stated that the City reserves the right to activate an affordable housing component when it exceeds that affordability.

It was moved by Council Member Abercrombie and seconded by Council Member Maciel to Adopt Ordinance 1152. Roll call vote found all in favor; passed and so ordered.

9. ITEMS FROM THE AUDIENCE – None.
10. COUNCIL ITEMS - Council encouraged everyone to vote on November 2, 2010.
11. ADJOURNMENT - It was moved by Council Member Abercrombie and seconded by Council Member Maciel to adjourn. Voice vote found all in favor; passed and so ordered. Time: 8:36 p.m.

The above agenda was posted at the Tracy City Hall on October 14, 2010. The above are summary minutes. A recording is available at the office of the City Clerk.

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Mayor

ATTEST:

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City Clerk

TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

**December 7, 2010, 5:45 p.m.**

Council Chambers, 333 Civic Center Plaza, Tracy

1. CALL TO ORDER – Mayor Ives called the meeting to order at 5:45 p.m. for the purpose of a closed session to discuss the items outlined below.
2. ROLL CALL – Roll call found Council Members Abercrombie, Maciel, Tolbert, and Mayor Ives present; Mayor Pro Tem Tucker absent. Mayor Pro Tem Tucker arrived at 5:49 p.m.
3. ITEMS FROM THE AUDIENCE - None
4. CLOSED SESSION –
  - A. Real Property Negotiations (Gov. Code section 54956.8)

Property Location: Various parcels adjacent to Corral Hollow Road needed for road widening j(including portions of: APN#214-020-01; 214-020-02; 214-020-03; 214-020-04; 214-020-05; 214-020-06; 214-020-07; 214-020-08; 214-020-09; 214-260-11; 212-260-10).

Negotiator(s) for the Kul Sharma, Assistant Director, Development and Engineering Services; and Associated Right of Way Services

Negotiating Parties: Frank and Kimberly Arbura; Axton Real Estate; Bindra Sandhu; Kulbir Randhawa; Kagehiro Company; Mitsuo and Elsie Kagehiro; Hemkunt Group; Tim Cates; and Dorothy Gomes

Under Negotiation: Price and terms of payment for the sale or lease of the property.
  - B. Pending Litigation (Gov. Code section 54956.9(b))
    - *Christopher Bosch v. City of Tracy, et al.*  
(San Joaquin County Superior Court Case No. 39-2010-00252419-CU-OE-STK)
5. MOTION TO RECESS TO CLOSED SESSION – City Attorney Dan Sodergren announced Andrew Malik, Director of Development and Engineering Services, would join the Closed Session for item related to Real Property Negotiations.



Council Member Abercrombie motioned to recess the meeting to closed session at 5:46 p.m. Council Member Maciel seconded the motion. Voice vote found all in favor; passed and so ordered.

6. RECONVENE TO OPEN SESSION – Mayor Ives reconvened the meeting into open session at 6:02 p.m.
7. REPORT OF FINAL ACTION – None.
8. ADJOURNMENT – It was moved by Council Member Maciel and seconded by Mayor Pro Tem Tucker to adjourn. Voice vote found all in favor; passed and so ordered. Time: 6:02 p.m.

The agenda was posted at City Hall on December 2, 2010.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

**December 7, 2010, 6:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

Web Site: [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

1. Mayor Ives called the meeting to order at 6:03 p.m.
2. Roll call found Council Member Abercrombie, Maciel, Tolbert, Mayor Pro Tem Tucker and Mayor Ives present.
3. ITEMS FROM THE AUDIENCE – None.
4. Approval of Minutes - Council Member Abercrombie moved to approve the minutes for the regular meetings of August 17, 2010, September 7, 2010, September 21, 2010, and October 5, 2010, special meetings of September 21, 2010, and closed session minutes of November 16, 2010. Mayor Pro Tem Tucker seconded the motion. Voice vote found all in favor; passed and so ordered.
5. ADOPT RESOLUTION CONFIRMING THE RESCISSION OF RESOLUTION 2009-117 RELATING TO A FEE-FUNDED EMERGENCY MEDICAL SERVICES (EMS) MEMBERSHIP PROGRAM AND USER FEES FOR FIRE DEPARTMENT MEDICAL AND VEHICLE ACCIDENT REPORTS - Dan Sodergren, City Attorney, presented the staff report. On June 16, 2009, the City Council adopted Resolution 2009-117 relating to a fee-funded Emergency Medical Services Membership Program and user fees for Fire Department medical and vehicle accident reports. On November 16, 2010, the City Council rescinded Resolution 2009-117. City Attorney Sodergren recommended the Council adopt a Resolution memorializing Council's decision to rescind Resolution 2009-117 relating to a fee-funded Emergency Medical Services (EMS) Membership Program and user fees for Fire Department medical and vehicle accident reports.

Mayor Ives asked if other options were still on the table. Leon Churchill, City Manager, responded that was correct. Mayor Ives suggested they be brought back at a later date.

Mayor Pro Tem Tucker moved and seconded the motion to adopt Resolution 2010-190 confirming rescission of Resolution 2009-117 relating to fee-funded emergency medical services membership program and user fees for Fire Department medical and vehicle accident reports. Voice vote found all in favor; passed and so ordered.

6. ADOPT A RESOLUTION DECLARING THE RESULTS OF THE NOVEMBER 2, 2010, CITY OF TRACY GENERAL MUNICIPAL ELECTION - Carole Fleischmann, Assistant City Clerk, presented the staff report. A General Municipal Election was held in the City on Tuesday, November 2, 2010. Pursuant to Resolution Nos. 2010-089 and 2010-130 adopted by Council on June 15, 2010, and August 3, 2010, respectively, the Registrar of Voters for San Joaquin County has canvassed the returns of the election and certified the results per Elections Code section 10264. The names of the persons voted for at the election for Mayor were Linda Fairbairn Gonzalez and Brent H. Ives. The names of the persons voted for at the election for Member of the City Council were Robert Rickman, Nancy D. Young, Larry Gamino, Bob Elliott, Vasco Manuel Soares, Jass Sangha, Pete Mitracos, Juana L. Dement and Larry L. Hite.

Two measures were voted upon at the election as follows:

- Measure D – Shall the office of the City Clerk be appointed? – YES/NO
- Measure E – To help prevent additional budget cuts and maintain City services including: police, fire protection, emergency services, and other fire services; park/sports field maintenance; support services; senior, teen, and youth services; art programs; and other general services, shall the City of Tracy enact a ½ cent sales tax, expiring in five years, with resident oversight, annual independent audits, and all funds used for City of Tracy services only? – YES/NO

The certified results show that Brent H. Ives was elected Mayor for the full term of two years, and Robert Rickman and Bob Elliott were elected as Council Members for the full term of four years. The results also show that the majority of the voters voting on Measure D did vote in favor, and that the measure was carried, and shall be deemed adopted and ratified. The majority of the voters voting on Measure E also voted in favor, and that measure was carried, and shall be deemed adopted and ratified.

The number of precincts and the number of votes given in the City to each of the persons named above for the respective offices for which the persons were candidates, and the number of votes given for and against Measures D and E, are shown in the certified results.

Staff recommended that the City Council, pursuant to Elections Code section 10262, adopt a resolution reciting the facts of the General Municipal Election held on November 2, 2010, declaring the results and other matters as provided by law.

Mayor Ives invited public comment. Since there was no public comment, Council Member Abercrombie moved to adopt Resolution 2010-191 reciting the facts of the General Municipal Election held on November 2, 2010, declaring the results and such other matters as provided by law. Mayor Pro Tem Tucker seconded the motion. Voice vote found all in favor; passed and so ordered.

7. Presentation to outgoing Council Members - Mayor Ives presented outgoing Council Member Evelyn Tolbert and Mayor Pro Tem Suzanne Tucker with bouquets and plaques to commemorate their 12 years of service on the City Council.
8. ADJOURNMENT - Mayor Ives adjourned the meeting at 6:20 p.m.

The above agenda was posted at the Tracy City Hall on December 2, 2010. The above are summary minutes. A recording is available at the office of the City Clerk.

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Mayor

ATTEST:

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City Clerk

## AGENDA ITEM 1.B

REQUEST

**AWARD A CONSTRUCTION CONTRACT IN THE AMOUNT OF \$108,543.30 FOR THE SIDEWALK, CURB & GUTTER REPAIRS (ADA IMPROVEMENTS - FY10-11) - CIP 73122, TO NOR-CAL CONCRETE OF SUISUN, CALIFORNIA, AND AUTHORIZE THE MAYOR TO EXECUTE THE CONSTRUCTION CONTRACT**

EXECUTIVE SUMMARY

This project is part of the City's ongoing program to replace severely deteriorated, cracked, or settled sidewalks, driveways, street curbs and gutters at various locations throughout the Downtown area. Completion of this sidewalk repair project will enhance pedestrian and ADA accessibility.

DISCUSSION

This project primarily involves removal and replacement of damaged and deteriorated sidewalks, driveways, curbs and gutters within the City's Community Development Agency (CDA) areas. One area is between Tracy Boulevard and East Street and Tenth Street and Fourth Street in the downtown area. The other CDA area is between Parker Avenue and Holly Drive and between Eaton Avenue and Holly Drive.

A total of approximately 6,408 square feet of damaged or deteriorated sidewalks, 855 square feet of driveways and 677 linear feet of curb and gutter, 6 curb ramps will be removed and replaced along with the removal of 5 tree roots. This work will improve pedestrian accessibility and comply with the American Disability Act (ADA). The project boundaries are between Tenth Street to Sixth Street and between Roosevelt to East Street. Additional streets included are Carlton Avenue and Beverly Avenue between Parker Avenue to Holly Drive. The project specifications were prepared in house by engineering staff.

The project was advertised for competitive bids on October 14, 2010 and October 21, 2010, and the following 17 bids were received and publicly opened on November 18, 2010, with the following results:

<b>Contractors</b>	<b>Base Bid</b>
Nor-Cal Concrete	\$108,543.30
Spenco Construction, Inc.	\$115,885.50
Suarez & Munoz Construction, Inc.	\$121,322.00
Granite Construction Company	\$129,985.00
Cinray Construction Inc.	\$132,891.00
Construction Management General Engineering	\$136,011.23
Sposeto Engineering Inc.	\$136,511.50
B&M Builders Inc.	\$138,292.22
FBD Vanguard Construction	\$140,112.00
Garrett Thompson Construction Inc.	\$146,836.00
Diede Construction, Inc.	\$155,245.20

SRP Company	\$155,344.98
JJR Construction, Inc.	\$159,324.00
George Reed, Inc	\$165,447.00
Quimu Contracting, Inc.	\$181,525.00
Martin General Engineering, Inc.	\$199,750.41
Big B Construction, Inc	\$229,408.98

Nor-Cal Concrete, Inc., of Suisun, California, is the lowest monetary bidder. The bid analysis indicates that the lowest bid is “responsive” and the bidder is “responsible”. Nor-Cal Concrete, Inc. has the appropriate contractor’s license in current and active standing with the State and has completed numerous similar projects with the City of Tracy and other public agencies.

The total recommended construction cost for this project, if awarded to Nor-Cal Concrete, Inc. is as follows:

	Base Bid
Construction Bid	\$108,543.30
Contingency @ 15%	\$ 16,282.00
Design	\$ 10,854.00
City-wide Project Management	\$ 24,421.50
Inspection @ 5%	\$ 5,427.00
Design Support during Construction	<u>\$ 4,000.00</u>
Total Construction Cost	\$169,527.50
Total Project Budget	\$201,000.00

Due to competitive bidding environment, the construction bid amount is lower than the estimated amount. The remaining unused funds will be transferred to the Community Development Brock Grant funds. If the project is awarded to Nor-Cal Concrete, Inc., construction of the project will commence in late January 2011, with completion expected by the middle of March 2011. Construction of this project will create four blue collar jobs.

**STRATEGIC PLAN**

This agenda item is a routine operational item and is not related to the City Council’s Seven Strategic Plans

**FISCAL IMPACT**

There will be no fiscal impact to the General Fund. There is a total of \$201,000 available funding from the Community Development Block Grant (CDBG) for CIP 73122.

**RECOMMENDATION**

That City Council, by resolution, award a construction contract to Nor-Cal Concrete, Inc., of Suisun, California, in the amount of \$108,543.30, for construction of the Sidewalk, Curb and Gutter Repairs (ADA Improvements, FY10-11) Project - CIP 73122, within the city’s Downtown area, and authorize the Mayor to execute the construction contract.

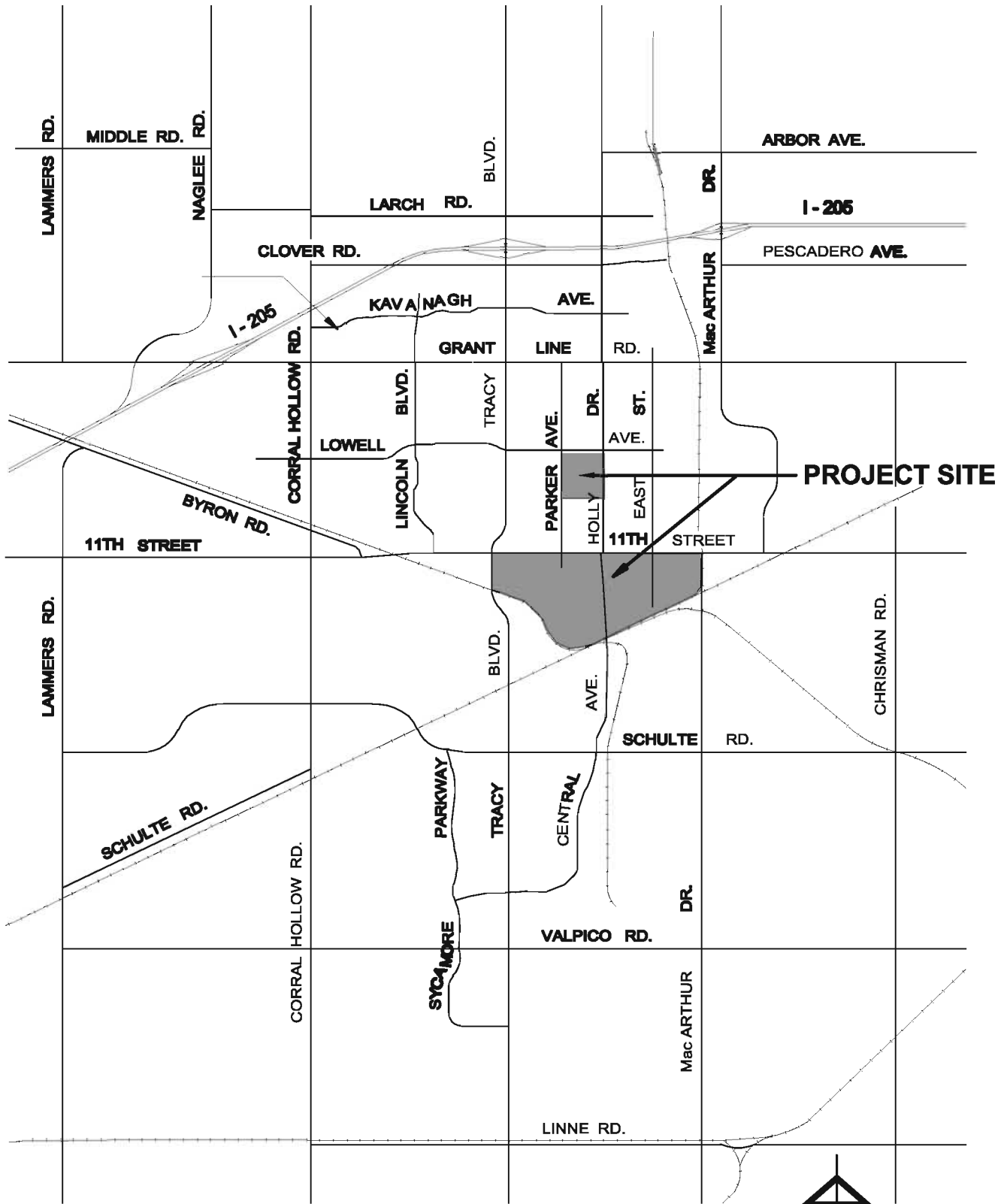
Agenda Item 1.B  
December 21, 2010  
Page 3

Prepared by: Dan Pangilinan, Assistant Civil Engineer

Reviewed by: Kuldeep Sharma, City Engineer

Approved by: Andrew Malik, Development and Engineering Services Director  
Leon Churchill, Jr., City Manager

Attachment A – Location Map



**LOCATION MAP**  
 ( CITY OF TRACY )

NOT TO SCALE

RESOLUTION \_\_\_\_\_

AWARDING A CONSTRUCTION CONTRACT IN THE AMOUNT OF \$108,543.30 FOR THE SIDEWALK, CURB & GUTTER REPAIRS (ADA IMPROVEMENTS - FY10-11) - CIP 73122, TO NOR-CAL CONCRETE OF SUISUN, CALIFORNIA, AND AUTHORIZING THE MAYOR TO EXECUTE THE CONSTRUCTION CONTRACT

WHEREAS, This project primarily involves removal and replacement of damaged and deteriorated sidewalks, driveways, curbs and gutters within the City's Community Development Agency (CDA) areas, and

WHEREAS, A total of approximately 6,408 square feet of damaged or deteriorated sidewalks, 855 square feet of driveways and 677 linear feet of curb and gutter, 6 curb ramps will be removed and replaced along with the removal of 5 tree roots, and

WHEREAS, The project was advertised for competitive bids on October 14, 2010 and October 21, 2010, and the following 17 bids were received and publicly opened on November 18, 2010, with the following results:

Nor-Cal Concrete	\$108,543.30
Spenco Construction, Inc.	\$115,885.50
Suarez & Munoz Construction, Inc.	\$121,322.00
Granite Construction Company	\$129,985.00
Cinray Construction Inc.	\$132,891.00
Construction Management General Engineering	\$136,011.23
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B&M Builders Inc.	\$138,292.22
FBD Vanguard Construction	\$140,112.00
Garrett Thompson Construction Inc.	\$146,836.00
Diede Construction, Inc.	\$155,245.20
SRP Company	\$155,344.98
JJR Construction, Inc.	\$159,324.00
George Reed, Inc	\$165,447.00
Quimu Contracting, Inc.	\$181,525.00
Martin General Engineering, Inc.	\$199,750.41
Big B Construction, Inc	\$229,408.98

WHEREAS, Nor-Cal Concrete, Inc., of Suisun, California, is the lowest monetary bidder. The bid analysis indicates that the lowest bid is "responsive" and the bidder is "responsible", and

WHEREAS, The total recommended construction cost for this project, if awarded to Nor-Cal Concrete, Inc. is as follows:

	Base Bid
Construction Bid	\$108,543.30
Contingency @ 15%	\$ 16,282.00
Design	\$ 10,854.00
City-wide Project Management	\$ 24,421.50
Inspection @ 5%	\$ 5,427.00
Design Support during Construction	<u>\$ 4,000.00</u>
Total Construction Cost	\$169,527.50



Total Project Budget

\$201,000.00

WHEREAS, There will be no fiscal impact to the General Fund. There is a total of \$201,000 available funding from the Community Development Block Grant (CDBG) for CIP 73122;

NOW, THEREFORE, BE IT RESOLVED, That City Council awards a construction contract to Nor-Cal Concrete, Inc., of Suisun, California, in the amount of \$108,543.30, for construction of the Sidewalk, Curb and Gutter Repairs (ADA Improvements, FY10-11) Project - CIP 73122, within the City's Downtown area, and authorizes the Mayor to execute the construction contract.

\*\*\*\*\*

The foregoing Resolution 2010-\_\_\_\_ was passed and adopted by the City of Tracy City Council on the 21<sup>st</sup> day of December, 2010 by the following vote:

AYES: COUNCIL MEMBERS  
NOES: COUNCIL MEMBERS  
ABSENT: COUNCIL MEMBERS  
ABSTAIN: COUNCIL MEMBERS

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

AGENDA ITEM 1.C

REQUEST

**ACCEPTANCE OF THE PATTERSON PASS WATER BOOSTER PUMP STATION REPLACEMENT PROJECT - CIP 75097, AND THE VALPICO ROAD PRESSURE MONITORING STATION - CIP 75098, COMPLETED BY CONCO WEST INC., OF MANTECA, CALIFORNIA, AND AUTHORIZATION FOR THE CITY CLERK TO FILE THE NOTICE OF COMPLETION**

EXECUTIVE SUMMARY

The contractor has completed construction of the Patterson Pass Water Booster Pump Station and, conversion of the Valpico Road Water Booster Station Site to a Pressure Monitoring Station in accordance with plans, specifications, and contract documents. Project costs are within the available budget. Staff recommends Council accept the project to enable the City to release the contractor's bonds and retention.

DISCUSSION

On October 20, 2009, City Council awarded a construction contract to Conco West Inc., of Manteca, California, for the construction of the Patterson Pass Water Booster Pump Station Replacement and, conversion of the Valpico Road Water Booster Station Site to a Pressure Monitoring Station in the amount of \$1,148,545.

The scope of work at the Patterson Pass facility project included complete construction of a new booster station, with four 60-HP, horizontally mounted centrifugal pumps, and all required site work, piping, electrical controls, telemetry equipment, and incidentals. Also included was installation of the required isolation valves and equipment necessary to allow continued operation of the existing booster station during construction to meet water supply needs for Safeway and other business park users.

The Valpico Road facility included converting the existing abandoned booster pump station site to a pressure monitoring station. Project components included demolishing existing mechanical and electrical equipment, adding a Remote Telemetry Unit (RTU) control panel for Supervisory Control and Data Acquisition (SCADA) system communication, adding Zone 1 and Zone 2 pressure transmitters, other electrical improvements, and addition of a new site access driveway and gate.

Four change orders were issued in the amount of \$70,870 for this project which consisted of installing isolation valves, removal of reinforced concrete pipe encasement, addition of a new motor control center to bypass operation of the pumps and upgrade of the electrical cables for future expansion of the pump station.

Status of budget and project costs is as follows:

A. Construction Contract Amount	\$1,148,545
B. Approved Change orders	\$ 70,870
C. Design, construction management, inspection, Testing, & miscellaneous expenses	\$ 241,930
D. Project Management Charges	\$ 71,355
Total Project Costs	\$1,532,700
Budgeted Amount	\$1,555,000

The project has been completed within the available budget, on schedule, per plans, specifications, and City of Tracy standards.

#### STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's seven strategic plans.

#### FISCAL IMPACT

CIPs 75097 and 75098 are approved projects with sufficient funding from the Enterprise Fund and there will be no fiscal impact to the General Fund.

#### RECOMMENDATION

That City Council, by resolution, accept the Patterson Pass Water Booster Pump Station and, conversion of the Valpico Road Water Booster Station Site to a Pressure Monitoring Station Projects, CIP 775097, and 75098, as completed by to Conco West Inc., of Manteca, California, and authorize the City Clerk to record the Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment.

Prepared by: Paul Verma, Senior Civil Engineer

Reviewed by: Kuldeep Sharma, City Engineer

Approved by: Andrew Malik, Development and Engineering Services Director  
Leon Churchill, Jr., City Manager

RESOLUTION \_\_\_\_\_

ACCEPTING THE PATTERSON PASS WATER BOOSTER PUMP STATION REPLACEMENT PROJECT - CIP 75097, AND THE VALPICO ROAD PRESSURE MONITORING STATION - CIP 75098, COMPLETED BY CONCO WEST INC., OF MANTECA, CALIFORNIA, AND AUTHORIZING THE CITY CLERK TO FILE THE NOTICE OF COMPLETION

WHEREAS, On October 20, 2009, City Council awarded a construction contract to Conco West Inc., of Manteca, California, for the construction of the Patterson Pass Water Booster Pump Station Replacement and, conversion of the Valpico Road Water Booster Station Site to a Pressure Monitoring Station in the amount of \$1,148,545, and

WHEREAS, Four change orders were issued in the amount of \$70,870, and

WHEREAS, Status of budget and project costs is as follows:

Construction Contract Amount	\$1,148,545
Approved Change orders	\$ 70,870
Design, construction management, inspection, Testing, & miscellaneous expenses	\$ 241,930
Project Management Charges	\$ 71,355
Total Project Costs	\$1,532,700

WHEREAS, CIPs 75097 and 75098 are approved projects with sufficient funding from the Enterprise Fund and there will be no fiscal impact to the General Fund;

NOW, THEREFORE, BE IT RESOLVED, That City Council accepts the Patterson Pass Water Booster Pump Station and, conversion of the Valpico Road Water Booster Station Site to a Pressure Monitoring Station Projects, CIP 775097, and 75098, as completed by to Conco West Inc., of Manteca, California, and authorize the City Clerk to record the Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment.

\* \* \* \* \*

Resolution \_\_\_\_\_

Page 2

The foregoing Resolution 2010-\_\_\_\_ was passed and adopted by the City of Tracy City Council on the 21<sup>st</sup> day of December, 2010 by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

AGENDA ITEM 1.D

REQUEST

**APPROVE A LIST OF CITY OF TRACY PROJECTS FOR SAN JOAQUIN COUNCIL OF GOVERNMENT'S ONE VOICE TRIP TO WASHINGTON D.C., FOR CONGRESSIONAL FUNDING APPROPRIATION REQUESTS**

EXECUTIVE SUMMARY

Approval of the list of projects by City Council will make these projects eligible for congressional funding appropriation requests.

DISCUSSION

Every year the City of Tracy submits a list of projects for consideration at the annual congressional funding appropriations during One Voice trip to Washington D.C., by San Joaquin County, Council of Governments, and cities elected officials. Each city is requested to submit a total of two projects; one project of regional significance, and one project for local improvements.

Staff has reviewed the existing needs of various transportation projects and is recommending the following two projects for the One Voice trip. The same projects were submitted for the years 2009 and 2010 consideration for the One Voice Trip as well, however, the City did not receiving any funding in 2010. The City has received funds for the I-205/Lammers Road Interchange during previous years and the City is preparing the project's environmental documents and the Project Report.

- I-205/Lammers Road Interchange Improvements  
Total Construction Cost - \$62 million  
Requested appropriation - \$5 million
- New MacArthur Drive above grade crossing over UPRR Mococo line  
Total Construction Cost - \$28 million  
Requested appropriation - \$5 million

The I-205/Lammers Road project is of regional significance and will connect Byron Road and Contra Costa County to Highway 580. This project is also essential for development of the Tracy Gateway project and will initiate developments north of I-205 along Lammers Road.

The existing at-grade Union Pacific Railroad (UPRR) Mococo line crossing with MacArthur Drive (adjacent to Sixth Street) will divide the City into two separate unconnected areas for the duration of the freight trains movement through the City when the line is activated for higher volumes of train traffic. The proposed above grade crossing at the new MacArthur Drive alignment over the Mococo line will alleviate this condition. The above grade crossing at the new alignment of MacArthur Drive (east of the UPRR switch yard) intersecting with the Eleventh Street overpass will allow for an

uninterrupted flow of traffic including quick movement of emergency vehicles on both sides of the Mococo rail line.

This list of projects, after approval from City Council, will be submitted to the San Joaquin Council of Governments for inclusion in the One Voice Trip to Washington for congressional funding.

Submittal of projects to the SJCOG's One Voice effort does not necessarily mean continued participation in the program. Other alternatives are currently under consideration to advocate for Tracy projects.

#### STRATEGIC PLAN

This agenda item is consistent with the Council's adopted Economic Development Strategy to ensure the availability of infrastructure necessary for development in Tracy.

#### FISCAL IMPACT

There is no fiscal impact to the General Fund. In addition to the requested congressional appropriations, funding of the above projects will be shared by a variety of sources including Measure K Sales Tax and development impact fees.

#### RECOMMENDATION:

That City Council approve the list of City of Tracy projects for the San Joaquin Council of Government's One Voice Trip to Washington D.C. for congressional funding appropriation.

Prepared by: Kuldeep Sharma, City Engineer

Approved by: Andrew Malik, Development & Engineering Services Director  
Leon Churchill, Jr., City Manager

RESOLUTION \_\_\_\_\_

APPROVING A LIST OF CITY OF TRACY PROJECTS FOR SAN JOAQUIN COUNCIL OF GOVERNMENT'S ONE VOICE TRIP TO WASHINGTON D.C., FOR CONGRESSIONAL FUNDING APPROPRIATION

WHEREAS, The City of Tracy submits a list of projects for consideration at the annual congressional funding appropriations during One Voice trip to Washington D.C., by San Joaquin County, Council of Governments, and cities elected officials, and

WHEREAS, Staff has reviewed the existing needs of various transportation projects and is recommending the following two projects for the One Voice trip:

- I-205/Lammers Road Interchange Improvements  
Total Construction Cost - \$62 million  
Requested appropriation - \$5 million
- New MacArthur Drive above grade crossing over UPRR Mococo line  
Total Construction Cost - \$28 million  
Requested appropriation - \$5 million

WHEREAS, There is no fiscal impact to the General Fund. In addition to the requested congressional appropriations, funding of the above projects will be shared by a variety of sources including Measure K Sales Tax and development impact fees;

NOW, THEREFORE, BE IT RESOLVED, That City Council approves the list of City of Tracy projects for the San Joaquin Council of Government's One Voice Trip to Washington D.C. for congressional funding appropriation.

\* \* \* \* \*

The foregoing Resolution 2010-\_\_\_ was passed and adopted by the City of Tracy City Council on the 21<sup>st</sup> day of December, 2010 by the following vote:

AYES: COUNCIL MEMBERS  
 NOES: COUNCIL MEMBERS  
 ABSENT: COUNCIL MEMBERS  
 ABSTAIN: COUNCIL MEMBERS

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk



AGENDA ITEM 1.E

REQUEST

**APPROVAL OF AND AUTHORIZATION FOR MAYOR TO SIGN THE 2010 DRAINAGE AGREEMENT BETWEEN THE CITY OF TRACY AND THE WEST SIDE IRRIGATION DISTRICT**

EXECUTIVE SUMMARY

The City of Tracy and the West Side Irrigation District (WSID) operate respective storm drainage systems that are used by each other under an agreement executed in 1972. This agreement was amended three times, with these amendments formally designating areas of drainage and clarifying the responsibility of each entity. An Integrated Amended 1972 Drainage Agreement was entered into in 2002 that consolidated the previous Agreement and Amendments. Recently, the City and WSID negotiated a new agreement and this new agreement revises the terms of the original agreement and amendments into a new 2010 Drainage Agreement. The proposed 2010 Drainage Agreement has added provisions for storm drainage in the "Lammers Area," that area planned for new development west of Tracy.

DISCUSSION

The City and WSID were parties to a sequence of agreements which provided for the joint use of drainage systems. The 1972 Agreement and subsequent three amendments were all consolidated into an Integrated Amended 1972 Drainage Agreement in 2002.

The City and WSID recently negotiated a new agreement (2010 Drainage Agreement) and this new agreement revises terms of the Integrated Amended 1972 Drainage Agreement for the primary purpose of including provision for storm drainage in the "Lammers Area," that area planned for new development west of Tracy.

Key components of the proposed 2010 Drainage Agreement include the following:

Discharge Limits: The City and WSID may discharge the following amounts of storm water runoff, in cubic feet per second (cfs):

The City may discharge:

1. 20 cfs into WSID's Main Drain as established under the 1972 Agreement.
2. An additional 125 cfs into WSID's Main Drain as provided for under the Integrated Amended 1972 Agreement.
3. Up to 30 cfs from the Lammers Area to WSID's Sub-Main Drain, as long as the maximum City discharge to the Main Drain does not exceed 145cfs.

WSID may discharge:

1. 20 cfs into the City's Eastside Channel as established under the 1972 Agreement.
2. An additional 15 cfs into the City's Eastside Channel as provided for under the Integrated Amended 1972 Agreement.

Connection Fee: The City will pay to WSID a one-time connection fee of \$240,000 as part of authorization for discharges to WSID facilities for the Lammers Area. The Lammers Area means the portions of the Lammers Watershed shown in Exhibit A. The City will also construct at its own expense, a new 42" storm drain culvert crossing on Von Soston Road at WSID's Sub-Main Drain to provide adequate system capacity for City discharges. This fee will be due prior to the City's physical discharge connection to WSID's Sub-Main Drain.

Drainage Fee: The City shall pay WSID drainage fees for the "Lammers Area" that authorize storm drainage discharges for the following blocks of time:

1. Years 1-10 - \$480,000 due before connection and initial discharge.
2. Years 11-20 - \$600,000 due before the beginning of year 11.
3. Years 21-30 - \$720,000 due before the beginning of year 21.

The trigger dates for required Drainage Fee payments shall be based on the date that the City's physical discharge connection is made to WSID's Sub-Main Drain and its subsequent applicable anniversary dates.

Operations and Maintenance (O&M) Fees: The City has paid WSID fees for O&M through 2020 in conformance with the Integrated Amended 1972 Agreement. Beginning in 2021, the City shall pay WSID O&M fees of \$35,000 annually with an increase of \$1,000 every two years. The \$35,000 annual O&M Fee provision was included in the Integrated Amended 1972 Agreement.

Other Provisions: The majority of other provisions in the 2010 Drainage Agreement were carried over from the Integrated Amended 1972 Agreement with some minor adjustments in wording and organization.

This 2010 Drainage Agreement was approved by the West Side Irrigation District's Board of Directors at their meeting of November 10, 2010.

### STRATEGIC PLAN

This agenda item supports the Economic Development Strategy by ensuring the physical infrastructure and systems necessary for development.

### FISCAL IMPACT

There is no impact to the General Fund. The cost for Connection and Drainage Fees for the Lammers Area will be the responsibility of new development that is creating the need for the use of WSID drainage capacity. Operation and Maintenance Fees (beginning in 2021) will be budgeted under the Drainage Fund (541) and collected through monthly storm drain fees.

### RECOMMENDATION

That the City Council, by resolution, approve of and authorize the Mayor to execute the 2010 Drainage Agreement between the City of Tracy and the West Side Irrigation District.

Prepared by: Kevin Tobeck, Director of Public Works

Approved by: Leon Churchill, Jr., City Manager

Attachment: 2010 Drainage Agreement

**2010 DRAINAGE AGREEMENT  
BETWEEN THE CITY OF TRACY  
AND THE WEST SIDE IRRIGATION DISTRICT**

Recitals

1. Definitions
  2. Discharge Limits
  3. Westside Channel Area, Main Drain: Connection Fee and O&M Fees
  4. Westside Channel Area Drainage Improvements
  5. Lammers Area Provisions
  6. Routine Maintenance
  7. Connection Costs
  8. Meters
  9. Water Quality
  10. Restrictions on Relocation
  11. Prior Agreement
  12. Disputes
  13. Attorneys Fees
  14. Right of First Refusal
  15. Hold Harmless
  16. Modifications
  17. Binding on Successors
- Exhibit A: Diagram Showing Defined Areas, Channels and Drains

2010 DRAINAGE AGREEMENT  
BETWEEN THE CITY OF TRACY  
AND THE WEST SIDE IRRIGATION DISTRICT

This 2010 Drainage Agreement ("2010 Agreement") is entered into this \_\_\_ day of November, by and between the WEST SIDE IRRIGATION DISTRICT ("District"), a political subdivision of the State of California, and the CITY OF TRACY ("City"), a municipal corporation.

RECITALS

This 2010 Agreement is based on the following facts:

- A. District operates a drainage system pursuant to Division 11 of the California Water Code; and
- B. The City of Tracy is a general law City duly organized as a municipal corporation which operates a storm drain system; and
- C. District and City are parties to a sequence of agreements beginning in 1972 which provide for the joint use of certain drainage systems:
  - (1) a Prior Agreement (date not known). See Section 11 below.
  - (2) an Agreement dated October 4, 1972, which provides for joint use of certain drainage systems ("Original 1972 Agreement");
  - (3) Amendment No. 1, entered into on September 8, 1999;
  - (4) Amendment No. 2, entered into on December 6, 1999;
  - (5) Amendment No. 3, entered into on December 12, 2001; and
  - (6) Integrated Amended 1972 Drainage Agreement, entered into in June, 2002, that consolidated terms from the Original 1972 Agreement and Amendments for ease of reference.
- D. The parties have negotiated additional terms that they wish to incorporate into this 2010 Agreement. This 2010 Agreement supersedes the Original 1972 Agreement, Amendments 1, 2 and 3, and the Integrated Amended 1972 Drainage Agreement, all referenced in Recital Section C (2) through (6) above.

NOW THEREFORE, the parties agree as follows:

- 1. Definitions. In this 2010 Agreement unless the context otherwise requires:
  - a. "Connection Fees" means the initial fee that has already been paid by City to District for the Westside Channel Area (\$800,000) and the fee being paid pursuant to this 2010 Agreement for the Lammers Area (\$240,000) as a part of obtaining authorization for discharges to District facilities. See Sections 3, 5.a and 7.
  - b. "Drainage Fee" means the fees paid from City to the District regarding the Lammers Area, under Section 5.b of this 2010 Agreement.
  - c. "Eastside Channel" means the City owned and operated open channel that generally serves as the storm drainage outfall for the east half of the City, discharging into Old River via the Sugar Cut.

d. "Lammers Area" means the portions of the Lammers Watershed shown on Exhibit A, attached.

e. "Main Drain" means the District's owned and operated Main Drain Outfall System of which the primary function has been for the collection and conveyance of irrigation tailwater for eventual discharge into Old River at the Wicklund Road outfall, near Wicklund Road and Bethany Road northwest of the City. The Main Drain consists of underground storm drains located within the Westside Channel Area, an underground 72" storm drain extending west along Grant Line Road toward Lammers Road, an open ditch that extends northwesterly from the end of the 72" storm drain to the Wicklund Road outfall, and the Drainage Improvements constructed by the City under Section 4.

f. "O & M Fees" means the fees paid by the City to the District for operation, maintenance and repair of the District's Main Drain, in the Westside Channel Area, as set forth in Section 3 of this 2010 Agreement.

g. "Option Fee" means the fee paid by City to the District regarding the Lammers Area, under potential circumstances described Section 5.d.

h. "Sub-Main Drain" means the District's owned and operated Sub-Main Drain tributary to the Main Drain of which the primary function has been for the collection and conveyance of irrigation tailwater for eventual discharge to the Main Drain. The Sub-Main Drain consists of a 60" irrigation pipeline extending underneath Interstate 205 from Lammers Road just south of Byron Road, discharging to an open ditch that extends northwest and parallel to the south side of Byron Road and then north along the east side of San Jose Road, joining the Main Drain roughly 1,800 feet north of Byron Road.

i. "Westside Channel Area" means roughly a 2-square mile area occupying the northeastern most quadrant of the Westside Channel Watershed as defined in the City's Storm Drainage Master Plan. The majority of the property to be served is west of Tracy Blvd., south of 1-205, east of ½ mile west of Corral Hollow Road and north of 11<sup>th</sup> Street. Another portion extends south of 11<sup>th</sup> Street for roughly ¾ mile on both sides of Tracy Blvd. The Westside Channel Area is depicted on Exhibit "A", attached.

2. Discharge Limits. Each party may discharge up to the following amounts of storm water runoff, in cubic feet per second (cfs), subject to the terms of this 2010 Agreement:

a. City may discharge:

(1) 20 cfs into the District's Main Drain, as an irrevocable license to discharge originally established under the Original 1972 Agreement and continuing under this 2010 Agreement; and

(2) an additional 125 cfs into the District's Main Drain; and

(3) up to 30 cfs from the Lammers Area to District's Sub-Main Drain, subject to Section 5, as long as the maximum City discharge to the Main Drain from all sources (below the Sub-Main Drain), does not exceed 145 cfs.

b. District may discharge:

(1) 20 cfs into the City's Eastside Channel, as an irrevocable license to discharge originally established under the Original 1972 Agreement, and continuing under this 2010 Agreement; and

(2) an additional 15 cfs into City's Eastside Channel.

c. Point of Discharge. Regarding the Westside Channel drainage rights granted pursuant to the Original 1972 Agreement, the City may discharge its water into the facilities of the District at any point(s) west of Tracy Boulevard, and the District shall discharge its water at the eastern end of the extension of the 48" drain line of the Southern Pacific Company, located on Grant Line Road east of the Southern Pacific Spur. In this regard, District has constructed an extension of the 48" line of the Southern Pacific Company, 545 feet to the east of its eastern end, and has dedicated the line to the City. District has entered into a number of agreements permitting residential developers to discharge into portions of its Main Drain system. Except as specifically set forth in this 2010 Agreement, District agrees that it will not enter into additional such agreements with developers within the Westside Channel Area or Lammers Area without the written consent of the City.

3. Westside Channel Area, Main Drain: Connection Fee and O&M Fees.

City has paid to the District a one-time Connection Fee of \$800,000, in 1999. In addition, the City shall make the following payments to the District as its agreed upon contribution towards operation and maintenance (O&M) of the District's drainage facilities serving the Westside Channel Area. City has the right, but not the obligation, to periodically inspect the downstream channel system to assure that maintenance is adequate. So long as the channel downstream of the Main Drain is maintained by District, City shall have no authority to direct how the District uses the O&M Fees.

a. O&M Fees through 2020. City paid District \$200,000 before December 31, 1999, constituting payment in advance of O&M Fees through December 31, 2009. City paid District \$300,000 before December 31, 2009, constituting payment in advance of O&M Fees through December 31, 2020.

b. O&M Fees after 2020. On or before December 31, 2020, and on or before each December 31 thereafter, City shall make annual payments to District in advance for routine O&M Fees for the following calendar year. The initial annual payment shall be in the amount of \$35,000 and this amount shall be increased by a rate of \$1,000 every two years. The parties further agree that these sums are the best estimate of the actual, routine O&M fees that will be expended by the District.

c. Extraordinary O&M after 2020. The parties acknowledge that after 2020 District may be required to undertake extraordinary maintenance expenditures with regard to the District's Drainage Facilities, due to the occurrence of circumstances which are not foreseeable. City agrees that it shall be responsible for paying the costs associated with any required extraordinary maintenance. District shall advise City of its intention to perform any extraordinary O&M. Within 30 days of the end of the calendar year for which such extraordinary maintenance was undertaken, District shall provide City with an invoice and supporting documentation for amounts actually spent by District for extraordinary maintenance of the Main Drain and related facilities during the preceding year, and City shall reimburse District for any such amounts within 30 days of the invoice.

d. Payments for Upgrades. City shall be responsible for paying the costs associated with any required upgrades to the District's Main Drain and Related Facilities necessary to comply with any local, state or federal mandated requirements on municipal and industrial dischargers.

4. Westside Channel Area Drainage Improvements. The City was required to and did (at its own expense) construct the following Drainage Improvements associated with discharge to the District's Main Drain. District has accepted these improvements and City warranted the improvements against defects in materials or workmanship for a period of one year from the date the improvements were completed and accepted by District.

a. Drainage Structure Crossings: City enlarged the following drainage structure crossings of

the Main Drain: (1) at the Grant Line Road/Lammers Road intersection; (2) at a farm access road located roughly 1000 feet west of Lammers Road; (3) at San Jose Road; and (4) at Reeve Road. In each instance, the existing drainage structures were replaced with a new 72" reinforced concrete pipe.

b. Additional Drainage Structure Crossing: The City constructed an additional Farm Road Culvert Crossing northwest of Reeve Road, as shown on PP-5 of the Design Package for Drainage Improvements along the WSID Main Drain, Project 84010017 dated 10/22/01.

c. Intake Canal: City replaced an existing 60" pipe with a 72" reinforced concrete pipe at the outlet of the Main Drain into the Intake Canal. The City also installed stabilization material at the inlet and outlet of the existing drainage structure entering the District's Intake Canal, and provided similar stabilization on the opposite west bank of the Intake Canal for a length of less than 100 feet.

d. Old River Pump Station: The City constructed and installed a pump station at Old River, as shown in PS-1-11 of the Design Package for Drainage Improvements along the WSID Main Drain, Project 84010017 dated 10/22/01.

e. Byron Road: During the construction of the City's Outfall Project, the City replaced District's existing structure extending between Byron Road and Lowell Avenue (a distance of roughly 1,000 feet along an alignment roughly 800 feet west of Corral Hollow Road) with a 36" RCP.

f. Lammers Road Interflow Structure: During the construction of the City's Outfall Project, the City installed a pipe connection between the City's Outfall Project's 84" SD pipeline and the District's Main Drain at a location where the two facilities align adjacent to each other along Lammers Road approximately 1,300 feet north of Grant Line Road. This pipe connection will essentially operate as an interflow structure for the City and/or the District to use to divert flow from one system to the other in the event of an emergency or to facilitate maintenance. The interflow structure may be regulated by a manually operated sluice gate, with secured use only allowed by City and District personnel. The sluice gate shall remain shut during all times when interflow releases are not needed for emergency or maintenance purposes. City and District shall inform each other, and a representative of each party shall be present when they are proposing to open the sluice gate; unless the other party representative is not present upon two hours prior telephonic notice. City and District shall be held responsible for any adverse downstream impacts caused by their respective opening and use of the sluice gate governing the interflow structure.

g. Byron Road/Belconte Drive Interflow Structure: During the construction of the City's Outfall Project, the City installed a 36" pipe connection between the City's Outfall Project junction structure at the Byron Road/Belconte Drive intersection and the City's open channel segment to the north that drains to District facilities at Grant Line Road and ultimately discharges into the District's Main Drain. The purpose of this interflow structure will be to allow the City to divert a portion of flow from the City's Outfall Project to the District's Main Drain in the event of an emergency, provided that all such flow shall be within the parameters allowed by Section 2(a) of this 2010 Agreement. The interflow structure may be regulated by a manually operated sluice gate, with secured use allowed only by City personnel. The sluice gate shall remain shut at all



times when interflow releases are not needed for emergency purposes. City shall immediately inform District, and a representative of each party shall be present when the City is proposing to open the sluice gate; unless the other party representative is not present upon reasonable prior telephonic notice. This interflow structure shall be owned and operated by the City, and City shall be held responsible for any adverse downstream impacts caused by their respective opening and use of the sluice gate governing the interflow structure.

h. District Open Ditch Adjacent to Plasencia Field: The City allowed the filling in of the District's existing, narrow open ditch extending along the west edge of Plasencia Field and placement of an underground pipe within and parallel to the west edge of Plasencia Field to accommodate the District's operational spill and drainage flow.

5. Lammers Area Provisions. The City's discharge of storm water into the District's Sub-Main Drain authorized by this 2010 Agreement is further subject to the terms of this Section 5.

a. Connection. Before the City makes a physical connection to discharge into the District's Sub-Main Drain, City shall:

(1) construct (at its own expense) a new 42" SD culvert crossing of Von Sosten Road at the District's Sub-Main Drain. The District shall have the right to review, and shall approve the construction plans for the new culvert crossing in writing prior to City's initiation of construction. The parties agree to coordinate construction activities to avoid undue interruption to District or City operations. City warrants the construction of the new culvert crossing against defects in materials or workmanship for a period of one year from and after the date of completion and acceptance by District. During this period, the City shall replace any defective component of the construction at its own expense; and

(2) pay the District a one-time Connection Fee of \$240,000.

b. Drainage Fees. Drainage fees are the fees the City pays the District regarding the Lammers Area. The City shall prepay Drainage Fees to authorize discharges for the following blocks of time:

- (1) Years 1 through 10 – \$480,000 due before connection and initial discharge;
- (2) Years 11 through 20 – \$600,000 due before the beginning of Year 11; and
- (3) Years 21 through 30 – \$720,000 due before the beginning of Year 21.

The trigger dates for required Drainage Fee payments shall be the date that the City's physical discharge "connection" is made to the District's Sub-Main Drain and its subsequent applicable anniversary dates.

c. Term; Extension Option. The term of the City's Lammers Area discharge rights granted pursuant to this 2010 Agreement shall be 30 years. The City has the option to negotiate a second 30-year term with the District for Lammers Area discharge rights prior to the end of the initial 30-year period. The parties agree to come to reasonable terms as part of the negotiation process.

d. Interim Drainage Agreements/Option Fee. If the District is approached by a private party requesting a discharge allocation to the District's Sub-Main Drain that will reduce the discharge allocation available to the City prior to City payment of the Lammers Area Connection Fee and the initial Lammers Area Drainage Fee, the District shall extend to the City the Right of First Refusal to preserve its discharge allocation. In order to exercise its Right of First refusal, the City

shall pay, within 30 days of written notice by District of the City Right of First Refusal, an initial Option Fee of \$35,000 and shall pay Option Fees in that same amount annually until such time as the City formally exercises its discharge rights by payment of the Connection Fee and initial Drainage Fee.

If the City elects not to exercise its Right of First Refusal by payment of the Option Fee, the District shall have the right to negotiate interim drainage agreements with private parties before the City acquires its drainage rights (by paying the initial Connection Fee and Drainage Fee described in this Section). However, the interim drainage agreements shall not interfere with the City's installation of improvements and shall terminate on the date that the City's physical "connection" is made to the District's Sub-Main Drain. To facilitate this section, City shall provide District with written notice of its intent to install improvements at least 12 months prior to beginning installation of improvements.

e. Disconnection. If at any time the City does not satisfy the Drainage Fee or Extension Option provisions of this Section, and in the absence of other provisions or circumstances that facilitate a continuing right to discharge, the City shall disconnect its storm drainage facilities and cease further discharge to the District's Sub-Main Drain until subsequent authorization for resumption of discharge is formally given by the District.

6. Routine Maintenance. Except as specifically provided in this 2010 Agreement to the contrary, both the City and District shall maintain their respective facilities at all times so that the other may discharge the quantities of drain water specified in Section 2 into the facilities of the other in perpetuity. Each of the parties agrees to maintain its respective drainage facilities at its own cost and expense.

7. Connection Costs. Except as specifically provided in this 2010 Agreement to the contrary, each of the parties shall bear the expense of connecting to the other's drainage facility (and shall bear the expense of installing and maintaining any metering devices). The other party shall approve the connections (and meters) before they are completed and/or installed.

8. Meters. The parties each contemplate that the other will maintain drainage pursuant to this 2010 Agreement within the cfs limitations specified in Section 2. However, if either party expresses concerns that the other is meeting or exceeding the cfs limitations, it may demand a meeting with the other party, and request assurances in that respect. If the requesting party continues to express concerns that the other is meeting or exceeding the cfs limitations after the meet and confer process, it shall have the right to demand that the other party install meters, at the other party's sole cost, upon three months' prior written notice.

9. Water Quality.

a. Each of the parties will insure at all times that the drainage water to be discharged into the facilities of the other meets the water quality standards and waste discharge requirements prescribed by the State of California, the United States Government, any department or agency of either of them and any other governmental agency or authority which has or shall have jurisdiction or prescribe and enforce water quality standards and waste discharge requirements. The discharge of each party shall meet the requirements imposed upon the receiving party.

b. The parties agree that urban and agricultural discharge constituents are generally different and governed by different regulatory requirements. The parties agree that neither party shall discharge water into the other's system at any time or in any amount, that will create a risk of harm to property of any kind or character from flooding or otherwise. The parties further agree that neither party shall discharge water into the other's system that is deleterious to plant or animal life.

10. Restrictions on Relocation. After the construction and installation of connections to the respective drainage facilities, the entity owning the drainage facility shall not relocate or otherwise change the facility without concurrently changing the location of the connections (and meter, if any) at the cost and expense of the entity relocating the facility, including but not limited to the acquisition and dedication of any and all easements and rights of way necessary for the relocation and improvement.

11. Prior Agreement. City and District acknowledge that prior to entering into the Original 1972 Agreement they entered into a drainage agreement on an acreage basis whereby City is permitted to drain a certain number of acres into the District's drainage facility for a specified price per acre. It is mutually agreed that: the former drainage agreement shall remain in full force and effect; there are approximately 30 acres that can be drained under the former drainage agreement; and the drainage of all of the acres covered by the former drainage agreement does not affect the quantity of drainage provided for in this 2010 Agreement.

12. Disputes. If a dispute occurs between the parties as to any right, alleged right, obligation or alleged obligation under this 2010 Agreement, the parties shall make a good faith effort to resolve the dispute. Notice of such dispute shall be given in writing to the other and shall include a description of the disputed issue or issues, a description of the possible solutions or resolutions to the dispute and the course of action or solution advocated by the party declaring the dispute. The party receiving the notice of dispute described shall respond in writing within 30 days. The response shall contain that party's response to the issues raised and the responding party's proposed resolution to the dispute. The parties shall then meet within 30 days and attempt to resolve the dispute.

13. Attorneys Fees. If legal action is necessary to enforce any of the provisions of this 2010 Agreement, the losing party agrees to pay the prevailing party (as a part of the damages) reasonable attorney fees and court costs established by a court of competent jurisdiction.

14. Right of First Refusal. Upon dissolution of the District or the District's discontinuation of providing drainage through the Main Drain and Sub-Main Drain, the City is hereby granted the Right of First Refusal to acquire the Main Drain and Sub-Main Drain.

15. Hold Harmless. Each party shall indemnify, defend, and hold harmless the other (including its elected officials, officers, agents, and employees) from and against any and all claims, demands, damages, liabilities, costs and expenses (including court costs and attorney's fees) resulting from or arising out of the performance of this 2010 Agreement except for the negligent acts of the other party.

16. Modifications. This 2010 Agreement supersedes all prior negotiations and agreements of the parties, including, but not limited to the Original 1972 Agreement and Amendments, and contains the entire agreement of the parties on the matters covered here. This 2010 Agreement may not be modified orally, or in any other manner, other than by an agreement in writing signed by the parties.

17. Binding on Successors. This 2010 Agreement shall inure to the benefit and bind the successors and assigns of the parties.

IN WITNESS WHEREOF the parties agree to the full performance of the terms set forth in this 2010 Agreement.

**\*\*\* SIGNATURES CONTAINED ON NEXT PAGE\*\*\***

**THE WEST SIDE IRRIGATION DISTRICT**  
A Political Subdivision of the State of California

By: Jack Alvarez  
Jack Alvarez, President

ATTEST:  
By: Barbara Kleinert  
Barbara Kleinert, Secretary

By: [Signature]  
Attorney for District  
Approved as to Form

**THE CITY OF TRACY**  
A Municipal Corporation

By: \_\_\_\_\_  
Mayor

ATTEST:  
By: \_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
City Attorney  
Approved as to Form



RESOLUTION \_\_\_\_\_

APPROVAL OF AND AUTHORIZATION FOR MAYOR TO SIGN THE  
2010 DRAINAGE AGREEMENT BETWEEN THE CITY OF  
TRACY AND THE WEST SIDE IRRIGATION DISTRICT

WHEREAS, The City of Tracy and the West Side Irrigation District (WSID) operate respective storm drainage systems that are used by each other under an agreement executed in 1972, and

WHEREAS, This agreement was amended three times, with these amendments formally designating areas of drainage and clarifying the responsibility of each entity, and

WHEREAS, Recently, the City and WSID negotiated a new agreement and this new agreement revises the terms of the original agreement and amendments into a new 2010 Drainage Agreement, and

WHEREAS, The 2010 Drainage Agreement has added provisions for storm drainage in the "Lammers Area," that area planned for new development west of Tracy, and

WHEREAS, The City and WSID were parties to a sequence of agreements which provided for the joint use of drainage systems, and

WHEREAS, The 1972 Agreement and subsequent three amendments were all consolidated into an Integrated Amended 1972 Drainage Agreement in 2002, and

WHEREAS, Key components of the 2010 Drainage Agreement include the following:

Discharge Limits: The City and WSID may discharge the following amounts of storm water runoff, in cubic feet per second (cfs):

The City may discharge:

1. 20 cfs into WSID's Main Drain as established under the 1972 Agreement.
2. An additional 125 cfs into WSID's Main Drain as provided for under the Integrated Amended 1972 Agreement.
3. Up to 30 cfs from the Lammers Area to WSID's Sub-Main Drain, as long as the maximum City discharge to the Main Drain does not exceed 145cfs.

WSID may discharge:

1. 20 cfs into the City's Eastside Channel as established under the 1972 Agreement.
2. An additional 15 cfs into the City's Eastside Channel as provided for under the Integrated Amended 1972 Agreement.

Connection Fee: The City will pay to WSID a one-time connection fee of \$240,000 as part of authorization for discharges to WSID facilities for the Lammers Area. The Lammers Area means the portions of the Lammers Watershed shown in Exhibit A. The City will also construct at its own expense, a new 42" storm drain culvert crossing on Von Soston Road at WSID's Sub-Main Drain to provide adequate system capacity for City discharges. This fee will be due prior to the City's physical discharge connection to WSID's Sub-Main Drain.

Drainage Fee: The City shall pay WSID drainage fees for the "Lammers Area" that authorize storm drainage discharges for the following blocks of time:

1. Years 1-10 - \$480,000 due before connection and initial discharge.
2. Years 11-20 - \$600,000 due before the beginning of year 11.
3. Years 21-30 - \$720,000 due before the beginning of year 21.

The trigger dates for required Drainage Fee payments shall be based on the date that the City's physical discharge connection is made to WSID's Sub-Main Drain and its subsequent applicable anniversary dates.

Operations and Maintenance (O&M) Fees: The City has paid WSID fees for O&M through 2020 in conformance with the Integrated Amended 1972 Agreement. Beginning in 2021, the City shall pay WSID O&M fees of \$35,000 annually with an increase of \$1,000 every two years. The \$35,000 annual O&M Fee provision was included in the Integrated Amended 1972 Agreement.

Other Provisions: The majority of other provisions in the 2010 Drainage Agreement were carried over from the Integrated Amended 1972 Agreement with some minor adjustments in wording and organization, and

WHEREAS, This 2010 Drainage Agreement was approved by the West Side Irrigation District's Board of Directors at their meeting of November 10, 2010, and

WHEREAS, This agenda item supports the Economic Development Strategy by ensuring the physical infrastructure and systems necessary for development, and

WHEREAS, There is no impact to the General Fund, and

WHEREAS, The cost for Connection and Drainage Fees for the Lammers Area will be the responsibility of new development that is creating the need for the use of WSID drainage capacity, and

WHEREAS, Operation and Maintenance Fees (beginning in 2021) will be budgeted under the Drainage Fund (541) and collected through monthly storm drain fees;

NOW, THEREFORE, BE IT RESOLVED That City Council approves of and authorizes the Mayor to execute the 2010 Drainage Agreement between the City of Tracy and the West Side Irrigation District.

\*\*\*\*\*

The foregoing Resolution \_\_\_\_\_ was passed and adopted by the Tracy City Council on the 21st day of December, 2010, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK



AGENDA ITEM 1.F

REQUEST

**ADOPT RESOLUTION APPROVING THE ANNUAL REPORT ON DEVELOPMENT  
IMPACT FEE REVENUES AND EXPENDITURES, AND MAKING FINDINGS AS TO  
UNEXPENDED FUNDS**

EXECUTIVE SUMMARY

The City must issue an annual report relating to the development impact fees it imposes. For City Council consideration is the annual report on development impact fee revenues and expenditures, and the report of findings for unexpended development fee funds.

DISCUSSION

California Government Code sections 66000-66006 impose requirements for the collection and expenditure of development impact fees. The City has 69 different development impact fee through 30 different funds, with combined collected revenues of \$2,457,942 in the last fiscal year.

Under Government Code section 66006(b), the City must issue a yearly report relating to the development impact fees it imposes. In addition, pursuant to Government Code section 66001(d), the City must at least every five years make certain findings with respect to that portion of each development fee account remaining unexpended.

This report and the information attached to the proposed Resolution satisfy those statutory requirements for accounting for development impact fees.

The Building Industry Association of the Delta and Seecon Finance and Construction Company have requested a copy of this report and it was provided to each of them at least 15 days before the Council meeting, as required by law.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's seven strategic plans.

FISCAL IMPACT

No fiscal impact to the City.

RECOMMENDATION

Adopt the attached resolution approving the annual report on development impact fee revenues and expenditures, and making findings as to unexpended funds.

Prepared By: Zane Johnston, Finance Director

Approved By: Leon Churchill, Jr., City Manager

RESOLUTION \_\_\_\_\_

A RESOLUTION OF THE CITY OF TRACY APPROVING THE ANNUAL REPORT ON DEVELOPMENT IMPACT FEE REVENUES AND EXPENDITURES, AND MAKING FINDINGS AS TO UNEXPENDED FUNDS

WHEREAS, California Government Code sections 66000-66006 impose requirements for the collection and expenditure of development impact fees; and

WHEREAS, pursuant to Government Code section 66006(b), the City must issue a yearly report relating to the development impact fees it imposes; and

WHEREAS, pursuant to Government Code section 66001(d), the City must at least every five years make certain findings with respect to that portion of each development fee account remaining unexpended; and

WHEREAS, pursuant to Government Code section 66006(b)(2), notice of the City Council meeting at which this report was considered was mailed at least 15 days before the meeting to interested parties who requested notice.

NOW, THEREFORE, the Tracy City Council resolves as follows:

1. Annual Report of Development Impact Fees. The City Council approves the attached annual report of development impact fee revenues and expenditures for the fiscal year ending June 30, 2010, as set forth in Exhibits A, B and C.
2. Findings. The City Council here adopts the findings contained in the attached report of findings for the fiscal year ending June 30, 2010, as set forth in Exhibit D.

\* \* \* \* \*

The foregoing Resolution \_\_\_\_\_ was passed and adopted by the Tracy City Council on the 21st day of December, 2010, by the following vote:

AYES:            COUNCIL MEMBERS:  
 NOES:            COUNCIL MEMBERS:  
 ABSENT:        COUNCIL MEMBERS:  
 ABSTAIN:       COUNCIL MEMBERS:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk



City of Tracy  
333 Civic Center Plaza  
Tracy, CA 95376

FINANCE & ADMINISTRATIVE  
SERVICES DEPARTMENT

MAIN 209.831.6800  
FAX 209.831.6848  
[www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

## CITY OF TRACY

### DEVELOPMENT IMPACT FEES

### ANNUAL REPORT, DECEMBER 2010 FOR FISCAL YEAR JULY 1, 2009 – JUNE 30, 2010

Adopted by City Council Resolution No. \_\_\_\_\_

December 21, 2010

This Annual Report is adopted pursuant to Government Code sections 66006(b) and 66001(d). The Report consists of four main parts, which are attached:

- Exhibit A Summary of Fund Balances, Fees Collected, Interest Earned and Project Expenditures
- Exhibit B Brief Description of Fees and Amounts of Fees, Including Exhibits B-1 through B-15
- Exhibit C Fee-Funded Capital Improvement Projects
- Exhibit D Report of Findings for Development Fee Funds

**Exhibit A: Summary of Fund Balances, Fees Collected, Interest Earned and Project Expenditures For Fiscal Year Ended June 30, 2010**

LM-11/18/10

(Government Code §66006(b)(1)(C) and (D).)

Fund	Fund Description	Begin Fund Balance 07/01/09	Prior Year Adjustments <sup>1</sup>	Adjusted Begin Fund Balance 07/01/09	Development Fees Collected <sup>2</sup>	Interest / Investment Earnings	Fiscal Agents - Earnings <sup>3</sup>	Other Revenues <sup>4</sup>	Capital Improvement Project (CIP) Expenditures <sup>5</sup>	Interfund Reimbs or Transfers <sup>6</sup>	Other Expenditures <sup>7</sup>	Ending Fund Balance 06/30/10
311	Infill, Parks	\$ 795,708	\$ 193	\$ 795,901	\$ 6,243	\$ 15,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 817,477
312	Infill, Storm Drain	484,925	415	485,340	25,678	19,074	-	-	(344,979)	711,490	-	896,603
313	Infill, Arterials	2,728,169	1,671	2,729,840	72,598	44,877	103	-	(846,893)	(1,480)	-	1,999,046
314	Infill, Bldg & Eqpt	886,751	139	886,890	4,984	17,574	-	-	(196,931)	-	-	712,518
315	Infill, Program Mgmt	-	-	-	-	-	-	-	(1,380)	1,480	-	100
316	Infill, Parking	64,131	-	64,131	-	1,374	-	-	-	-	-	65,506
317	Infill, Water	-	-	-	9,800	-	-	-	(9,800)	-	-	-
318	Infill, Wastewater	-	-	-	32,547	-	-	-	(32,547)	-	-	-
321	Plan C, Parks	3,639,829	-	3,639,829	-	68,326	-	-	(2,661)	-	-	3,705,493
322	Plan C, Storm Drain	6,424,454	-	6,424,454	-	121,035	-	-	(839,222)	-	-	5,706,267
323	Plan C, Arterials	3,082,766	-	3,082,766	-	57,252	-	-	(222,643)	-	-	2,917,375
324	Plan C, Gen Facilities	7,595,202	-	7,595,202	-	133,065	-	-	(52,882)	-	-	7,675,385
325	Plan C, Utilities	5,138,749	-	5,138,749	-	10,698	-	-	-	(2,637,000)	-	2,512,447
391	Plan C, Program Mgmt	3,036,101	-	3,036,101	-	-	-	-	(1,968,538)	-	-	1,067,563
341	RSP, Parks	1,508,467	(1,508,467)	(0)	-	-	-	-	-	-	-	-
342	RSP, Storm Drain	3,668,469	(3,668,469)	0	-	-	-	-	-	-	-	-
343	RSP, Arterials	1,943,346	(1,943,346)	0	-	-	-	-	-	-	-	-
344	RSP, Public Buildings	2,890,001	(2,890,001)	(0)	-	-	-	-	-	-	-	-
345	RSP, Program Mgmt	(572,835)	9,594,583	9,021,748	-	121,748	-	-	-	(354,395)	-	8,789,101
351	NE Industrial, Phase 1	10,979,327	-	10,979,327	-	75,365	-	-	(1,610,512)	(3,890,511)	-	5,553,669
352	So MacArthur Plan Area	7,477,112	-	7,477,112	831,756	151,043	-	-	(502,469)	-	-	7,957,441
353	I-205 Corridor Plan	3,553,908	-	3,553,908	473,642	119,343	-	481,082	(224,381)	-	-	4,403,594
354	Industrial Spec Plan, South	3,672,260	-	3,672,260	486,088	73,426	-	-	(418,948)	(711,490)	-	3,101,336
355	Presidio Area	5,243,455	-	5,243,455	-	112,997	(0)	-	(292,000)	-	-	5,064,452
356	Gateway Area	57,067	-	57,067	-	(27,580)	-	1,406,954	(1,535)	-	(1,435,807)	(900)
357	NE Industrial, Phase 2	27,131,561	(148,521)	26,983,040	-	150,738	437	-	(669,005)	(8,865,500)	-	17,599,709
808	Reg Trans Imp Fees (RTIF)	-	-	-	32,125	-	-	-	-	-	(32,125)	-
N/A	Habitat Mitigation Fees	-	-	-	-	-	-	-	-	-	-	-
N/A	Agricultural Mitigation Fees	-	-	-	-	-	-	-	-	-	-	-
N/A	County Facilities Fees	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS</b>		<b>\$ 101,428,923</b>	<b>\$ (561,803)</b>	<b>\$ 100,867,120</b>	<b>\$ 1,975,461</b>	<b>\$ 1,265,688</b>	<b>\$ 539</b>	<b>\$ 1,888,036</b>	<b>\$ (8,237,326)</b>	<b>\$ (15,747,406)</b>	<b>\$ (1,467,932)</b>	<b>\$ 80,544,181</b>

**Footnotes:**

<sup>1</sup> Prior Year Adjustments: Interest/Investment Earnings adjustments made by City's Auditors-Funds 311,312,313,314,345 & 357. Equities from Residential Specific Plan (RSP) Funds 341,342,343 & 344 closed out to F345, RSP Program Mgt.

<sup>2</sup> No development fees collected were refunded during FY09-10.

<sup>3</sup> Fiscal Agent Earnings are cash reserves held by bond Trustees that usually covers 1 year of principal and interest.

<sup>4</sup> Other Revenues: \$481,082-Developer contribution to F353 for Capital Improvement Project; \$1,406,954-Developer contribution to F356 for Capital Improvement Project.

<sup>5</sup> Capital Improvement Project (CIP) Expenditures: See Exhibit C

<sup>6</sup> Interfund Reimbursements or Transfers: \$711,490-F354 to F312; \$1,480-F313 to F315; \$2,637,000-F325 to F511; \$111,800-F357 to F345; \$3,890,511-F351 to F511; \$402,700-F357 to F835; \$8,351,000-F357 to F511. \$354,395 - Transfer out of F345 as per RSP Settlement Agreement.

<sup>7</sup> F356-\$1,435,807, reclassification of Developer contribution (fair share of cost) for CIP's. Other Expenditures includes "pass through" fees for RTIF, Habitat Mitigation, Agricultural Mitigation and County Facilities fees.

**Exhibit B: Brief Descriptions of Fees and Amounts of Fees**  
**For Fiscal Year Ended June 30, 2010**  
(Government Code §66006(b)(1)(A) and (B).)

Fund	Fund & Fee Description	Finance and Implementation Plan (FIP) Fee Descriptions	Resolution Number	Tracy Municipal Code §	Residential Fees Per Dwelling Unit (Except as indicated)			Non-Residential Fees Per Gross Acre (Except as indicated)			
					SFDU	2 - 4	≥ 5	Institution	Industrial	Office	Retail
311	Infill Area, Parks	Mini/Neighborhood and Community Parks	2006-179	13.12.010	\$6,357	\$5,297	\$4,238	N/A	N/A	N/A	N/A
312	<sup>1</sup> Infill Area, Storm Drainage	Storm Drainage	2006-179	13.04.010	Exh A-1	Exh A-1	Exh A-1	Exh A-1	Exh A-1	Exh A-1	Exh A-1
313	Infill Area, Arterials	Traffic Safety, Streets & Highways	2006-179	13.04.010	\$8,202	\$8,202	\$3,937	\$51,182	\$100,908	\$106,218	\$172,329
314	Infill Area, Building & Equipment	General Government & Public Safety Facilities	2006-179	13.04.010	\$3,077	\$2,293	\$2,293	\$125 <sup>1a</sup>	\$625 <sup>1a</sup>	\$625 <sup>1a</sup>	\$376 <sup>1a</sup>
317	<sup>1</sup> Infill Area, Water	Water Supply, Treatment, Storage and Distribution	2006-179	13.04.010	Exh A-1	Exh A-1	Exh A-1	Exh A-1	Exh A-1	Exh A-1	Exh A-1
318	<sup>1</sup> Infill Area, Wastewater	Wastewater Treatment and Conveyance	2006-179	13.04.010	Exh A-1	Exh A-1	Exh A-1	Exh A-1	Exh A-1	Exh A-1	Exh A-1
316	<sup>2</sup> Infill Area, Downtown Imprvs Parking	Downtown Incentive Area Parking Fee	97-114	10.08.3470	N/A	N/A	N/A	N/A	N/A	Exh A-2	Exh A-2
321	<sup>3</sup> Plan C Area, Parks	Mini/Neighborhood and Community Parks	2007-133	13.12.010	Exh A-3	Exh A-3	Exh A-3	Exh A-3	Exh A-3	Exh A-3	Exh A-3
322	<sup>3</sup> Plan C Area, Storm Drainage	Storm Drainage	2007-133	13.04.010	Exh A-3	Exh A-3	Exh A-3	Exh A-3	Exh A-3	Exh A-3	Exh A-3
323	<sup>3</sup> Plan C Area, Arterials	Traffic Safety, Streets & Highways	2007-133	13.04.010	Exh A-3	Exh A-3	Exh A-3	Exh A-3	Exh A-3	Exh A-3	Exh A-3
324	Plan C Area, General Facilities	General Government & Public Safety Facilities	2007-133	13.04.010	\$6,076	\$6,076	\$2,763	N/A	N/A	N/A	\$11,552
325	<sup>3</sup> Plan C Area, Utilities	Water Supply, Treatment, Storage and Conveyance	2007-133	13.04.010	Exh A-3	Exh A-3	Exh A-3	Exh A-3	Exh A-3	Exh A-3	Exh A-3
325	<sup>3</sup> Plan C Area, Utilities	Wastewater Treatment and Conveyance	2007-133	13.04.010	Exh A-3	Exh A-3	Exh A-3	Exh A-3	Exh A-3	Exh A-3	Exh A-3
341	<sup>4</sup> Residential Specific Plan Area, Parks	Mini/Neighborhood and Community Parks	2003-266	13.12.010	Exh A-4	Exh A-4	Exh A-4	Exh A-4	Exh A-4	Exh A-4	Exh A-4
342	<sup>4</sup> Residential Specific Plan Area, Storm Drainage	Storm Drainage	2003-266	13.20.010	Exh A-4	Exh A-4	Exh A-4	Exh A-4	Exh A-4	Exh A-4	Exh A-4
343	<sup>4</sup> Residential Specific Plan Area, Arterials	Traffic Safety, Streets & Highways	2003-266	13.20.010	Exh A-4	Exh A-4	Exh A-4	Exh A-4	Exh A-4	Exh A-4	Exh A-4
344	<sup>4</sup> Residential Specific Plan Area, Public Buildings	General Government & Public Safety Facilities	2003-266	13.20.010	Exh A-4	Exh A-4	Exh A-4	Exh A-4	Exh A-4	Exh A-4	Exh A-4
351	<sup>5</sup> Northeast Industrial Area, Ph 1, Arterials	Traffic Safety, Streets & Highways	2008-065	13.04.010	Exh A-5	Exh A-5	Exh A-5	Exh A-5	Exh A-5	Exh A-5	Exh A-5
351	<sup>5</sup> Northeast Industrial Area, Ph 1, Storm Drainage	Storm Drainage	2008-065	13.04.010	Exh A-5	Exh A-5	Exh A-5	Exh A-5	Exh A-5	Exh A-5	Exh A-5
351	Northeast Industrial Area, Ph 1, Water	Water Supply, Treatment, Storage and Distribution	2008-065	13.04.010	N/A	N/A	N/A	N/A	\$5,617	N/A	N/A
351	<sup>5</sup> Northeast Industrial Area, Ph 1, Wastewater	Wastewater Treatment and Conveyance	2008-065	13.04.010	Exh A-5	Exh A-5	Exh A-5	Exh A-5	Exh A-5	Exh A-5	Exh A-5
351	Northeast Industrial Area, Ph 1, Public Buildings	General Government & Public Safety Facilities	2008-065	13.04.010	N/A	N/A	N/A	N/A	\$3,824	N/A	N/A
352	<sup>6</sup> South MacArthur Plan Area, Arterials	Traffic Safety, Streets & Highways	2005-253	13.04.010	Exh A-6	Exh A-6	Exh A-6	Exh A-6	Exh A-6	Exh A-6	Exh A-6
352	<sup>6</sup> South MacArthur Plan Area, Storm Drainage	Storm Drainage	2005-253	13.04.010	Exh A-6	Exh A-6	Exh A-6	Exh A-6	Exh A-6	Exh A-6	Exh A-6
352	<sup>6</sup> South MacArthur Plan Area, Parks	Mini/Neighborhood and Community Parks	2005-253	13.12.010	Exh A-6	Exh A-6	Exh A-6	Exh A-6	Exh A-6	Exh A-6	Exh A-6
352	<sup>6</sup> South MacArthur Plan Area, Water	Water Supply, Treatment, Storage and Distribution	2005-253	13.04.010	Exh A-6	Exh A-6	Exh A-6	Exh A-6	Exh A-6	Exh A-6	Exh A-6
352	<sup>6</sup> South MacArthur Plan Area, Wastewater	Wastewater Treatment and Conveyance	2005-253	13.04.010	Exh A-6	Exh A-6	Exh A-6	Exh A-6	Exh A-6	Exh A-6	Exh A-6
354	Industrial Specific Plan South Area, Arterials	Traffic Safety, Streets & Highways	2009-048	13.04.010	\$6,977	\$3,348	\$3,348	N/A	\$78,351	\$91,050	\$131,376
354	<sup>7</sup> Industrial Specific Plan South Area, Storm Drainage	Storm Drainage	2009-048	13.04.010	Exh A-7	Exh A-7	Exh A-7	Exh A-7	Exh A-7	Exh A-7	Exh A-7
354	Industrial Specific Plan South Area, Parks	Mini/Neighborhood and Community Parks	2009-048	13.12.010	\$7,674	\$6,396	\$5,116	N/A	N/A	N/A	N/A

**Exhibit B: Brief Descriptions of Fees and Amounts of Fees**  
**For Fiscal Year Ended June 30, 2010**  
(Government Code §66006(b)(1)(A) and (B).)

Fund	Fund & Fee Description	Finance and Implementation Plan (FIP) Fee Descriptions	Resolution Number	Tracy Municipal Code §	Residential Fees Per Dwelling Unit (Except as indicated)			Non-Residential Fees Per Gross Acre (Except as indicated)			
					SFDU	2 - 4	≥ 5	Institution	Industrial	Office	Retail
354	Industrial Specific Plan South Area, Public Buildings	General Government & Public Safety Facilities	2009-048	13.04.010	\$2,848	\$2,373	\$1,898	N/A	\$4,377	\$18,659	\$18,659
354	Industrial Specific Plan South Area, Water	Water Supply, Treatment, Storage and Distribution	2009-048	13.04.010	\$4,844	\$4,020	\$3,246	N/A	\$8,870	\$8,870	\$8,870
354	<sup>7</sup> Industrial Specific Plan South Area, Wastewater	Wastewater Treatment and Conveyance	2009-048	13.04.010	Exh A-7	Exh A-7	Exh A-7	Exh A-7	Exh A-7	Exh A-7	Exh A-7
355	Presidio Area, Arterials	Traffic Safety, Streets & Highways	2001-351	13.04.010	\$4,142	N/A	N/A	N/A	N/A	N/A	N/A
355	Presidio Area, Arterials-Regional Fee	Regional Traffic Fee	2000-265	13.04.010	\$1,500	N/A	N/A	N/A	N/A	N/A	N/A
355	<sup>8</sup> Presidio Area, Storm Drainage	Storm Drainage	2000-265	13.04.010	Exh A-8	Exh A-8	Exh A-8	Exh A-8	Exh A-8	Exh A-8	Exh A-8
355	Presidio Area, Public Buildings	General Government & Public Safety Facilities	2000-265	13.04.010	\$1,620	N/A	N/A	N/A	N/A	N/A	N/A
355	Presidio Area, Water	Water Supply, Treatment, Storage and Distribution	2001-351	13.04.010	\$556	N/A	N/A	N/A	N/A	N/A	N/A
355	Presidio Area, Wastewater	Wastewater Treatment and Conveyance	2000-265	13.04.010	\$1,105	N/A	N/A	N/A	N/A	N/A	N/A
356	<sup>9</sup> Tracy Gateway Area, Arterials	Traffic Safety, Streets & Highways	2007-175	13.04.010	N/A	N/A	N/A	Exh A-9	Exh A-9	Exh A-9	Exh A-9
356	<sup>9</sup> Tracy Gateway Area, Storm Drainage	Storm Drainage	2007-175	13.04.010	N/A	N/A	N/A	Exh A-9	Exh A-9	Exh A-9	Exh A-9
356	<sup>9</sup> Tracy Gateway Area, Public Buildings	General Government & Public Safety Facilities	2007-175	13.04.010	N/A	N/A	N/A	Exh A-9	Exh A-9	Exh A-9	Exh A-9
356	<sup>9</sup> Tracy Gateway Area, Water	Water Supply, Treatment, Storage and Distribution	2007-175	13.04.010	N/A	N/A	N/A	Exh A-9	Exh A-9	Exh A-9	Exh A-9
356	<sup>9</sup> Tracy Gateway Area, Wastewater	Wastewater Treatment and Conveyance	2007-175	13.04.010	N/A	N/A	N/A	Exh A-9	Exh A-9	Exh A-9	Exh A-9
357	<sup>10</sup> Northeast Industrial Area, Ph 2, Arterials	Traffic Safety, Streets & Highways	2008-010	13.04.010	Exh A-10	Exh A-10	Exh A-10	Exh A-10	Exh A-10	Exh A-10	Exh A-10
357	<sup>10</sup> Northeast Industrial Area, Ph 2, Storm Drainage	Storm Drainage	2008-010	13.04.010	Exh A-10	Exh A-10	Exh A-10	Exh A-10	Exh A-10	Exh A-10	Exh A-10
357	Northeast Industrial Area, Ph 2, Water	Water Supply, Treatment, Storage and Distribution	2008-010	13.04.010	N/A	N/A	N/A	N/A	19,124	N/A	N/A
357	<sup>10</sup> Northeast Industrial Area, Ph 2, Wastewater	Wastewater Treatment and Conveyance	2008-010	13.04.010	Exh A-10	Exh A-10	Exh A-10	Exh A-10	N/A	Exh A-10	Exh A-10
357	Northeast Industrial Area, Ph 2, Public Buildings	General Government & Public Safety Facilities	2008-010	13.04.010	N/A	N/A	N/A	N/A	\$3,040	N/A	N/A
353	<sup>11</sup> I-205 Corridor Area, Arterials	Traffic Safety, Streets & Highways	2007-136	13.04.010	11	11	11	11	11	11	11
353	<sup>11</sup> I-205 Corridor Area, Storm Drainage	Storm Drainage	2007-136	13.04.010	11	11	11	11	11	11	11
353	<sup>11</sup> I-205 Corridor Area, Parks	Mini/Neighborhood and Community Parks	2007-136	13.12.010	11	11	11	11	11	11	11
353	<sup>11</sup> I-205 Corridor Area, Public Buildings	General Government & Public Safety Facilities	2007-136	13.04.010	11	11	11	11	11	11	11
353	<sup>11</sup> I-205 Corridor Area, Water	Water Supply, Treatment, Storage and Distribution	2007-136	13.04.010	11	11	11	11	11	11	11
353	<sup>11</sup> I-205 Corridor Area, Sewer Treatment	Wastewater Treatment and Conveyance	2007-136	13.04.010	11	11	11	11	11	11	11
XXX	<sup>12</sup> Habitat Mitigation Fees	Multi-Species Habitat Conservation & Open Space	2009-196	13.04.010	Exh A-12	Exh A-12	Exh A-12	Exh A-12	Exh A-12	Exh A-12	Exh A-12
116	<sup>13</sup> Agricultural Mitigation Fees	Agricultural Land Mitigation/Farmland Preservation	2005-278	13.28.010	Exh A-13	Exh A-13	Exh A-13	Exh A-13	Exh A-13	Exh A-13	Exh A-13
391	<sup>14</sup> County Facilities Fees (CFF)	San Joaquin County Public Facilities	2005-142	13.24.010	Exh A-14	Exh A-14	Exh A-14	Exh A-14	Exh A-14	Exh A-14	Exh A-14
808	<sup>15</sup> Regional Transportation Fees (RTIF)	Regional Transportation Impact Fees (RTIF)	Ord 1087	13.32.010	Exh A-15	Exh A-15	Exh A-15	Exh A-15	Exh A-15	Exh A-15	Exh A-15
31x	<sup>16</sup> Infill Area, Program Mgmt	Specific Plan Area Program Management	2006-179	13.04.010	6	6	6	6	6	6	6

**Exhibit B: Brief Descriptions of Fees and Amounts of Fees**  
**For Fiscal Year Ended June 30, 2010**  
(Government Code §66006(b)(1)(A) and (B).)

Fund	Fund & Fee Description	Finance and Implementation Plan (FIP) Fee Descriptions	Resolution Number	Tracy Municipal Code §	Residential Fees Per Dwelling Unit (Except as indicated)			Non-Residential Fees Per Gross Acre (Except as indicated)				
					SFDU	2 - 4	≥ 5	Institution	Industrial	Office	Retail	
391	<sup>16</sup> Plan C Area, Program Mgmt	Specific Plan Area Program Management	2007-133	13.04.010	6	6	6	6	6	6	6	6
345	<sup>16</sup> Residential Specific Plan Area, Program Mgmt	Specific Plan Area Program Management	2003-266	13.04.010	6	6	6	6	6	6	6	6
351	<sup>16</sup> Northeast Industrial Area, Ph 1, Program Mgmt	Specific Plan Area Program Management	2008-065	13.04.010	6	6	6	6	6	6	6	6
352	<sup>16</sup> South MacArthur Plan Area, Program Mgmt	Specific Plan Area Program Management	2005-253	13.04.010	6	6	6	6	6	6	6	6
353	<sup>16</sup> I-205 Corridor Area, Program Mgmt	Specific Plan Area Program Management	2007-136	13.04.010	6	6	6	6	6	6	6	6
354	<sup>16</sup> Industrial Specific Plan South Area, Program Mgmt	Specific Plan Area Program Management	2008-223	13.04.010	6	6	6	6	6	6	6	6
355	<sup>16</sup> Presidio Area, Program Mgmt	Specific Plan Area Program Management	2000-265	13.04.010	6	6	6	6	6	6	6	6
356	<sup>16</sup> Tracy Gateway Area, Program Mgmt	Specific Plan Area Program Management	2007-175	13.04.010	6	6	6	6	6	6	6	6
357	<sup>16</sup> Northeast Industrial Area, Ph 2, Program Mgmt	Specific Plan Area Program Management	2008-010	13.04.010	6	6	6	6	6	6	6	6

(Development Impact Fees are subject to annual ENR adjustments.)

**Footnotes:**

- <sup>1</sup> *Infill Area - Storm Drainage, Water and Wastewater fees: See Exhibit A-1. Public Buildings fees for non-residential development are per 1,000 Sq Ft of building area.*
- <sup>1a</sup> *Infill Area - Public Buildings fees for non-residential development are per 1,000 Sq Ft of building area.*
- <sup>2</sup> *Infill Area - Downtown Improvements is for a Downtown Incentive Area Parking Fee. See Exhibit A-2 for fee schedule.*
- <sup>3</sup> *Plan C Area - Parks, Storm Drainage, Arterials, Water and Wastewater fees: See Exhibit A-3.*
- <sup>4</sup> *Residential Specific Plan Area - Arterial fees were no longer applicable after the July 2003 FIP Update. RSP Area fees were based on the number of allocated ECUs for the project: See Exhibit A-4.*
- <sup>5</sup> *Northeast Industrial Area, Ph 1 - Arterials, Storm Drainage and Wastewater fees: See Exhibit A-5.*
- <sup>6</sup> *South MacArthur Plan Area - Arterials, Storm Drainage, Parks, Water and Wastewater fees: See Exhibit A-6.*
- <sup>7</sup> *Industrial Specific Plan South Area - Storm Drainage and Wastewater fees: See Exhibit A-7.*
- <sup>8</sup> *Presidio Area - Storm Drainage fees: See Exhibit A-8.*
- <sup>9</sup> *Tracy Gateway Area - Golf Course, Golf Course Club House and Golf Maintenance Facilities fees were spread to other Phase 1 land uses: See Exhibit A-9.*
- <sup>10</sup> *Northeast Industrial Area, Ph 2 - Arterials, Storm Drainage and Wastewater fees: See Exhibit A-10.*
- <sup>11</sup> *I-205 Corridor Area - Obligations vary between parcels: See attached document titled "I-205 Corridor Specific Plan, Spreadsheet #47, June 2007": Exhibit A-16.*
- <sup>12</sup> *Habitat Mitigation fees are collected to mitigate loss of multi-species habitat. Fees are paid to San Joaquin Council of Governments (SJCOG). See Exhibit A-12.*
- <sup>13</sup> *Agricultural Mitigation fees are collected to mitigate loss of farmland and open spaces. See Exhibit A-13.*
- <sup>14</sup> *County Facilities Fees are collected to offset costs associated with County capital facilities. Fees are paid to San Joaquin County. See Exhibit A-14.*
- <sup>15</sup> *Regional Transportation Impact Fees are collected to finance the regional transportation capital projects. See Exhibit A-15.*
- <sup>16</sup> *Program Management fees are 5% of Construction Costs.*

**Exhibits B-1 through B-15: Amounts and Descriptions of Fees**

**For Fiscal Year Ended June 30, 2010**

(Government Code §66006(b)(1)(A) and (B).)

<b>EXHIBIT B-1: INFILL AREA - WATER, WASTEWATER, STORM DRAINAGE FEES</b>							
Public Facilities	Residential Fees Per Unit			Non-Residential Fee Per Gross Acre			
	SFD	2 - 4	≥ 5	Industrial	Institutional	Office	Retail
Water Supply and Treatment	\$4,656	\$3,864	\$3,119	\$18,483	\$18,483	\$18,483	\$18,483
Water Distribution Upgrade	\$1,777	\$1,475	\$1,191	\$7,056	\$7,056	\$7,056	\$7,056
WW Conveyance-Corral Hollow Sewer	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WW Conveyance-Eastside Sewer	\$974	\$811	\$650	\$5,193	\$5,193	\$5,193	\$5,193
WW Conveyance-City Core Sewer	\$388	\$323	\$259	\$2,065	\$2,065	\$2,065	\$2,065
WW Treatment Plant Upgrade	\$10,210	\$8,490	\$6,823	\$31,153	\$31,153	\$31,153	\$31,153
WW AD 84-1 Reimb-Corral Hollow Sewer	\$744	\$619	\$496	\$3,963	\$3,963	\$3,963	\$3,963
WW AD 84-1 Reimb-Eastside	\$636	\$529	\$424	\$3,389	\$3,389	\$3,389	\$3,389
Storm Drainage Upgrade-East	\$4,933	\$3,022	\$2,494	\$62,163	\$62,163	\$62,163	\$62,163
Storm Drainage Upgrade-West	\$2,468	\$1,512	\$1,248	\$31,107	\$31,107	\$31,107	\$31,107
Storm Drainage Upgrade-East & West	\$2,715	\$1,663	\$1,372	\$34,213	\$34,213	\$34,213	\$34,213
Storm Drainage CFD 89-1 Reimb-East	\$206	\$126	\$104	\$2,599	\$2,599	\$2,599	\$2,599
Storm Drainage CFD 89-1 Reimb-East & West	\$21	\$13	\$11	\$260	\$260	\$260	\$260
Storm Drainage-Westside Outfall-West	\$1,906	\$1,167	\$964	\$24,015	\$24,015	\$24,015	\$24,015
Storm Drainage-Westside Outfall-East & West	\$1,715	\$1,050	\$868	\$21,614	\$21,614	\$21,614	\$21,614

<b>EXHIBIT B-2: INFILL AREA - DOWNTOWN INCENTIVE AREA PARKING FEE</b>	
Parking Fee	(\$500 + [\$0.19 x the number of square feet within the building]) x 5

<b>EXHIBIT B-3: PLAN C AREA - WATER, WASTEWATER, ROADWAYS, STORM DRAINAGE, PARKS</b>							
Public Facilities	Residential Fees Per Unit			Non-Residential (Edgewood Subd Only) Fee Per Gross Acre			
	SFD	2 - 4	≥ 5	Industrial	Institutional	Office	Retail
Water Supply-Edgewood	\$1,480	\$1,228	\$992	N/A	N/A	N/A	\$1,067
Water SSJID-Edgewood	\$810	\$675	\$540	N/A	N/A	N/A	\$1,220
WW Collection Systems	\$356	\$295	\$239	N/A	N/A	N/A	\$1,900
WW AD-84-1 Reimb-West	\$841	\$701	\$560	N/A	N/A	N/A	N/A
WW AD-84-1 Reimb-East	\$619	\$516	\$412	N/A	N/A	N/A	\$2,835
WW Treatment Plant Expansion	\$13,911	\$11,597	\$9,275	N/A	N/A	N/A	\$31,804
Arterials-Upgrade-R-1 Zone	\$23,473	\$23,473	\$11,173	N/A	N/A	N/A	N/A
Arterials-Upgrade-R-2 Zone	\$3,805	\$3,805	\$1,812	N/A	N/A	N/A	\$60,539
Arterials-Upgrade-R-3 Zone	\$9,601	\$9,601	\$4,570	N/A	N/A	N/A	N/A
Arterials-CFD 89-1 Reimb-R-1 Zone	\$17	\$17	\$9	N/A	N/A	N/A	N/A
Arterials-CFD 89-1 Reimb-R-2 Zone	\$45	\$45	\$22	N/A	N/A	N/A	\$678
Arterials-CFD 89-1 Reimb-R-3 Zone	\$143	\$143	\$70	N/A	N/A	N/A	N/A
Arterials-RSP Reimb-R-1 Zone	\$960	\$960	\$457	N/A	N/A	N/A	N/A
Arterials-RSP Reimb-R-2 Zone	\$1,568	\$1,568	\$748	N/A	N/A	N/A	\$23,560



**Exhibits B-1 through B-15: Amounts and Descriptions of Fees**

**For Fiscal Year Ended June 30, 2010**

(Government Code §66006(b)(1)(A) and (B).)

<b>EXHIBIT B-3: PLAN C AREA - WATER, WASTEWATER, ROADWAYS, STORM DRAINAGE, PARKS (CONTINUED)</b>							
Public Facilities	Residential Fees Per Unit			Non-Residential (Edgewood Subd Only) Fee Per Gross Acre			
	SFD	2 - 4	≥ 5	Industrial	Institutional	Office	Retail
Arterials-RSP Reimb-R-3 Zone	\$2,115	\$2,115	\$1,007	N/A	N/A	N/A	N/A
Storm Drainage-Upgrade-Purple/Yellow Zone	\$3,020	\$1,872	\$1,540	N/A	N/A	N/A	N/A
Storm Drainage-Upgrade-Pink Zone	\$5,177	\$3,210	\$2,641	N/A	N/A	N/A	N/A
Storm Drainage-Upgrade-Orange Zone	\$2,266	\$1,404	\$1,156	N/A	N/A	N/A	\$28,751
Storm Drainage-Upgrade-Yellow Zone	\$3,147	\$1,951	\$1,604	N/A	N/A	N/A	N/A
Storm Drainage-Upgrade-Blue Zone	\$4,235	\$2,625	\$2,159	N/A	N/A	N/A	N/A
Storm Drainage-Upgrade-Byron Zone	\$2,257	\$1,399	\$1,151	N/A	N/A	N/A	N/A
Storm Drainage-Upgrade-Purple Zone	\$2,765	\$1,714	\$1,410	N/A	N/A	N/A	N/A
Storm Drainage-CFD89-1 Reimb-Pink Zone	\$119	\$75	\$60	N/A	N/A	N/A	N/A
Storm Drainage-RSP Reimb-Purple/Yellow Zn	\$3,290	\$2,039	\$1,667	N/A	N/A	N/A	N/A
Storm Drainage-RSP Reimb-Orange Zone	\$2,238	\$1,387	\$1,135	N/A	N/A	N/A	\$28,356
Storm Drainage-RSP Reimb-Yellow Zone	\$2,710	\$1,680	\$1,374	N/A	N/A	N/A	N/A
Storm Drainage-RSP Reimb-Blue Zone	\$2,927	\$1,814	\$2,395	N/A	N/A	N/A	N/A
Storm Drainage-RSP Reimb-Byron Zone	\$2,038	\$1,263	\$1,033	N/A	N/A	N/A	N/A
Storm Drainage-RSP Reimb-Purple Zone	\$4,449	\$2,758	\$2,255	N/A	N/A	N/A	N/A
Storm Drn-Subdrains-Byron Zn-Huntington Park	\$150	N/A	N/A	N/A	N/A	N/A	N/A
Storm Drn-Subdrains-Byron Zone-Westgate	\$363	\$0	\$105	N/A	N/A	N/A	N/A
Mini/Neighborhood Parks	\$5,098	\$4,248	\$3,399	N/A	N/A	N/A	N/A
Community Parks	\$1,683	\$1,401	\$1,122	N/A	N/A	N/A	N/A

<b>EXHIBIT B-4: RESIDENTIAL SPECIFIC PLAN AREA - STORM DRAINAGE, PUBLIC BUILDINGS, PARKS</b>							
Public Facilities	Fees based on number of Project Equivalent Consumer Units						
	All Residential Projects			All Non-Residential Projects			
Storm Drainage	\$10,180	\$10,180	\$10,180	\$10,180	\$10,180	\$10,180	\$7,593
Arterials	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public Buildings	\$21,870	\$21,870	\$21,870	N/A	N/A	N/A	N/A
Parks	\$581	\$581	\$581	N/A	N/A	N/A	N/A

<b>EXHIBIT B-5: NORTHEAST INDUSTRIAL AREA, PH 1 - WASTEWATER, ARTERIALS, STORM DRAINAGE</b>							
Public Facilities	Residential Fees Per Unit			Non-Residential (Industrial Only) Fee Per Gross Acre			
	SFD	2 - 4	≥ 5	Industrial	Institutional	Office	Retail
Wastewater Conveyance Upgrade	N/A	N/A	N/A	\$8,247	N/A	N/A	N/A
Wastewater Treatment Plant Upgrade	N/A	N/A	N/A	\$31,558	N/A	N/A	N/A
Wastewater CFD 89-1 Reimb	N/A	N/A	N/A	\$1,510	N/A	N/A	N/A
Arterials Upgrades	N/A	N/A	N/A	\$86,491	N/A	N/A	N/A
Arterials CFD 89-1 Reimb	N/A	N/A	N/A	\$410	N/A	N/A	N/A
Arterials RSP Reimb	N/A	N/A	N/A	\$1,595	N/A	N/A	N/A

**Exhibits B-1 through B-15: Amounts and Descriptions of Fees**

**For Fiscal Year Ended June 30, 2010**

(Government Code §66006(b)(1)(A) and (B).)

<b>EXHIBIT B-5: NORTHEAST INDUSTRIAL AREA, PH 1 - WASTEWATER, ARTERIALS, STORM DRAINAGE (CONTINUED)</b>							
Public Facilities	Residential Fees Per Unit			Non-Residential (Industrial Only) Fee Per Gross Acre			
	SFD	2 - 4	≥ 5	Industrial	Institutional	Office	Retail
Storm Drainage Upgrade	N/A	N/A	N/A	\$43,299	N/A	N/A	N/A
Storm Drainage CFD 89-1 Reimb	N/A	N/A	N/A	\$189	N/A	N/A	N/A

<b>EXHIBIT B-6: SOUTH MACARTHUR PLAN AREA - ALL FEES</b>						
Residential Projects Only	Yosemite Vista Subdivision			Elissagaray Ranch Subdivision		
	Fees Per Unit			Fees Per Unit		
	SFD	2 - 4	≥ 5	SFD	2 - 4	≥ 5
Water	\$5,437	\$4,512	\$3,643	\$4,570	\$3,793	\$3,061
Wastewater-Eastside Sewer System Connection	\$635	\$528	\$426	\$32	\$27	\$21
Wastewater-Gravity Sewer Improvements	\$475	\$394	\$318	\$68	\$56	\$46
Wastewater Treatment Plant Upgrade	\$12,212	\$10,136	\$8,182	\$8,665	\$7,197	\$5,796
Arterials - Upgrades	\$11,450	\$11,450	\$5,450	\$9,078	\$9,078	\$4,322
Arterials - CFD 89-1 Reimb	\$87	\$87	\$87	\$87	\$87	\$87
Arterials - RSP Reimb	\$648	\$648	\$648	\$648	\$648	\$648
Storm Drainage - Upgrade	\$4,336	\$2,775	\$2,281	\$174	\$110	\$90
Storm Drainage - CFD89-1 Reimb	\$176	\$112	\$92	\$176	\$112	\$92
Mini/Neighborhood Parks	\$4,309	\$3,590	\$2,873	\$4,309	\$3,591	\$2,873
Community Parks	\$2,287	\$1,905	\$1,524	\$1,728	\$1,433	\$1,157
Public Buildings	\$3,887	\$3,239	\$2,591	\$3,266	\$2,711	\$2,188

<b>EXHIBIT B-7: INDUSTRIAL SPECIFIC PLAN SOUTH AREA - STORM DRAINAGE, WASTEWATER</b>							
Public Facilities	Residential Fees Per Unit			Non-Residential Fee Per Gross Acre			
	SFD	2 - 4	≥ 5	Industrial	Institutional	Office	Retail
	Storm Drainage - Upgrades - Zone 1	\$3,837	\$2,378	\$1,939	\$48,339	N/A	\$48,339
Storm Drainage - Westside Outfall - Zone 1	\$471	\$231	\$238	\$5,945	N/A	\$5,945	\$5,945
Storm Drainage - Upgrades - Zone 2	\$1,377	\$674	\$552	\$17,298	N/A	\$17,298	\$17,298
Storm Drainage - Westside Outfall - Zone 2	\$471	\$231	\$238	\$5,945	N/A	\$5,945	\$5,945
Wastewater Treatment Plant Upgrade	\$2,040	\$1,701	\$1,360	\$10,874	N/A	\$9,385	\$9,385
Wastewater - Sewer Collection Conveyance	\$3,399	\$2,810	\$2,266	\$2,095	N/A	\$2,095	\$2,095
Wastewater - Cheng Diversion Reimb	\$218	\$182	\$146	\$1,163	N/A	\$1,019	\$1,019

**Exhibits B-1 through B-15: Amounts and Descriptions of Fees**

**For Fiscal Year Ended June 30, 2010**

(Government Code §66006(b)(1)(A) and (B).)

<b>EXHIBIT B-8: PRESIDIO AREA - STORM DRAINAGE</b>							
Residential Only Single Family Dwelling Units	Fees Per Unit			Non-Residential			
	Pink Zone	Purple Zone	Yellow Zone	Fee Per Gross Acre			
				Industrial	Institutional	Office	Retail
Storm Drainage - Westside Channel Reimb	\$963	N/A	N/A	N/A	N/A	N/A	N/A
Storm Drainage - Upgrades	N/A	\$333	\$717	N/A	N/A	N/A	N/A
Storm Drainage - RSP Reimb	N/A	\$1,145	\$1,145	N/A	N/A	N/A	N/A

<b>EXHIBIT B-9: TRACY GATEWAY AREA - ALL FEES</b>							
Public Facilities	Residential			Non-Residential			
	Fees Per Unit			Fee Per Gross Acre			
	SFD	2 - 4	≥ 5	Retail	Ofc w/o Def	Ofc w/ Def	Hotel
Water	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater-Conveyance & WRF	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-Potable Water Improvements	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Streets & Highways	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Storm Drainage	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parks	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public Buildings	N/A	N/A	N/A	N/A	N/A	N/A	N/A

<b>EXHIBIT B-10: NORTHEAST INDUSTRIAL AREA, PH 2 - WASTEWATER, ARTERIALS, STORM DRAINAGE</b>							
Public Facilities	Residential			Non-Residential (Industrial Only)			
	Fees Per Unit			Fee Per Gross Acre			
	SFD	2 - 4	≥ 5	Industrial	Institutional	Office	Retail
Wastewater - Collections System Improvements	N/A	N/A	N/A	\$17,883	N/A	N/A	N/A
Wastewater - Treatment Plant Upgrade	N/A	N/A	N/A	\$18,199	N/A	N/A	N/A
Wastewater - CFD 89-1 Reimb	N/A	N/A	N/A	\$1,551	N/A	N/A	N/A
Arterials - Upgrades	N/A	N/A	N/A	\$72,838	N/A	N/A	N/A
Arterials - RSP Reimb	N/A	N/A	N/A	\$513	N/A	N/A	N/A
Arterials - Traffic Signals	N/A	N/A	N/A	\$1,740	N/A	N/A	N/A
Arterials - Land/Easement Acquisitions	N/A	N/A	N/A	\$23,415	N/A	N/A	N/A
Storm Drainage - Watershed Improvements	N/A	N/A	N/A	\$8,908	N/A	N/A	N/A
Storm Drainage - Land/Easement Acquisitions	N/A	N/A	N/A	\$43,859	N/A	N/A	N/A
Storm Drainage - CFD 89-1 Reimb	N/A	N/A	N/A	\$294	N/A	N/A	N/A

<b>Exhibit B-12: HABITAT MITIGATION FEES</b>				
Land Use	Multi-Purpose Open Space	Natural and Agricultural Lands	Vernal Pool - Uplands	Vernal Pool - Wetted
Fee Per Gross Acre	\$7,307	\$14,615	\$42,071	\$80,766

**Exhibits B-1 through B-15: Amounts and Descriptions of Fees**

**For Fiscal Year Ended June 30, 2010**

(Government Code §66006(b)(1)(A) and (B).)

<b>Exhibit B-13: AGRICULTURAL MITIGATION FEES</b>			
Land Use	Land Purchase	Land Mitigation - Effluent	Land Mitigation - Non-Effluent
Fee Per Gross Acre	\$2,638	\$1,978	\$660

<b>Exhibit B-14: COUNTY FACILITIES FEES</b>							
Fee Category	Fee Per Dwelling Unit			Fee Per Building Square Foot			
	SFDU	2 - 4	≥ 5	Institution	Industrial	Office	Retail
Fees	\$ 1,707	\$ 1,462	\$ 1,462	\$ 0.35	\$ 0.19	\$ 0.35	\$ 0.39

<b>Exhibit B-15: REGIONAL TRANSPORTATION IMPACT FEES</b>							
Fee Category	Fee Per Dwelling Unit			Fee Per Building Square Foot			
	SFDU	2 - 4	≥ 5	Institution	Industrial	Office	Retail
Fees	\$ 2,987	\$ 1,792	\$ 1,792	\$ 1.50	\$ 0.90	\$ 1.50	\$ 1.19

**EXHIBIT C**  
**Summary of Expenses and Anticipated Construction Dates**  
**for Fiscal Year Ended June 30, 2010**  
(Government Code §66006(b)(1)(C) and (D).)

Fee Funded Capital Improvement Projects						Five Year Plan - FY10-11 through FY14-15					July 1, 2010		
Project	Project Title	Project \$ Total	Funding Sources	Prior Years Expenditures	FY09-10 Actual Exp's	Total	<----- New Appropriations Required ----->					Anticipated Completion Date & Comments	% of Project Fee Funded
							FY10-11	FY11-12	FY12-13	FY13-14	FY14-15		
71035	City Hall Vehicles New Development	97,503	F324-Plan C Area, Gen Fac F352-SMP Area F354-ISP South Area F355-Presidio Area	23,773 0 0 0	0 0 0 0	44,730 7,000 16,200 5,800	0 0 0 0	0 0 0 0	44,730 7,000 16,200 5,800	0 0 0 0	0 0 0 0	Jun 12 New Equipment	100%
71052	Police Radio Repeater and Tower, SMPA	18,300	F352-SMP Area	0	0	18,300	0	0	18,300	0	0	Apr 12 Insufficient Funds <sup>1</sup>	100%
71054	Expansion, Public Works Facility	1,530,379	F324-Plan C Area, Gen Fac F351-NEI Area, Ph 1 F352-SMP Area F354-ISP South Area F355-Presidio Area F357-NEI Area, Ph 2	3,344 0 0 0 0 0	0 659 0 0 0 0	829,656 62,220 143,000 334,600 96,900 60,000	829,656 58,800 137,900 0 96,900 60,000	0 0 0 0 0 0	0 3,420 5,100 0 0 0	0 0 0 334,600 0 0	0 0 0 0 0 0	Jun 14 Design Underway Insufficient Funds	17%
71060	Energy Improvements City Buildings	-	F314-Infill Area, Buildings F353-I205 Corridor Area	22 26	-22 -26	0 0	0 0	0 0	0 0	0 0	0 0	Jul 08 Work Completed	77%
71061	New Fire Station Relocate Station #96, West Grant Line Road	4,000,000	F353-I205 Corridor Area F314-Infill Area, Buildings F344-RSP Area Publ Bldgs	0 0 0	87,244 0 0	2,370,156 714,600 828,000	2,370,156 714,600 828,000	0 0 0	0 0 0	0 0 0	0 0 0	Jun 12 Design Underway	100%
71062	New Fire Station Relocate Station #92, Banta, E Grant Line Rd	1,593,200	F351-NEI Area, Ph 1 F357-NEI Area, Ph 2 Tracy Rural Fire District	0 0 0	0 0 0	322,000 271,200 1,000,000	322,000 271,200 1,000,000	0 0 0	0 0 0	0 0 0	0 0 0	Jun 12 Design Underway	14%
71065	Added Parking Civic Center	420,000	F301-General Projects F314-Infill Area, Buildings	53,225 0	0 196,953	166,775 3,047	166,775 3,047	0 0	0 0	0 0	0 0	Aug 10 Work Completed	47%
72014	Traffic Signal Upgrades I205 Area, East	1,531,776	F353-I205 Corridor Area F323-Plan C Area, Arterials F313-Infill Area, Arterials Developer Contribution	100 0 0 105,076	0 0 0 0	261,300 573,600 273,900 317,800	0 0 0 0	0 0 0 0	0 0 0 0	261,300 573,600 273,900 317,800	0 0 0 0	Jun 13 Insufficient Funds	72%
72025	Traffic Signal Grant Line & Paradise Rds	342,000	F351-NEI Area, Ph 1	0	0	342,000	0	0	342,000	0	0	Jun 12 - Design Completed Insufficient Funds	100%

**EXHIBIT C**  
**Summary of Expenses and Anticipated Construction Dates**  
**for Fiscal Year Ended June 30, 2010**  
(Government Code §66006(b)(1)(C) and (D).)

Fee Funded Capital Improvement Projects						Five Year Plan - FY10-11 through FY14-15					July 1, 2010		
Project	Project Title	Project \$ Total	Funding Sources	Prior Years Expenditures	FY09-10 Actual Exp's	Total	<----- New Appropriations Required ----->					Anticipated Completion Date & Comments	% of Project Fee Funded
							FY10-11	FY11-12	FY12-13	FY13-14	FY14-15		
72056	Signal Modifications 11th St & Lammers Rd	405,000	F356-Tracy Gateway Area	0	0	192,900	0	0	192,900	0	0	Dec 12 Insufficient Funds	48%
			F245-Gas Tax	0	0	212,100	0	0	212,100	0	0		
72062	Intersection Improves I205 & MacArthur Dr	21,525,800	F352-SMP Area	0	0	1,081,000	0	0	0	0	1,081,000	Jun 14 Insufficient Funds	100%
			F355-Presidio Area	0	0	814,800	0	0	0	260,000	554,800		
			F357-NEI Area, Ph 2	0	2,122	13,923,478	1,497,878	0	0	0	12,425,600		
			Future Developments	0	0	5,704,400	0	0	0	0	5,704,400		
72068	Traffic Signal Lammers & W Schulte Rd	705,840	F323-Plan C Area, Arterials	0	0	361,800	361,800	0	0	0	0	Jun 11 Design Underway	100%
			F313-Infill Area, Arterials	0	0	344,040	344,040	0	0	0	0		
72073	Intersection Improves MacArthur Blvd & Valpico Rd	310,000	F354-ISP South Area	0	0	310,000	310,000	0	0	0	0	Jun 11 Design Underway	100%
72074	Intersection Improves Tracy Blvd & Valpico Rd	200,000	F354-ISP South Area	0	0	200,000	200,000	0	0	0	0	Jun 11 Design Underway	100%
73014	Widening, Corral Hollow Road, Grant Line Rd to Mall Entry	4,939,998	Developer Contribution	641,700	0	98,000	98,000	0	0	0	0	Jun 12 Partial Completion Design Underway	62%
			F353-I205 Corridor Area	1,301,111	57,801	941,386	941,386	0	0	0	0		
			F242-Transp Sales Tax	776,378	0	223,622	223,622	0	0	0	0		
			Highway Grants	0	0	900,000	900,000	0	0	0	0		
73035	Widening, Grant Line Rd, Naglee to Lammers Rd	3,502,412	F353-I205 Corridor Area	1,376,642	0	1,859,600	0	0	1,859,600	0	0	Jun 12 - Partial Completion Insufficient Funds	92%
			Developer Contribution	266,170	0	0	0	0	0	0	0		
73048	Widening, Grant Line MacArthur to City Limits	14,995,180	F351-NEI Area, Ph 1	782,210	375,898	13,837,072	2,892,672	0	0	10,944,400	0	Dec 13 - Insufficient Funds ROW / DesignUnderway	100%
73052	Widening, Grant Line Rd Parker to MacArthur, Ph I	5,234,013	F241-Transp Dev Tax	1,268,413	0	31,587	31,587	0	0	0	0	Nov 10 Work Underway	53%
			F242-Transp Sales Tax	52,002	0	0	0	0	0	0	0		
			F245-Gas Tax	666,609	0	431,889	431,889	0	0	0	0		
			F313-Infill Area, Arterials	759,471	846,893	1,177,149	1,177,149	0	0	0	0		
73057	Construct, Street "C" Naglee to Corral Hollow Rds	2,134,200	F353-I205 Corridor Area	0	0	2,134,200	0	0	0	192,000	1,942,200	Jun 14 Insufficient Funds	100%
73061	Extension, Valpico Rd Pebblebrook to MacArthur	4,361,332	F354-ISP South Area	953,632	33,216	3,374,484	69,184	0	3,305,300	0	0	Jun 12 Insufficient Funds	100%
			F313-Infill Area, Arterials	0	0	0	0	0	0	0	0		

**EXHIBIT C**  
**Summary of Expenses and Anticipated Construction Dates**  
**for Fiscal Year Ended June 30, 2010**  
(Government Code §66006(b)(1)(C) and (D).)

Fee Funded Capital Improvement Projects						Five Year Plan - FY10-11 through FY14-15					July 1, 2010		
Project	Project Title	Project \$ Total	Funding Sources	Prior Years Expenditures	FY09-10 Actual Exp's	Total	<----- New Appropriations Required ----->					Anticipated Completion Date & Comments	% of Project Fee Funded
							FY10-11	FY11-12	FY12-13	FY13-14	FY14-15		
73062	Widening, Tracy Blvd Sycamore to Valpico Rd	3,837,154	F354-ISP South Area	573,554	72,143	3,191,457	114,457	0	3,077,000	0	0	Jun 06 - Completed Reimbursement Due	100%
73065	Widening, Tracy Blvd Sycamore to Linne Rd	279,100	F352-SMP Area F355-Presidio Area F354-ISP South Area Developer Contribution	41,700 37,800 0 101,300	0 0 98,300 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	Dec 02 - Completed Reimbursement Due Insufficient Funds	100%
73069	Construct, Street "A" Grant Line Rd to Auto Mall Dr	1,917,600	F353-I205 Corridor Area Developer Contribution	0 0	0 0	841,700 1,075,900	0 0	0 0	0 0	841,700 1,075,900	0 0	Jun 13 Insufficient Funds	100%
73084	New Interchange I205 & Lammers Rd	61,423,800	F356-Tracy Gateway Area Federal TEA Grant F242-Transp Sales Tax Developer Contribution Future Developments	54,340 691,152 0 146,086 0	0 0 0 0 0	18,035,660 5,956,648 2,579,000 353,914 33,607,000	25,660 302,348 0 353,914 0	0 0 0 0 0	0 0 0 0 0	18,010,000 5,654,300 2,579,000 0 33,607,000	0 0 0 0 0	Jun 15 EIR Underway Insufficient Funds	85%
73090	Extension, Chrisman Rd Grant Line Rd to I205	3,985,891	F357-NEI Area, Ph 2 F351-NEI Area, Ph 1	270,391 0	0 0	3,715,500 0	0 0	0 0	297,400 0	3,418,100 0	0 0	Jun 13 Insufficient Funds	100%
73092	Widening, Lammers Rd 3,000 feet south of 11th St	10,976,000	F356-Tracy Gateway Area	1,498,630	0	9,477,370	0	0	9,477,370	0	0	Jun 12 Insufficient Funds	100%
73093	Widening, 11th St 4,500 feet west of Lammers Rd	13,974,000	F356-Tracy Gateway Area	0	0	13,974,000	0	0	13,974,000	0	0	Jun 12 Insufficient Funds	100%
73095	Widening, Valpico Road Tracy Blvd to Pebblebrook Dr	10,905,000	F354-ISP South Area F313-Infill Area, Arterials F242-Transp Sales Tax	0 0 11,524	0 0 0	10,201,500 203,500 488,476	500,000 0 488,476	0 0 0	1,344,800 0 0	8,356,700 203,500 0	0 0 0	Jun 12 Insufficient Funds	85%
73102	Widening, Corral Hollow Road Byron to Grant Line, Ph II	4,333,200	F353-I205 Corridor Area Future Development	82,918 0	60,920 0	2,562,362 1,627,000	206,162 0	0 0	2,356,200 1,627,000	0 0	0 0	Jun 13 Insufficient Funds	100%
73103	Widening, Corral Hollow Road 11th to Schulte	4,849,600	F323-Plan C Area, Arterials F245-Gas Tax	148,007 0	222,643 0	1,952,450 2,526,500	1,952,450 192,000	0 0	0 2,334,500	0 0	0 0	Dec 12 Insufficient Funds	48%
73126	Widening, MacArthur Dr Schulte to Valpico, Ph II	6,279,200	F313-Infill Area, Arterials F354-ISP South Area	0 0	0 0	3,632,800 2,646,400	100,000 0	0 0	200,000 0	0 0	3,332,800 2,646,400	Dec 15 Insufficient Funds	79%

**EXHIBIT C**  
**Summary of Expenses and Anticipated Construction Dates**  
**for Fiscal Year Ended June 30, 2010**  
(Government Code §66006(b)(1)(C) and (D).)

Fee Funded Capital Improvement Projects						Five Year Plan - FY10-11 through FY14-15					July 1, 2010		
Project	Project Title	Project \$ Total	Funding Sources	Prior Years Expenditures	FY09-10 Actual Exp's	Total	<----- New Appropriations Required ----->					Anticipated Completion Date & Comments	% of Project Fee Funded
							FY10-11	FY11-12	FY12-13	FY13-14	FY14-15		
74040	Sewer Line Replacement, Acacia St	414,600	F352-SMP Area F523-Wastewater Capital	205,948 101,006	0 0	-22,948 130,594	-22,948 130,594	0 0	0 0	0 0	0 0	Aug 08 Work Completed	44%
74049	Wastewater Treatment Plant Upgrade & Plant Expansion, Phase 1B	73,934,296	Debt Proceeds F325-Plan C Area, Utilities F351-NEI Area, Ph 1 F352-SMP Area F353-I205 Corridor Area F354-ISP South Area F355-Presidio Area F356-Tracy Gateway Area F318-Infill Wastewater F523-Wastewater Capital	30,000,000 23,098,212 543,000 2,999,355 4,759,662 310,500 1,700,000 0 4,631,421 5,859,762	0 0 0 0 0 0 0 0 32,384 0	-2,046,300 0 4,102,800 0 2,604,000 0 0 738,800 0 -5,399,300	0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0	-837,300 0 3,000,000 0 1,504,000 0 0 738,800 0 -4,405,500	-1,209,000 0 1,102,800 0 1,100,000 0 0 0 0 -993,800	0 0 0 0 0 0 0 0 0 0	Oct 08 Work Completed Interfund Reimbursements	49%
74057	WW Line Upgrades, Grant Line Rd, East Trunk	2,419,901	F523-Wastewater Capital F318-Infill Wastewater	984,060 56,000	0 163	1,379,678 0	1,379,678 0	0 0	0 0	0 0	0 0	Sep 10 Work Underway	2%
74064	Reclaimed Water Pipe, 11th St, W of Lammers Rd	1,893,600	F356-Tracy Gateway Area	0	0	1,893,600	0	0	1,893,600	0	0	Jun 12 Insufficient Funds	100%
74068	WW Collection System Improves, East of Chrisman Rd	2,593,000	F357-NEI Area, Ph 2	2,586,160	6,840	0	0	0	0	0	0	Dec 08 Work Completed	100%
74083	WW Treatment Plant Expansion - Ph 2A	20,000,000	F357-NEI Area, Ph 2 Future Development	0 0	577,072 0	4,422,928 15,000,000	4,422,928 0	0 0	0 0	0 15,000,000	0	Jun 13 Insufficient Funds	100%
74084	WW Upgrades, East Side	2,910,400	F354-ISP South Area	0	13	2,910,387	1,115,187	795,200	1,000,000	0	0	Feb 12 - Insufficient Funds	100%
75032	Water Treatment/Supply Expansion, SSJID	50,531,649	F513-Water Capital F318-Infill Wastewater F353-I205 Corridor Area F325-Plan C Area, Utilities F351-NEI Area, Ph 1 F352-SMP Area F355-Presidio Area	4,478,104 1,266,707 9,217,738 20,119,797 10,412,100 2,364,100 2,665,900	0 7,203 0 0 0 0 0	-670,700 0 670,700 0 0 0 0	0 0 0 0 0 0 0	0 0 0 0 0 0 0	-670,700 0 670,700 0 0 0 0	0 0 0 0 0 0 0	Aug 05 Work Completed Interfund Reimbursements	92%	
75046	Water Distribution System, NEI	3,154,500	F351-NEI Area, Ph 1	2,391,293	245	762,962	762,962	0	0	0	0	Dec 11 Ph 2 Design Underway	100%



**EXHIBIT C**  
**Summary of Expenses and Anticipated Construction Dates**  
**for Fiscal Year Ended June 30, 2010**  
(Government Code §66006(b)(1)(C) and (D).)

Fee Funded Capital Improvement Projects						Five Year Plan - FY10-11 through FY14-15					July 1, 2010		
Project	Project Title	Project \$ Total	Funding Sources	Prior Years Expenditures	FY09-10 Actual Exp's	Total	<----- New Appropriations Required ----->					Anticipated Completion Date & Comments	% of Project Fee Funded
							FY10-11	FY11-12	FY12-13	FY13-14	FY14-15		
75061	Water Supply Purchases from WSID & BCID	11,397,339	F513-Water Capital F317-Infill Water	6,708,452 1,811,290	0 2,597	2,662,021 212,979	62,500 62,500	62,500 62,500	62,500 62,500	2,474,521 25,479	0 0	Feb 14 Insufficient Funds	18%
75069	Water Distribution, Valpico Road East of MacArthur Dr	232,924	F325-Plan C Area, Utilities F352-SMP Area	56,834 0	0 0	176,090 0	0 0	0 0	176,090 0	0 0	0 0	Aug 12 Insufficient Funds	100%
75085	Water Distribution System, Tracy Gateway Area	6,033,000	F356-Tracy Gateway Area	53,572	0	5,979,428	11,428	0	5,968,000	0	0	Jun 12 Design Underway	100%
75092	Water Well #9 (1.7 mgd)	2,971,400	F351-NEI Area, Ph 1 F352-SMP Area F355-Presidio Area	886,909 0 0	1,078,146 459,000 292,000	134,145 121,200 0	134,145 121,200 0	0 0 0	0 0 0	0 0 0	0 0 0	Dec 10 Work Underway	100%
75108	Water Lines, MacArthur Drive, Linne to Valpico	1,641,700	F513-Water Capital F325-Plan C Area, Utilities F352-SMP Area F354-ISP South Area	0 0 0 0	0 0 0 0	337,500 970,700 333,500 0	0 333,500 970,700 337,500	0 0 0 0	337,500 637,200 -637,200 -337,500	0 0 0 0	0 0 0 0	Jul 11 Design Underway	100%
76027	Drainage Improves Bessie Ave, Eaton to GLR	411,181	F312-Infill Area, Storm Drain	62,782	344,979	3,420	3,420	0	0	0	0	Jun 11 Work Underway	100%
76028	Storm Drain Line Grant Line, W of Paradise	1,312,761	F351-NEI Area, Ph 1	52,461	0	1,260,300	0	0	1,260,300	0	0	Dec 12 Insufficient Funds	100%
76036	Channel Improvements C2 Channel, NEI Area	1,599,500	F351-NEI Ph 1 Area	0	0	1,599,500	772,500	0	827,000	0	0	Dec 11 Insufficient Funds	100%
76043	Drainage Improvements NE Industrial Area	340,100	F351-NEI Ph 1 Area	0	0	340,100	161,300	0	178,800	0	0	Dec 11 Insufficient Funds	100%
76045	Detention Basin 2A ISP South, Zone 2	5,236,507	F354-ISP South Area F322-Plan C Drainage F312-Infill Area, Storm Drain Developer Contribution	510,254 0 0 3,694,000	193,031 839,222 0 0	2,214,760 263,470 182,900 -2,661,130	0 0 0 0	0 0 0 0	2,214,760 263,470 182,900 -2,661,130	0 0 0 0	0 0 0 0	Apr 07 Reimbursements Due	100%
76053	Basin Upgrade, Placencia Fields	50,000	F345-RSP Area, Prgm Mgt	0	0	50,000	50,000	0	0	0	0	Jun 11 Work Underway	100%

**EXHIBIT C**  
**Summary of Expenses and Anticipated Construction Dates**  
**for Fiscal Year Ended June 30, 2010**  
(Government Code §66006(b)(1)(C) and (D).)

Fee Funded Capital Improvement Projects						Five Year Plan - FY10-11 through FY14-15					July 1, 2010		
Project	Project Title	Project \$ Total	Funding Sources	Prior Years Expenditures	FY09-10 Actual Exp's	Total	<----- New Appropriations Required ----->					Anticipated Completion Date & Comments	% of Project Fee Funded
							FY10-11	FY11-12	FY12-13	FY13-14	FY14-15		
76058	Pond Removal, Greenleaf #1 Pond	350,000	F312-Infill Area, Storm Drain	0	0	350,000	350,000	0	0	0	0	Jun 12 Work Underway	100%
76059	Drainage Improvements South MacArthur, Ph 2	675,600	F322-Plan C Drainage F352-SMP Area	0 0	0 0	621,600 54,000	621,600 54,000	0	0	0	0	Jun 11 Work Underway	100%
78054	Aquatics Center	13,241,000	F324-Gen Fac Plan C F352-SMP Area F354-ISP South Area F355-Presidio Area Developer Contribution	93,875 0 0 0 0	52,882 0 0 0 0	2,609,243 138,800 231,500 114,700 10,000,000	2,609,243 129,900 0 107,700 0	0 0 0 0 0	0 8,900 231,500 7,000 10,000,000	0 0 0 0 0	0 0 0 0 0	Jun 13 Design Underway	24%
78058	Neighborhood Park C11 Veterans Park, Glenbriar	3,979,902	F321-Plan C Area, Parks	3,977,241	2,661	0	0	0	0	0	0	Dec 09 Work Completed	100%
78088	Library Facility Expansion, Location Unknown	2,112,900	F311-Infill Area, Parks F324-Gen Fac Plan C F352-SMP Area F354-ISP South Area F355-Presidio Area	0 0 0 0 0	0 0 0 0 0	527,000 1,260,200 141,000 69,000 115,700	0 0 0 0 0	0 0 0 0 0	0 400,000 0 0 0	527,000 860,200 141,000 69,000 115,700	0 0 0 0 0	Jun 13 Insufficient Funds	100%
78115	Youth Sports Facilities, Holly Sugar Site	10,621,630	F301-General Projects F321-Plan C Area, Parks F352-SMP Area	290,646 0 0	0 0 0	7,804,984 1,648,000 878,000	7,804,984 1,648,000 878,000	0 0 0	0 0 0	0 0 0	0 0 0	Dec 11 Design Underway	24%
78124	Dog Park Site, Gretchen Talley Park	147,000	F391-Kagehiro Parks	0	0	147,000	147,000	0	0	0	0	Jun 11 Planning Underway	100%
79201	Infill Area Program Management	1,988,219	F31x-Infill Funds	207,779	1,380	1,779,060	111,060	0	80,000	80,000	1,508,000	Jun 15 Annual Contingency <sup>2</sup>	100%
79203	I205 Area Program Management	802,217	F353-I205 Corridor Area	733,775	18,442	50,000	25,000	25,000	0	0	0	Jun 12 Annual Contingency	100%
79204	Plan C Area Program Management	4,992,511	F391-Plan C Area, Prgm Mgt	2,406,283	1,968,538	617,690	117,690	0	100,000	100,000	300,000	Jun 15 Annual Contingency	100%

**EXHIBIT C**  
**Summary of Expenses and Anticipated Construction Dates**  
**for Fiscal Year Ended June 30, 2010**  
(Government Code §66006(b)(1)(C) and (D).)

Fee Funded Capital Improvement Projects						Five Year Plan - FY10-11 through FY14-15					July 1, 2010		
Project	Project Title	Project \$ Total	Funding Sources	Prior Years Expenditures	FY09-10 Actual Exp's	Total	<----- New Appropriations Required ----->					Anticipated Completion Date & Comments	% of Project Fee Funded
							FY10-11	FY11-12	FY12-13	FY13-14	FY14-15		
79205	ISP South Area Program Management	1,805,040	Developer Contribution F354-ISP South Area	236,980 440,416	0 22,244	0 1,105,400	0 78,700	0 0	0 75,000	0 75,000	0 876,700	Jun 15 Annual Contingency	100%
79206	NEI Area, Ph 1 Program Management	2,315,040	F351-NEI Area, Ph 1 Developer Contribution	1,916,041 63,505	155,564 0	179,930 0	64,330 0	0 0	50,000 0	50,000 0	15,600 0	Jun 14 Annual Contingency	100%
79207	South MacArthur Area Program Management	383,989	F352-SMP Area	122,790	43,469	217,730	45,500	0	50,000	50,000	72,230	Jun 15 Annual Contingency	100%
79208	NEI Area, Ph 2 Program Management	2,300,750	F357-NEI Area, Ph 2	237,388	82,972	1,980,390	129,490	0	280,200	280,200	1,290,500	Jun 15 Annual Contingency	100%
79209	Tracy Gateway Area Program Management	1,741,650	F356-Tracy Gateway Area	6,875	1,535	1,733,240	50,000	0	242,300	292,300	1,148,640	Jun 15 Annual Contingency	100%
<b>TOTALS</b>		<u>\$427,143,284</u>		<u>\$168,008,280</u>	<u>\$8,237,326</u>	<u>\$250,897,679</u>	<u>\$46,354,999</u>	<u>\$945,200</u>	<u>\$63,654,410</u>	<u>\$47,193,900</u>	<u>\$92,749,170</u>		

Footnotes:

<sup>1</sup> Sufficient funds have not been collected to complete this project.

<sup>2</sup> Program Management fees are annual contingencies for Program Plan Areas not yet built out.

**Exhibit D: Report of Findings for Development Fee Funds  
Collected for the Fiscal Year Ended June 30, 2010**  
(Government Code §66001(d).)

INFILL AREA, PARK FEE- FUND 311

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Infill July 2006 Update Finance and Implementation Plan and dated July 18, 2006, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

INFILL AREA, STORM DRAINAGE FEE - FUND 312

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Infill July 2006 Update Finance and Implementation Plan and dated July 18, 2006, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

INFILL AREA, ARTERIALS FEE - FUND 313

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Infill July 2006 Update Finance and Implementation Plan and dated July 18, 2006, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

INFILL AREA, PUBLIC BUILDINGS AND EQUIPMENT FEE - FUND 314

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Infill July 2006 Update Finance and Implementation Plan and dated July 18, 2006, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

INFILL AREA, DOWNTOWN IMPROVEMENTS PARKING FEE - FUND 316

In conjunction with the adoption of Tracy Municipal Code chapter 6.20 regarding the Downtown Incentive Program, and TMC section 10.08.3470(d)(3), regarding off-street parking requirements within the Downtown Incentive Area, development impact fees were established to offset a portion of the City's costs in upgrading parking and streetscape improvements in the Downtown Incentive Area.

INFILL AREA, WATER FEE - FUND 317

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Infill July 2006 Update Finance and Implementation Plan and dated July 18, 2006, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

INFILL AREA, WASTEWATER FEE - FUND 318

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Infill July 2006 Update Finance and Implementation Plan and dated July 18, 2006, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

PLAN C AREA, PARKS FEE - FUND 321

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Plan C June 2007 Update Finance and Implementation Plan and dated June 19, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

PLAN C AREA, STORM DRAINAGE FEE - FUND 322

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Plan C June 2007 Update Finance and Implementation Plan and dated June 19, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

PLAN C AREA, ARTERIALS FEE - FUND 323

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Plan C June 2007 Update Finance and Implementation Plan and dated June 19, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

**Exhibit D: Report of Findings for Development Fee Funds  
Collected for the Fiscal Year Ended June 30, 2010**  
(Government Code §66001(d).)

PLAN C AREA, GENERAL FACILITIES FEE - FUND 324

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Plan C June 2007 Update Finance and Implementation Plan and dated June 19, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

PLAN C AREA, UTILITIES FEE - FUND 325

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Plan C June 2007 Update Finance and Implementation Plan and dated June 19, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

PLAN C AREA, PROGRAM MANAGEMENT FEE - FUND 391

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Plan C June 2007 Update Finance and Implementation Plan and dated June 19, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

RESIDENTIAL SPECIFIC PLAN AREA, PARKS FEE - FUND 341

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Residential Specific Plan (RSP) 2003 Update Finance and Implementation Plan and dated July 15, 2003, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

RESIDENTIAL SPECIFIC PLAN AREA, STORM DRAINAGE FEE - FUND 342

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Residential Specific Plan (RSP) 2003 Update Finance and Implementation Plan and dated July 15, 2003, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

RESIDENTIAL SPECIFIC PLAN AREA, ARTERIALS FEE - FUND 343

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Residential Specific Plan (RSP) 2003 Update Finance and Implementation Plan and dated July 15, 2003, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

RESIDENTIAL SPECIFIC PLAN AREA, PUBLIC BUILDINGS FEE - FUND 344

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Residential Specific Plan (RSP) 2003 Update Finance and Implementation Plan and dated July 15, 2003, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

RESIDENTIAL SPECIFIC PLAN AREA, PROGRAM MANAGEMENT FEE - FUND 345

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Residential Specific Plan (RSP) 2003 Update Finance and Implementation Plan and dated July 15, 2003, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

NORTHEAST INDUSTRIAL AREA, PHASE 1, ARTERIALS FEE - FUND 351

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Northeast Industrial Area - Phase 1 Update Finance and Implementation Plan and dated April 15, 2008, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

NORTHEAST INDUSTRIAL AREA, PHASE 1, STORM DRAINAGE FEE - FUND 351

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Northeast Industrial Area - Phase 1 Update Finance and Implementation Plan and dated April 15, 2008, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

**Exhibit D: Report of Findings for Development Fee Funds  
Collected for the Fiscal Year Ended June 30, 2010**

(Government Code §66001(d).)

NORTHEAST INDUSTRIAL AREA, PHASE 1, WATER FEE - FUND 351

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Northeast Industrial Area - Phase 1 Update Finance and Implementation Plan and dated April 15, 2008, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

NORTHEAST INDUSTRIAL AREA, PHASE 1, WASTEWATER FEE - FUND 351

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Northeast Industrial Area - Phase 1 Update Finance and Implementation Plan and dated April 15, 2008, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

NORTHEAST INDUSTRIAL AREA, PHASE 1, PUBLIC BUILDINGS FEE - FUND 351

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Northeast Industrial Area - Phase 1 Update Finance and Implementation Plan and dated April 15, 2008, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

NORTHEAST INDUSTRIAL AREA, PHASE 1, PROGRAM MANAGEMENT FEE - FUND 351

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Northeast Industrial Area - Phase 1 Update Finance and Implementation Plan and dated April 15, 2008, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

SOUTH MACARTHUR PLAN AREA, ARTERIALS FEE - FUND 352

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called South MacArthur Plan Area Finance and Implementation Plan 2005 Update and dated September 20, 2005, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

SOUTH MACARTHUR PLAN AREA, STORM DRAINAGE FEE - FUND 352

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called South MacArthur Plan Area Finance and Implementation Plan 2005 Update and dated September 20, 2005, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

SOUTH MACARTHUR PLAN AREA, PARKS FEE - FUND 352

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called South MacArthur Plan Area Finance and Implementation Plan 2005 Update and dated September 20, 2005, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

SOUTH MACARTHUR PLAN AREA, WATER FEE - FUND 352

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called South MacArthur Plan Area Finance and Implementation Plan 2005 Update and dated September 20, 2005, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

SOUTH MACARTHUR PLAN AREA, WASTEWATER FEE - FUND 352

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called South MacArthur Plan Area Finance and Implementation Plan 2005 Update and dated September 20, 2005, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

SOUTH MACARTHUR PLAN AREA, PROGRAM MANAGEMENT FEE - FUND 352

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called South MacArthur Plan Area Finance and Implementation Plan 2005 Update and dated September 20, 2005, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

**Exhibit D: Report of Findings for Development Fee Funds  
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(Government Code §66001(d).)

INDUSTRIAL SPECIFIC PLAN SOUTH AREA, ARTERIALS FEE - FUND 354

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Updated ISP South Finance and Implementation Plan and dated March 17, 2009, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

INDUSTRIAL SPECIFIC PLAN SOUTH AREA, ARTERIALS FEE - FUND 354

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Updated ISP South Finance and Implementation Plan and dated March 17, 2009, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

INDUSTRIAL SPECIFIC PLAN SOUTH AREA, STORM DRAINAGE FEE - FUND 354

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Updated ISP South Finance and Implementation Plan and dated March 17, 2009, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

INDUSTRIAL SPECIFIC PLAN SOUTH AREA, PARKS FEE - FUND 354

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Updated ISP South Finance and Implementation Plan and dated March 17, 2009, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

INDUSTRIAL SPECIFIC PLAN SOUTH AREA, PUBLIC BUILDINGS FEE - FUND 354

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Updated ISP South Finance and Implementation Plan and dated March 17, 2009, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

INDUSTRIAL SPECIFIC PLAN SOUTH AREA, WATER FEE - FUND 354

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Updated ISP South Finance and Implementation Plan and dated March 17, 2009, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

INDUSTRIAL SPECIFIC PLAN SOUTH AREA, WASTEWATER FEE - FUND 354

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Updated ISP South Finance and Implementation Plan and dated March 17, 2009, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

INDUSTRIAL SPECIFIC PLAN SOUTH AREA, PROGRAM MANAGEMENT FEE - FUND 354

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Updated ISP South Finance and Implementation Plan and dated March 17, 2009, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

PRESIDIO AREA, ARTERIALS FEE - FUND 355

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Presidio Planning Area Finance and Implementation Plan and dated June 30, 2000, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

PRESIDIO AREA, ARTERIALS - REGIONAL FEE - FUND 355

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Presidio Planning Area Finance and Implementation Plan and dated June 30, 2000, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

**Exhibit D: Report of Findings for Development Fee Funds  
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(Government Code §66001(d).)**

PRESIDIO AREA, STORM DRAINAGE FEE - FUND 355

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Presidio Planning Area Finance and Implementation Plan and dated June 30, 2000, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

PRESIDIO AREA, PUBLIC BUILDINGS FEE - FUND 355

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Presidio Planning Area Finance and Implementation Plan and dated June 30, 2000, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

PRESIDIO AREA, WATER FEE - FUND 355

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Presidio Planning Area Finance and Implementation Plan and dated June 30, 2000, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

PRESIDIO AREA, WASTEWATER FEE - FUND 355

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Presidio Planning Area Finance and Implementation Plan and dated June 30, 2000, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

PRESIDIO AREA, PROGRAM MANAGEMENT FEE - FUND 355

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Presidio Planning Area Finance and Implementation Plan and dated June 30, 2000, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

TRACY GATEWAY AREA, ARTERIALS FEE - FUND 356

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Tracy Gateway Project Infrastructure Cost Obligations and Phase 1 Finance and Implementation Plan Update and dated July 17, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

TRACY GATEWAY AREA, STORM DRAINAGE FEE - FUND 356

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Tracy Gateway Project Infrastructure Cost Obligations and Phase 1 Finance and Implementation Plan Update and dated July 17, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

TRACY GATEWAY AREA, PUBLIC BUILDINGS FEE - FUND 356

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Tracy Gateway Project Infrastructure Cost Obligations and Phase 1 Finance and Implementation Plan Update and dated July 17, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

TRACY GATEWAY AREA, WATER FEE - FUND 356

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Tracy Gateway Project Infrastructure Cost Obligations and Phase 1 Finance and Implementation Plan Update and dated July 17, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

TRACY GATEWAY AREA, WASTEWATER FEE - FUND 356

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Tracy Gateway Project Infrastructure Cost Obligations and Phase 1 Finance and Implementation Plan Update and dated July 17, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.



**Exhibit D: Report of Findings for Development Fee Funds  
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TRACY GATEWAY AREA, PROGRAM MANAGEMENT FEE - FUND 356

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Tracy Gateway Project Infrastructure Cost Obligations and Phase 1 Finance and Implementation Plan Update and dated July 17, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

NORTHEAST INDUSTRIAL AREA, PHASE 2, ARTERIALS FEE - FUND 357

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Northeast Industrial Area - Phase 2 Finance and Implementation Plan and dated January 15, 2008, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

NORTHEAST INDUSTRIAL AREA, PHASE 2, STORM DRAINAGE FEE - FUND 357

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Northeast Industrial Area - Phase 2 Finance and Implementation Plan and dated January 15, 2008, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

NORTHEAST INDUSTRIAL AREA, PHASE 2, WATER FEE - FUND 357

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Northeast Industrial Area - Phase 2 Finance and Implementation Plan and dated January 15, 2008, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

NORTHEAST INDUSTRIAL AREA, PHASE 2, WASTEWATER FEE - FUND 357

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Northeast Industrial Area - Phase 2 Finance and Implementation Plan and dated January 15, 2008, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

NORTHEAST INDUSTRIAL AREA, PHASE 2, PUBLIC BUILDINGS FEE - FUND 357

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Northeast Industrial Area - Phase 2 Finance and Implementation Plan and dated January 15, 2008, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

NORTHEAST INDUSTRIAL AREA, PHASE 2, PROGRAM MANAGEMENT FEE - FUND 357

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest financing and implementation plan (FIP), called Northeast Industrial Area - Phase 2 Finance and Implementation Plan and dated January 15, 2008, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

I-205 CORRIDOR AREA, ARTERIALS FEE - FUND 353

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest Cost Allocation Distribution Spreadsheet, called I-205 Corridor Specific Plan Spreadsheet #47 and dated June 19, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

I-205 CORRIDOR AREA, STORM DRAINAGE FEE - FUND 353

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest Cost Allocation Distribution Spreadsheet, called I-205 Corridor Specific Plan Spreadsheet #47 and dated June 19, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

I-205 CORRIDOR AREA, PARKS FEE - FUND 353

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest Cost Allocation Distribution Spreadsheet, called I-205 Corridor Specific Plan Spreadsheet #47 and dated June 19, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

**Exhibit D: Report of Findings for Development Fee Funds  
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(Government Code §66001(d).)

I-205 CORRIDOR AREA, PUBLIC BUILDINGS FEE - FUND 353

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest Cost Allocation Distribution Spreadsheet, called I-205 Corridor Specific Plan Spreadsheet #47 and dated June 19, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

I-205 CORRIDOR AREA, WATER FEE - FUND 353

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest Cost Allocation Distribution Spreadsheet, called I-205 Corridor Specific Plan Spreadsheet #47 and dated June 19, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

I-205 CORRIDOR AREA, SEWER TREATMENT FEE - FUND 353

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest Cost Allocation Distribution Spreadsheet, called I-205 Corridor Specific Plan Spreadsheet #47 and dated June 19, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

I-205 CORRIDOR AREA, PROGRAM MANAGEMENT FEE - FUND 353

The purpose of the fee, relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth (1) in the latest Cost Allocation Distribution Spreadsheet, called I-205 Corridor Specific Plan Spreadsheet #47 and dated June 19, 2007, and (2) in the extrapolation of the City's most recent Capital Improvement Plan, dated July 1, 2010, which is incorporated here by reference.

HABITAT MITIGATION FEES - FUND XXX

The purpose of the fee is to mitigate the cumulative impacts to threatened, endangered, rare, and unlisted SJMSCP covered species and other wildlife and other impacts to recreation, agriculture, scenic values, and other beneficial open space uses of new development on undeveloped lands. The relationship between the fee and the purpose for which the fee is imposed is set forth in the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan, dated July 25, 2001 prepared by San Joaquin Council of Governments (SJCOG). The fees collected are remitted to SJCOG pursuant to the Plan.

AGRICULTURAL MITIGATION FEES - FUND 116

The purpose of the fee is to mitigate the loss of productive agricultural lands converted for urban uses within the City by permanently protecting agricultural lands planned for agricultural use and by working with farmers who voluntarily wish to sell or restrict their land in exchange for fair compensation. The relationship between the fee and the purpose is set forth in Tracy Municipal Code Chapter 13.28 and in the South San Joaquin County Farmland Conversion Fee Nexus Study, dated July 18, 2005 and prepared by ESA, including any amendments to it. Pursuant to Tracy Municipal Code section 13.28.080(b) and an agreement entered into, the monies in the fund are forwarded to the Central Valley Farmland Trust, Inc., a California non-profit public benefit corporation, a qualified entry under Chapter 13.28.

COUNTY FACILITIES FEE - FUND 391

The purpose of the fee is to finance the construction of region-serving capital facilities located throughout San Joaquin County to reduce the impacts caused by future development in San Joaquin County. The funds derived from County Facilities Fees will be used to finance the facilities identified in the San Joaquin County Facilities Fees Nexus Report dated October 23, 2003 and prepared by the County of San Joaquin. Pursuant to Tracy Municipal Code Chapter 13.24.020(b) and an agreement entered into, the monies in the fund are remitted to the County of San Joaquin, who is responsible for administering the fee funds and constructing the capital facilities.

REGIONAL TRANSPORTATION IMPACT FEE - FUND 808

The purpose of the fee is to finance the construction of transportation and transit improvements that help mitigate impacts to the San Joaquin County regional transportation network. Pursuant to Tracy Municipal Code Chapter 13.32.020(b)(2), the fees collected shall be used to finance Regional Transportation Impact Fee capital projects identified in the San Joaquin County Regional Transportation Impact Fee Technical Report dated October 27, 2005, prepared by the San Joaquin Council of Governments (SJCOG). The monies in the fund are remitted to SJCOG, who has the responsibility as the region's designated Metropolitan Planning Organization and through its powers as specified in its joint powers agreement to maintain and improve the Regional Transportation Network, as per the Regional Transportation Impact Fee Operating Agreement, dated October 27, 2005.

AGENDA ITEM 1.G

REQUEST

**ADOPT RESOLUTION APPROVING A PROPERTY TAX SHARING AGREEMENT  
BETWEEN THE COUNTY OF SAN JOAQUIN AND THE CITY OF TRACY**

EXECUTIVE SUMMARY

The current property tax sharing agreement between the County of San Joaquin and the City has expired. A new agreement (with all the same terms as the old) has been proposed. This action will approve this new agreement.

DISCUSSION

Before land can be annexed to a city, there must be a tax sharing agreement in place between the City and the County. Such agreement concerns the sharing of approximately 35 cents of every property tax dollar. This 35 cents is known as the “local portion” of property tax as the remaining 65 cents goes to schools and the State of California. All of the cities in San Joaquin County have the same agreement. The following is a history of the previous tax sharing agreements.

Prior to 1995	County 65% (of the 35 cents) and City 35%
1995 to 6/15/2003	County 90% City 10% if any relevant Fire District also detaches County 95% City 5% if any relevant Fire District does not detach (This applies to Tracy since Tracy Rural Fire does not detach) The Gateway annexation fell under the 95%/5% split but two other annexations of the City of Tracy received an 80% County 20% City split (North East Industrial and South MacArthur)
10/1/03 to 9/30/10	County 80% City 20% (detached Fire) County 85% City 15% (non detaching Fire – applies to Tracy) In this agreement the County increased the percentage going to a City from the previous agreement (1995 to 2003) if the City would adopt a County facilities fee. All cities in San Joaquin County did this and therefore collect a development impact fee for County facilities and remit these fees to the County

Since the last property tax sharing agreement has expired, a new agreement will need to be approved. The County has proposed extending all the same terms of the recently expired agreement. The new agreement will expire 6/20/12. Cities have no negotiating power in property tax sharing agreements because if the County does not approve such an agreement, LAFCO will not approve any annexation of land to a City. If there is no property tax sharing agreement, then no annexations can take place.

STRATEGIC PLAN

This item is a routine item and does not relate to the City Council’s seven strategic plans.

FISCAL IMPACT

If an annexation of land to the City of Tracy were to be approved during the term of this agreement, the property tax split (of the 35 cent local portion) would be County 85% and City 15%. This means the City would receive just 5.25 cents of every property tax dollar paid by land owners in the annexed area (15% x 35 cents).

RECOMMENDATION

It is recommended that the City Council by resolution approve the Agreement for the Administration of the County Facilities Fee Program and authorize the Mayor to execute.

Attachment A – Property Tax Sharing Agreement

Prepared by: Zane H. Johnston, Finance & Administrative Services Director

Approved by: Leon Churchill, Jr., City Manager

County of San Joaquin and City of Tracy  
**Agreement For Property Tax Allocation Upon Annexation**  
A-OS- \_\_\_\_\_

THIS AGREEMENT entered into this \_\_\_ day of \_\_\_\_\_, 2010 by and between the City of Tracy, hereinafter referred to as "CITY" and the County of San Joaquin, hereinafter referred to as "COUNTY",

PREAMBLE:

CITY and COUNTY acknowledge that both CITY and COUNTY have increasing service responsibilities with restrained revenue resources. There is no consensus between CITY and COUNTY regarding the analysis of local government funding issues arising from annexations. CITY and COUNTY each have their own distinctive and differing perspectives on costs and revenues generated by annexed areas. However, there is a statutory requirement for a Property Tax Allocation Agreement for the Local Agency Formation Commission to annex land.

WITNESSETH:

WHEREAS, Article 13A, Section 1 of the Constitution of the State of California limits ad valorem taxes on real property to one percent (1 %) of full cash value: and

WHEREAS, Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code (Sections 95 et seq.) provides for the allocation of property tax revenues; and

WHEREAS, CITY and COUNTY must have an agreement for the allocation of property tax revenues upon annexation.

NOW, THEREFORE, in consideration of the promises and the following terms and conditions, the parties hereto agree as follows:

1. DEFINITIONS. The words and phrases in this Agreement shall have meanings as set forth below:
  - A. "Annexation Property Tax Base" shall mean the Base Year sum of the ad valorem tax allocated to Detaching Special Districts, as defined herein, and to COUNTY within the area being annexed.
  - B. "Detaching Special Districts" shall mean those political subdivisions organized pursuant to the laws of the State of California whose functions within the area being annexed are terminated and/or assumed by CITY.
  - C. "Detachment" shall mean the removal from a special district of any portion of the territory of that special district.
  - D. "Base Year" shall mean the assessed valuation applicable to the property and improvements within the area being annexed at the time the application for annexation is submitted to the Local Agency Formation Commission (LAFCO).
  - E. "Incremental Growth" shall mean the total increase or decrease in the property tax base over the base year within the annexed area.

## 2. PROPERTY TAX ALLOCATION.

Upon each annexation, property tax allocation shall be determined pursuant to one of the following provisions:

- A. Annexations that involve Detachment from a fire district. CITY and COUNTY shall, upon each annexation that, in whole or in part, involves Detachment from a fire district, share in the Annexation Property Tax Base and all Incremental Growth thereof pursuant to the ratio of 20% CITY and 80% COUNTY for all portions of the annexation that involve Detachment from a fire district.
- B. Annexations that do not involve Detachment from a fire district. CITY and COUNTY shall, upon each annexation that, in whole or in part, does not involve Detachment from a fire district, share in the Annexation Property Tax Base and Incremental Growth thereof, for all portions of the annexation that do not involve Detachment from a fire district, as follows:
  - i. Consolidated fire districts established prior to June 15, 1996, pursuant to the ratio of 20% CITY and 80% COUNTY.
  - ii. Consolidated fire districts established between June 15, 1996 and June 15, 2003, pursuant to the ratio of 15% CITY and 85% COUNTY.
  - iii. Consolidated fire districts established subsequent to June 15, 2003, pursuant to the ratio of 10% CITY and 90% COUNTY.

## 3. APPLICATION OF AGREEMENT.

- A. Term. The provisions of this Agreement shall apply to all pending and future annexations as of October 1, 2010 until June 30, 2012, unless otherwise terminated under Section 7.
- B. Effective date. The effective date of property tax allocation for each annexation shall be determined in accordance with Government Code Section 54902 and any succeeding statutory provisions. Currently, statements of boundary change must be filed with the State Board of Equalization on or before December 1 of the year immediately preceding the year in which property taxes are to be shared.
- C. Future property taxes. The provisions of this Agreement would also apply to any property exempt from ad valorem taxes which subsequently become taxable within the area to be annexed.
- D. Terms of subsequent agreements. Should County execute an agreement with another city, with terms more favorable than those contained in Section 2, Property Tax Allocation, or Section 7, County Capital Facilities Fees, County shall negotiate comparable terms with the City of Tracy and execute an amendment to this Agreement.

## 4. JOINT REVIEW.

CITY and COUNTY may jointly review COUNTY property tax records from time to time or as requested by CITY to verify accurate distribution under the Agreement.

5. EXCLUSIONS.

- A. The Agreement shall not apply to proposed annexations areas where the COUNTY is currently receiving transient occupancy tax (TOT) revenues. Annexation agreements for areas where the COUNTY is currently receiving TOT revenues will be individually negotiated between the COUNTY and CITY to address the potential TOT loss to the COUNTY.
- B. The Agreement shall not apply to proposed annexation areas where gross taxable sales, subject to sales and use taxes, exceed \$1 million in the most recent year that taxable sales data is available from the State Board of Equalization or any other State successor organization that may provide taxable sales information. Annexation agreements for areas containing over \$1 million in taxable sales will be individually negotiated between the COUNTY and CITY to address the potential sales and use tax loss to the COUNTY.
- C. The Agreement shall not apply to annexations that, in whole or in part, include more than fifty (50) acres of COUNTY owned property. Such annexations will be considered under separately negotiated and mutually beneficial annexation and development agreements.

6. REGIONAL COOPERATION.

In consideration of the unique and mutual funding difficulties of both CITY and COUNTY, CITY and COUNTY will jointly develop and seek to implement changes in their activities which will improve the cost effectiveness of service delivery by both CITY and COUNTY, including but not limited to consolidation of services between governmental agencies and inter-agency contracting for services.

7. COUNTY CAPITAL FACILITIES FUNDING.

CITY recognizes the importance of regional services and facilities provided by the COUNTY for all residents of the entire COUNTY. CITY shall contribute to COUNTY's funding for regional facilities by adopting a County facilities fee ordinance and resolution enacting and implementing the County Capital Facilities Fee (CCFF) Program. In accordance with the requirements of Government Code sections 66000 et seq., CITY shall consider a resolution establishing such a fee prior to or concurrent with execution of this Agreement.

8. URBAN DEVELOPMENT COOPERATION.

A rational pattern of urban land uses is a common goal of CITY and COUNTY, as expressed in their respective General Plans. The efficient construction of urban infrastructure and the delivery of municipal services requires cooperation between COUNTY and CITY within areas designated for urban development, specifically CITY'S Sphere of Influence.

- A. County General Plan Policy. COUNTY affirms the policies expressed in its General Plan that support concentration of additional major urban development within urban centers.
- B. Urban Planning and Development Cooperation. The preparation of land use and infrastructure plans within CITY'S Sphere of Influence, consistent with statutory

guidelines, is encouraged. COUNTY shall refer all major land use applications requiring discretionary approval within CITY'S Sphere of Influence to CITY for review and comment.

- C. Capital Facilities Funding and Cooperation. CITY and COUNTY will cooperate in the development of infrastructure plans within CITY'S Sphere of Influence. Relative to areas for which CITY and COUNTY have jointly adopted master plans for infrastructure and, upon request by CITY, COUNTY will schedule an Area Development Impact Fee (ADIF) for public hearing. This ADIF will incorporate CITY development impact fees that are specifically required to support jointly planned infrastructure. COUNTY shall cooperate in the construction of capital facilities thus funded.

9. COMMUNITY SERVICE FACILITIES.

- A. Sitting of Community Facilities. CITY and COUNTY recognize the importance of community services provided by COUNTY and other providers and also the importance of these services being convenient to residents of COUNTY making use of these services. Accordingly, as a part of the land use planning and pre-zoning for proposed municipal annexations, CITY will cooperate with COUNTY to identify community service needs of the local community and, where appropriate, work with COUNTY to locate potential sites for these community services facilities.
- B. Additional fees. CITY may elect to adopt or add to existing development impact fees in lieu of providing community service facility sites. Such fees may be administered within CITY or may be included as a component of the abovementioned County Capital Facilities Fee.

10. TERMINATION.

This Agreement may be terminated, by either party hereto, upon six (6) months written notice which termination shall terminate the agreement for each and every party. Said termination shall not affect annexations for which the LAFCo Executive Officer has issued a certificate of filing prior to the end of the six (6) month termination period.

11. GOVERNING LAW AND ATTORNEYS' FEES.

This Agreement shall be construed and enforced in accordance with the laws of the State of California. Should any legal action be brought by either party because of any default under this Agreement or to enforce any provision of this Agreement, or to obtain a declaration of rights hereunder, the prevailing party shall be entitled to reasonable attorneys' fees, court costs and such other costs as may be fixed by the Court. The standard of review for determining whether a default has occurred under this Agreement shall be the standard generally applicable to contractual obligations in California.

12. NOTICES.

Any notice of communication required hereunder among CITY and COUNTY must be in writing, and may be given either personally, by telefacsimile (with original forwarded by regular U.S. Mail) or by Federal Express or other similar courier promising overnight delivery. If personally delivered, a notice or communication shall be deemed to have been given and received when delivered to the party to whom it is addressed. If given by



facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day or on a Saturday, Sunday, or holiday shall be deemed to have been given and received on the next normal business day. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Such notices or communications shall be given to the parties at their addresses set forth below:

To CITY (City Manager):

Leon Churchill, Jr.  
333 Civic Center Plaza  
Tracy, California 95376  
Telefacsimile: (209) 831-6120

With copies to (City Attorney):

Daniel Sodergren  
333 Civic Center Plaza  
Tracy, California 95376  
Telefacsimile: (209) 831-6137

To COUNTY (County Administrator):

Manuel Lopez  
Courthouse, Room 707  
222 E. Weber Avenue  
Stockton, California 95202  
Telefacsimile: (209) 468-2875

With Copies To (County Counsel):

Terrence R. Dermody  
Courthouse, Room 711  
222 E. Weber Avenue  
Stockton, California 95202  
Telefacsimile: (209) 468-2875

Any party hereto may at any time, by giving ten (10) days written notice to the other parties, designate any other address or facsimile number in substitution of the address or facsimile number to which such notice or communication shall be given.

13. SEVERABILITY.

If any provision of this Agreement is held invalid, void, or unenforceable but the remainder of this Agreement can be enforced without failure of material consideration to any party, then this Agreement shall not be affected and it shall remain in full force and effect, unless amended by mutual consent of the parties. Notwithstanding this severability clause, each subsection of Section 2, Property Tax Allocation and Section 5, Exclusions, is material and substantial and the failure of said subsection is the failure of material consideration, causing the agreement to be void from the date that the subsection is held invalid.

14. FURTHER ASSURANCES.

Each party shall execute and deliver to the other party or parties all such other further instruments and documents and take all such further actions as may be reasonably necessary to carry out this Agreement and to provide and secure to the other party or parties the full and complete enjoyment of its rights and privileges hereunder.

15. CONSTRUCTION.

All parties *have* been represented by counsel in the preparation of this Agreement and no presumption or rule that ambiguity shall be construed against a drafting party shall apply to interpretation or enforcement hereof. Captions on sections and subsections are provided for convenience only and shall not be deemed to limit, amend, or affect the meaning of the provision to which they pertain.

16. OTHER MISCELLANEOUS TERMS.

The singular includes the plural; the masculine gender includes the feminine, "shall" is mandatory; "may" is permissive.

17. TIME.

Time is of the essence of each and every provision hereof.

18. COUNTERPARTS.

This Agreement may be executed in counterpart agreements, binding each executing party as if said parties executed the same agreement.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement.  
RECOMMENDED FOR APPROVAL:

\_\_\_\_\_  
Leon Churchill, Jr.  
City Manager

\_\_\_\_\_  
Manuel Lopez  
County Administrator

CITY OF TRACY

COUNTY OF SAN JOAQUIN

\_\_\_\_\_  
Brent Ives, Mayor

\_\_\_\_\_  
Steven Gutierrez, Chairman  
Board of Supervisors

Approved as to Form

Approved as to Form  
Terrence R. Dermody  
County Counsel

\_\_\_\_\_  
Daniel Sodergren  
City Attorney

\_\_\_\_\_  
By David Wooten  
Assistant County Counsel

ATTEST: Sandra Edwards  
City Clerk of City of Tracy

ATTEST: Lois M. Sahyoun  
Clerk of the Board of Supervisors

\_\_\_\_\_

\_\_\_\_\_

RESOLUTION \_\_\_\_\_

APPROVING A PROPERTY TAX SHARING AGREEMENT BETWEEN THE COUNTY OF SAN JOAQUIN AND THE CITY OF TRACY

WHEREAS, Before land can be annexed to a city, there must be a tax sharing agreement in place between the City and County, and

WHEREAS, The previous agreement expired on September 30, 2010, thus a new agreement is needed, and

WHEREAS, All of the terms of the expired agreement have been proposed for a new agreement with said new agreement to expire June 30, 2012, and

WHEREAS, The property tax sharing of the local portion of the property tax will be 85% to the County and 15% to the City of Tracy.

NOW, THEREFORE, BE IT RESOLVED That the City Council does hereby approve a property tax sharing agreement between the County of San Joaquin and the City of Tracy.

\* \* \* \* \*

The foregoing Resolution \_\_\_\_\_ was passed and adopted by the Tracy City Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2010 by the following vote:

AYES: COUNCIL MEMBERS:  
NOES: COUNCIL MEMBERS:  
ABSENT: COUNCIL MEMBERS:  
ABSTAIN: COUNCIL MEMBERS:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

AGENDA ITEM 1.H

REQUEST

**ADOPTION OF A RESOLUTION DESIGNATING MUNISERVICES AS AN  
AUTHORIZED CITY REPRESENTATIVE TO EXAMINE SALES AND USE TAX  
RECORDS**

EXECUTIVE SUMMARY

The City currently uses the firm of MuniServices to audit sales and use tax records. This action will extend that authorization to include Measure E half cent sales tax records.

DISCUSSION

Sales and use tax is collected by businesses on certain sales transactions and then remitted to the State Board of Equalization. The City receives 1% of the current sales tax rate of 8.75% (City of Tracy) if the transaction occurred within the City limits. The remaining 7.75% goes to the State and other purposes. Because point of sale determines what agency receives the 1%, it is important to audit sales and use tax information filed with the Board of Equalization. For example a business with locations in several cities could incorrectly report sales in Tracy under its permit number associated with its outlets in other communities. The City uses the firm of MuniServices to audit sales and use tax reporting.

In November 2010, Tracy voters approved Measure E which will provide an additional half cent local sales tax to the one cent (1%) the City currently receives. This tax will begin to be collected by businesses on April 1, 2010. The half cent will be reported separately from the one cent. As such, it is necessary to also authorize MuniServices to examine sales and use tax records for the half cent tax. MuniServices also provides the City quarterly reports showing a variety of useful information including sales tax by category and trends and statewide comparable data. All MuniServices used by the City can be cancelled at any time (30 day).

STRATEGIC PLAN

This item is routine and does not pertain to one of the City's seven strategic plans.

FISCAL IMPACT

MuniServices fee is based on a percentage of recovered sales tax revealed by their auditing work with such fees currently included in the FY 10-11 budget.

RECOMMENDATION

It is recommended the City Council adopt the attached resolution designating MuniServices as an authorized representative of the City of Tracy to examine sales and use tax records.

RESOLUTION \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TRACY DESIGNATING A CITY CONSULTANT AS THE AUTHORIZED CITY REPRESENTATIVE TO EXAMINE SALES AND USE TAX RECORDS

WHEREAS, pursuant to California Revenue and Taxation Code Sections 7200, et seq., and 7215, et seq., the City of Tracy has adopted a sales, use, and transaction tax ordinance (or ordinances) which meet the requirements of those code sections, and

WHEREAS, pursuant to California Revenue and Taxation Code Section 7056, the City of Tracy, by resolution, may designate any officer, employee or any other person to examine all of the sales, transaction, and use tax records of the Board pertaining to sales and use taxes collected for the City, and

WHEREAS, the City of Tracy has entered into an agreement for sales tax audit and information services with the firm of MuniServices, LLC to designate MuniServices, LLC as the authorized Consultant to examine such tax records maintained by the Board on behalf of the City of Tracy, and

WHEREAS, all legal prerequisites prior to the adoption of this Resolution have occurred;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Tracy as follows:

1. That the City Manager and Finance Director or other officer or employee of the City designated in writing by the City Council to the State Board of Equalization (hereafter referred to as Board), is hereby appointed to represent the City with authority to examine sales, transaction, and use tax records of the Board pertaining to sales, transaction and use taxes collected for the City by the Board pursuant to the contract between the City and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales, transaction, and use taxes by the Board pursuant to that contract.
2. That the City Manager and Finance Director or other officer or employee of the City designated in writing by the City Council to the Board, is hereby appointed to represent the City with authority to examine those sales, transaction, and use tax records of the Board, for purposes related to the governmental functions of the City.
3. In all respects as set forth above, the City Council of the City of Tracy hereby certifies to the State Board of Equalization that MuniServices, LLC is the designated representative of the City of Tracy to examine all of the sales, transaction, and use tax records of the Board pertaining to sales and use taxes collected by the Board on behalf of the City of Tracy.
4. Pursuant to *California Revenue and Taxation Section 7056(b)*, the City Council of the City of Tracy certifies that MuniServices, LLC (the "Consultant") meets all of the following conditions:
  - a. Consultant has an existing contract with the City to examine sales tax records;
  - b. Consultant is required by that contract to disclose information contained in, or derived from, those sales tax records only to an officer or employee of the City who is authorized by resolution to examine the information;
  - c. Consultant is prohibited by the contract from performing consulting services for a retailer during the term of the contract; and

- d. Consultant is prohibited from retaining the information contained in, or derived from, those sales tax records after the contract has expired.

\* \* \* \* \*

The foregoing Resolution \_\_\_\_\_ was passed and adopted by the Tracy City Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2010 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

AGENDA ITEM 1.I

REQUEST

**ACCEPTANCE OF THE CITY OF TRACY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

EXECUTIVE SUMMARY

The City's financial statements for the year ended June 30, 2010 have been audited by the City's independent auditing firm. This information has been incorporated into the City's Comprehensive Annual Financial Report (CAFR). This action accepts the CAFR.

DISCUSSION

The financial statements of the City of Tracy for the fiscal year ended June 30, 2010, have been prepared by the Finance and Administrative Services Department and examined by the independent accounting firm of Moss, Levy and Hartzheim. The audit was conducted in accordance with generally accepted auditing standards. It is the opinion of the auditors that the financial statements present fairly the financial position of the City as of June 30, 2010, and that the statements were prepared in conformity with generally accepted accounting principles.

Finance Staff incorporates the financial statements into a Comprehensive Annual Financial Report (CAFR), the purpose of which is to present an easily readable and organized report of the financial transactions of the City. A CAFR provides the many users of government financial statements with a wide variety of information needed to help them evaluate the financial condition of the City.

The City has won the Certificate of Achievement for Excellence in Financial Reporting for 22 straight years from the Government Finance Officers Association of America, for the preparation of this annual report.

Key Figures. The City's General Fund Balance as of 6/30/10 is \$18,985,106. Additionally, the City had \$10,550,972 as of 6/30/10 in the Reserve for Economic Uncertainty Fund for a total of \$29.5 million in reserves. Because of the economic downturn, the originally adopted budget for FY 09-10 anticipated a draw on reserves of \$7.4 million. Due to additional budget and expenditure controls, the final actual figures for FY 09-10 indicate a draw on reserves of \$5.2 million.

Although the \$29.5 million in remaining funds represents a healthy 63% of General Fund Operating expenses, continued draw on reserves in excess of \$5 million a year would exhaust the City of necessary reserves within several years. Because major General Fund revenue is received in arrears (i.e. property tax 6 months later, sales tax quarterly, etc.) the City has cash flow needs necessitating a \$10-\$15 million minimum fund balance. With the passage of Measure E in November 2010 (effective April 1, 2011), the City should be in a more stable fiscal environment in the near term (5 years) as Measure E is anticipated to provide approximately \$4.6 million per year. The current fiscal year (FY10-11) budget anticipated a draw of reserves of \$4.8 million without Measure E.

Net assets of the City as of 6/30/10 were slightly over \$1 billion with the exact figure being \$1,018,686,500. The City grows in net assets as Capital Improvement Project infrastructure or developer installed infrastructure is added to the City. However, net assets as of 6/30/10 are virtually unchanged from the previous year.

Of the three main enterprise funds of the City (water, sewer, and solid waste) all but one had operating losses in FY 09-10. The following is a summary of the operating loss or gain for each of these funds.

<u>Fund</u>	<u>Operating Loss</u>	<u>Operating Gain</u>
Water	\$5,220,675	
Sewer	\$2,017,647	
Solid Waste		\$357,898

The enterprise funds (except solid waste) own large amounts of plant, and equipment some of which are depreciated. Within the above noted losses for the water and sewer funds is a depreciation charge of approximately \$8.1 million and \$7.2 million respectively. Therefore an operating loss can be viewed as a negative trend impacting that enterprise's ability to fund future significant capital projects. The water fund was also impacted by a decline in water sales of over \$2 million from the previous year. During this time frame there were a significant number of homes in Tracy in foreclosure transition with many sitting vacant. Water demand is tied closely to personal use within the home with vacant homes thereby resulting in less demand for water.

Since solid waste functions are contracted out, this fund does not have plant or equipment or large amounts of cash reserves. While the Solid Waste Fund did show a \$357,898 operating gain for the year, this was the result of a \$694,225 one time receipt of funds from the insurance provider of Tracy Materials Recovery, Inc. (the operator of the materials recovery facility) as settlement of an embezzlement matter. Without this one time receipt the fund would have lost \$336,327. As cash assets of the Solid Waste Fund are minimal (the fund has had an operating loss 4 out of the last 5 years) a rate study is underway.

The CAFR is available for review on the City's website at [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us) or at the City Clerk's office located in City Hall at 333 Civic Center Plaza.

### STRATEGIC PLAN

This item is a routine item and does not pertain to one of the City's seven strategic plans.

### FISCAL IMPACT

Complete financial information as of June 30, 2010 is contained in the CAFR.

### RECOMMENDATION

It is recommended the City Council by resolution accept the June 30, 2010 Comprehensive Annual Financial Report as audited by Moss, Levy and Hartzheim.

Prepared by: Zane Johnston, Finance & Administrative Services Director  
Approved by: Leon Churchill, Jr., City Manager



RESOLUTION \_\_\_\_\_

ACCEPTANCE OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

WHEREAS, The financial statements of the City of Tracy for the fiscal year ended June 30, 2010, have been prepared by the City's Finance and Administrative Services Department, and

WHEREAS, The annual financial statements were examined by the independent public accounting firm of Moss, Levy and Hartzheim, and

WHEREAS, The City prepared the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010, and the auditor's opinion is included therein, and

WHEREAS, It is the opinion of the auditors that the financial statements present fairly the financial position of the City as of June 30, 2010, and that the statements were prepared in conformity with generally accepted accounting principles;

NOW, THEREFORE, BE IT RESOLVED, That the City Council does hereby accept the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010.

\* \* \* \* \*

The foregoing Resolution \_\_\_\_\_ was passed and adopted by the Tracy City Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2010 by the following vote:

- AYES:            COUNCIL MEMBERS:
- NOES:           COUNCIL MEMBERS:
- ABSENT:        COUNCIL MEMBERS:
- ABSTAIN:       COUNCIL MEMBERS:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

AGENDA ITEM 1.J

REQUEST

**APPROVE AMENDMENT OF THE CITY'S ADOPTED BUDGET FOR FY2010-11 TO CREATE A NEW CAPITAL IMPROVEMENT PROJECT – CIP 74091, FOR RECYCLED WATER DISTRIBUTION SYSTEM AND AUTHORIZE AN APPROPRIATION OF \$25,000 FROM THE WASTEWATER FUND 521 TO THIS PROJECT**

EXECUTIVE SUMMARY

Approval of an amendment to the existing FY 2010-11 budget to include a Capital Improvement Project for a Recycled Water Distribution System will facilitate applying for grant funding towards achieving the City's goal for environmental sustainability.

DISCUSSION

The City of Tracy is working with the development community and various developers on completion of the Infrastructure Master Plans for new developments. One of the components of the master plans is the use of recycled water from the Wastewater Treatment Plant (WWTP) for irrigation of street landscaping and parks. The use of recycled water is essential to meet the Federal and State requirements for environmental sustainability leading to a reduction in the use of potable water consumption and comply with the State's water conservation goals.

The State Department of Water Resources (DWR) is disbursing grants for voter established funding from Proposition 50, 84 and 1E to various water authorities in the State. The City is a member agency in the San Luis Delta Mendota Water Authority (WA) and is eligible for this grant funding. The WA has prepared a Regional Integrated Water Management Plan for west San Joaquin Valley also known as the "West Side IWRMP". This plan will be used as a method to allocate potential funding within the jurisdictional area.

This potential grant funding provides an opportunity to the City to complete a portion of its recycled water master plan facilities earlier than planned. It is in the City's best interest to apply for and make use of the available grant funding related to recycled water facilities. The City has already installed recycled water pipes on Eleventh Street from Lammers Road to the existing Sports Complex and Plasencia Fields. These lines will be made operational once the main recycled water lines from the existing WWTP are installed up to the intersection of Lammers Road and Eleventh Street. The proposed route from WWTP will be Arbor Road up to the Holly Sugar Sports Complex and then easements in the existing agriculture areas up to Lammers Road, and then following the alignment of Lammers Road to the south up to Eleventh Street.

Since the estimated cost of this project will be in the millions of dollars and the funding will be available only when new development occurs on the west end of the City, it is recommended that the project be completed in multiple phases depending upon when sufficient funding will be available.

However, the first phase of this line from the WWTP to the proposed Holly Sugar Sports Complex can be completed with the grant funding. Construction of this phase will allow irrigation of the Holly Sugar Sports Fields from recycled water. Receipt of any grant funding will reduce the City's cost for providing the irrigation water for the proposed and future phases to the Holly Sports Complex.

The grant funding requires matching funds up to 25%. It is anticipated that by the time the grant is received, the developments on the west side properties will start generating enough fees to pay for the matching funds. If enough development impact fees to cover the matching funds are not collected by the City at the time of construction, funding from the Wastewater Fund 521 will be lowered temporarily until fully reimbursed. The grant funding will jump start this vital project towards achieving the City's goal for sustainability. The estimated cost of \$25,000 to be incurred by the City and its consultants towards receiving this grant will be reimbursed to the City from new development. If for tough competition or other technical reasons the City does not receive the grant funding, the City will not receive any reimbursement from developers. However, staff believes that this amount is a good investment towards achieving the City's sustainability goals.

Since this project is not part of the City's existing FY 2010-11 budget, it is recommended that the City's existing budget be amended to include a new Capital Improvement Project – CIP 74091 as follows:

- Construction of a recycled water line from the WWTP to Lammers Road and the Eleventh Street intersection. Cost – \$4.5 million.
  - Phase 1 – Recycled water line from the WWTP to Tracy Boulevard and the Holly Sugars Sports Complex (\$1.5 million)
  - Phase 2 – Recycled water line from the Holly Sugar Sports Complex to the Lammers Road and Eleventh Street intersection (\$3.0 million)

Due to the complexity and technical nature of this grant, it is estimated that approximately \$25,000 will be incurred by City staff and its consultants to apply for this grant. It is further recommended that an appropriation of \$25,000 be made from the Wastewater Fund 521 to pay for staff and consultant's costs for the grant application.

#### STRATEGIC PLAN

This agenda item is consistent with the City's goal to achieve environmental sustainability.

#### FISCAL IMPACT

There is no fiscal impact to the General Fund. A total of \$25,000 needs to be appropriated from the Wastewater Fund 521 to CIP 74091. This funding will be reimbursed from the west side development fees.

RECOMMENDATION

That City Council, by resolution approve an amendment to the City's adopted budget for FY2010-11 to create a new Capital Improvement Project – CIP 74091 for a Recycled Water Distribution System and authorize and appropriation of \$30,000 from the Wastewater Fund 521 for this project.

Prepared by: Kuldeep Sharma, City Engineer

Reviewed by: Andrew Malik, Development and Engineering Services Director

Approved by: Leon Churchill, Jr., City Manager

RESOLUTION \_\_\_\_\_

APPROVING AMENDMENT OF THE CITY'S ADOPTED BUDGET FOR FY2010-11 TO CREATE A NEW CAPITAL IMPROVEMENT PROJECT – CIP 74091, FOR RECYCLED WATER DISTRIBUTION SYSTEM AND AUTHORIZING AN APPROPRIATION OF \$25,000 FROM THE WASTEWATER FUND 521 TO THIS PROJECT

WHEREAS, The City of Tracy is working with the development community and various developers on completion of the Infrastructure Master Plans for new developments, and

WHEREAS, One of the components of the master plans is the use of recycled water from the Wastewater Treatment Plant (WWTP) for irrigation of street landscaping and parks, and

WHEREAS, The State Department of Water Resources (DWR) is disbursing grants for voter established funding from Proposition 50, 84 and 1E to various water authorities in the State, and

WHEREAS, The City is a member agency in the San Luis Delta Mendota Water Authority (WA) and is eligible for this grant funding, and

WHEREAS, This potential grant funding provides an opportunity to the City to complete a portion of its recycled water master plan facilities earlier than planned, and

WHEREAS, It is in the City's best interest to apply for and make use of the available grant funding related to recycled water facilities, and

WHEREAS, The grant funding requires matching funds up to 25%, and

WHEREAS, The estimated cost of \$25,000 to be incurred by the City and its consultants towards receiving this grant will be reimbursed to the City from new development, and

WHEREAS, Since this project is not part of the City's existing FY 2010-11 budget, it is recommended that the City's existing budget be amended to include a new Capital Improvement Project – CIP 74091, and

WHEREAS, Due to the complexity and technical nature of this grant, it is estimated that approximately \$25,000 will be incurred by City staff and its consultants to apply for this grant, and

WHEREAS, There is no fiscal impact to the General Fund. A total of \$25,000 needs to be appropriated from the Wastewater Fund 521 to CIP 74091;

NOW, THEREFORE, BE IT RESOLVED, That City Council approves an amendment to the City's adopted budget for FY2010-11 to create a new Capital Improvement Project – CIP 74091 for a Recycled Water Distribution System and authorizes and appropriation of \$30,000 from the Wastewater Fund 521 for this project.

\*\*\*\*\*

Resolution \_\_\_\_\_

Page 2

The foregoing Resolution 2010-\_\_\_\_ was passed and adopted by the City of Tracy City Council on the 21<sup>st</sup> day of December, 2010 by the following vote:

AYES: COUNCIL MEMBERS  
NOES: COUNCIL MEMBERS  
ABSENT: COUNCIL MEMBERS  
ABSTAIN: COUNCIL MEMBERS

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

AGENDA ITEM 3

REQUEST

**PUBLIC HEARING TO APPROVE THE FINAL COSTS OF WEED ABATEMENT AND DESCRIPTION OF THE STRATEGY FOR FUTURE ABATEMENTS**

EXECUTIVE SUMMARY

The Fire Department's weed abatement contractor has completed the abatement of all fire hazards on designated properties. Since the properties have been abated the contractor has submitted invoices to be paid. Per the Tracy Municipal Code, a public hearing is scheduled to allow affected property owners to contest the amount of the charges.

DISCUSSION

Pursuant to Tracy Municipal Code, Title 4, Article 6, Section 4.12.260, property was identified by the Fire Department that required weed abatement. The property owners were given notice to abate and public hearings were conducted on July 17, 2010 and October 19, 2010. The Tracy Municipal Code provides that upon failure of the owner, or authorized agent, to abate within 20 days from the date of notice, the City will perform the necessary work by private contractor and the cost of such work will be made a personal obligation of the owner, or become a tax lien against the property. The City Council authorized, by resolution, the abatement of several Tracy area properties at the public hearings.

The fire department budgeted \$12,100 for weed abatement in the FY2010-2011 budget. The department designated 21 parcels (Exhibit A) that required abatement by the City's weed abatement contractor, Baylor Services. After the July 17, 2010 public hearing the City's contractor abated 16 parcels at a cost of \$10,319.80. After the October 19, 2010 public hearing, the contractor abated six additional parcels at a cost of \$1,744.50. The abatement was completed within budget at a cost to the City of \$12,064.30 for the contractor and \$3,015.30 for the City's recoverable administrative costs. All other previously identified problem parcels were self-abated by the property owner.

Fire Department staff notified the property owners of this public hearing where Council will consider the report of costs for abatement and any objections of the property owners liable for the cost of abatement. The cost of abatement assessed to the property owners is the actual cost of the City contractor plus a 25% administrative charge.

Strategy Update

With FY 2010-2011 funding for further weed abatement exhausted, staff has identified strategies to address any hazards for the remainder of the fiscal year. The hazards in the community due to weeds are significantly reduced during the fall and winter months. Vegetation and weeds become green and although unsightly, the threat due to fire is diminished dramatically. Although the department is responsive to any identified hazard, the late fall and winter months create less of a community risk due to weeds.

The FY 2011-2012 budget will include a budgeted amount consistent with prior years available to abate properties identified during calendar year 2011.

At the October 19, 2010 city council meeting, staff identified four strategies that will create greater efficiencies and compliance with the weed abatement program. The following is an update on the four strategies:

Strategy One: Develop a neighborhood outreach program:

In calendar year 2010, the department received 256 weed abatement complaints and only 21 non-compliant properties required abatement by the City's contractor. These statistics indicate a 92% citizen compliance rate through the existing weed abatement process. The City continues to work toward the initiation of an outreach program to educate and inform neighborhoods of how the weed abatement program works. The outreach will include meeting with home owners associations and neighborhood watch groups. Incorporating an outreach program will bring awareness to the community and assist the department in striving toward greater compliance with the ordinance.

Strategy two: Actively Assess Property Ownership:

A number of unabated properties are either unoccupied or bank owned properties in foreclosure. Fire Department staff makes every attempt to identify the current owner on file for the property prior to sending the abatement notice. Abatement notices that are returned as undeliverable mail result in a delay in abatement. The City will continue the practice of determining property ownership to ensure mail is delivered to the responsible party in a timely manner. In addition, staff will research technology that may assist in accurate property ownership identification.

Strategy Three: Increase the Administrative Fee:

The Administrative charge for weed abatement was last increased in March 2003, Resolution 2003-059. Staff will research the possibility of increasing the administrative charge from 25% to a percentage that would be reflective of the City's actual cost recovery. This increase should encourage property owners to comply with the ordinance.

Strategy four: Issue Administrative Citations:

Staff has experienced a compliance rate of 92% for calendar year 2010 indicating very few properties require abatement through the administrative citation process. Staff intends to include the issuance of administrative citations as necessary to reduce the number of properties requiring abatement from the City's contractor.

### STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's seven strategic plans.



FISCAL IMPACT

The Fire Department budgeted \$12,100 for weed abatement services in FY 2010-2011. The department has expended \$12,064.30 for the work performed by Baylor Services. Expended funds were within the identified budget for FY 2010-2011.

RECOMMENDATION

That the City Council authorize, by resolution, approval of the final abatement costs.

Prepared by: David A. Bramell, Fire Division Chief  
Approved by: Germane Friends, Interim Fire Chief

Attachment: Exhibit A - 2010 Weed Abatement Costs

**TRACY FIRE DEPARTMENT  
2010 WEED ABATEMENT FINAL COST**

<b>APN</b>	<b>Property Owner</b>	<b>Site Address</b>	<b>Abatement Cost</b>	<b>Administrative Fee 25%</b>	<b>Total Cost</b>
<b>Properties Abated after July 20, 2010 Public Hearing</b>					
212-170-28	CHEVRON USA	3775 N. TRACY BLVD	\$ 622.90	\$ 155.72	\$ 778.62
212-170-30	EQUILON ENTERPRISES	3725 N. TRACY BLVD	\$ 600.50	\$ 150.12	\$ 750.62
234-090-37	RECONTRUST COMPANY	764 CHESTNUT	\$ 420.00	\$ 105.00	\$ 525.00
238-540-37	CHRISTIAN & MELANIE ROSALES	1564 WESTCLIFF	\$ 349.20	\$ 87.30	\$ 436.50
213-350-25	DAMIAN QUINTERO	459 TONI COURT	\$ 298.60	\$ 73.90	\$ 369.50
235-130-01	KATHLEEN SUSI	40 W. 2ND STREET	\$ 414.00	\$ 103.50	\$ 517.50
235-130-04	LUCIA MAYA	20 W. 2ND STREET	\$ 331.60	\$ 82.90	\$ 414.50
235-082-08	RESHAM SINGH	235 W. SOUTH STREET	\$ 1,040.00	\$ 260.00	\$ 1,300.00
242-340-23	CAL WESTERN	1423 SIENNA PARK	\$ 260.40	\$ 65.10	\$ 325.50
242-330-06	EDWARD SERRANO	707 ROBERT L. SMITH	\$ 338.20	\$ 84.55	\$ 422.75
246-140-13 & 14	DENNIS AKIYAMA	2795 S. MAC ARTHUR DRIVE	\$ 1,170.00	\$ 292.50	\$ 1,462.50
246-030-27	RICHARD LOPEZ	450 W. SCHULTE ROAD	\$ 2,203.40	\$ 550.85	\$ 2,754.25
248-370-15	ANA MACHON	378 GLENBRIAR CIRCLE	\$ 1,143.60	\$ 285.90	\$ 1,429.50
248-460-06	GREG & BEVERLY KENT	230 WISTERIA LANE	\$ 700.00	\$ 175.00	\$ 875.00
242-230-29	WELDON WARD	1273 CARDINAL STREET	\$ 427.40	\$ 106.85	\$ 534.25
July Subtotal			\$ 10,319.80	\$ 2,579.19	\$ 12,895.99
<b>Properties Abated after October 19, 2010 Public Hearing</b>					
246-230-47	SANDRA KNIGHT	1030 SULTANA DRIVE	\$ 354.50	\$ 88.62	\$ 443.12
232-380-02	GURMAIL & AMARJIT SINGH	1610 AUTUMN MEADOW	\$ 152.00	\$ 38.00	\$ 190.00
238-310-06	PAUL IAIN BARRIE	2378 RIVIERA	\$ 287.00	\$ 71.75	\$ 358.75
234-210-01	RECONTRUST COMPANY	500 MOSSWOOD COURT	\$ 253.25	\$ 63.31	\$ 316.56
235-069-21	STAN SHORE	59 W. 6TH STREET	\$ 320.75	\$ 80.18	\$ 400.93
246-170-23	RECONTRUST COMPANY	500 YOSEMITE DRIVE	\$ 377.00	\$ 94.25	\$ 471.25
October Subtotal			\$ 1,744.50	\$ 436.11	\$ 2,180.61
<b>TOTAL</b>			<b>\$ 12,064.30</b>	<b>\$ 3,015.30</b>	<b>\$ 15,076.60</b>

RESOLUTION \_\_\_\_\_

APPROVING THE FINAL COSTS OF WEED ABATEMENT

WHEREAS, Pursuant to Tracy Municipal Code, Title 4, Article 6, Section 4.12.260, property was identified that required weed abatement, and

WHEREAS, The property owners were given notice to abate and public hearings were conducted on July 17, 2010 and October 19, 2010, and

WHEREAS, The Tracy Municipal Code provides that upon failure of the owner, or authorized agent, to abate within 20 days from the date of notice, the City will perform the necessary work by private contractor and the cost of such work will be made a personal obligation of the owner, or become a tax lien against the property, and

WHEREAS, The City Council authorized the abatement by resolution and the Fire Department designated 21 parcels that would require the City contractor Baylor Services, to abate, and

WHEREAS, The abatement was completed at a cost to the City of \$12,064.30 and the Department had \$12,100 allocated in the FY 2010-2011 budget for weed abatement, and

WHEREAS, Fire Department staff notified property owners of this public hearing where Council considered the reports of costs for abatement and any objections of the property owners liable for the cost of abatement, and

WHEREAS, The cost of abatement assessed to the property owner is the actual cost of the City contractor plus a 25% administrative charge, per the Tracy Municipal Code, and

NOW, THEREFORE, BE IT RESOLVED, That the City Council approves the final abatement costs as set forth above and in the staff report and Exhibit accompanying this item.

\*\*\*\*\*

The foregoing Resolution \_\_\_\_\_ was adopted by the Tracy City Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2010, by the following vote:

- AYES: COUNCIL MEMBERS:
- NOES: COUNCIL MEMBERS:
- ABSENT: COUNCIL MEMBERS:
- ABSTAIN: COUNCIL MEMBERS

\_\_\_\_\_  
Mayor

ATTEST:  
  
\_\_\_\_\_  
City Clerk

AGENDA ITEM 4

REQUEST

**DECLARE 100 ACRES OF CITY PROPERTY LOCATED AT NORTH OF LARCH ROAD AND EAST OF TRACY BLVD AT HOLLY SUGAR AS SURPLUS PROPERTY, AUTHORIZATION OF A PURCHASE AGREEMENT WITH SAN JOAQUIN COUNTY FOR THE SALE OF SAID PROPERTY AND AUTHORIZATION FOR THE MAYOR TO EXECUTE THE SALE AGREEMENT AND RELATED DOCUMENTS**

DISCUSSION

Staff believes that 100 Acres of the North East portion of the City owned property at Holly Sugar is no longer needed for City purposes. San Joaquin County desires to purchase the property for public purposes and has negotiated terms for acquisition with the City as shown in the Sale Agreement (Attachment A). County staff has indicated the land will eventually be used as a County park. The amount of land to be sold to San Joaquin County is 100 Acres as generally shown in Attachment B and a more accurate metes and bounds legal description is shown in the sale agreement. An appraisal set the fair market value of the subject land at approximately \$662,470.

San Joaquin County approved the purchase at its regular Board of Supervisors meeting on December 14, 2010. Prior to the sale, the City Council needs to declare the property as surplus and authorize the sale agreement with San Joaquin County.

The property is currently being leased, as part of a larger area, to the Arnaudo Brothers, a General Partnership. The sale agreement provides that the City will assign that portion of the lease of which the property is a part upon transfer of title to the property. The Arnaudo Brothers have agreed to the assignment.

FISCAL IMPACT:

Because the City's Waste Water Fund originally purchased the Holly Sugar property for possible waste water treatment facilities, the proceeds from this sale of surplus land (\$662,470) will be credited to the Waste Water Fund.

RECOMMENDATION:

That the City Council, by resolution, declare 100 acres of City owned property located at North of Larch Road and East of Tracy Blvd. at Holly Sugar as surplus property, authorize the attached purchase agreement with San Joaquin County in the amount of \$662,470 for the sale of such surplus property, and authorize the Mayor to execute the sale agreement and related documents.

Prepared by: Rod Buchanan, Director of Parks and Community Services

Approved by: R. Leon Churchill, Jr., City Manager

Attachments: A – Sale Agreement  
B – Location Map

## ATTACHMENT A

### AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY A-10-\_\_\_\_\_

This AGREEMENT dated \_\_\_\_\_, 2010, is made and entered into by and between the CITY OF TRACY, a municipal corporation in the County of San Joaquin, State of California ["CITY"], and the COUNTY OF SAN JOAQUIN, a political subdivision of the State of California ["COUNTY"].

#### RECITALS

WHEREAS, CITY is the owner of certain real property commonly known as the Holly Sugar property, in San Joaquin County, California, an approximately 100 acre portion of which property is shown generally as "Area A" in Exhibit "A" attached hereto and incorporated by reference herein, and more fully described therein [the "Property"].

WHEREAS, the Property is presently open space and being leased out for farming purposes.

WHEREAS, COUNTY desires to construct a park for San Joaquin County residents.

WHEREAS, CITY is willing to convey fee title to the Property to COUNTY to allow for future development of a park and the payment of agreed price.

NOW, THEREFORE, this Agreement shall memorialize the terms and conditions of the agreement between CITY and COUNTY for conveyance of the Property.

#### AGREEMENT

##### IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. CITY agrees to convey in fee title to COUNTY, and COUNTY agrees to purchase from CITY, on the condition subsequent that the Property be used for public purposes, all right, title and interest that CITY currently possesses in the Property described in Exhibit "A," attached hereto and made a part hereof, including all privileges, rights and easements appurtenant to the Property, all minerals, oil, gas and other hydrocarbon substances on and under the Property, all development rights, air rights, water, water rights and water stock relating to the Property, upon the terms and conditions herein set forth and free and clear of and from all liens, encumbrances, conditions, restrictions, easements, rights of possession, and leasehold interests excepting only the following:

## ATTACHMENT A

- (a) Current property taxes, including general and special taxes and assessments collected therewith, which shall be allocated pursuant to applicable sections of the Revenue and Taxation Code; and
- (b) The lien of supplemental taxes, if any, assessed pursuant to the provisions of chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California; and
- (c) A 50 foot wide public access and utility easement in favor of CITY along the southern border of the Property for access to CITY's adjacent land to the east, and a 10 foot wide easement for public utilities, as more fully described in Exhibit "B" attached hereto and incorporated by reference herein; and
- (d) A 50 foot wide public access and utility easement in favor of CITY along the north east border, and on both sides of Sugar Cut for access to CITY's adjacent land to the north, and a 10 foot wide easement for public utilities, as more fully described in Exhibit "C" attached hereto and incorporated by reference herein, and
- (e) A 30 foot wide roadway easement along the western border for future widening of Tracy Boulevard, as more fully described in Exhibit "D" attached hereto and incorporated by reference herein, and

As consideration for acquisition of the Property, upon delivery of the Grant Deed conveying the PROPERTY, COUNTY shall pay to CITY the sum of Six Hundred Sixty-Two Thousand Four Hundred Seventy Dollars and No Cents (\$662,470.00). COUNTY acknowledges that CITY's conveyance of the Property pursuant to this Agreement is conditioned upon the Property being used for public purposes.

2. For the purpose of consummating the purchase and sale of the Property in accordance with the terms herein set forth, COUNTY will establish an escrow with First American Title Company ["Escrow Holder"].
3. CITY shall cause Escrow Holder to issue to COUNTY a current preliminary title report ["Report"], regarding the condition of title to the Property within five (5) business days after approval of this agreement by both the City Council of the City of Tracy and the San Joaquin County Board of Supervisors. Unless COUNTY gives CITY written notice, within ten (10) business days after receiving the Report, objecting to matters shown in the Report, COUNTY will be considered to have approved the condition of title as shown in the Report. If COUNTY so objects to any matter (each, a "Disapproved Matter") shown in the Report, CITY will have thirty (30) days after receiving COUNTY's written objection in which to remove the Disapproved Matter from record title or to obtain the Escrow Holder's agreement to issue an appropriate endorsement to the title

## ATTACHMENT A

policy. If CITY is unable or unwilling to remove the Disapproved Matter from record title or to obtain the Escrow Holder's agreement, COUNTY may terminate this Agreement by giving a termination notice to CITY. If COUNTY so terminates this Agreement, CITY and COUNTY each shall pay one-half of all escrow and title cancellation charges and neither party will have any further obligation to the other under this Agreement. The term "Permitted Exception" means each matter shown in the Report that (i) is not a Disapproved Matter or (ii) is a Disapproved Matter for which CITY has obtained the Escrow Holder's agreement to issue an appropriate endorsement to the title policy. If COUNTY does not terminate this Agreement pursuant to this paragraph, at the close of escrow, CITY shall cause Escrow Holder to issue to COUNTY a CLTA standard coverage policy of title insurance in the amount of the purchase price excepting only any Permitted Exceptions.

4. Except as otherwise expressly provided herein, all costs of the escrow, title insurance, surveying, preparation of legal description, and documentary transfer taxes, if any, shall be shared equally by CITY and COUNTY.
5. The balance of the unpaid principal and interest due on any note or notes secured by mortgages, deeds of trust, or other lien on the Property shall be paid in full by CITY at the close of escrow.
6. Taxes, assessments, penalties, interest charges, delinquency charges, and municipal service charges of every kind levied upon or assessed against the Property, except as otherwise expressly set forth herein, shall be paid by CITY to the date of recording.
7. CITY shall execute, acknowledge, and deliver a Grant Deed to Escrow Holder for the purpose of conveying the Property to COUNTY. The Grant Deed shall include the legal description of the Property and for each parcel of the property the Grant Deed shall expressly grant to COUNTY the Property, on the condition subsequent that the Property be used for public purposes, and together with all rights the City possesses for, and connected with, the Property at the time of the grant to use water from Sugar Cut, including any and all riparian rights, which are appurtenant to the Property and together with those rights, if any, specifically reserved previously by CITY for the Property in the sale of other portions of the original riparian tract.
8. Any and all loss or damage to the Property or any existing improvements occurring prior to the recording of the Grant Deed shall be at the risk of CITY.
9. CITY and COUNTY acknowledge the existence of a lease agreement recorded December 13, 2004, between CITY and Arnaudo Brothers. (Holly Ranch), a partnership ("Arnaudo Bros."), for approximately 868 acres of CITY land, including the Property. Concurrent with the execution of this Agreement, CITY shall assign to COUNTY its lease agreement with Arnaudo Bros. with respect to

## ATTACHMENT A

the Property only. Upon this assignment to COUNTY of a portion of the lease agreement with Arnaudo Bros., Arnaudo Bros.' annual rental payment of \$21,700.00 shall be paid as follows: \$2,500.00 to COUNTY, provided, however, that CITY shall not be responsible for payment to COUNTY of any monies not received from Arnaudo Bros. under said lease agreement. In assigning its lease with Arnaudo Bros. pursuant to this paragraph, and for the duration of Arnaudo Bros.' tenancy with either CITY or COUNTY, CITY shall not require Arnaudo Bros., other than as needed to comply with State or Federal laws or regulations or new development, to remove or cause to be removed any water supply, pumping, drainage or conveyance facilities to or from the Property, including, but not limited to, above-ground or underground pipelines.

10. CITY and COUNTY warrant to each other that they have not used any real estate broker in this transaction and that no real estate brokerage fees or commissions are required for such services related to this transaction.
11. CITY and COUNTY acknowledge that the purchase price of the Property set forth in this Agreement reflects the appraised value "as is." If the Property is found to be contaminated by the presence of hazardous substances or materials which require mitigation under federal or state law, COUNTY may elect to recover its cleanup costs from those who caused or contributed to the contamination.
12. CITY shall defend, indemnify and hold COUNTY harmless from any and all past, present, liabilities, obligations, or causes of action from any person or source arising out of or connected with the CITY's disposal, CITY's storage, or CITY's release, and/or CITY's knowledge of present or past disposal, storage, or release, or existence of hazardous substances or materials, in, on, or under the Property, including, but not limited to, any costs of corrective or remedial work occasioned by the discovery of hazardous substances or materials after the close of escrow.

The term "hazardous substances or materials" when used in this Agreement shall mean any hazardous waste or hazardous substance or hazardous material as defined in any federal, state, or local statute, ordinance, rule, or regulation applicable to the Property, including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (Title 42 United States Code sections 9601-9675), the Resource Conservation and Recovery Act (Title 42 United States Code sections 6901-6992k), the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health and Safety Code sections 25300-25395.15), the Hazardous Waste Control Law (Health and Safety Code sections 25100-25250.25, and any state and federal underground tank laws, rules and regulations. "Hazardous substances or materials" shall also include asbestos or asbestos-containing materials, radon gas, and petroleum or petroleum fractions, whether or not defined as a hazardous waste or hazardous substance in any such statute, ordinance, rule, or regulation.



## ATTACHMENT A

The representations and promises made in this paragraph are intended to, and shall survive the close of escrow and the execution, delivery and recordation of the Grant Deed conveying the Property from CITY to COUNTY.

13. COUNTY and CITY shall, upon request by the other, execute, acknowledge and deliver such documents or take such action as may be necessary or convenient to carry out the spirit and intent of this Agreement.
14. Time is of the essence of this Agreement.
15. The Grant Deed conveying the Property from CITY to COUNTY shall be recorded in the Office of the San Joaquin County Recorder and Escrow shall close on or before \_\_\_\_\_ ["Closing"], unless an extension is agreed to by both parties in writing. In the event that CITY fails or is otherwise unable to convey the Property and the associated water rights to COUNTY prior to \_\_\_\_\_, then COUNTY, at its option, may terminate and cancel this Agreement and, in such event, COUNTY shall in no manner be further obligated by the terms of this Agreement.
16. CITY represents, warrants and covenants to COUNTY as of the date of this Agreement and as of the Closing, as follows:
  - a. No Condemnation. To the best of CITY's knowledge, there are no pending or threatened condemnations or similar proceedings affecting the Property, or any portion thereof, nor does CITY have any knowledge that any such action is contemplated.
  - b. No Proceedings. To the best of CITY's knowledge, there are no legal actions, suits, or other legal or administrative proceedings, including condemnation cases, pending or threatened against or affecting the Property. CITY has not received and are not aware of any notice from any public entity with respect to any current or future proceeding against or basis for any future proceeding against or affecting the Property or any part of the Property, or concerning any existing or potential, past, present or future hazardous materials at the Property.
  - c. No Violation of Laws. To the best of CITY's knowledge, the Property is not in violation of any law, ordinance or regulation of any governmental authority relating to the environmental conditions on, under or about the Property, including, but not limited to, soil and groundwater conditions.
  - d. Clear Title. CITY is the owner of the Property and has marketable and insurable fee simple title to the Property free of restrictions, leases, liens and other encumbrances, except for the exceptions permitted pursuant to paragraphs 1, 3, and 9 above. CITY has not conveyed or accepted, and shall not convey or

## ATTACHMENT A

accept, any offer for the Property or any portion thereof. CITY has not encumbered or permitted encumbrance, and shall not encumber or permit encumbrance, of the Property in any way. Other than those rights set forth in paragraphs 1, 3, and 9 above, CITY has not granted, and shall not grant, any property, contract or occupancy right relating to the Property or any portion thereof without the prior written consent of COUNTY.

e. Contracts. There are and will be no contracts, licenses, commitments, or undertakings concerning maintenance, operation, or repair of the Property or equipment on the Property, or the performance of services on the Property, including payment for such services performed prior to Closing, or the use of the Property or any part of it, by which COUNTY would become obligated or liable to any person. If any person or entity makes a claim for payment for services performed prior to Closing, CITY will pay or cause to be paid such claim prior to Closing, subject to CITY's right to contest the validity of such claim. If any such claim is made, CITY shall indemnify, defend, and hold COUNTY harmless from any and all claims, demand, or liability. This duty of defense and indemnification shall survive the Closing.

f. No Default. To the best of CITY's knowledge and belief, CITY has received no notice of any default under any contract, transaction, agreement, encumbrance, or instrument pertaining to the Property, which has remained uncured as of the date of this Agreement. The obligation to notify COUNTY of notices of default shall extend to the Closing.

17. If suit should be brought for any sum due or the enforcement or declaration of any right or obligation hereunder, by either party, the prevailing party shall be entitled to all costs incurred in connection with such action, including reasonable attorney's fees.
18. Any notice which either party may or is required to give shall be in writing and given by personal delivery or by certified mail, return receipt requested, postage prepaid, to the other party at the address shown below or at such other place as may be designated by the parties from time to time. Any notice given by personal delivery shall be deemed received on the day it is delivered. Any notice given by certified mail, return receipt requested, postage prepaid, shall be deemed received on the third day after mailing. The address to which notices and correspondence shall be mailed to either party may be changed by giving written notice to the other party.

CITY's address:	City of Tracy 333 Civic Center Plaza Tracy, CA 95376 Attn: City Manager
With copy to:	City Attorney City of Tracy

ATTACHMENT A

333 Civic Center Plaza  
Tracy, CA, 95376

COUNTY's address: County of San Joaquin  
44 N. San Joaquin Street, Suite 640  
Stockton, CA 95202  
Attn: County Administrative Officer

With copy to: Department of Parks and Recreation  
11793 N. Micke Grove Road  
Lodi, CA 95240  
ATTN: Director

19. This Agreement is subject to formal approval of the City Council of the City of Tracy and the San Joaquin County Board of Supervisors. Resolutions of the City Council and the Board of Supervisors are attached hereto as Exhibits "E" and "F," respectively.
20. This Agreement shall bind and inure to the benefit of the parties and their respective successors, heirs, executors, administrators, and assigns.
21. This Agreement represents the entire and integrated agreement between COUNTY and CITY for the purchase of the Property and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instrument signed by COUNTY and CITY.
22. All parties hereto acknowledge that they have had the benefit of independent counsel with regard to this Agreement and that this Agreement has been prepared as a result of the joint efforts of all parties and their respective counsel. Accordingly, all parties agree that the provisions of this Agreement shall not be construed or interpreted for or against any party hereto based upon authorship.
23. This Agreement shall be governed, construed and interpreted by, through and under the laws of the State of California.

The undersigned represent and warrant they are duly authorized to execute this Agreement and to bind the parties.

Dated: \_\_\_\_\_

"COUNTY"

COUNTY OF SAN JOAQUIN, a political  
subdivision in the State of California

ATTACHMENT A

\_\_\_\_\_  
CARLOS VILLAPUDUA, CHAIRMAN  
SAN JOAQUIN COUNTY BOARD OF  
SUPERVISORS

APPROVED AS TO FORM:  
COUNTY COUNSEL

By: \_\_\_\_\_

Dated: \_\_\_\_\_

“CITY”

CITY OF TRACY, a municipal  
corporation in the County of San  
Joaquin, State of California

\_\_\_\_\_  
MAYOR

APPROVED AS TO FORM:  
CITY ATTORNEY

By: \_\_\_\_\_

# EXHIBIT A

## LEGAL DESCRIPTION 94 ACRE PARCEL

THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

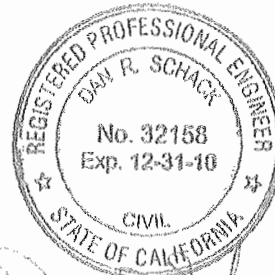
A PORTION OF LOTS 1, 2, 3, 4 AND 5 IN BLOCK 11 OF TRACY GARDEN FARMS, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD OCTOBER 2, 1913, IN BOOK OF MAPS, VOLUME 8, PAGE 1, SAN JOAQUIN COUNTY RECORDS, ALSO BEING A PART OF THE RANCHO EL PESCADERO, SAN JOAQUIN COUNTY, CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF LOT 5 IN BLOCK 11 OF SAID TRACY GARDEN FARMS, SAID POINT BEING SHOWN DESIGNATED WITH A BOLT AND WASHER ON THAT CERTAIN SURVEY FILED FOR RECORD ON JULY 8, 1998, IN BOOK 34 OF SURVEYS, AT PAGE 37, SAN JOAQUIN COUNTY RECORDS, SAID POINT ALSO BEING ON THE CENTERLINE OF TRACY BOULEVARD AS SHOWN ON SAID SURVEY; THENCE NORTH 00 DEGREES 13 MINUTES 56 SECONDS WEST, ALONG SAID CENTERLINE OF TRACY BOULEVARD, 612.20 FEET TO A POINT, SAID POINT BEING THE MOST NORTHERLY POINT ON TRACY BOULEVARD AS SHOWN ON SAID SURVEY (34-37); THENCE NORTH 89 DEGREES 51 MINUTES 25 SECONDS EAST, ALONG THE NORTH LINE OF SAID SURVEY, 25.00 FEET TO A POINT ON THE EAST LINE OF SAID TRACY BOULEVARD, SAID POINT ALSO BEING THE **TRUE POINT OF BEGINNING** OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUING ALONG THE NORTH LINE OF SAID SURVEY, NORTH 89 DEGREES 51 MINUTES 25 SECONDS EAST, 2156.70 FEET TO A POINT; THENCE SOUTH 00 DEGREES 13 MINUTES 56 SECONDS EAST, PARALLEL WITH THE CENTERLINE OF TRACY BOULEVARD, 1898.56 FEET TO A POINT ON THE PROPERTY LINE AS SHOWN ON SAID SURVEY (34-37)

# EXHIBIT A

LYING BETWEEN BLOCK 10 AND BLOCK 11 OF SAID TRACY GARDEN FARMS; THENCE SOUTH 89 DEGREES 51 MINUTES 25 SECONDS WEST, ALONG SAID PROPERTY LINE AS SHOWN ON SAID SURVEY (34-37), 2156.70 FEET TO A POINT ON THE EAST LINE OF TRACY BOULEVARD; THENCE NORTH 00 DEGREES 13 MINUTES 56 SECONDS WEST, ALONG SAID EAST LINE OF TRACY BOULEVARD, 1898.56 FEET TO THE POINT OF BEGINNING.

CONTAINING 94.00 ACRES, MORE OR LESS AS DESCRIBED ABOVE.



*Dan R. Schack*  
12-10-10

# EXHIBIT A

## LEGAL DESCRIPTION 6 ACRE PARCEL

THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

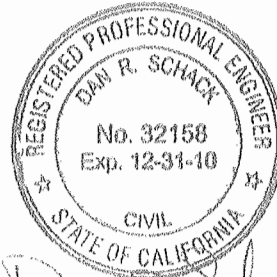
A PORTION OF THE RANCHO EL PESCADERO, LYING NORTH OF LOT 1 IN BLOCK 11 AND ALSO LYING NORTH OF LOTS 6 AND 7 IN BLOCK 1 OF TRACY GARDEN FARMS, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD OCTOBER 2, 1913, IN BOOK OF MAPS, VOLUME 8, PAGE 1, SAN JOAQUIN COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF LOT 5 IN BLOCK 11 OF SAID TRACY GARDEN FARMS, SAID POINT BEING SHOWN DESIGNATED WITH A BOLT AND WASHER ON THAT CERTAIN SURVEY FILED FOR RECORD ON JULY 8, 1998, IN BOOK 34 OF SURVEYS, AT PAGE 37, SAN JOAQUIN COUNTY RECORDS, SAID POINT ALSO BEING ON THE CENTERLINE OF TRACY BOULEVARD AS SHOWN ON SAID SURVEY; THENCE NORTH 00 DEGREES 13 MINUTES 56 SECONDS WEST, ALONG SAID CENTERLINE OF TRACY BOULEVARD, 612.20 FEET TO A POINT, SAID POINT BEING THE MOST NORTHERLY POINT ON TRACY BOULEVARD AS SHOWN ON SAID SURVEY (34-37); THENCE NORTH 89 DEGREES 51 MINUTES 25 SECONDS EAST, ALONG THE NORTH LINE OF SAID SURVEY, 2181.70 FEET TO THE **TRUE POINT OF BEGINNING** OF THE HEREIN DESCRIBED PARCEL; THENCE CONTINUING ALONG SAID NORTH LINE AND ITS EASTERLY EXTENSION, NORTH 89 DEGREES 51 MINUTES 25 SECONDS EAST, 2388.88 FEET TO A POINT ON THE EAST LINE OF DREDGER CUT AS SHOWN ON SAID SURVEY (34-37); THENCE SOUTH 00 DEGREES 14 MINUTES 26 SECONDS EAST, ALONG SAID EAST LINE OF DREDGER CUT, 109.40 FEET TO A POINT; THENCE SOUTH 89 DEGREES 51 MINUTES 25 SECONDS WEST, 2388.90 FEET

# EXHIBIT A

TO A POINT; THENCE NORTH 00 DEGREES 13 MINUTES 56 SECONDS EAST,  
109.40 FEET TO THE POINT OF BEGINNING.

CONTAINING 6.00 ACRES, MORE OR LESS AS DESCRIBED ABOVE.



*Dan Schack*  
12-6-10



# EXHIBIT B

## LEGAL DESCRIPTION 50-FOOT ACCESS EASEMENT

AN EASEMENT FOR INGRESS/EGRESS PURPOSES OVER THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

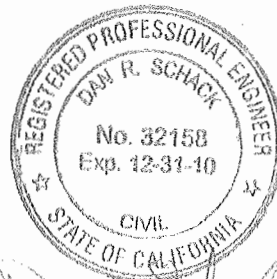
A PORTION OF LOTS 1, 2, 3, 4 AND 5, IN BLOCK 11 OF TRACY GARDEN FARMS, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD OCTOBER 2, 1913, IN BOOK OF MAPS, VOLUME 8, PAGE 1, SAN JOAQUIN COUNTY RECORDS, ALSO BEING A PART OF THE RANCHO EL PESCADERO, SAN JOAQUIN COUNTY, CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE SOUTH 50.00 FEET OF THE FOLLOWING DESCRIBED PARCEL:

BEGINNING AT THE NORTHWEST CORNER OF LOT 5 IN BLOCK 11 OF SAID TRACY GARDEN FARMS, SAID POINT BEING SHOWN DESIGNATED WITH A BOLT AND WASHER ON THAT CERTAIN SURVEY FILED FOR RECORD ON JULY 8, 1998, IN BOOK 34 OF SURVEYS, AT PAGE 37, SAN JOAQUIN COUNTY RECORDS, SAID POINT ALSO BEING ON THE CENTERLINE OF TRACY BOULEVARD AS SHOWN ON SAID SURVEY; THENCE NORTH 00 DEGREES 13 MINUTES 56 SECONDS WEST, ALONG SAID CENTERLINE OF TRACY BOULEVARD, 612.20 FEET TO A POINT, SAID POINT BEING THE MOST NORTHERLY POINT ON TRACY BOULEVARD AS SHOWN ON SAID SURVEY (34-37); THENCE NORTH 89 DEGREES 51 MINUTES 25 SECONDS EAST, ALONG THE NORTH LINE OF SAID SURVEY, 25.00 FEET TO A POINT ON THE EAST LINE OF SAID TRACY BOULEVARD, SAID POINT ALSO BEING THE **TRUE POINT OF BEGINNING** OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUING ALONG THE NORTH LINE OF SAID SURVEY, NORTH 89 DEGREES 51 MINUTES 25 SECONDS EAST, 2156.70 FEET TO A POINT;

# EXHIBIT B

THENCE SOUTH 00 DEGREES 13 MINUTES 56 SECONDS EAST, PARALLEL WITH THE CENTERLINE OF TRACY BOULEVARD, 1898.56 FEET TO A POINT ON THE PROPERTY LINE AS SHOWN ON SAID SURVEY (34-37) LYING BETWEEN BLOCK 10 AND BLOCK 11 OF SAID TRACY GARDEN FARMS; THENCE SOUTH 89 DEGREES 51 MINUTES 25 SECONDS WEST, ALONG SAID PROPERTY LINE AS SHOWN ON SAID SURVEY (34-37), 2156.70 FEET TO A POINT ON THE EAST LINE OF TRACY BOULEVARD; THENCE NORTH 00 DEGREES 13 MINUTES 56 SECONDS WEST, ALONG SAID EAST LINE OF TRACY BOULEVARD, 1898.56 FEET TO THE POINT OF BEGINNING.



# EXHIBIT B

## LEGAL DESCRIPTION 10-FOOT PUBLIC UTILITY EASEMENT

AN EASEMENT FOR PUBLIC UTILITY PURPOSES OVER THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

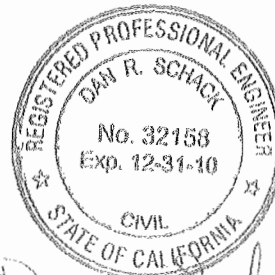
A PORTION OF LOTS 1, 2, 3, 4 AND 5, IN BLOCK 11 OF TRACY GARDEN FARMS, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD OCTOBER 2, 1913, IN BOOK OF MAPS, VOLUME 8, PAGE 1, SAN JOAQUIN COUNTY RECORDS, ALSO BEING A PART OF THE RANCHO EL PESCADERO, SAN JOAQUIN COUNTY, CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE NORTH 10.00 FEET OF THE SOUTH 60.00 FEET OF THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE NORTHWEST CORNER OF LOT 5 IN BLOCK 11 OF SAID TRACY GARDEN FARMS, SAID POINT BEING SHOWN DESIGNATED WITH A BOLT AND WASHER ON THAT CERTAIN SURVEY FILED FOR RECORD ON JULY 8, 1998, IN BOOK 34 OF SURVEYS, AT PAGE 37, SAN JOAQUIN COUNTY RECORDS, SAID POINT ALSO BEING ON THE CENTERLINE OF TRACY BOULEVARD AS SHOWN ON SAID SURVEY; THENCE NORTH 00 DEGREES 13 MINUTES 56 SECONDS WEST, ALONG SAID CENTERLINE OF TRACY BOULEVARD, 612.20 FEET TO A POINT, SAID POINT BEING THE MOST NORTHERLY POINT ON TRACY BOULEVARD AS SHOWN ON SAID SURVEY (34-37); THENCE NORTH 89 DEGREES 51 MINUTES 25 SECONDS EAST, ALONG THE NORTH LINE OF SAID SURVEY, 25.00 FEET TO A POINT ON THE EAST LINE OF SAID TRACY BOULEVARD, SAID POINT ALSO BEING THE **TRUE POINT OF BEGINNING** OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUING ALONG THE NORTH LINE OF SAID

# EXHIBIT B

SURVEY, NORTH 89 DEGREES 51 MINUTES 25 SECONDS EAST, 2156.70 FEET TO A POINT; THENCE SOUTH 00 DEGREES 13 MINUTES 56 SECONDS EAST, PARALLEL WITH THE CENTERLINE OF TRACY BOULEVARD, 1898.56 FEET TO A POINT ON THE PROPERTY LINE AS SHOWN ON SAID SURVEY (34-37) LYING BETWEEN BLOCK 10 AND BLOCK 11 OF SAID TRACY GARDEN FARMS; THENCE SOUTH 89 DEGREES 51 MINUTES 25 SECONDS WEST, ALONG SAID PROPERTY LINE AS SHOWN ON SAID SURVEY (34-37), 2156.70 FEET TO A POINT ON THE EAST LINE OF TRACY BOULEVARD; THENCE NORTH 00 DEGREES 13 MINUTES 56 SECONDS WEST, ALONG SAID EAST LINE OF TRACY BOULEVARD, 1898.56 FEET TO THE POINT OF BEGINNING.



*Dan R. Schack*  
12-6-10

# EXHIBIT C

## LEGAL DESCRIPTION 50-FOOT ACCESS EASEMENT (WEST LINE DREDGER CUT)

AN EASEMENT FOR INGRESS/EGRESS OVER THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

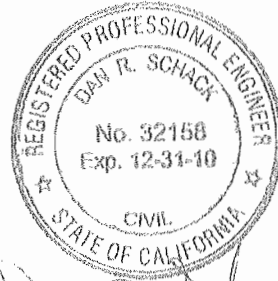
A PORTION OF THE RANCHO EL PESCADERO, LYING NORTH OF LOTS 1, 2, 3, 5 AND 6 IN BLOCK 11 OF TRACY GARDEN FARMS, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD OCTOBER 2, 1913, IN BOOK OF MAPS, VOLUME 8, PAGE 1, SAN JOAQUIN COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE EAST 50.00 FEET OF THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE NORTHWEST CORNER OF LOT 5 IN BLOCK 11 OF SAID TRACY GARDEN FARMS, SAID POINT BEING SHOWN DESIGNATED WITH A BOLT AND WASHER ON THAT CERTAIN SURVEY FILED FOR RECORD ON JULY 8, 1998, IN BOOK 34 OF SURVEYS, AT PAGE 37, SAN JOAQUIN COUNTY RECORDS, SAID POINT ALSO BEING ON THE CENTERLINE OF TRACY BOULEVARD AS SHOWN ON SAID SURVEY; THENCE NORTH 00 DEGREES 13 MINUTES 56 SECONDS WEST, ALONG SAID CENTERLINE OF TRACY BOULEVARD, 612.20 FEET TO A POINT, SAID POINT BEING THE MOST NORTHERLY POINT ON TRACY BOULEVARD AS SHOWN ON SAID SURVEY (34-37); THENCE NORTH 89 DEGREES 51 MINUTES 25 SECONDS EAST, ALONG THE NORTH LINE OF SAID SURVEY, 2181.70 FEET TO THE **TRUE POINT OF BEGINNING** OF THE HEREIN DESCRIBED PARCEL; THENCE CONTINUING ALONG SAID NORTH LINE, NORTH 89 DEGREES 51 MINUTES 25 SECONDS EAST, 1976.10 FEET TO A POINT ON THE WEST LINE OF DREDGER CUT AS SHOWN ON SAID SURVEY (34-37); THENCE SOUTH 01 DEGREES 48 MINUTES 12 SECONDS EAST, ALONG SAID WEST LINE OF

# EXHIBIT C

DREDGER CUT, 109.40 FEET TO A POINT; THENCE SOUTH 89 DEGREES 51 MINUTES 25 SECONDS WEST, 1979.10 FEET TO A POINT; THENCE NORTH 00 DEGREES 13 MINUTES 56 SECONDS EAST, 109.40 FEET TO THE POINT OF BEGINNING.



*Dan R. Schack*  
12-6-10

# EXHIBIT C

## LEGAL DESCRIPTION 50-FOOT ACCESS EASEMENT (EAST LINE DREDGER CUT)

AN EASEMENT FOR INGRESS/EGRESS OVER THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

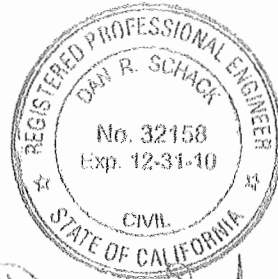
A PORTION OF THE RANCHO EL PESCADERO, LYING NORTH OF LOTS 1, 2, 3, 5 AND 6 IN BLOCK 11 OF TRACY GARDEN FARMS, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD OCTOBER 2, 1913, IN BOOK OF MAPS, VOLUME 8, PAGE 1, SAN JOAQUIN COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE EAST 50.00 FEET OF THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE NORTHWEST CORNER OF LOT 5 IN BLOCK 11 OF SAID TRACY GARDEN FARMS, SAID POINT BEING SHOWN DESIGNATED WITH A BOLT AND WASHER ON THAT CERTAIN SURVEY FILED FOR RECORD ON JULY 8, 1998, IN BOOK 34 OF SURVEYS, AT PAGE 37, SAN JOAQUIN COUNTY RECORDS, SAID POINT ALSO BEING ON THE CENTERLINE OF TRACY BOULEVARD AS SHOWN ON SAID SURVEY; THENCE NORTH 00 DEGREES 13 MINUTES 56 SECONDS WEST, ALONG SAID CENTERLINE OF TRACY BOULEVARD, 612.20 FEET TO A POINT, SAID POINT BEING THE MOST NORTHERLY POINT ON TRACY BOULEVARD AS SHOWN ON SAID SURVEY (34-37); THENCE NORTH 89 DEGREES 51 MINUTES 25 SECONDS EAST, ALONG THE NORTH LINE OF SAID SURVEY, 2181.70 FEET TO THE TRUE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE CONTINUING ALONG SAID NORTH LINE AND ITS EASTERLY EXTENSION, NORTH 89 DEGREES 51 MINUTES 25 SECONDS EAST, 2388.88 FEET TO A POINT ON THE EAST LINE OF DREDGER CUT AS SHOWN ON SAID SURVEY (34-37); THENCE SOUTH 00 DEGREES 14 MINUTES 26 SECONDS

# EXHIBIT C

EAST, ALONG SAID EAST LINE OF DREDGER CUT, 109.40 FEET TO A POINT;  
THENCE SOUTH 89 DEGREES 51 MINUTES 25 SECONDS WEST, 2388.90 FEET  
TO A POINT; THENCE NORTH 00 DEGREES 13 MINUTES 56 SECONDS EAST,  
109.40 FEET TO THE POINT OF BEGINNING.



*Dan R. Schack*  
12-6-10



# EXHIBIT D

## LEGAL DESCRIPTION TRACY BOULEVARD ROADWAY EASEMENT

AN EASEMENT FOR ROADWAY PURPOSES OVER THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

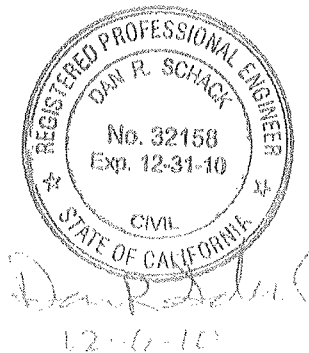
A PORTION OF LOTS 4 AND 5, IN BLOCK 11 OF TRACY GARDEN FARMS, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD OCTOBER 2, 1913, IN BOOK OF MAPS, VOLUME 8, PAGE 1, SAN JOAQUIN COUNTY RECORDS, ALSO BEING A PART OF THE RANCHO EL PESCADERO, SAN JOAQUIN COUNTY, CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE WEST 30.00 FEET FO THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE NORTHWEST CORNER OF LOT 5 IN BLOCK 11 OF SAID TRACY GARDEN FARMS, SAID POINT BEING SHOWN DESIGNATED WITH A BOLT AND WASHER ON THAT CERTAIN SURVEY FILED FOR RECORD ON JULY 8, 1998, IN BOOK 34 OF SURVEYS, AT PAGE 37, SAN JOAQUIN COUNTY RECORDS, SAID POINT ALSO BEING ON THE CENTERLINE OF TRACY BOULEVARD AS SHOWN ON SAID SURVEY; THENCE NORTH 00 DEGREES 13 MINUTES 56 SECONDS WEST, ALONG SAID CENTERLINE OF TRACY BOULEVARD, 612.20 FEET TO A POINT, SAID POINT BEING THE MOST NORTHERLY POINT ON TRACY BOULEVARD AS SHOWN ON SAID SURVEY (34-37); THENCE NORTH 89 DEGREES 51 MINUTES 25 SECONDS EAST, ALONG THE NORTH LINE OF SAID SURVEY, 25.00 FEET TO A POINT ON THE EAST LINE OF SAID TRACY BOULEVARD, SAID POINT ALSO BEING THE **TRUE POINT OF BEGINNING** OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUING ALONG THE NORTH LINE OF SAID SURVEY, NORTH 89 DEGREES 51 MINUTES 25 SECONDS EAST, 2156.70 FEET

# EXHIBIT D

TO A POINT; THENCE SOUTH 00 DEGREES 13 MINUTES 56 SECONDS EAST, PARALLEL WITH THE CENTERLINE OF TRACY BOULEVARD, 1898.56 FEET TO A POINT ON THE PROPERTY LINE AS SHOWN ON SAID SURVEY (34-37) LYING BETWEEN BLOCK 10 AND BLOCK 11 OF SAID TRACY GARDEN FARMS; THENCE SOUTH 89 DEGREES 51 MINUTES 25 SECONDS WEST, ALONG SAID PROPERTY LINE AS SHOWN ON SAID SURVEY (34-37), 2156.70 FEET TO A POINT ON THE EAST LINE OF TRACY BOULEVARD; THENCE NORTH 00 DEGREES 13 MINUTES 56 SECONDS WEST, ALONG SAID EAST LINE OF TRACY BOULEVARD, 1898.56 FEET TO THE POINT OF BEGINNING.






## ATTACHMENT B



### 100 acres with access across Sugar Cut

Parcel 1: 94 acres / Parcel 2: 6 acres (approx: 100' wide)

-  (50' wide easements needed for City/Public access to East and North properties)
-  (10' wide easements needed for Public Utilities access to East and North properties)
-  (30' wide roadway easement needed for future Tracy Blvd. widening)

RESOLUTION \_\_\_\_\_

DECLARING 100 ACRES OF CITY OWNED PROPERTY LOCATED AT HOLLY SUGAR SURPLUS PROPERTY, AUTHORIZING A PURCHASE AGREEMENT WITH SAN JOAQUIN COUNTY FOR THE SALE OF SAID 100 ACRES OF PROPERTY AND AUTHORIZING THE MAYOR TO EXECUTE THE PURCHASE AGREEMENT AND RELATED DOCUMENTS

WHEREAS, The City has determined that the 100 Acres of the North East portion of the City owned property at Holly Sugar is no longer needed for City purposes; and

WHEREAS, San Joaquin County desires to purchase the property for public purposes and has negotiated terms for acquisition with the City; and

WHEREAS, An appraisal was completed to establish fair market value for the land at \$662,470 payable to the City Wastewater Treatment Fund; and

WHEREAS, San Joaquin County approved the purchase at their regular Board of Supervisors meeting on December 14, 2010; and

WHEREAS, In order to sell the property to the County the Tracy City Council needs to find and determine that the subject property is surplus property.

NOW, THEREFORE, BE IT RESOLVED, That the City Council declares 100 acres of City owned property located at Holly Sugar surplus property as further described in the purchase agreement, authorizes the attached purchase agreement with San Joaquin County in the amount of \$662,470 for the sale of said 100 acres of City owned property located at Holly Sugar and authorizes the Mayor to execute the purchase agreement and related documents.

\* \* \* \* \*

The foregoing Resolution \_\_\_\_\_ was adopted by the Tracy City Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2010, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

AGENDA ITEM 5

REQUEST

**PUBLIC MEETING TO CONSIDER COMMENTS FROM THE STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND REVISIONS TO THE DRAFT HOUSING ELEMENT**

EXECUTIVE SUMMARY

This is a public meeting to receive public input and review options in response to comments from the State Department of Housing and Community Development regarding the City's Draft Housing Element.

DISCUSSION

The purpose of this public meeting is to review comments from the State Department of Housing and Community Development (HCD) on the City's Draft Housing Element.

I. State Housing Element Law

The Housing Element is one of ten elements of the City's General Plan and is required to be submitted to HCD for review for compliance with State law. The goal of HCD review is to receive HCD's certification that the Housing Element is in substantial compliance with State housing law.

Generally, the Housing Element is required to: (1) identify and analyze housing needs for all income levels; (2) contain goals and programs to preserve and develop housing; (3) identify adequate sites for housing; and (4) analyze governmental and nongovernmental constraints upon the maintenance and development of housing.

The City of Tracy's previous Housing Element was not certified by HCD. At the time of the previous Housing Element review, HCD concluded that Measure A's (the 2000 voter initiative) limits on new housing construction caused a significant governmental constraint that was not adequately mitigated. For various other reasons, Tracy's two Housing Elements prior to 2000 (dating back to the beginning of HCD's program in 1988) were also not certified by HCD.

Historically, the consequences of non-certification from HCD were limited. In more recent years, however, receiving HCD certification has become increasingly important. One benefit is that HCD certification is often needed to qualify for and/or be competitive for certain State grants related to capital improvement financing. A description of the funding programs affected by the Housing Element status is included as Attachment C.

A second benefit of HCD certification is that beginning with the next Housing Element cycle (after 2009-2014), Housing Element updates will be extended to every eight years if the previous Element is certified by HCD. If HCD does not certify the previous Element, the City must update the Element more frequently: every four years. That is, if the 2009-2014 Tracy Housing Element is certified by HCD, the City will update the

Element again in 2014 for the planning period of 2014-2022. However, if HCD does not certify the 2009-2014 Element, the City will be subject to two updates during the 2014-2022 period.

A third benefit of HCD certification is that, if legally challenged, a statutory “rebuttable presumption” exists that the housing element is valid.

The City hired Veronica Tam and Associates (VTA), an experienced consulting firm specializing in Housing Element updates, to help with the Housing Element update process. Veronica Tam, principal of the firm, will be present at the meeting and also available to answer questions regarding State Housing Element requirements.

## II. HCD Review

In June 2010, the Draft Housing Element (Attachment A) was submitted to HCD, following review by the Planning Commission and City Council in April 2010. On August 19, 2010, HCD provided comments on the Draft Housing Element (Attachment B). Typically, HCD will certify compliance with State housing law after the City has satisfactorily addressed each of HCD’s comments.

### A. The City’s Growth Management Ordinance and Measure A

Several of HCD’s comments relate to the City’s Growth Management Ordinance (GMO) and Measure A.

The City Council adopted the GMO in 1987 to regulate the rate of residential growth in accordance with the availability of required public facilities and services. The GMO was adopted as Ordinance No. 993 and is codified in Tracy Municipal Code chapter 10.12. The GMO has been amended various times, including in: 1994 (Ordinance No. 914); 1999 (Ordinance Nos. 993 and 1000); 2005 (Ordinance No. 1071); and 2009 (Ordinance No. 1136).

In 2000, the voters adopted an initiative measure which amended the GMO to reduce the number of housing units that could be constructed each year from a maximum of 1,500 and an average of 1,200 to a maximum of 750 and an average of 600 (Measure A).

The City Council has also established guidelines to aid in the implementation of the GMO (GMO Guidelines). The GMO Guidelines were originally adopted in 1987, amended various times, including in 2001 (Resolution No. 2001-067), and amended in 2005 (Resolution No. 2005-092) and 2009 (Resolution No. 2009-084).

B. HCD's Comments

Most of HCD's comments relate to factual clarifications or elaborations regarding City housing statistics, projects, or programs.

The most significant HCD comment is that it believes the limit on the number of new residential building permits does not allow the City to meet its "share of the regional housing need. As a result, the [housing] element must include programs to address and mitigate and/or remove constraints of the GMO." Staff is seeking public input on how to respond to this comment.

By "regional housing need", HCD is referring to the Regional Housing Needs Allocation (RHNA). The RHNA is a prescribed number of new, residential building permits that each city must show can be constructed ("accommodated") within its jurisdiction during the Housing Element cycle. The RHNA is separated into four income categories (very low, low, moderate, and above moderate)<sup>1</sup> and each city must show it can accommodate the number of units in each income category. Each city and county is assigned a RHNA, based on criteria from HCD.

Tracy's RHNA for the current Housing Element cycle (2007 through 2014) is identified in the following table:

Income Level	RHNA	Number of Units Constructed Since January 2007	Additional Units Allowed	Remaining Number of units to Achieve RHNA
Very Low	907	0	907	0
Low	632	50	582	0
Moderate	813	144	425	238
Above Moderate	2,535	160	1,278	1,103
<b>TOTAL:</b>	<b>4,888</b>	<b>354</b>	<b>3,192</b>	<b>1,341</b>

(The RHNA cycle is 2.5 years longer than the Housing Element cycle.)

<sup>1</sup> A Very Low Income household is 50% or less of the County's median income; Low Income is 51% to 80%; Moderate Income is 81% to 120%; and Above Moderate is over 120%. Very Low and Low Income units are typically publicly subsidized or income-restricted units such as the 50-unit Tracy Place project on Twelfth Street constructed in 2008. Moderate Income units are typically market rate duplexes, fourplexes, and apartments. Above Moderate are typically market rate single-family homes.

Income categories are established for each County by size of family. San Joaquin County's 2010 median income for a family of four is \$63,100. A Very Low Income household of four people, therefore, has an annual income of \$31,550 or less and could typically afford to purchase an approximately \$140,000 home or afford rent payments of \$815 per month. A Low Income household of four people (making up to \$50,000 per year) could qualify to purchase a home up to \$225,000 in price or afford monthly rent up to \$1,305. A Moderate Income household of four (up to \$75,750 per year) could typically afford a \$335,000 home or rent up to \$1,958 per month.

The table also identifies the number of additional new units that could be constructed during this Housing Element cycle, given the limits of the GMO as amended by Measure A.

The GMO, as amended by Measure A, limits the number of new units that can be constructed each year. With a number of exceptions (such as small projects of four or fewer units) Measure A will allow approximately 400 new residential units in 2012 and an average of 600 new units per year beginning in 2013.

Given the limits of Measure A, it would be difficult for the City to accommodate the RHNA for any of the income categories in the current 2007 – 2014 RHNA cycle. The column on the right-hand side of the table shows that the City would be 238 units short in the Moderate Income category and 1,103 units short for Above Moderate, for a total of 1,341 units. However, this does not take into account units that could be constructed under the various exemptions to the GMO.

### III. Options

Below are three preliminary options staff has identified as possible responses to HCD's concerns with Measure A. Of course, other options may be suggested by the public at the hearing on this item.

#### A. Submit an Initiative Measure to the Voters

Under the California Elections Code, no ordinance that is adopted by the voters, such as Measure A, may be repealed or amended except by a vote of the people, unless provision is otherwise made in the original ordinance. (Elections Code, section 9217.)

It should be kept in mind that the state Housing Element Law provides in relevant part that the City is only required to "[a]dress and, where appropriate and *legally possible*, remove governmental constraints to the maintenance, improvement, and development of housing for all income levels and housing for persons of disabilities." (Italics added.) (Government Code, section 65583(c) (3).) Therefore, because the City Council cannot legally amend or repeal Measure A on its own, it is not an option that should be included in the Housing Element.

Nevertheless, the City Council could adopt a program in the Housing Element directing the City Council to propose an initiative measure to the voters to repeal or amend Measure A to ensure that the City can meet its RHNA.

#### B. Amend the GMO Guidelines

Measure A provides in relevant part that:

Nothing in this Initiative Ordinance shall be construed to preclude, prohibit or limit the City from complying with any requirements under state housing law. To the extent that any provision of this Initiative Ordinance can be read to conflict with state housing law, it shall be read to allow for



compliance with state housing law, while honoring the intent and purpose of the Initiative Ordinance.

Interpreting and implementing this provision of Measure A, the City Council could adopt a program in the Housing Element directing the City Council to adopt an amendment to the GMO Guidelines which would allow issuance of building permits up to the City's RHNA.<sup>2</sup>

C. Suggest No Changes to the GMO at This Time

The City Council could direct staff to respond to HCD that, at this time, the City chooses not to suggest any changes to the GMO (including Measure A) or the GMO Guidelines in the Housing Element.

IV. Staff Recommendation and Next Steps

Staff is recommending that the City Council receive public comment on this issue and, taking into account the comments presented, direct staff to return with a recommendation for the City Council to consider at a subsequent meeting.

After receiving direction from City Council at a subsequent meeting, staff and VTA will incorporate such direction, and any additional supplementary information requested by HCD, into the Draft Housing Element and/or in a supplementary memo to HCD. HCD will have 60 days after receiving the second Draft Housing Element to provide comments.

After HCD review and comment, the City may revise the Draft Housing Element and ask for one or more additional 60-day review periods. Ultimately, a California Environmental Quality Act (CEQA) document will be prepared for the Housing Element (likely a Negative Declaration), the Planning Commission will review the final draft, and the City Council will adopt the Housing Element. The adopted Housing Element will be sent to HCD one final time, and HCD will have 90 days to determine whether it believes the Housing Element substantially complies with State Housing law and, if so, to certify the Housing Element.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's seven strategic plans.

FISCAL IMPACT

This agenda item and Draft Housing Element preparation is within the scope of work approved by the City Council for VTA on April 21, 2009 (Resolution 2009-068). No additional expenditure of funds is required. To date, VTA has been paid \$37,001 of the

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<sup>2</sup> In the current 2006 Housing Element, the City Council interpreted this provision of Measure A to allow more than 150 affordable housing units as exceptions to the GMO (Program 2.1). However, this Program has not been formally incorporated into the GMO Guidelines.

\$75,000 Professional Services Agreement maximum. The source of funding for this CIP was the General Fund.

RECOMMENDATION

Staff recommends that the City Council receive public comment and direct staff to return with a recommendation for the City Council to consider at a subsequent meeting.

Prepared by: Alan Bell, Senior Planner

Reviewed by: Bill Dean, Development and Engineering Services Assistant Director

Approved by: Andrew Malik, Development and Engineering Services Director  
Leon Churchill, Jr., City Manager

ATTACHMENTS

Attachment A – June 2010 Draft Housing Element

Attachment B – August 19, 2010 HCD Comment Letter

Attachment C – Incentives for Housing Element Compliance, Prepared by HCD

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**City of Tracy  
2009-2014  
Housing  
Element**

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**June 2010**

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**City of Tracy  
333 Civic Center Plaza  
Tracy, CA 95376**

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Think Inside the Triangle™



# **City of Tracy 2009-2014 Housing Element**

HCD Draft

June 2010

City of Tracy  
333 Civic Center Plaza  
Tracy, CA 95376

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## Appendices

- Appendix A: Public Participation
- Appendix B: Residential Sites Inventory
- Appendix C: Review of Past Accomplishments

# **I. Introduction**

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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 2009-2014 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 January 2009, the City population was estimated to be 81,714, an increase of about 44 percent in the nine years since the 2000 Census. During this same period, the housing stock increased by approximately 41 percent. The growth in population has, in turn, increased diversity within the City. From 1990 to 2000, Tracy became more racially and ethnically diverse. The percentage of Whites dropped from 68 to 56 percent, while the proportion of African Americans, Asian or Pacific Islanders and Hispanics each increased by three to five 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 persons in 2009. This trend can be partially attributed to the swell of families with children and the shift in racial and ethnic composition, since Asian and Hispanic households are typically 30 percent larger than White households.

The percentage of owner-occupied housing continued to increase in recent years. The median household income also increased in real terms from \$52,993 to \$62,794 between 1990 and 2000 and the City became proportionally more educated as the percentage of the population with college and graduate degrees increased from 20 percent to 27 percent.

Tracy offers a mix of housing types. Single-family homes make up about 86 percent of the housing stock, the multi-family share is about 12 percent, and mobile homes comprise the remaining two percent. Less than one-third (28 percent) of Tracy's housing stock is at least 30 years old (built before 1980), while approximately 30 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.

The median price of a single-family home in Tracy is estimated at about \$245,000, as of October 2009. Apartment rents range from \$642 for a studio apartment to \$1,048 for a three-bedroom unit. Lower income households in the City are unable to afford homeownership; however, affordable rental options for lower-income households in Tracy do exist. The City has been



actively addressing its housing issues 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 1, 2009 through June 30, 2014, 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 were conducted before the Planning Commission and City Council to review the Draft Housing Element. The meetings were advertised in the Tri-Valley Herald Newspaper, as well as 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. The Draft Housing Element was presented before the Planning Commission on April 14, 2010. One representative from the Building Industry Association of the Delta (BIA) attended this meeting 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.

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.

### **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

### **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, various sources of information are consulted. The 2000 Census provides the basis for population and household characteristics. Although dated, no better source of information on demographics is widely accepted. In addition, the 2000 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 2000 Census, including the following:

- 2006-08 American Community Survey by the Census Bureau<sup>1</sup>
- Population and demographic data updated by the State Department of Finance
- Housing market information, such as home sales and rents, from Dataquick and Realtytrack
- Lending patterns from the Home Mortgage Disclosure Act (HMDA) database
- 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 will ensure that updates to these Elements achieve internal consistency with the Housing Element.

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<sup>1</sup> 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 2000 Census data are used as the basis for analysis.

## **II. Housing Needs Assessment**

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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 2009-2014 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.

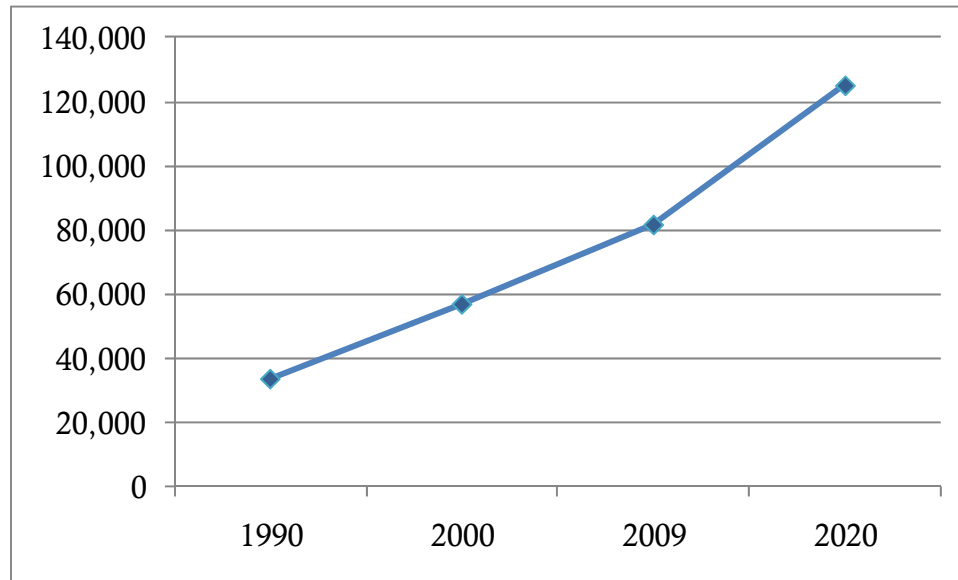
#### **1. Population Growth Trends**

A dominant factor in community planning for Tracy has been the increase in population between 2000 and 2009, and 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 (Figure 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.

Table 1 presents the latest available California Department of Finance (DOF) estimates for the Tracy population and housing stock. The 2009 population was approximately 81,714. 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 2009 and 2020, the Tracy population is estimated to grow to approximately 125,192, an increase of 53 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 economic recession has also slowed population growth in the region compared to previous projections by SJCOG.

**Figure 1: Population Growth Trends**



Sources:

1. Bureau of the Census, 1990 and 2000.
2. California Department of Finance, 2009.
3. San Joaquin Council of Governments – Population Projections, 2004.

**Table 1: Population Growth Trends**

Jurisdiction	1990	2000	2009	2020	Population Growth		
					1990-2000	2000-2009	2009-2020
Escalon	4,437	5,963	7,163	9,410	34.4%	20.1%	31.4%
Lathrop	6,841	10,445	17,671	24,144	52.7%	69.2%	36.6%
Lodi	51,874	56,999	63,313	73,130	9.9%	11.1%	15.5%
Manteca	40,773	49,258	67,754	85,605	20.8%	37.5%	26.3%
Stockton	210,943	243,771	290,409	366,332	15.6%	19.1%	26.1%
Tracy	33,558	56,929	81,714	125,192	69.6%	43.5%	53.2%
County Total	480,628	563,598	689,480	888,536	17.3%	22.3%	28.9%

Sources:

1. Bureau of the Census, 1990 and 2000.
2. California Department of Finance, 2009.
3. San Joaquin Council of Governments – Population Projections, 2004.

## 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 and 2000, the number of persons between the ages of 18 and 24 in Tracy decreased by two 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 and retirement-aged individuals also decreased during the same time period. The City's age distribution reflects a family-oriented community, where family households with school-age children make up a 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). A lack of affordable smaller housing units may explain some portion of the recent population trends.

According to the American Community Survey (ACS) data, the age distribution of Tracy residents between 2006 and 2008 was as follows: nine percent children under five; 22 percent school age children, 10 percent young adults, 33 percent adults, 20 percent middle-age adults, and six percent seniors.

**Table 2: Age Distribution**

Age Group	1990			2000			% Change	
	#	%	% CA	#	%	% CA	Tracy	CA
Preschool (<5 yrs.)	3,497	10%	8%	5,360	9%	7%	-1%	-1%
School Age (5-17 yrs.)	7,006	21%	18%	14,239	25%	20%	4%	2%
Late Teens/College Age (18-24)	3,069	9%	11%	4,248	7%	10%	-2%	-2%
Young Adults/Early Middle Age (25-44)	12,621	38%	35%	19,947	35%	32%	-3%	-3%
Middle Age/Near Retirement (45-64)	4,656	14%	17%	9,498	17%	21%	3%	3%
Senior (65+)	2,709	8%	11%	3,637	6%	11%	-2%	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 to six percent in 2000.

*Source:* Bureau of the Census, 1990 and 2000.

### 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, Tracy has become more racially and ethnically diverse. Between 1990 and 2000, the White population in the City decreased from 68 percent to 56 percent (Table 3). During the same time period, the representation of all minority groups, except Native Americans, increased in Tracy. Nevertheless, Tracy remains less diverse compared to both San Joaquin County and California (see Figure 2).

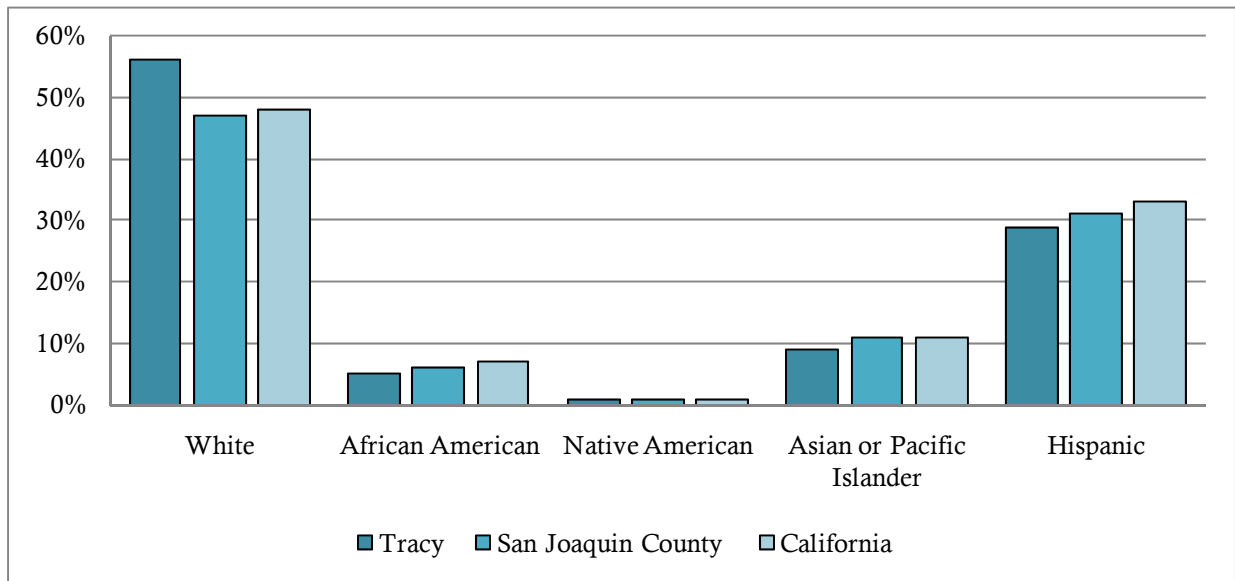
According to ACS data, the racial/ethnic distribution of Tracy residents between 2006 and 2008 was as follows: 39 percent White, 36 percent Hispanic, 13 percent Asian, seven percent Black, and five percent Other.

**Table 3: Race and Ethnicity**

Race/Ethnicity	2000			Percentage Distribution Change, 1990-2000		
	Tracy	County	California	Tracy	County	California
White	56%	47%	48%	-12%	-11%	-9%
African American	5%	6%	7%	3%	1%	0%
Native American	1%	1%	1%	0%	0%	0%
Asian or Pacific Islander	9%	11%	11%	4%	0%	2%
Hispanic	29%	31%	33%	5%	7%	7%

*Source: Bureau of the Census, 2000.*

**Figure 2: Race and Ethnicity**



Source: Bureau of the Census, 2000.

## **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. 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.

### **1. Household Type and Size**

Different household types generally have different housing needs. 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 percent from 1990 to 2000. The share of family households in California, however, did not change. Average family size also increased in Tracy (Table 4). Compared to California, Tracy has a much larger share of married-couple, family households with children. The share of this family type increased by four percent during the 1990s, which drove the City's average household size and average family size higher. The number of non-family households increased between 1990 and 2000, but the share of non-family households as a percentage of total household decreased during this period. The same was true for single households, which comprised most of these non-family households.



According to DOF estimates for 2009, Tracy's average household size is 3.27. This was the second highest among San Joaquin County cities (after Lathrop) and the County overall.

According to the American Community Survey data, between 2006 and 2008, 80 percent of Tracy households were family households. Of the City's households, 53 percent included children under the age of 18 and 47 percent did not include children. About 16 percent of Tracy residents lived alone and four percent were other non-family households.

**Table 4: Household Types**

Household Type	1990			2000			% Change		
	Tracy HHs	%	CA %	Tracy HHs	%	CA %	Tracy HHs	%	CA %
Families	8,617	77%	69%	14,308	81%	69%	5,691	4%	0%
Married w/ Children	4,201	37%	27%	7,237	41%	26%	3,036	4%	-1%
Married No Children	2,754	25%	26%	4,213	24%	25%	1,459	-1%	-1%
Other Families	1,662	15%	16%	2,858	16%	18%	1,196	1%	2%
Non-Families	2,591	23%	31%	3,312	19%	31%	721	-4%	0%
Singles	2,012	18%	8%	2,530	14%	24%	518	-4%	16%
Other Non-Families	579	5%	23%	782	4%	8%	203	-1%	-16%
<b>Total Households</b>	<b>11,208</b>	<b>100%</b>	<b>100%</b>	<b>17,620</b>	<b>100%</b>	<b>100%</b>	<b>6,412</b>	<b>--</b>	<b>--</b>
	<b>Tracy</b>	<b>CA</b>		<b>Tracy</b>	<b>CA</b>		<b>Tracy</b>	<b>CA</b>	
Average Household Size	3.0	2.79		3.21	2.87		7%	3%	
Average Family Size	3.39	3.32		3.56	3.43		5%	3%	

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

*Source:* Bureau of the Census, 1990 and 2000.

## 2. Household Income

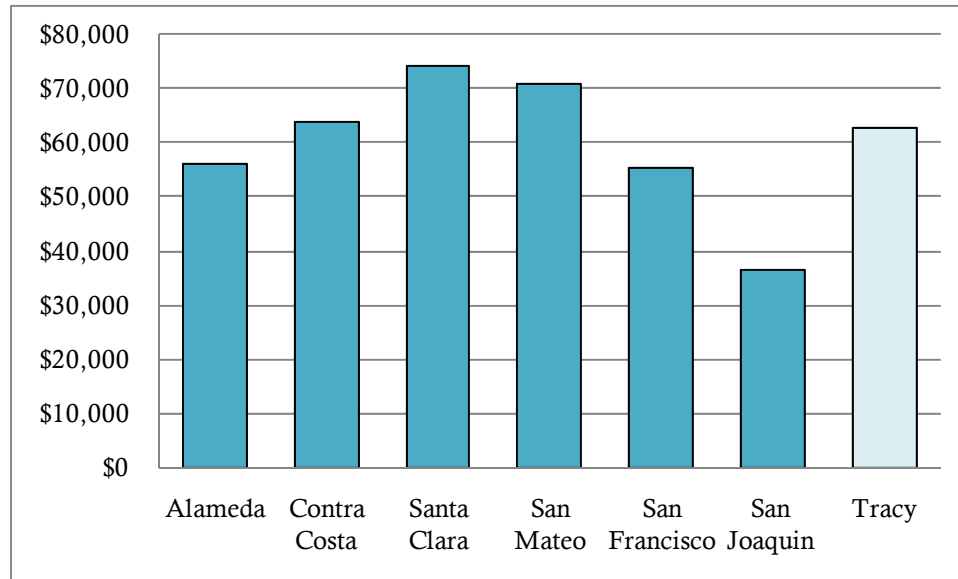
Household income indicates the wealth of a community and therefore is directly connected to the ability to afford housing. Median household income compared to neighboring communities provides a way to measure income in Tracy against other cities.

In 2000, households in the 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. Tracy's median household income (\$62,794) 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. 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 San Joaquin Valley is approximately 35 percent lower than Alameda County (\$55,946), 51 percent lower than Santa Clara County (\$74,335), 48 percent lower than San Mateo County

(\$70,819), 34 percent lower than San Francisco County (\$55,221), and 42 percent lower than Contra Costa County (\$63,675).

**Figure 3: Median Household Income**



Source: Bureau of the Census, 2000.

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 2000 Census, 15 percent of households earned less than \$25,000, while approximately 22 percent of City households earned incomes between \$25,000 and \$49,999 (Table 5). Approximately 45 percent of Tracy households earned incomes between \$50,000 and \$99,999 and 19 percent reported \$100,000 or more in income in 1999. In comparison, the County income distribution was more evenly distributed throughout all the income levels, explaining the lower median household income reported for San Joaquin County when compared to Tracy.

**Table 5: Household Income Distribution (1999)**

Household Income	Tracy		County	
	Number	%	Number	%
Less than \$10,000	870	5.0%	18,364	10.1%
\$10,000 to \$14,999	526	3.0%	12,234	6.7%
\$15,000 to \$24,999	1,260	7.2%	24,053	13.2%
\$25,000 to \$34,999	1,427	8.1%	22,488	12.4%
\$35,000 to \$49,999	2,403	13.7%	29,730	16.5%
\$50,000 to \$74,999	4,104	23.4%	35,475	19.5%
\$75,000 to \$99,999	3,700	21.1%	19,934	11.0%
\$100,000 or more	3,239	18.5%	19,334	10.6%
<b>Total</b>	<b>17,529</b>	<b>100.0%</b>	<b>181,612</b>	<b>100.0%</b>

*Note: The 2000 Census measured income earned in 1999.*

*Source: Bureau of the Census, 2000.*

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

In 2000, approximately 78 percent of Tracy households earned moderate or above moderate incomes (Table 6), while 22 percent of households had incomes in the extremely low, very low, and low income levels.<sup>2</sup>

**Table 6: Households by Income Category (2000)**

Income Category (% of County AMI)	Households	Percent
Extremely Low (30% or less)	983	5.6%
Very Low (31 to 50%)	948	5.4%
Low (51 to 80%)	1,860	10.6%
Moderate or Above (over 80%)	13,732	78.4%
<b>Total</b>	<b>17,523</b>	<b>100.0%</b>

*Source: Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS), 2000.*

<sup>2</sup> 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.

## 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 in 2000 included 27,121 persons, 25,492 of whom were employed and 1,581 of whom were unemployed – constituting an unemployment rate of four percent. Tracy's unemployment rate continues to be one of the lowest for cities in the County. As reported in the ACS, between 2006 and 2008, the unemployment rate in Tracy doubled to 8.9 percent, compared to ten percent in the County. The manufacturing and education/health/social service industries employed the most Tracy residents in 2000 (Table 7). These industries usually offer moderate incomes. However, between the 2000 Census and 2006-2008 ACS, the manufacturing industries shrank from 17 percent of the employed residents to 14 percent of the employed residents. In contrast, the recreation/accommodation/food service industries expanded to employ eight 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 Defense Depot, Tracy Unified School District, and the Deuel Vocational Institute.

**Table 7: Employment Profile**

Industry	2000		2006-08
	#	%	%
Agriculture, Forestry, Fishing and Hunting, and Mining	298	1.2	1.1%
Construction	2,070	8.1	9.2%
Manufacturing	4,373	17.2	13.7%
Wholesale Trade	1,438	5.6	4.0%
Retail Trade	3,306	13	12.0%
Transportation and Warehousing, and Utilities	1,493	5.9	7.8%
Information	1,212	4.8	2.7%
Finance, Insurance, Real Estate	1,637	6.4	7.4%
Professional, Scientific, Management, Administrative	2,709	10.6	11.7%
Educational, Health and Social Services	3,496	13.7	13.5%
Arts, Entertainment, Recreation, Accommodation & Food Services	1,368	5.4	8.0%
Other Services	940	3.7	3.7%
Public Administration	1,152	4.5	5.3%
<b>Total</b>	<b>25,492</b>	<b>100.0</b>	<b>100.1%</b>

*Sources: Bureau of the Census, 2000 Census and American Community Survey 2006-2008.*

**Table 8: Major Employers**

<b>Firm</b>	<b>Industry</b>	<b>Employees</b>
Safeway Distribution Center	Distribution	1,800
Defense Depot San Joaquin	Government Agency	1,530
Tracy Unified School District	Education	1,500
Deuel Vocational Institute	State Prison Facility	1,200
Diversified Collection Service	Collection services	635
City of Tracy	Municipal Services	570
Sutter Tracy Community Hospital	Medical Care	540
Costco Wholesale	Distribution Grocery	513
Barbosa Cabinets	Cabinet Builders	500
Owens-Illinois, Inc.	Glass Container Manufacturer	440

*Source: City of Tracy, 2009.*

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 food preparation and serving, health care support, production, and social services occupations offer lower wages.

**Table 9: Mean Salary By Occupation (2008)-Stockton MSA**

<b>Occupation</b>	<b>Mean Annual Salary</b>
Management	\$93,401
Legal	\$90,221
Healthcare Practitioners and Technical	\$74,931
Computer and Mathematical	\$68,983
Architecture and Engineering	\$67,609
Life, Physical and Social Sciences	\$64,533
Business and Financial	\$61,669
Protective Service	\$52,065
Community and Social Services	\$46,556
Construction and Extraction	\$45,011
Installation, Maintenance and Repair	\$42,966
Arts, Design, Entertainment, Sports and Media	\$41,891
Transportation and Material Moving	\$33,086
Office and Administrative Support	\$33,025
Sales	\$31,793
Production	\$31,282
Healthcare Support	\$26,857
Building and Grounds Cleaning and Maintenance	\$26,376
Personal Care and Service	\$23,332
Food Preparation and Serving	\$20,074
Farming, Fishing and Forestry	\$19,218

*Source: California Employment Development Division, 2009.*

## **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.

Nearly 60 percent of Tracy's workforce travels to another county for employment, the highest proportion among the surrounding counties (Table 10). The number of Tracy residents employed outside the County was high in 1990. 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 (Figure 4).

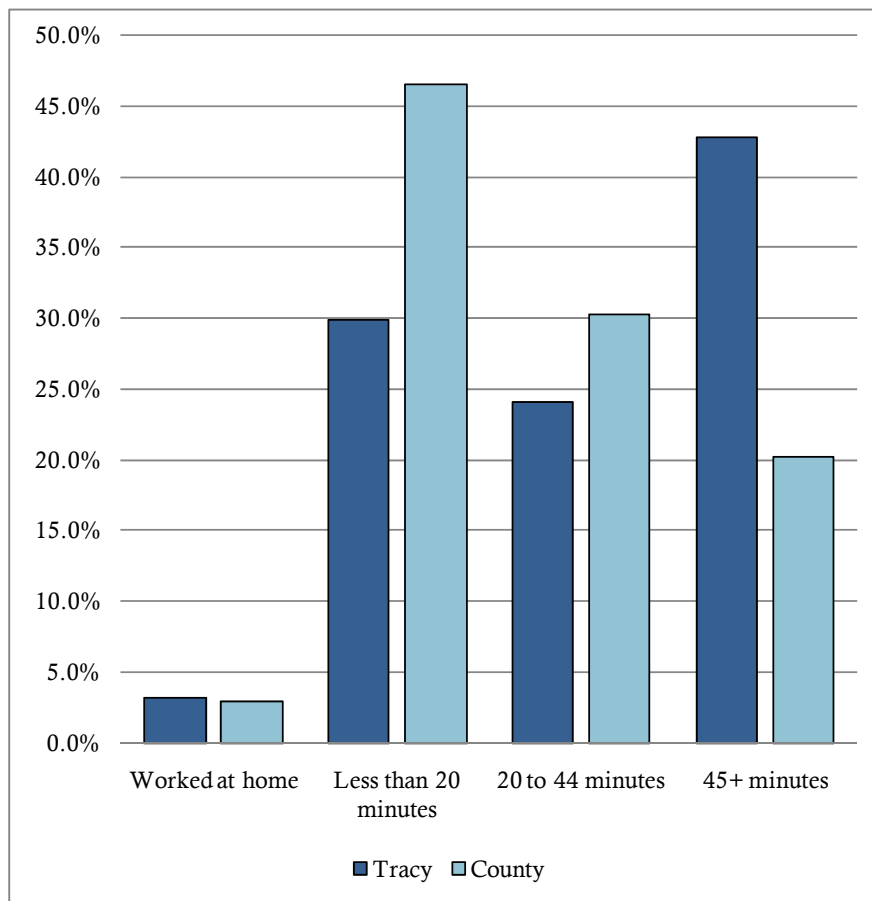
**Table 10: Place of Work**

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	15%	30%	41%	17%	43%	11%	51%
Outside of County of Residence 2000	17%	33%	42%	23%	42%	12%	58%
Percentage Change (1990 - 2000)	2%	3%	1%	6%	-1%	1%	7%

Source: Bureau of the Census, 2000.

Figure 4 shows travel time for workers age 16 and over in Tracy and San Joaquin County in 2000. One-third 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 percent had commutes of 45 minutes or longer.

**Figure 4: Travel Time to Work**



Compared to residents countywide, a slightly smaller proportion of Tracy residents drove alone to work in 2000 and a larger proportion of residents carpooled or took public transportation (Table 11).

**Table 11: Means of Transportation to Work**

<b>Means of Transportation</b>	<b>Tracy</b>	<b>County</b>
Drove Alone	72.5%	74.6%
Carpooled	18.9%	17.0%
Public Transportation	2.1%	1.4%
Motorcycle	0.1%	0.2%
Bike	0.5%	0.7%
Walked	1.6%	2.3%
Other means	1.0%	0.9%
Worked at home	3.3%	2.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

*Source: Bureau of the Census, 2000.*

## **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 2000 Census 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 vary according to household income, type, and tenure. Some highlights include:

- In general, renter-households had a higher level of housing problems (50 percent) compared to owner-households (40 percent).
- Large renter-families had the highest level of housing problems regardless of income level (67 percent).
- Extremely low income (80 percent) and very low income households (78 percent) had the highest incidence of housing problems.



**Table 12: Housing Assistance Needs of Lower Income Households (2000)**

Household by Type, Income, and Housing Problem	Renters				Owners		Total Households	
	Elderly	Small Families	Large Families	Total Renters	Elderly	Large Families		Total Owners
<b>Extremely Low Income (0-30% MFI)</b>	<b>223</b>	<b>234</b>	<b>69</b>	<b>599</b>	<b>193</b>	<b>92</b>	<b>384</b>	<b>983</b>
% with any housing problem	82.5	81.2	100	83.8	66.3	68.5	72.9	79.6
% with cost burden >30%	82.5	72.6	100	79.8	66.3	68.5	72.9	77.1
% with cost burden > 50%	58.3	62	94.2	65.9	48.7	68.5	64.1	65.2
<b>Very Low Income (31-50% MFI)</b>	<b>109</b>	<b>204</b>	<b>105</b>	<b>517</b>	<b>199</b>	<b>159</b>	<b>431</b>	<b>948</b>
% with any housing problem	83.5	82.8	100	84.9	44.7	93.7	70.3	78.3
% with cost burden >30%	83.5	82.8	76.2	80.1	44.7	93.7	66.8	74.1
% with cost burden >50%	58.7	43.6	61.9	51.8	27.6	78.6	53.4	52.5
<b>Low Income (51-80% MFI)</b>	<b>165</b>	<b>425</b>	<b>163</b>	<b>913</b>	<b>370</b>	<b>319</b>	<b>947</b>	<b>1,860</b>
% with any housing problem	75.8	76.5	84.7	75.9	35.1	76.5	61.5	68.5
% with cost burden >30%	75.8	54.1	38.7	57.3	35.1	76.5	58.8	58.1
% with cost burden > 50%	12.1	0	9.2	4.9	17.6	50.2	32.2	18.8
<b>Total Households</b>	<b>705</b>	<b>2,263</b>	<b>914</b>	<b>4,817</b>	<b>1,552</b>	<b>7,560</b>	<b>12,706</b>	<b>17,523</b>
% with any housing problem	63.7	43.5	66.7	49.6	33.3	33.5	36.1	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), 2000.*

## 1. Overpayment

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 Census reported that 35 percent of Tracy households (5,777 households) overpaid for housing in 2000. Similar to overcrowding, a household's cost burden typically varies by income level, tenure, household type, and household size. In Tracy, renters and owners were overpaying for housing at approximately the same rate, whereas in the County, State, and nearby cities, overpayment among owners were less prevalent than renters. Tracy renters were experiencing overpayment at lower rates than renters in the County, the State, and nearby cities (Table 13). 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.

**Table 13: Percentage of Household Income Spent on Rental Housing (2000)**

Percent of Income Used for Rent	Tracy	County	State	Nearby Cities
Less than 15 percent	15%	15%	15%	16%
15 to 19 percent	17%	14%	14%	14%
20 to 24 percent	15%	12%	13%	13%
25 to 29 percent	13%	10%	11%	10%
30 percent or more	35%	43%	42%	42%

Note: Nearby Cities include Lathrop, Manteca, Modesto, Turlock, Stockton, and Livermore.

Source: Bureau of the Census, 2000.

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).

**Table 14: Percentage of Household Income Spent on Owner Housing (2000)**

Percent of Income Used for Owner Housing	Tracy		County	State	Nearby Cities
	1990	2000			
Less than 15 percent	--	16%	28%	28%	25%
15 to 19 percent	--	16%	16%	15%	16%
20 to 24 percent	15%	17%	15%	14%	15%
25 to 29 percent	16%	16%	12%	11%	14%
30 percent or more	34%	34%	29%	31%	29%

Source: 2000 U.S. Census.

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.

**Table 15: Percentage of Owner- and Renter-Households Overpaying for Housing by Age**

Householder Age Cohorts	Owner	Renter
Householder 15 to 24 years	63%	52%
Householder 25 to 34 years	43%	29%
Householder 35 to 44 years	34%	28%
Householder 45 to 54 years	27%	32%
Householder 55 to 64 years	33%	35%
Householder 65 to 74 years	36%	61%
Householder 75 years and over	25%	74%
<b>Total</b>	<b>11,973</b>	<b>4,838</b>

Source: 2000 U.S. Census.

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.

**Table 16: Percent of Income Groups Overpaying for Housing**

Income Group	Owner-Households	Renter-Households
Less than \$10,000	97%	90%
\$10,000 to \$19,999	68%	88%
\$20,000 to \$34,999	63%	60%
\$35,000 to \$49,999	62%	17%
\$50,000 to \$74,999	49%	2%
\$75,000 to \$99,999	20%	0%
\$100,000 to \$149,999	4%	0%
\$150,000 or more	1%	0%

*Source: U.S. Census, 2000.*

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.

## **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 Census, approximately ten percent of housing units in the City (1,783 units) were overcrowded in 2000. Overcrowding disproportionately affected renters, indicating overcrowding may be the result of an inadequate supply of larger sized rental units. While 71 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 of these units (12 percent) were occupied by renters.

**Table 17: Overcrowding (2000)**

Occupants per Room	Owner Occupied		Renter Occupied		Total	
	#	%	#	%	#	%
0 To 1 Occupants per Room	11,937	67.9%	3,861	22.0%	15,798	89.9%
1.01 To 1.50 Occupants per Room	553	3.1%	456	2.6%	1,009	5.7%
1.51 To 2.00 Occupants per Room	213	1.2%	369	2.1%	582	3.3%
2.01 Or More Occupants per Room	24	0.1%	168	1.0%	192	1.1%
Overcrowded Units	790	4.5%	993	5.6%	1,783	10.1%
<b>Total Housing Units</b>	<b>12,727</b>	<b>72.3%</b>	<b>4,854</b>	<b>27.7%</b>	<b>17,581</b>	<b>100.0%</b>

Source: Bureau of the Census, 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, homeless, single-parent households, large households, and migrant/farmworkers (Table 18). 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 18: 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+	2,593	--	--	--	--	14.7%
Senior-Headed Households	2,171	1,530	70.5%	641	29.5%	12.3%
Senior Living Alone	1,015	555	54.7%	460	45.3%	1.8%
Persons with Disabilities	7,666	--	--	--	--	13.6%
Large Households	3,421	2,486	72.7%	935	27.3%	19.4%
Female-Headed Households	3,073	1,601	52.1%	1,472	47.9%	17.4%
Single-Parent Households with Children	1,607	701	43.6%	906	56.4%	9.1%
Female-Headed Households with Children	1,016	467	46.0%	549	54.0%	5.8%
In Poverty	201	--	--	--	--	19.8%
Farmworkers	209	--	--	--	--	0.4%
Residents Living Below Poverty	3,928	--	--	--	--	7.0%
Homeless	32	--	--	--	--	0.2%

Sources: Bureau of the Census, 2000, and San Joaquin County Homeless County, 2009.

## 1. Seniors

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 2000 Census, over 3,600 seniors (about 6 percent of the total population) lived in Tracy. Approximately 12 percent of all households in the City were headed by seniors, which is a decrease from 15 percent in 1990. Of these senior-headed households, most (71 percent) owned their homes, while the remainder (29 percent) rented. Approximately 39 percent of senior-headed households overpaid for housing - 29 percent of senior homeowners overpaid, while 72 percent of senior renters overpaid.

Aside from overpayment problems faced by seniors due to their relatively fixed incomes, many seniors are faced with various disabilities. Approximately 38 percent of Tracy seniors had a disability in 1990 which, according to 2000 Census, grew to approximately 50 percent by the year 2000.

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.

The 2000 Census reported among the elderly residents in Tracy, 63 percent were living in family households either with spouse or with other family members (Table 19). Approximately 28 percent of elderly residents were living in non-family households, primarily living alone but some were living with roommates. Another nine percent of elderly persons were living in group quarters such as convalescent homes.

**Table 19: Elderly Residents by Household Type**

<b>Household Type</b>	<b>Number</b>	<b>%</b>
Family Households	2,248	63.1%
Living with Spouse	708	31.5%
Other Family Household	1,540	68.5%
Non-Family Households	1,006	28.3%
Elderly Living Alone	980	97.4%
Group Quarters	307	8.6%
Total Elderly Population	3,561	100.0%

*Source: Bureau of the Census, 2000.*

According to the ACS data, between 2006 and 2008, over 4,600 seniors (about 6 percent of the total population) lived in Tracy and about four percent of all households (1,010 households) in the City were comprised of seniors living alone.

### **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 Garden Apartments and Tracy Place Senior Apartments. In addition, the City contracts with the San Joaquin County Housing Authority to provide Section 8 assistance to very low income households. The City also facilitates housing options for seniors through residential care facilities. A total of ten senior residential care facilities are operating in the City, with a total capacity of over 300 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:

*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 Census, approximately 14 percent of Tracy residents (7,666 persons) over five years of age had a disability. The Census tallied the number of disabilities by type for residents with one or more disabilities. Among the disabilities tallied, 8 percent were sensory disabilities, 23 percent were physical disabilities, 11 percent were mental disabilities, 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 (Table 20). Mental disabilities accounted for 72 percent of disabilities tallied among five to 15 year olds, while 42 percent of disabilities tallied for 16 to 64 year olds limited their ability to work. Physical disabilities and disabilities that restrict the ability to go outside the home alone accounted for 59 percent of disabilities tallied among Tracy's senior population.

**Table 20: Disabilities Tallied by Age and Type**

Type of Disability	# of Disabilities Tallied			
	5 to 15	16 to 64	65+	Total
Sensory disability	54	561	509	1,124
Physical disability	40	1,985	1,264	3,289
Mental disability	318	904	466	1,688
Self-care disability	31	580	427	1,038
Go-outside-home disability <sup>1</sup>	--	2,182	739	2,921
Employment disability <sup>2</sup>	--	4,448	--	4,448
<b>Total</b>	<b>443</b>	<b>10,660</b>	<b>3,405</b>	<b>14,508</b>

Notes:

1. Tallied only for persons 16 years and over.

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

Source: Bureau of the Census, 2000.

### 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:

- 5 Adult Residential Care facilities – 30 beds total
- 2 Group Homes – 12 beds total
- 10 Residential Care for the Elderly facilities – 303 beds total

Combined, these facilities offer a capacity of 345 beds.

### 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 2000, approximately 19 percent of total households in Tracy were considered large households. Of these large households, approximately 73 percent owned the units they occupied and 27 percent rented. Finding large rental units (with three or more bedrooms) is a typical problem for large families, particularly renters with lower income levels. Of the 17,727 housing units in Tracy, 71 percent had three or more bedrooms (the minimum size considered large enough to avoid most overcrowding issues for large households). However, only a small portion of these units (12 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.



#### **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 2000 Census showed that single parents comprised approximately nine percent of Tracy families. Of these families, 63 percent were headed by females. Female-headed families have a higher incidence of poverty when compared to all households. Of female-headed families with children under 18, approximately 20 percent had incomes below the poverty level. 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**

Female-headed households need affordable housing in areas suitable for child-rearing and with access to transit networks, schools and parks, and daily services. The City offers housing programs and supportive services for lower and moderate income households that 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 2000 Census reported 209 people being employed in the agriculture, farming, fishing and forestry occupations, making up approximately 0.4 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 farmworker population is small, no special housing programs for this group are warranted. Housing needs for farmworkers in the City can be addressed through the various affordable housing programs for lower income households offered by the City.

#### **6. Residents Living Below Poverty**

Families, particularly female-headed families, are disproportionately affected by poverty. In 2000, seven percent of the City's total residents (3,928 persons) were living in poverty. Nearly 20 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 Homeless Count 2009, there are 32 homeless persons in the City of Tracy. A majority of the City's homeless (22 persons) are male.

### Resources Available

Services and facilities available to the homeless in and around Tracy are listed in Table 21.

**Table 21: 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.
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	Provides a maximum of 8 to 10 weeks of shelter to homeless families and women.

## 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 housing growth since 1990. The total number of housing units increased 49 percent between 1990 and 2000 and 41 percent from 2000 to 2009. Tracy’s housing growth has consistently outpaced countywide housing growth as well as growth experienced in most surrounding communities (Table 22). Much of the housing growth that occurred between 2000 and 2009, however, took place early on in 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-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 declined further in 2007 and 2008 as a result of the economic downturn and tightening of the credit market. Since January 1, 2007, only 354 building permits have been finalized (Table 50).

**Table 22: Housing Growth**

Jurisdiction	1990	2000	2009	% Change	
				1990 – 2000	2000 – 2009
Escalon	1,640	2,132	2,519	30.0%	18.2%
Lathrop	2,040	2,991	4,992	46.6%	66.9%
Lodi	19,676	21,378	23,368	8.7%	9.3%
Manteca	13,981	16,937	22,961	21.1%	35.6%
Stockton	72,525	82,042	96,854	13.1%	18.1%
Tracy	12,174	18,087	25,566	48.6%	41.4%
County Total	166,274	189,160	228,981	13.8%	21.1%

Sources:

1. Bureau of the Census, 1990 and 2000.
2. California Department of Finance, Population and Housing Estimates, 2009.

### 2. Housing Type

Table 23 shows the mix of housing units in Tracy in 2009. Tracy’s housing stock is comprised mostly of single-family detached homes (82 percent). Another four percent of units are single-family attached units (such as zero lot line or second units). Just 12 percent of the units in the City are multi-family development and mobile homes make up about two percent of total housing units.

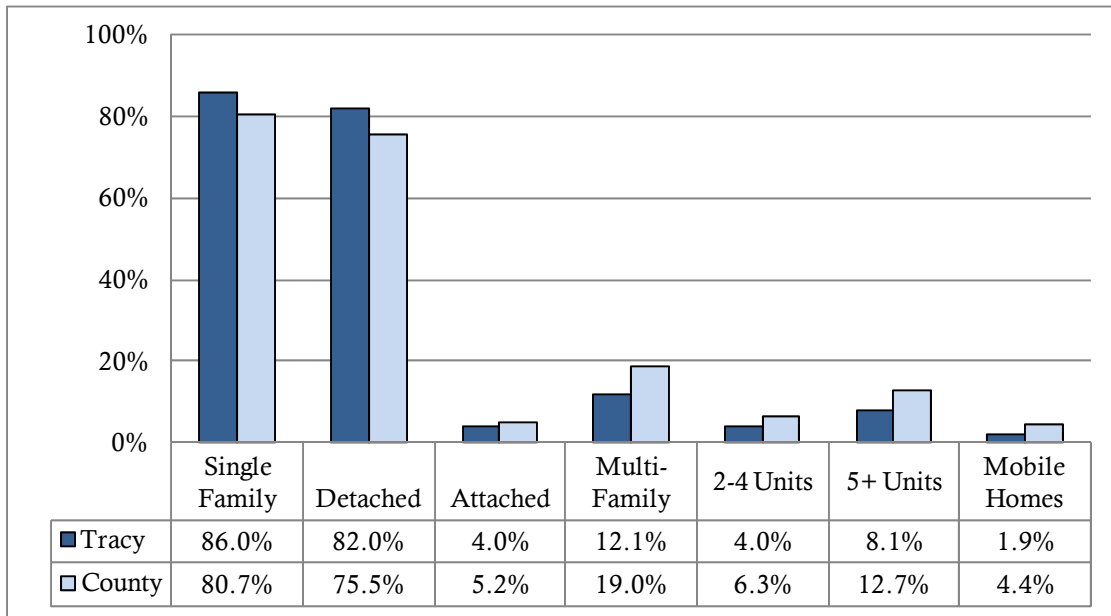
**Table 23: Housing Stock Characteristics**

Unit Type	Number	Percent
Single Family	21,997	86.0%
Detached	20,968	82.0%
Attached	1,029	4.0%
Multi-Family	3,093	12.1%
2-4 Units	1,029	4.0%
5+ Units	2,064	8.1%
Mobile Homes	476	1.9%
<b>Total Housing Units</b>	<b>25,566</b>	<b>100.0%</b>
Total Occupied	24,906	97.4%
Vacancy Rate		2.6%

Source: State Department of Finance, Population and Housing Estimates, 2009.

Tracy’s housing stock is less diverse than the countywide housing stock. Only 76 percent of the housing units in San Joaquin County consisted of single-family detached homes and nearly one-fifth of the total housing stock was made up of multi-family units (Figure 5).

**Figure 5: Housing Stock Composition**



### 3. Housing Availability and Tenure

Housing vacancy rates and tenure are important indicators of the supply and cost of housing. Vacancy rates indicate the balance between the population and 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 two to three percent. The City’s current vacancy rate is 2.6 percent (Table 23). Given the City’s housing mix, this vacancy rate is considered optimal, 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 percent of Tracy households were homeowners, while the remaining 28 percent were renters (Table 24). The home ownership rate in Tracy was significantly higher than for the County as a whole, but comparable to the neighboring cities of Escalon and Lathrop. A much smaller proportion of households owned their homes in Lodi and Stockton.

**Table 24: Housing Tenure**

Jurisdiction	Owner		Renter	
	#	%	#	%
Escalon	1,549	75.3%	507	24.7%
Lathrop	2,319	79.7%	589	20.3%
Lodi	11,308	54.6%	9,384	45.4%
Manteca	10,305	63.0%	6,063	37.0%
Stockton	40,534	51.6%	38,022	48.4%
Tracy	12,717	72.2%	4,903	27.8%
County Total	109,667	60.4%	71,962	39.6%

Source: Bureau of the Census, 2000.

According to the ACS data, between 2006 and 2008, 72 percent of Tracy households were owner occupied while 28 percent were renter occupied. The owner vacancy rate was five percent and the renter vacancy rate was six percent.

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 25).

**Table 25: Percentage Homeowner by Household Size**

Household Size	Tracy		CA		County		Difference	
	#	%	#	%	#	%	Tracy-CA	Tracy-County
1 person	1,377	54%	1,240,197	46%	19,226	51%	9%	3%
2 people	3,312	75%	2,154,005	63%	35,795	69%	12%	5%
3 people	2,366	73%	1,059,758	58%	17,799	60%	16%	14%
4 people	3,158	79%	1,060,816	62%	18,983	64%	17%	15%
5 person	1,579	75%	538,906	58%	9,970	58%	17%	17%
6 person	599	74%	249,015	55%	4,408	54%	18%	20%
7 or more people	326	61%	243,637	53%	3,486	46%	7%	14%

Source: Bureau of the Census, 2000.

Racial and ethnic minorities in Tracy are much more likely to own their homes than their counterparts elsewhere in California, as shown in Table 26. The difference is especially apparent for African-Americans and Asian/Pacific Islanders. While African Americans and

Asian/Pacific Islanders have nearly 80 percent rates of homeownership in Tracy, these same racial groups have rates of homeownership closer to 50 percent in San Joaquin County and California.

**Table 26: Homeownership by Race/Ethnicity**

Homeownership by Race	Tracy	County	CA
White	9,231 74%	66%	63%
Black or African American	786 78%	44%	39%
American Indian/Alaska Native alone	103 56%	44%	46%
Asian/Pacific Islander	1,039 83%	56%	55%
Some other race	1,003 54%	46%	40%
Two or more races	565 68%	50%	44%
Hispanic of any race	2,297 59%	48%	44%

Source: Bureau of the Census, 2000.

For all but the youngest age cohort shown below, owner-households in Tracy outnumber renter-households (Table 27). Households with a householder between 15 and 24 years of age rented approximately 72 percent of the time. The next highest level of renting was for householders 85 years old and older, 42 percent of whom were renter-households. The 25-to-34 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.

**Table 27: Tenure by Age of Householder**

Householder Age	Owner	Renter
Householder 15 to 24 years	28%	72%
Householder 25 to 34 years	65%	35%
Householder 35 to 44 years	76%	24%
Householder 45 to 54 years	81%	19%
Householder 55 to 59 years	71%	29%
Householder 60 to 64 years	76%	24%
Householder 65 to 74 years	74%	26%
Householder 75 to 84 years	69%	31%
Householder 85 years and over	58%	42%

Note: The percentages shown in the table above represent the percentage of owners or renters in each age cohort. For example, the first column, first row entry shows that 28 percent of households with a householder between 15 and 24 are owners.

Source: Bureau of the Census, 2000.

Income is typically a powerful explanatory variable for tenure. As income increases, home ownership becomes more common (Table 28). This trend is noticeable in Tracy, as the income groups tracked by the Census 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 percent, homeownership rates for households earning \$75,000 - \$99,999 was almost 80 percent. Compared to the County and State, the share of each income group in owner-occupied housing was higher in Tracy. The differences between the City and comparison areas were particularly pronounced for low income groups earning up to \$20,000 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 percent higher median income in the County compared to renters, and a 64 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.

**Table 28: Income and Homeownership**

<b>Income and Homeownership</b>	<b>California</b>	<b>County</b>	<b>Tracy</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Less than \$5,000	29%	31%	42%
\$5,000 to \$9,999	27%	30%	34%
\$10,000 to \$14,999	34%	36%	47%
\$15,000 to \$19,999	38%	38%	48%
\$20,000 to \$24,999	41%	45%	47%
\$25,000 to \$34,999	45%	49%	48%
\$35,000 to \$49,999	53%	61%	58%
\$50,000 to \$74,999	64%	74%	78%
\$75,000 to \$99,999	74%	85%	86%
\$100,000 to \$149,999	81%	90%	94%
\$150,000 or more	85%	89%	93%

*Source: Bureau of the Census, 2000.*

**Table 29: Median Income by Tenure**

<b>Median Income by Tenure</b>	<b>California</b>	<b>San Joaquin County</b>	<b>Tracy</b>
Total	\$47,288	\$41,216	\$62,752
Owner Occupied	\$62,155	\$54,613	\$73,681
Renter Occupied	\$31,912	\$25,780	\$38,181
Difference between Owner and Renter As % of Median	64%	70%	57%

*Source: Bureau of the Census, 2000.*

#### **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 30). The housing stock in the City is newer than that in the County, the State, and nearby cities (Figure 6). The median age of homes in Tracy in 2009 was 17 years (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 30: Age of Local Housing Stock**

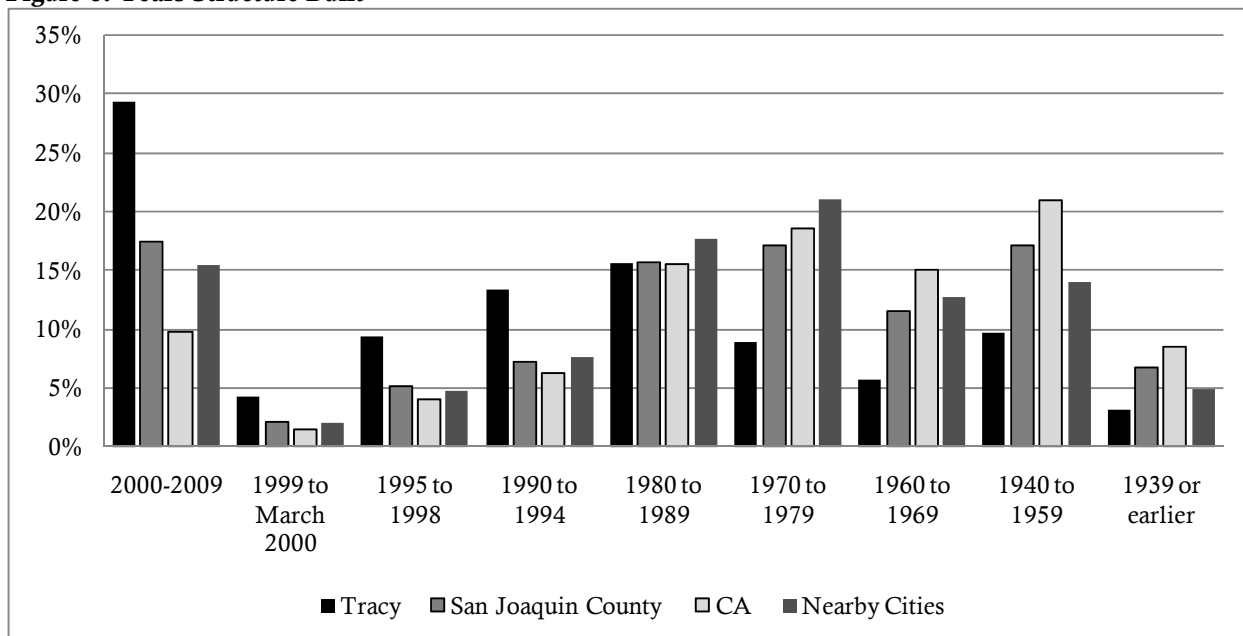
Year Housing Unit Was Built	Tracy		County	State	Nearby Cities
	Number	%			
2000 to 2009	7,519	29.4%	17.4%	9.7%	15.4%
1999 to March 2000	1,103	4.3%	2.1%	1.4%	2.0%
1995 to 1998	2,412	9.4%	5.2%	4.0%	4.8%
1990 to 1994	3,441	13.5%	7.3%	6.2%	7.6%
1980 to 1989	4,008	15.7%	15.6%	15.5%	17.6%
1970 to 1979	2,287	8.9%	17.1%	18.5%	21.0%
1960 to 1969	1,479	5.8%	11.5%	15.1%	12.7%
1940 to 1959	2,495	9.8%	17.1%	21.0%	14.0%
1939 or earlier	822	3.2%	6.7%	8.6%	4.9%
<b>Total</b>	<b>25,566</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Note: Nearby Cities includes Lathrop, Manteca, Modesto, Turlock, Stockton, and Livermore.

Sources:

1. Bureau of the Census, 2000.
2. State Department of Finance, 2009.

**Figure 6: Years Structure Built**



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. Therefore, assuming a straight line of production during the 1970s, an estimated 7,083 units (39 percent of the housing stock) would be of sufficient age to be susceptible to deterioration requiring maintenance or



rehabilitation as of 2009. According to the City's Code Enforcement Division, an estimated 100 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 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.

## **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 in the first half of the decade before falling substantially during the current economic downturn.

The California Association of Realtors (CAR) publishes median home sales price data compiled by DataQuick for cities and counties throughout the State. The median home sales price in Tracy declined by approximately 18 percent between 2008 and 2009 (Table 31), but median home prices in the City are still the highest (\$245,000) in San Joaquin County. Prices dropped approximately 22 percent countywide from 2008 to 2009.

**Table 31: Median Home Sale Price (2007-2009)**

Jurisdiction	# of Homes Sold in October 2009	Median Price			% Change in Price	
		October 2009	2008	2007	2007-08	2008-09
Escalon	11	\$165,250	\$265,000	\$370,000	-28.4%	-37.6%
Lathrop	52	\$191,750	\$240,000	\$400,000	-40.0%	-20.1%
Lodi	78	\$210,000	\$216,000	\$339,500	-36.4%	-2.8%
Manteca	135	\$192,000	\$249,000	\$390,000	-36.2%	-22.9%
Stockton	495	\$120,000	\$163,000	\$316,000	-48.4%	-26.4%
Tracy	208	\$245,000	\$298,000	\$507,500	-41.3%	-17.8%
San Joaquin County	1,022	\$167,000	\$214,000	\$376,250	-43.1%	-22.0%

Source: DQNews.com, 2009.

## 2. Rental Market

Market rents for apartments in Tracy are summarized in Table 32. Rental rates were compiled based on a review of 208 rental listings in December 2009. Based on the listings, rents in Tracy ranged from \$642 (for a studio) to \$1,811 (for a five-bedroom house). Most of the units for rent were two-bedroom apartments and houses, with an average rent of \$780 and \$1,053 respectively.

**Table 32: Rental Rates (2009)**

Size	Average Rent	# of Listings
<i>Apartments</i>		
Studio	\$642	3
1 Bedroom	\$842	34
2 Bedrooms	\$780	51
3 Bedrooms	\$1,048	5
<i>Single-Family Homes, Townhomes, Condominiums</i>		
1 Bedroom	\$943	4
2 Bedrooms	\$1,053	42
3 Bedrooms	\$1,395	37
4 Bedrooms	\$1,549	19
5 Bedrooms	\$1,811	10
Second Units	\$673	3

Source: Craigslist (accessed December 2009); Apartmenthunterz.com (accessed December 2009); 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 33 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 31) and market rental rates (Table 32) 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 \$13,350 for a one-person household and up to \$20,650 for a five-person household in 2009. 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 for a one-person household and up to \$34,350 for a five-person household in 2009. A very low income household can afford homes offered at prices between \$86,983 and \$130,345, 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 to \$639 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 for a one-person household and up to \$54,950 for a five-person household in 2009. The affordable home price for a low income household at the maximum income limit ranges from \$156,321 to \$236,940. Based on the asking prices of homes for sale in 2008 (Table 31), 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 in rent per month and a five-person low income household could afford to pay as much as \$1,154. In December 2009, low income households in Tracy should have no trouble finding affordable adequately sized apartment units (Table 32).

### **Moderate income Households**

Moderate income households earn between 81 percent and 120 percent of the County's Area Median Income - up to \$82,400 depending on household size in 2009. The maximum affordable home price for a moderate income household is \$294,221 for a one-person household and \$450,043 for a five-person family. Moderate income households in Tracy will have little trouble purchasing adequately-sized homes. The maximum affordable rent payment for moderate income households is between \$1,241 and \$1,840 per month. Appropriately-sized market-rate rental housing is also affordable to households in this income group.

**Table 33: Housing Affordability Matrix – San Joaquin County (2009)**

Household	Annual Income	Affordable Costs		Utilities		Taxes and Insurance	Affordable Rent	Affordable Home Price
		Rental	Ownership	Renters	Owners			
<b>Extremely Low Income (0-30% AMI)</b>								
1-Person	\$13,350	\$334	\$334	\$94	\$136	\$67	\$240	\$40,930
2-Person	\$15,300	\$383	\$383	\$115	\$151	\$77	\$268	\$47,916
3-Person	\$17,200	\$430	\$430	\$141	\$172	\$86	\$289	\$53,401
4-Person	\$19,100	\$478	\$478	\$178	\$200	\$96	\$300	\$57,437
5-Person	\$20,650	\$516	\$516	\$220	\$229	\$103	\$296	\$59,455
<b>Very Low Income (31-50% AMI)</b>								
1-Person	\$22,250	\$556	\$556	\$94	\$136	\$111	\$462	\$86,983
2-Person	\$25,450	\$636	\$636	\$115	\$151	\$127	\$521	\$100,437
3-Person	\$28,600	\$715	\$715	\$141	\$172	\$143	\$574	\$112,390
4-Person	\$31,800	\$795	\$795	\$178	\$200	\$159	\$617	\$123,153
5-Person	\$34,350	\$859	\$859	\$220	\$229	\$172	\$639	\$130,345
<b>Low Income (51-80% AMI)</b>								
1-Person	\$35,650	\$891	\$891	\$94	\$136	\$178	\$797	\$156,321
2-Person	\$40,700	\$1,018	\$1,018	\$115	\$151	\$204	\$903	\$179,348
3-Person	\$45,800	\$1,145	\$1,145	\$141	\$172	\$229	\$1,004	\$201,391
4-Person	\$50,900	\$1,273	\$1,273	\$178	\$200	\$255	\$1,095	\$221,986
5-Person	\$54,950	\$1,374	\$1,374	\$220	\$229	\$275	\$1,154	\$236,940
<b>Moderate Income (81-120% AMI)</b>								
1-Person	\$53,400	\$1,335	\$1,558	\$94	\$136	\$312	\$1,241	\$294,221
2-Person	\$61,050	\$1,526	\$1,781	\$115	\$151	\$356	\$1,411	\$337,299
3-Person	\$68,650	\$1,716	\$2,002	\$141	\$172	\$400	\$1,575	\$378,833
4-Person	\$76,300	\$1,908	\$2,225	\$178	\$200	\$445	\$1,730	\$419,220
5-Person	\$82,400	\$2,060	\$2,403	\$220	\$229	\$481	\$1,840	\$450,043

*Assumptions:*

1. HCD income limits, 2009.
2. Health and Safety code definitions of affordable housing costs (between 30 and 35% of household income depending on tenure and income level)
3. HUD utility allowances.
4. 20% of monthly affordable cost for taxes and insurance.
5. 10% down payment.
6. 5% interest rate for a 30-year fixed-rate mortgage loan.
7. Taxes and insurance apply to owner costs only; renters do not usually pay taxes or insurance.

*Sources:*

1. State Department of Housing and Community Development Income Limits, 2009.
2. San Joaquin County Housing Authority, Utility Allowances, 2005.
3. 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 the period from July 1, 2009 through June 30, 2019. 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 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 assisted housing developments that total 730 units, including 659 units that are set aside as housing affordable to lower income households. These projects are presented in Table 34, along with information on the funding programs, unit mix, and duration of affordability. No projects are at risk of conversion to market-rate housing within the Housing Element 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 34: Inventory of Assisted Units**

Project Name	Total Units	Assisted Units	Unit Size	Type	Funding Source(s)	Expiration of Affordability
Village Garden Apartments	88	87	87 1-br	Seniors	HUD	11/1/2064
Tracy Village Apartments	72	71	24 1-br 32 2-br 15 3-br	Family	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	2063
San Joaquin County Housing Authority	195	195	24 1-br 32 2-br 15 3-br	Family	Housing Authority	None
<b>Total</b>	<b>730</b>	<b>659</b>				

Sources: City of Tracy, 2009.

## Resources for Preserving Affordable Units

Available public and non-profit organizations with the capacity to preserve assisted housing developments include San Joaquin County, 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 Regional Housing Needs Allocation (RHNA) on August 28, 2008. The RHNA covers a 7.5-year planning period and addresses housing issues that are related to future growth in the region. The RHNA allocates to each city and county a “fair share” of the region’s projected housing needs by household income group. The major goal of the RHNA is to assure a fair distribution of housing among cities and counties within the San Joaquin region, so that every community provides an opportunity for a mix of housing affordable to all economic segments. The housing allocation targets are not building requirements, but goals for each community to accommodate through appropriate planning policies and land use regulations. State Housing Element laws are intended to assure that adequate sites and zoning are made available to address potential housing demand during the planning period and that market forces are not inhibited in addressing the housing needs of all economic segments of a community.

Tracy’s share of regional future housing needs is a total of 4,888 new units for the January 1, 2007 to June 30, 2014 period. This allocation is distributed into four income categories, as shown below in Table 35. 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 35: Housing Needs for 2007-2014**

<b>Income Category (% of County AMI)</b>	<b>Number of Units</b>	<b>Percent</b>
Extremely Low (30% or less)	453	9.3%
Very Low (31 to 50%) <sup>1</sup>	454	9.3%
Low (51 to 80%)	632	12.9%
Moderate (81% to 120%)	813	16.6%
Above Moderate (Over 120%)	2,535	51.9%
<b>Total</b>	<b>4,888<sup>2</sup></b>	<b>100.0%</b>

*Note:*

- 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 12, extremely low income households constitute 50.9% of the very low income group. Therefore, the City's RHNA 907 very low income units can be split between 453 extremely low and 454 very low income units.*
- Total numbers may not add up due to rounding; however, the number of housing units required at each income level is fixed.*

*Source: Final Regional Housing Needs Allocation, SJCOG, 2008.*



### **III. Housing Constraints**

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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 by the East Bay area of the San Francisco Bay region with its high cost of housing. 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. The San Joaquin Valley has since experienced a virtual halt to residential construction and a resulting collapse of the housing market. The period between 2006 and 2009 reflects 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 (Table 31).

##### **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 the City does have an adequate supply of vacant, unconstrained land, residential construction in Tracy is limited by the City's Growth Management Ordinance (GMO), adopted in 1987 and later amended in 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. 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.

### 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 36 summarizes the disposition of loan applications submitted to financial institutions in 2007<sup>3</sup> for home purchase, refinance, and home improvement loans in Tracy. Included is information on loan applications that were approved and originated, approved but not accepted by the applicant, denied, withdrawn by the applicant, or incomplete.

**Table 36: Disposition of Home Loans (2007)**

Disposition	Home Purchase				Refinances		Home Improvement	
	Government-Backed		Conventional		#	%	#	%
	#	%	#	%				
Approved	17	77.3%	2,147	57.6%	3,329	48.3%	358	46.1%
Denied	4	18.2%	1,021	27.4%	2,378	34.5%	319	41.1%
Withdrawn or Incomplete	1	4.5%	559	15.0%	1,186	17.2%	100	12.8%
<b>Total</b>	<b>22</b>	<b>100.0%</b>	<b>3,727</b>	<b>100.0%</b>	<b>6,893</b>	<b>100.0%</b>	<b>777</b>	<b>100.0%</b>

*Source: Home Mortgage Disclosure Act (HMDA) data, 2007.*

#### Home Purchase Loans

In 2007, a total of 3,727 Tracy households applied for conventional loans to purchase homes. The overall loan approval rate was 58 percent and 27 percent of applications were denied. Similarly, 58 percent of the conventional home loan applications were approved countywide. Only 22 applications were submitted for the purchase of homes in Tracy through government-backed loans (e.g. FHA, VA) in 2007. 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 2007, 17 were approved (77 percent) and four were denied (18 percent). For government-backed loans, the approval rate (27 percent) was higher countywide.

<sup>3</sup> 2008 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 led Tracy residents to file 6,893 applications for home refinance loans in 2007. About 3,300 (48 percent) of these applications were approved, while 35 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 percent of the refinancing applications were approved.

## **Home Improvement Loans**

A larger proportion of Tracy applicants were denied for home improvement loans than any other type of loan. Approximately 41 percent of applicants were denied and 46 percent were approved by lending institutions in 2007. The large 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 a higher approval rate (49 percent) 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 rise in home foreclosures since 2007. 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.<sup>4</sup> 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

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<sup>4</sup> Affordable and Workforce Housing Briefing Book, May 2009.

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.

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.<sup>5</sup>

## **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 37 lists the land use designations of the General Plan that permit residential uses.

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

**Table 37: 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)		12.1 to 25.0	Includes triplexes, fourplexes, townhouses, apartments, and includes condominiums as an ownership type.
Downtown (D)	High Density Residential Zone (HDR)/ Professional Office and Medical Zone (POM)/ General Highway Commercial (GHC)/ Central Business District (CBD)	15.0 to 40.0*	Pedestrian-oriented environment, vertical mixed-use development, a diverse mix of public and private uses, streets on a grid or modified grid, multi-modal street design, and direct pedestrian and bicycle connections to residential neighborhoods.
Village Center (VC)		12.1 to 25.0	Relatively small retail or mixed-use areas. 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).

\* 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 residential land use designations: Residential Very Low, Residential Low, Residential Medium, Residential High, Downtown, and Village Center. These six residential designations are being implemented through ten zoning districts (Table 37):

- 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. 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 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. However, the 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.” The potential conflict with State housing law related to the GMO’s limits to the development of affordable housing can be alleviated by allowing affordable housing units as exceptions to the GMO. In 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. The 2009 GMO amendment defines Affordable Housing as a very low, low, or moderate income unit deed restricted for 55 years.

The 2009 revision of the GMO establishes “Primary Residential Growth Areas.” Under the new GMO regulations, Primary Areas are given first priority (aside from any Development Agreement projects that may be in place) 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. 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 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):
  - 1) High Density Residential (12.1 du/acre or more)
  - 2) Medium Density Residential (5.9-12.0 du/acre)
  - 3) Low Density (up to 5.8 du/acre)
  - 4) Projects with an affordable component
  - 5) Mixed Use and other innovative housing types
- Geographic Area (in order of importance):
  - 1) Redevelopment Area
  - 2) Village Center
  - 3) Connection of incomplete infrastructure
  - 4) Combination of several smaller parcels
  - 5) 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

***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 RHNA 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.

**Table 38: Regional Housing Needs Allocation (RHNA) vs. Building Permits**

Income	RHNA	Units Constructed since 1/1/2007	Potential Number of Units	Remaining Number of Units to Achieve RHNA
Very Low	907	0	907	0
Low	632	50	582	0
Moderate	813	144	425	238
Above Moderate	2,535	160	1,278	1,103
<b>Total</b>	<b>4,888</b>	<b>354</b>	<b>3,192</b>	<b>1,341</b>

***Residential Growth Allotment Allocation Process***

The City’s Growth Management Ordinance, as amended in 2009, 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 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.

### ***GMO and Affordability***

The rate of overpayment for housing decreased in Tracy between 1990 and 2000, down from 40 percent at the time of the 1990 Census to about 35 percent in 2000 (Table 13). 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 necessary to conclude that the GMO has not led to an increase in 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.

### **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.

### 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 Specific Plan 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 39 summarizes the permitted uses within the Specific Plan area.

**Table 39: Tracy Hills Specific Plan Permitted and Conditionally Permitted Residential Uses**

	Land Use Zones			
	RE	LDR	MDR	HDR
Attached Single-Family	--	--	P	P
Detached Single-Family	P	P	P	P
Multiple-Family	--	--	P	P
Second Units	C	C	--	--

*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 42 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 40: Ellis Specific Plan Permitted and Conditionally Permitted Residential Uses**

	Land Use Zones			
	VC	RML	RMM	RMH
Attached Single-Family	--	--	P	P
Detached Single-Family	--	P	P	P
Multiple-Family	P	--	P	P
Live/Work	P	--	--	--

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.

## *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 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.

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.

**Table 41: Downtown Specific Plan Residential Development Standards**

Zoning District	Maximum Building Height	Setbacks (ft.)					Public Open Space	Frontage Coverage
		Front	Side Street	Side Yard	Rear Yard	Alley		
DC	5 stories or 59 feet	0	n/a	0	5	5	10	90%
OC	4 stories or 48 feet	10	5	10				10
DG		3 stories or 37 feet	20		10	10	10	
MUC	25		15	5	10			10
UN		2 stories or 26 feet				10	5	
DN	3 stories or 37 feet		20	10	5			10
DW								

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.

## **2. Residential Development Standards**

Citywide, 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-, and multiple-family dwellings are permitted by right in this zone, as are dwelling groups and apartment houses, boarding and rooming houses, and crop and tree farming. Mobile home parks and

subdivisions, condominiums and planned residential developments, 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 feet 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 42. 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 42: 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	n/a	n/a	15	15	15	none
CBD					None		none	

Source: City of Tracy Zoning Ordinance, 2009.

n/a = No prescribed minimum or maximum standard.

Parking requirements for single-family and multi-family residential uses in Tracy are summarized in Table 43. 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 43: 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.

\* 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

### 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 44 below summarizes the various housing types permitted within the City’s zoning districts.

**Table 44: 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		C							
Manufactured Housing		P							
Mobile Homes	C	P	C		C	C			
Mobile Home Parks	C		C	P	C	C			
Multi-Family			P		P		P	C	C
Residential Care Facility (less than 6 persons)	C	C			P	P	P		
Residential Care Facility (more than 6 persons)	C	C			P	C	P		

Source: City of Tracy Zoning Ordinance, 2009.

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 zones.

## **Secondary Residential Unit**

A “secondary residential unit” is defined as a separate residential unit containing sleeping, kitchen, and bathroom facilities, and created on a lot 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. Second units may be an alternative source of affordable housing to lower income households and seniors. 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. 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. The City’s Zoning Ordinance conditionally permits mobile homes in the RE, MDC, MDR, and HDR zones. 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.

Mobile home parks are permitted in the RMH zone and conditionally permitted in the RE, MDC, MDR, and HDR zones. All mobile homes in the City are subject to the following standards:

- Each mobile home site must have a minimum area of 2,400 square feet, as well as a minimum width of 35 feet and a minimum depth of 60 feet.
- All intersecting lot lines for individual mobile home sites must be visibly marked by one-half inch rebars, three feet in length and driven to a depth of the finished grade level
- All interior yards for individual mobile home sites, including front, rear, and side, shall be a minimum of five feet
- An off-street parking area is required which provides one additional parking space for every four trailers in the mobile home park to accommodate additional cars for court and visitor parking.
- Recreation or open spaces must be provided for each mobile home park. This recreation/open space must be at least 1,000 square feet, plus 150 square feet for each individual trailer space over ten.

### **Multiple-Family Housing**

According to the State Department of Finance, multiple-family housing makes up approximately 12 percent of the 2009 housing stock in Tracy. Multiple-family housing is permitted within the MDC, MDR, and POM zone 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. According to the State Department of Social Services, Community Care Licensing Division, two licensed group homes with 12 beds and five licensed adult residential facilities with 30 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.

### **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 with a ministerial permit 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.

### **Transitional Housing**

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. 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**

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.

## **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. 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.<sup>6</sup> The City of Tracy Zoning Ordinance defines a "family" as "any number of persons

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<sup>6</sup> 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

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 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 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.

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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.

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

#### 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 45 and Table 46. 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 45: Permit Processing Fees**

Type	Amount
Conditional Use Permit	
5+ lots	\$ 9,595 (\$960)
3-4 lots	\$ 5,300 (\$530)
1-2 lots	\$ 3,375 (\$340)
Development Review	
5+ lots	\$3,800
3-4 lots	\$2,700
Environmental Initial Study/Negative Declaration	\$1,420
Environmental Impact Report	Reimbursement Agreement
General Plan Amendment	Reimbursement Agreement
Planned Unit Development	\$7,850
Planning Commission Determination	\$1,005
Residential Growth Allotment	\$1,669
Specific Plan Amendment	\$5,100
Tentative Parcel Map	\$7,300
Tentative Subdivision Map	
5-100 lots	\$10,000
101+ lots	\$15,600
Variance	\$672
Zone Change	\$2,550

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

Notes:

1. ( ) = Fee for non-profit organizations.

As shown in Table 46, development fees vary depending on housing type and the location of the project. 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 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 regulations that increase the priority under the Growth Management Ordinance, decrease construction costs (reduced parking, etc.), or eliminate zoning requirements (such as density bonus) for affordable housing. The Community Development Agency also helps finance affordable housing projects. In addition, some of the City's processing fees are reduced for nonprofit organizations.

**Table 46: Development Impact Fees**

Type	Amount	
	Infill Planning Area	South Industrial Specific Plan
<i>Water Supply and Treatment</i>		
Single-Family	\$3,976	\$4,613
Multi-Family (2-4 units)	\$3,300	\$3,829
Multi-Family (5+ units)	\$2,664	\$3,091
<i>WWTP (Upgrade)</i>		
Single-Family	\$8,720	\$1,943
Multi-Family (2-4 units)	\$7,251	\$1,620
Multi-Family (5+ units)	\$5,827	\$1,295
<i>WWTP (Conveyance)</i>		
Single-Family	\$331	\$3,237
Multi-Family (2-4 units)	\$276	\$2,676
Multi-Family (5+ units)	\$221	\$2,158
<i>Roadways</i>		
Single-Family	\$7,005	\$6,645
Multi-Family (2-4 units)	\$7,005	\$3,189
Multi-Family (5+ units)	\$3,362	\$3,189
<i>Storm Drainage (Upgrade)</i>		
Single-Family	\$4,213	\$1,311
Multi-Family (2-4 units)	\$2,581	\$642
Multi-Family (5+ units)	\$2,130	\$526
<i>Storm Drainage (Other)</i>		
Single-Family	\$176	\$449
Multi-Family (2-4 units)	\$108	\$220
Multi-Family (5+ units)	\$89	\$227
<i>Community Parks</i>		
Single-Family	\$5,429	\$7,309
Multi-Family (2-4 units)	\$4,524	\$6,091
Multi-Family (5+ units)	\$3,619	\$4,872
<i>Public Buildings and Services</i>		
Single-Family	\$2,628	\$2,712
Multi-Family (2-4 units)	\$2,628	\$2,260
Multi-Family (5+ units)	\$2,628	\$1,808
<i>County Facilities Fee</i>		
Single-Family	\$1,594	\$1,594
Multi-Family (2-4 units)	\$1,366	\$1,366
Multi-Family (5+ units)	\$1,366	\$1,366
<i>Regional Transportation Impact Fee</i>		
Single-Family	\$2,837	\$2,837
Multi-Family (2-4 units)	\$1,702	\$1,702
Multi-Family (5+ units)	\$1,702	\$1,702
<i>New Address Mapping Fee</i>		
	\$64	\$64
<i>Water Service Meter Installation Fee</i>		
	\$11	\$11
<i>Groundwater Mitigation Program</i>		
	\$357	\$357

Source: City of Tracy, 2009.

## 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 47). Alternative street designs are permitted within specific plan areas.

**Table 47: Street Design Criteria**

<b>Design Criteria</b>	<b>Right of Way</b>	<b>Curb to Curb</b>
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.  
VPD=Vehicles per day*

## 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 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.

## 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 49 provides a detailed summary of the typical processing procedures and timelines of various types of projects in the City.

**Table 48: 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 49. 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 49: 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, 2009.*

### **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.

## **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.

## **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.

### **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. 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

### **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.



#### **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.

## **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. With these efforts, the City will have adequate water to accommodate the RHNA.

## **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 WWTP is located north of Interstate 205 and between MacArthur Drive and Holly Drive. The WWTP was constructed in 1930 and has undergone several major expansions. Currently, the WWTP has a design capacity of 10.8 million gallons per day (mgd) and the City has planned and received approvals to expand the wastewater treatment plant, in phases, to 16 mgd. The WWTP also includes an emergency storage pond that provides storage for treated wastewater that does not meet discharge standards.

Wastewater treatment capacity exceeds demand. In 2009, the average dry weather flows were 8.6 mgd. The WWTP has a National Pollutant Discharge Elimination System (NPDES) permit that allows the City to discharge up to 16 mgd average dry weather flow (ADWF) of treated effluent to the Old River. The permit, which is administered by the Regional Water Quality Control Board (RWQCB), prescribes the maximum allowable discharge rate, effluent quality requirements, discharge prohibitions, receiving water limitations, pretreatment program requirements, biosolids disposal requirements and self-monitoring requirements.

The WWTP provides tertiary-level treatment followed by disinfection. The WWTP unit processes include primary treatment, primary clarifiers, activated sludge process, secondary clarifiers, and filtration, followed by disinfection, which treats the wastewater. The city's major industrial wastewater producer, the Leprino Cheese factory, conveys its wastewater through a separate force main to a pre-treatment pond that is operated by Leprino, but located on WWTP property. After treatment, wastewater is conveyed by a 3.5-mile 33-inch outfall pipeline to a submerged diffuser for discharge into the Old River.

The existing WWTP is in the process of an expansion of capacity from 10.8 mgd to 16.0 mgd in order to meet expected future demand. The City submitted all required documentation to the Regional Water Quality Control Board in 2003 and the revised permit was granted in 2005. This permit allowed the City to expand the existing plant to 16.0 mgd and also provide tertiary treatment meeting Title 22 Requirements. Title 22 is the standard promulgated by the State of California for water recycling. The proposed expansion will take place in four phases and Phase 1 was completed in Spring 2007. The remaining phases will be constructed to match growth in wastewater flows. With these efforts, the City will have adequate wastewater treatment capacity for its remaining 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.

## IV. Housing Resources

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The extent of housing needs in a community often exceeds the resources available. The City of Tracy must pull 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 Housing Element update, the City of Tracy is allocated a RHNA of 4,888 units<sup>7</sup> as follows:

- Extremely Low/Very Low Income (up to 50 percent of AMI): 907 units (18.6 percent)
- Low Income (51 to 80 percent of AMI): 632 units (12.9 percent)
- Moderate Income (81 to 120 percent of AMI): 813 units (16.6 percent)
- Above Moderate Income (more than 120 percent of AMI): 2,535 units (51.9 percent)

#### Credits toward the RHNA

Since the RHNA uses January 1, 2007 as the baseline for growth projections for the Housing Element planning period of 2009-2014, jurisdictions may count toward the RHNA any new units built or issued certificates of occupancy since January 1, 2007. Since January 2007, 354 housing units have been developed in Tracy (Table 50):

- **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

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<sup>7</sup> This total may vary as a result of rounding, however, the number of housing units required at each income level is fixed.

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.<sup>8</sup> 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 units, including 907 extremely low/very low income units, 582 low income units, 669 moderate income units, and 2,375 above moderate income units.

**Table 50: Credits Toward the RHNA**

	<b>Extremely Low/ Very Low 0-50% AMI</b>	<b>Low 51-80% AMI</b>	<b>Moderate 81-120% AMI</b>	<b>Above Moderate &gt; 120% AMI</b>	<b>Total</b>
<b>Building Permits Finaled</b>					
Single-Family Building Permits	0	0	0	154	154
Forest Greens	0	0	32	0	32
Waterstone Edgewood	0	0	114	0	114
Duplexes	0	0	4	0	4
Tracy Place Senior Apts.	0	50	0	0	50
<b>Total</b>	<b>0</b>	<b>50</b>	<b>150</b>	<b>154</b>	<b>354</b>
RHNA	907	632	813	2,535	4,888
<b>Remaining RHNA</b>	<b>907</b>	<b>582</b>	<b>663</b>	<b>2,381</b>	<b>4,533</b>

## 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:

<sup>8</sup> [www.apartments.com](http://www.apartments.com), accessed January 6, 2010.

- 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 very low and low income category.

### **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 1,475 acres of vacant land with the potential to yield 940 lower income units, 4,060 moderate income units, and 2,625 above moderate income units. The two Specific Plan areas are described in detail below:

#### *Tracy Hills Specific Plan*

The Tracy Hills Specific Plan Development Area is approximately 6,175 acres of rolling terrain that parallels both sides of Interstate 580 north of Corral Hollow Road. 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 industrial and office use so that jobs can be more closely located to the homes of employees. The site plan offers four housing densities for a diverse range of ownership 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 units per acre), Medium Density Residential (5.5 to 12.0 units per acre), and High Density Residential (12.1 to 25.0 units per acre). The Tracy Hills Specific Plan has a total residential capacity of 5,499 housing units.

**Table 51: Residential Development Potential in the Tracy Hills Specific Plan**

<b>Land Use (Zoning)</b>	<b>Acreage</b>	<b>Allowed Density Range (du/acre)</b>	<b>Approved Number of Units</b>
<b>Low Density</b>			
Residential Estate Lots (RE)	82.6	0.5-2.0	121
Low Density Residential (LDR)	539.3	2.1-5.4	1,888
Subtotal	621.9		2,009
<b>Medium Density</b>			
Medium Density Residential (MDR)	557.3	5.5-12.0	3,065
<b>High Density</b>			
High Density Residential (HDR)	35.4	12.1-25.0	425
<b>Total</b>	<b>1,222.0</b>		<b>5,499</b>

Notes:

1. *Maximum # of dwelling units = Maximum Allowed Density x Acreage*
2. *Realistic # of dwelling units = Specified in Specific Plan*

### ***Ellis Specific Plan***

The Ellis Specific Plan (ESP) pertains to a 321-acre parcel identified as Urban Reserve 10 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 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 /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 commercial space in the event such a use becomes desirable and feasible. Ancillary and low-intensity commercial uses are included as well. The Ellis Specific Plan identifies four residential land use designations: Residential Mixed Low (2.1 to 8.0 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 units per acre). Upon buildout, the plan will accommodate a maximum of 2,250 residential units (minimum 1,200 units), not including secondary residential units.

The Ellis Specific Plan area is located in the unincorporated County. The City has already initiated the annexation process. However, annexation is delayed due to pending litigation. The City anticipates completing the annexation in 2011.



**Table 52: Residential Development Potential in the Ellis Specific Plan**

Land Use (Zoning)	Acreage	Allowed Density Range (du/acre)	Maximum Number of Units	Potential Number of Units (Mid-Range)
<b>Low Density</b>				
Residential Mixed Low (RML)	122.0	2.1-8.0	976	616
<b>Medium Density</b>				
Residential Mixed Medium (RMM)	93.0	4.0-16.0	1,488	930
Village Center (VC)	7.4	4.0-16.0	50	25
Subtotal	100.4		1,538	955
<b>High Density</b>				
Residential Mixed High (RMH)	31.2	8.0-25.0	780	515
	<b>253.6</b>		<b>3,294</b>	<b>2,086</b>

Notes:

1. *Maximum # of dwelling units = Maximum Allowed Density x Acreage*
2. *Realistic # of dwelling units = Midpoint of 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.

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 lower income RHNA on its inventory of Downtown (D), Village Center (VC), Commercial (C), Urban Reserve (UR), and Residential High (RH) designated land. Residential development within the Downtown area can occur at a density up to 25 units per acre in the RH, VC, C, and UR designations and up to 40 units per acre in the Downtown designation. The Downtown Specific Plan is expected to be adopted in 2010, prior to the adoption of the Housing Element.

Altogether, the City has identified approximately 140 acres of this high density land, with a total capacity of 3,502 lower income units. 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.

**Table 53: Residential Development Potential on Vacant Sites**

General Plan	Zoning <sup>1</sup>	Density	Acreage	Number of Parcels	Maximum Capacity	Potential Capacity
<b>Low Density</b>						
Residential Low	PUD, LDR	5.7-5.8	67.2	3	387	329
Residential Medium	PUD	6.8	9.4	1	64	64
Urban Reserve	PUD	4.8	14.9	71	71	71
Subtotal			91.5	75	522	464
<b>Medium Density</b>						
Residential Low	PUD	11.6	10.0	1	116	116
Residential Medium	MDR, GHC	12.0	11.2	3	162	157
Residential High	PUD	18.5	4.3	1	80	80
Subtotal			25.6	5	358	353
<b>High Density</b>						
Residential High/Village Center	MDR, I	25.0	74.5	7	1,860	1,487
Downtown	LDR, CBD, I	40.0 <sup>2</sup>	59.9	6	2,395	1,915
Commercial	GHC	25.0	1.7	1	41	32
Urban Reserve	PUD	25.0	3.4	1	85	68
Subtotal			139.5	15	4,381	3,502
<b>Total</b>			<b>256.6</b>	<b>95</b>	<b>5,261</b>	<b>4,319</b>

*Notes*

1. There are some inconsistencies between the General Plan and zoning for the Downtown area. The inconsistencies will be resolved upon the adoption of the Downtown Specific Plan (anticipated in 2010).
2. Up to 50 units per acre permitted for senior housing.

**Comparison of Sites Inventory and RHNA**

The City of Tracy has the capacity to accommodate 11,944 housing units in Tracy Hills and Ellis Specific Plan areas and larger vacant sites throughout the City (Table 51, Table 52 and Table 53). This capacity exceeds the remaining RHNA need of 4,533 units. Table 54 provides a summary of the City's available sites and RHNA status. 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 54: Comparison of Sites Inventory and RHNA**

Income Category	Tracy Hills Specific Plan	Ellis Specific Plan	Other Vacant Sites	Total Sites	Remaining RHNA	Surplus/ Deficit
Very Low and Low	425	515	3,502	4,442	1,489	+2,953
Moderate	3,065	955	353	4,413	669	+3,744
Above Moderate	2,009	616	464	3,089	2,375	+714
<b>Total</b>	<b>5,499</b>	<b>2,086</b>	<b>4,319</b>	<b>11,944</b>	<b>4,533</b>	<b>+0</b>

**Availability of Infrastructure and Services**

The Tracy Hills project was analyzed for infrastructure requirements through the EIR 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 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.

## **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).

**Table 55: 2003 Housing Element Strategy**

RHNA	Very Low	Low	Moderate	Above Moderate	Total
<b>RHNA</b>	<b>1,178</b>	<b>914</b>	<b>1,054</b>	<b>3,323</b>	<b>6,469</b>
Newly Constructed	2	88	206	3,526	3,822
Multi-Family in Review	0	0	100	0	100
Multi-Family Approved	0	0	271	0	271
Second Units	0	0	50	0	50
Tracy Hills Specific Plan	0	0	435	4,993	5,428
Vacant Multi-Family Sites	108	109	304	0	521
<b>Remaining RHNA</b>	<b>1,068</b>	<b>717</b>	<b>0</b>	<b>0</b>	<b>1,785</b>

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 56).

**Table 56: 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
<b>Total</b>	<b>108.7</b>						<b>2,354</b>

As a part of the General Plan update, some of the sites identified in Table 56 plus others totaling approximately 96 acres were re-designated for high-density residential use. Using conservative assumptions, this land had the potential to accommodate approximately 1,969 lower-income units, sufficient for meeting the City's remaining RHNA of 1,785 lower-income housing units (Table 57).

**Table 57: Redesignations Undertaken**

Site Name	Acres Available	Old GP	New GP	Max. Density (du/acre)	Estimated Yield	Est. Potential Units	Existing Use
Downtown (previously the Western and Eastern Bowtie)	5.0	C	Downtown	40	28	138	
	10.0	C	Downtown	40	28	275	Vacant
	10.0	I	Downtown	40	28	280	
Raleys HDR	33.8	Industrial	Residential High	25	18	608	Construction equipment storage
Valpico Road	37.1	Industrial	Residential High	25	18	668	SF home
<b>Total</b>	<b>95.9</b>					<b>1,969</b>	

## 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. Based on these findings, the City of Tracy did not incur any penalty under AB 1233.

## **C. 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.

### **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.

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

### **2. 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 allocated \$402,079 in CDBG funds.

### **3. 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 \$186,525 in HOME funds.

### **4. 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 (HCVP) 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 HCVP for a number of communities in the County, including Tracy. As of December 2009, there were 166 Housing Choice Voucher Program participants in Tracy.

### **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.

## **D. 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 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. 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, cashing 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. Housing Authority of the County of San Joaquin (HACCSJ)**

The Housing Authority of the County of San Joaquin is the agency responsible for providing decent, safe, and affordable housing for low-income families, elderly, and the disabled. 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 managed the Housing Choice Voucher Program, providing rent subsidies in the form of housing assistance payments to private landlords on behalf of eligible families. The 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 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 units in the County's public housing developments. The Housing Choice 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.

#### **5. 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 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. 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.

### **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.

### **Utility Provider Programs**

PG&E's offers 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.

## 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 2009-2014 Housing Element.

This section summarizes the City's accomplishments in implementing the 2003 Housing Element. A program-by-program review is contained in Appendix C. Table 58 summarizes Tracy's quantified objectives for the 2003-2009 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 58: 2003-2009 Housing Element Quantified Objectives and Accomplishments**

Task	Income Level				Total
	Very Low	Low	Moderate	Upper	
Units to be Constructed					
Objectives	180	120	0	0	300
Actual	0	50	286	3,665	4,001
Households to be Conserved					
Objectives	72	0	0	0	72
Actual	0	0	0	0	0
Units to be Rehabilitated					
Objectives	18	12	15	0	45
Actual		22	0	0	22

## VI. Housing Plan

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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 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 59 at the end of this section summarizes the quantified objectives of the various housing programs for the period of 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 Rehabilitation Home Loan Program**

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).

*Responsible Agency:* Tracy Community Development Agency

*Funding Sources:* CDA Set-Aside

### **Program 2: Downtown Rehabilitation Grant Program**

The Downtown Rehabilitation Grant Program has three components:

- **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.
- **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.

- **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 housing rehabilitation assistance available to address code violations and other housing issues.

***Responsible Agency:*** Tracy Code Enforcement Division

***Funding Sources:*** General Fund

**Program 4: 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 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 5: Affordable Housing Monitoring**

The City has a large inventory of affordable housing units with different terms of affordability covenants. 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 Community Development Agency

*Funding Sources:* CRA Set-Aside

## **B. Assist in the Development of Affordable Housing**

Providing affordable housing is essential for a healthy community. In addition to a diverse mix of housing types, it is necessary to make available housing for residents of all income levels. Seeking funding from varied sources increases the opportunities for development of affordable housing units. The Tracy Development and Engineering Services (DES) Department actively works with both non-profit and for-profit developers in the production of affordable for-sale and rental housing. Recognizing that homeownership plays a significant role in establishing strong neighborhoods and a sense of community pride, the City supports programs that make purchasing a home a realistic option for lower and moderate income households.

**Goal 2.0** Assist in the provision of housing that meets the needs of all economic segments of the community.

**Policy 2.1** Facilitate homeownership opportunities for low and moderate income households.

**Policy 2.2** Use density bonuses and other incentives to facilitate the development of new housing for extremely low, very low, and low income households.

**Policy 2.3** Work with non-profit and for-profit developers to maximize resources available for the provision of housing affordable to lower income households.

**Policy 2.4** Address the housing needs of special populations and extremely low income households through a range of housing options, including emergency shelters, transitional housing, supportive housing, and single-room occupancy units.

**Policy 2.5** Promote the use of energy conservation features in the design of residential development to conserve natural resources and lower energy costs.

## **Program 6: Down Payment Assistance Program**

The Down Payment Assistance Program 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). 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 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).

*Responsible Agency:* Tracy Community Development Agency

*Funding Sources:* CDA Set-Aside

## **Program 7: 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 downpayment assistance program.

### *Objectives and Timeframe:*

- Partner with Visionary Home Builders (VHB) to offer homebuyer education classes to residents.
- Publicize the availability of homebuyer education classes to residents.

*Responsible Agency:* VHB

*Funding Sources:* HUD funds

## **Program 8: Affordable Housing Developers**

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 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 2010, 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.

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

***Funding Sources:*** CDA Set-Aside

**Program 9: Housing Choice Voucher Program (Section 8)**

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

***Responsible Agency:*** Housing Authority of the County of San Joaquin

***Funding Sources:*** HUD funds

**Program 10: 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 Sustainability Action Plan has been developed and is anticipated to receive City Council consideration in 2010. The Sustainability Action Plan will include a measure to develop incentives to promote green building techniques and features.

***Objectives and Timeframe:***

- Continue to develop the Sustainability Action Plan.
- Disseminate information to the public regarding the Citywide Sustainability Strategy.

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

***Funding Sources:*** Federal Grants and City General Fund

**Program 11: 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 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.

***Objectives and Timeframe:***

- 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.

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

***Funding Sources:*** Departmental Budget

## **C. Provide Adequate Housing Sites**

A major element in meeting the housing needs of all segments of the community is the provision of adequate sites for all types, sizes and prices of housing. Persons and households of different ages, types, incomes, and lifestyles have a variety of housing needs and preferences that evolve over time and in response to changing life circumstances. Providing an adequate supply and diversity of housing accommodates changing housing needs of residents. The Tracy General Plan and Zoning Ordinance, as well as Specific Plans, establish where housing may locate. To provide adequate housing and maximize use of limited land resources, new development should be constructed at appropriate densities that maximize the intended use of the land.

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

**Policy 3.1** Provide for a range of residential densities and products, including low-density single-family uses, moderate-density 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 12: Inventory of Residential Sites**

The City will maintain an inventory of vacant sites to accommodate the City's Regional Housing Needs Assessment (RHNA) of 4,888 units. Specifically, the City has already achieved 354 units since January 1, 2007, with a remaining RHNA of 4,533 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 to accommodate the remaining RHNA.

#### ***Objectives and Timeframe:***

- Continue to pursue the annexation of Ellis Specific Plan area with a target date of 2011.
- Adopt Downtown Specific Plan in 2011.
- 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.

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

**Funding Sources:** Departmental Budget

### **Program 13: Property Acquisition and Improvement**

The Community Development Agency will acquire, through voluntary acquisitions, and strategically prepare parcels within the Project Area for disposition to qualified developers who commit to a specified program of timely redevelopment. 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 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, including housing for seniors, persons with disabilities, and extremely low income households, as funding permits.
- Partner with nonprofit organizations to explore the development of a land trust.

**Responsible Agencies:** Tracy Development and Engineering Services (DES) Department, Community Development Agency, Economic Development Department, and local nonprofits

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

### **Program 14: 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 inaccessible 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.
- Regularly monitor the City’s affordability conditions and identify an inclusionary housing trigger.

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

*Funding Sources:* Departmental Budget

**Program 15: 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 billion of emergency grants to state and local governments to acquire, redevelop, and resell foreclosed properties.

San Joaquin County received \$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:*

- 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:* San Joaquin County Community Development Department with Visionary Home Builders

*Funding Sources:* NSP funding

**D. Remove Governmental Constraints**

Pursuant to State law, the City is obligated to address, and where legally possible, remove governmental constraints affecting the maintenance, improvement, and development of housing. Removing constraints on housing development can help address housing needs in the City by expediting construction, and lowering development costs.

**Goal 4.0 Mitigate any potential governmental constraints to housing production and affordability.**

**Policy 4.1** Review and adjust as appropriate residential development standards, regulations, ordinances, and processing procedures that are determined to constrain housing development, particularly housing for lower and moderate income households and for persons with special needs.

**Policy 4.2** Allow more than 150 affordable housing units as exceptions under the GMO.

### **Program 16: Extremely Low Income and Special Needs Housing**

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:***

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.
- *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.
- *Residential Care Facilities:* The City will amend its Zoning Ordinance 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.
- *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

## **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. 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.

**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 17: 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.

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

*Funding Sources:* Departmental Budget

**Program 18: 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 19: Fair Housing**

The City actively furthers fair housing in the community. Specifically, the City continues to support the Stockton-San Joaquin Community Housing Resource Board in its activities to promote fair housing. 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 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.

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

*Funding Sources:* CDBG funds

**Table 59: Summary of Quantified Objectives**

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
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

## **Appendix A: Public Participation**

# Appendix A: Public Participation

## A. Service Provider and Housing Developer Interviews

### 1. Peacemakers, Inc.

3081 Teagarden Street  
San Leandro, Ca 94577

**Contact:** Hank Roberts, Founder

**Phone:** (510) 830-5755

**Background:** Peacemakers Inc. is a 501 (C) (3) non-profit school based mentoring program dedicated to the peace, safety and education of students in challenging public school environments.

#### Services Provided:

1. Educational contracts with those students that come into the program; support to the entire school staff, students, and parents with mentors – peer and adult while on site. Supporting those adult family members that may be unemployed, under employed, uneducated, ex-offenders and parolees without job skills through re-education or job training; utility bills, a food bank, and clothing bank, and professional help in health care.
2. *Grassroots Good News Bureau:* The Grassroots Good News Bureau is a network of students working as a news crew at their local school, who do video, web, and published reports of good news, human interest stories, and events in their community. Students function as reporters, editors, news anchors, camerapeople, make-up, lighting, sound, and public relations to name just a few responsibilities in front of and behind the camera. Each student gets a taste of what various jobs and functions require, as an entry point to how to pull together a bona fide production – and get them ready to compete and excel in their own media careers should they choose pursuing this path. At the least they are exposed to a profoundly useful skillset in a wide range of areas. The goal is to tie in this production to other events and activities at their school (music, acting, sports, etc.) as well as in the local community that they are able to cover; then tie regionally weighted productions into a Grassroots GoodNews TV Show to be seen on the web and local Cable Access Channels.
3. *YourWellbeingness.com:* Focuses on nutrition that enhances preventative health care through the foods children eat on a daily basis. Benefiting a student's ability to concentrate fully while in class. Fostering the body's own ability to attain and retain literacy in English, Math, and Reading. Most importantly, the ability to control behavior now that their diet has been corrected.

**Clients Served:** Approximately 75 annually.

**Comments:**

- The recent economic downturn has led to an increase in the number of elderly raising their grandchildren.
- The organization has had to turn potential clients away because the program is already over capacity.

**Suggestions for the City:**

- The City could partner or sponsor Peacemakers. This would help the organization expand its programs and services to other schools in the City. The organization currently only operates out of Monte Vista Middle School.
- The City could provide additional funding to Peacemakers so programs and services can meet increased demand.

## **2. Stocktonian Taking Action to Neutralize Drugs (STAND) Home Builders**

1209 E 8th St  
Stockton, CA 95206-2208

**Contact:** Larry Johnson, Director

**Phone:** (209) 937-7625

**Background:** STAND, a neighborhood non-profit housing organization located in southeast Stockton.

**Services Provided:** STAND purchases and restores houses as a means of raising money to clean up neighborhoods in the San Joaquin Valley. After restoration, the homes are sold to lower- and moderate-income households. Preference is also given to veterans. STAND also works with the Neighborhood Stabilization Program (NSP) program in Tracy.

**Clients Served:** STAND has bought, repaired and sold over 110 homes all over San Joaquin County to low and moderate income families. In the City of Tracy, STAND oversees 36 projects, most of which are single-family homes.

### **Comments:**

- Direct counseling services have had to be scaled back due to extreme budget cutbacks, reduced State funding and a drop-off in local donations.
- Funding is difficult to obtain and banks are often uncooperative.

### **Suggestions for the City:**

- City should provide help with marketing of rehabilitated homes and assist STAND with trying to find qualified buyers.
- City should assist qualified buyers with downpayment assistance
- The City has identified priority redevelopment areas. The City should increase grant funding to these areas specifically so that more can be done in these areas quickly.

### 3. Sutter Healthy Connections

35 E. 10th St. Suite A  
Tracy, CA 95376

**Contact:** Iris Rodriguez

**Phone:** (209) 833-2420

**Background:** The mission of Sutter Healthy Connections is: to help individuals and families make healthy choices, to assist them in caring for family members, and to promote the well-being of the community at large. Located in downtown Tracy, Healthy Connections offers a wealth of health education resources and social and family support services available through Sutter Tracy Community Hospital and county and local non-profit agencies.

#### Services Provided:

1. *Basic information and Referral:* The Agency can provide information and referrals to community resources. Every client is screened for health insurance and either given referrals or assigned an appointment for enrollment assistance with Charterhouse Center for Families, who utilizes our "visiting agency" office to provide enrollment to those who qualify for Medi-Cal, Healthy Families or Healthy Kids Insurance Programs.
2. *Case Management:* The Agency's Social Worker and Case Manager assists families who have multiple needs for resources through a development of a case plan or referral to a Family Success Team meeting.
3. *Family Success Teams:* Cased managed families who are very motivated are chosen to participate in this strength based approach to receiving services. A team of representatives from local agencies such as the Women's Center, Pregnancy Resource Center, WorkNet, Family Resource & Referral, and Child Protective Services provide support and guide families in developing a family plan.
4. *PRICE Parenting Classes:* This parenting class encourages parent interaction and uses strategies to teach parents how to create boundaries, set limits and teach children about the consequences of their actions. Optimal for parents of children ages 0-12, the classes are one day per week, for two hours, for the duration of six weeks.
5. *Other Services and Programs:* Assistance with post-partum depression; Asthma management classes; Computer access to reliable health information on the Web; Information, referral and help accessing hospital and community resources; Lactation and new baby support; Low or no cost health insurance enrollment for families; Information and assistance including for seniors including Senior Safety Program; Information and referral to local support groups; Parenting Classes; Parent & Me support group for mothers with infants and toddlers; and Parent-infant play group.

#### Comments:

- Lack of funding is an issue.
- There is also a lack of human service agencies in the City. Many clients have to go to Stockton to turn in paperwork and transportation is difficult to arrange. The City also only has one emergency shelter.



- Clients have expressed a need for more affordable rental housing in the City, as well as foreclosure and eviction assistance.

**Suggestions for the City:**

- Many clients have to travel to Stockton to turn in paperwork for insurance or aid programs. The City should create an office in Tracy that is capable of handling this paperwork.
- The City should develop more affordable housing.
- The City needs another emergency shelter.
- The City needs more human service agencies.

#### **4. Visionary Home Builders of California (VHB)**

315 N. San Joaquin Street  
Stockton, CA 95202

**Contact:** Jose Nuño, Director of Development

**Phone:** (209) 466-6811

**Background:** Since its founding in 1983, Visionary Home Builders has developed more than 1,000 units of rental housing and 500 single-family homes. Serving communities from Sacramento to Fresno, VHB is one of the leading private, nonprofit housing development agencies in the San Joaquin Valley.

#### **VHB's Services and Affordable Housing:**

1. *Farm Worker Housing:* Valle del Sol (76 units), Villa de San Joaquin (31 units)
2. *Multi-Family Housing:* Almond Terrace Apartments (46 units), Cedar Gardens Apartments (146 units), Church Street Triplex (3 units), Dewey Apartments (10 units), Diamond Cove Townhomes (60 units), Diamond Cove Townhomes II (40 units), Emerald Pointe Townhomes (19 units), Emerald Pointe Townhomes II (3 units), Grant Village Townhomes (40 units), Marquis Place (21 units)
3. *Senior Housing:* Delta Plaza Apartments (30 units)
4. *Education Services:* VHB also offers foreclosure and homebuyer education opportunities.

#### **Comments:**

- Funding is a major challenge, especially recently. Cities have no money to invest in affordable housing and tax credit opportunities are limited.

#### **Suggestions for the City:**

- VHB needs local investment (money from Cities and the County) as leverage to be competitive in its TCAC application. When local governments don't have money to invest in projects it makes VHB less competitive in the application process. The City can help by providing financial assistance for housing projects, especially for multi-family rental properties.

## 5. Surland Development

1024 Central Ave  
Tracy, CA 95376

**Contact:** Les Serpa, Founder

**Phone:** (925) 242-7000

**Background:** Surland Development is a specialty home building company. Surland is currently developing the Ellis project in the City of Tracy, which consists of approximately 2,250 units.

### Comments:

- Attached multi-family housing is difficult to do in Tracy. Development impact fees for multi-family housing are high, which makes it more economical to just build single-family housing.
- The City's Growth Management Ordinance isn't really hindering housing development. The current state of the housing market is what is slowing down development.
- Surland has been working on the Ellis development since 1992.
- It isn't always clear how much a developer will need to pay in fees for housing development in the City. The current system is set up so the actual fee amount isn't known until after the project is approved. For budget purposes, it would be nicer to know at the start of the project how much in fees will need to be paid.

### Suggestions for the City:

- The City can establish a fee deferral program, where the fees are collected at the close of escrow rather than up front.
- The City can also consider setting up master fees. This would make it easier for developers to estimate how much in fees they will need to pay.
- City staff is helpful and processes applications relatively quickly. But the CEQA process requires many hearing, which is expensive and inefficient.

## **B. Public Meeting Outreach**

### **1. Public Notice**

You are invited to attend a Planning Commission and/or City Council meeting regarding an update to the City of Tracy's General Plan Housing Element

The Planning Commission and City Council will each conduct a study session regarding an update to the General Plan Housing Element in City Council Chambers, 333 Civic Center Plaza . The Housing Element, required by State law to be updated every five years, provides information and policies to accommodate maintenance and development of housing for all members of the community. The Planning Commission and City Council will receive a brief presentation regarding the status of the Housing Element update, discuss the Preliminary Draft Housing Element, and receive input from the public regarding the Housing Element. All interested parties are encouraged to attend and participate in these public meetings.

Planning Commission Study Session  
Wednesday, April 14, 2010  
During the regularly scheduled meeting  
7:00 p.m. or as soon thereafter as possible

City Council Study Session  
Tuesday, April 20, 2010  
During the regularly scheduled meeting  
7:00 p.m. or as soon thereafter as possible

A Preliminary Draft of the Housing Element will be available at the Tracy City Hall DES Counter (address below) or on the City's web site at [www.ci.tracy.ca.us/departments/planning](http://www.ci.tracy.ca.us/departments/planning) beginning the week of April 5, 2010. Comments or questions regarding the proposed Housing Element update are welcomed and may be submitted to Alan Bell, Senior Planner, City of Tracy, 333 Civic Center Plaza, Tracy, CA 95376 or [alan.bell@ci.tracy.ca.us](mailto:alan.bell@ci.tracy.ca.us).

SANDRA EDWARDS  
City Clerk

## 2. Housing Element Mailing List

Housing Element Mailing Labels Celeste Garamendi Tracy Region Alliance for a Quality Community P.O. Box 1299 Tracy, CA 95378	John Beckman, CEO BIA of the Delta 509 W. Weber Ave., Suite 410 Stockton, CA 95203	Updated 1/26/10 Tracy Chamber of Commerce 223 E. Tenth Street Tracy, CA 95376
Jim Franco, Superintendent Tracy Unified School District 1875 W. Lowell Avenue Tracy, CA 95376	Housing Authority – County of San Joaquin 340 W. Fourth Street Tracy, CA 95376	Housing Authority – County of San Joaquin 448 S. Center Street Stockton, CA 95203-3426
Habitat for Humanity 31 E. Vine Street Stockton, CA 95202	Habitat for Humanity P.O. Box 7429 Stockton, CA 95267-0429	John Beckman, CEO 315 N. San Joaquin Street, Suite 202 Stockton, CA 95203
Standard Pacific Ron Buck 3825 Hopyard Road, #195 Pleasanton, CA 94566	Norm Soares Bright Development 1620 N. Carpenter Rd., Bldg B Modesto, CA 95351	Les Serpa Surland Development 1024 N. Central Ave. Tracy, CA 95376
Dan Schack Schack & Company P.O. Box 339 Tracy, CA 95378	Mike Souza Souza Realty & Development 105 E. Tenth Street Tracy, CA 95376	California Housing Finance Agency 1415 L. Street, Suite 500 Sacramento, CA 95814
Visionary Home Builders 315 N. San Joaquin Street Stockton, CA 95814	STAND P.O. Box 30231 Stockton, CA 95213-0231	Sharon Simas Service First of Northern California 102 W. Bianchi Road Stockton, CA 95207
Lammersville Elementary School District Dale H. Hansen, Superintendent 300 E. Legacy Drive Mountain House, Ca 95391	Jefferson School District Dana Eaton, Superintendent 1219 Whispering Wind Drive Tracy, CA 95377	Cliff Coler, CEI Central Valley Assoc. of Realtors 16890 S. Harlan Road Lathrop, CA 95330
Britt Evans E.F. Communities 2406 Merced Street San Leandro, CA 94577	McHenry House for the Homeless 739 A Street Tracy, CA 95376	Vince Marchini 12750 W. Lammers Road Tracy, CA 95377
San Joaquin Fair Housing 247 E. Minor Avenue Stockton, CA 95203	Eden Housing 22645 Grand Street Hayward, CA 94541	ClearPoint Credit Counseling 2291 W. March Ln., Suite A110 Stockton, CA 95207

w/planning/housing element 2009/General Public Mailing List 01 26 10

Housing Element Mailing Labels

Updated 1/26/10

Eduardo Morales  
El Concilio  
95 W. Eleventh Street, Suite 104  
Tracy, CA 95376

Monica Guitierrez  
City of Tracy – MCYSN  
333 Civic Center Plaza  
Tracy, CA 95376

CARC San Joaquin  
807 N. San Joaquin St.  
Stockton, CA 95202

CARC - Clinical & Family  
6702 Inglewood Ave., Suite I  
Stockton, CA 95207

CARC - Corporate Office  
333 W. Benjamin Holt Dr., Suite 1  
Stockton, CA 95207

CARC – Manteca Center  
134 Pacific Road  
Manteca, CA 95336

CARC – PWW  
6709 Plymouth Rd., Suite C  
Stockton, CA 95207

CARC – Stockton Center  
7616 Pacific Ave., Suite A-6  
Stockton, CA 95207

Boys & Girls Club of Tracy  
753 W. Lowell Avenue  
Tracy, CA 95376

Mediation Center of San Joaquin  
Co.  
829 Rose Marie Lane, Suite D  
Stockton, CA 95207

New Beginnings Ministries  
P.O. Box 1141  
Tracy, CA 95376

Peacemakers, Inc.  
3081 Teagarden St.  
San Leandro, CA 94577

Point Break Adolescent Resources  
1102 N. School Street  
Stockton, CA 95205

Pregnancy Resource Center  
1039 Central Ave.  
Tracy, CA 95376

Sutter Healthy Connections  
35 E. Tenth Street, Suite A  
Tracy, CA 95376

VBR Foundation, Inc.  
1852 W. Eleventh Street #699  
Tracy, CA 95376

Vinewood Center for Children &  
Families  
35 E. Tenth Street  
Tracy, CA 95376

Brighter Christmas  
P.O. Box 642  
Tracy, CA 95378

Child Abuse Prevention Council  
540 N. California Street  
Stockton, CA 95202

Mark Humphreys  
Give Every Child a Chance  
3402 Mars Court, Suite 111  
Tracy, CA 95377

Dudley McGee  
Kimball Hill Homes  
10535 E. Stockton Blvd., Suite K  
Elk Grove, CA 95624

Steven G. Spencer  
New America Homes  
4600 S. Tracy Blvd., Suite 103  
Tracy, CA 95377

Steven G. Spencer  
Spencer Enterprises, Inc.  
5286 East Home Ave.  
Fresno, CA 93727

Tracy Press  
145 W. Tenth Street  
Tracy, CA 95376

Tracy Public Library  
20 E. Eaton Avenue  
Tracy, CA 95376

w/planning/housing element 2009/General Public Mailing List 01 26 10



## BUILDING INDUSTRY ASSOCIATION OF THE DELTA

315 N. SAN JOAQUIN ST., SUITE 202  
STOCKTON, CA 95202  
209-235-7831 • 209-235-7837 fax

### OFFICERS

**Jeremy White**  
The Grupe Company  
**Randy Bling**  
Florsheim Homes  
**Ramon Batista**  
River Islands @ Lathrop  
**Maresh Ranchhod**  
American-USA Homes

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**Ray Chavez**  
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Pulte Homes  
**Cathy Ghan**  
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**John Looper**  
Top Grade Construction  
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Home Pros On The Go  
**Terry Miles**  
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**Carol Ornelas**  
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**Denise Tschirky**  
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**Zandra Morris**  
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**Toni Raymus**  
Raymus Homes, Inc.  
**Tony Souza**  
Souza Realty & Development

April 19, 2010

Brent Ives  
City of Tracy  
333 Civic Center Plaza  
Tracy, CA 95376

Mayor Ives,

The Building Industry Association of the Delta is a non-profit trade association representing 190 companies consisting of electricians, plumbers, roofers, landscapers, title companies, banks and home builders. Our mission is to advocate for sound public policy related to housing.

On behalf of the members of the BIA I ask the Tracy City Council to take necessary steps to address the Governmental Constraint identified on page 49 of the Draft Housing Element as follows: "Therefore, 3,769 additional RGA's would be needed to accommodate the City's remaining RHNA, representing a shortage of 2,299 RGA's."

In order to properly mitigate this Governmental Constraint the City Council should amend the Growth Management Ordinance to accommodate the RHNA mandate and allow an additional 2,299 RGA's during the Housing Element period of 2009 - 2014.

The BIA attended the Planning Commission meeting of April 15, 2010 and we heard the opinion of city staff that "HCD should certify this element." We respectfully disagree with this opinion.

California Government Code 65580 states "The Legislature finds and declares as follows: (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order. (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels. (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government. (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make

**adequate provision for the housing needs of all economic segments of the community.”**

Specifically to the City of Tracy, the Growth Management Ordinance is a Governmental Constraint prohibiting the City from meeting its Regional Housing Needs Allocation with a shortage of 2,299 units. The significance of this reality is found in Government Code 65883(a)(5) which states that each local government must conduct the following: “**An analysis of potential and actual governmental constraints** upon the maintenance, improvement, or development of housing for all income levels... including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. **The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584...**”

The California Department of Housing and Community Development (HCD) is tasked with enforcing state housing law. The website of HCD identifies the significance of Housing Elements as follows:

“State law recognizes the vital role local governments play in the supply and affordability of housing. Each governing body (City Council or Board of Supervisors) of a local government in California is required to adopt a comprehensive, long-term general plan for the physical development of the city, city and county, or county. The housing element is one of the seven mandated elements of the local general plan. **Housing element law, enacted in 1969, mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community.** The law acknowledges that, in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems which provide opportunities for, **and do not unduly constrain, housing development.** As a result, housing policy in the State rests largely upon the effective implementation of local general plans and, in particular, local housing elements. Housing element law also requires the Department of Housing and Community Development (HCD) review local housing elements for compliance with State law and to report its written findings to the local government.”

Although historically some cities have decided to willfully ignore the compliance standards of HCD with little consequences, the allowance of non-compliance has now changed. In part this change is due to the adoption of AB 32 the Global Warming Solutions Act of 2006 and SB 375 in 2008. These laws, with an emphasis on reducing Greenhouse Gases, have given new life to the importance of complying with state housing



law. In addition to the "vital statewide importance" of providing adequate housing to all income levels state housing law also ensures that each community provides enough housing for it's own needs and does not force extra commute times (increasing Greenhouse Gas production) due to a jobs/housing imbalance.

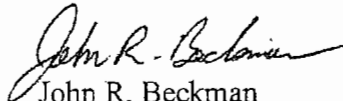
HCD made a determination on March 7, 2005 that the City of Pleasanton was not in compliance with state housing element law. Following this determination the City was subject to a lawsuit, which it lost, and is now temporarily restricted from issuing non-residential building permits.

The City of Ripon has recently taken the affirmative position that it will not seek an HCD certified housing element. In response to this action the BIA sought guidance from the law firm of Sheppard Mullin as to our legal options. Enclosed please find the memo from David Lanferman.

The BIA of the Delta has enjoyed a relationship of open communication with the City of Tracy. We wish to continue in our relationship of productive discussion and amicable resolution of issues related to home building.

Please amend the Growth Management Ordinance to allow for the issuance of an additional 2,299 RGA's during the Housing Element period of 2009-2014 as allocated to the City in their Regional Housing Needs Analysis prepared by San Joaquin Council of Governments and as mandated by the State of California.

Sincerely,



John R. Beckman  
Chief Executive Officer



Four Embarcadero Center | 17th Floor | San Francisco, CA 94111-4109  
415-434-9100 office | 415-434-3947 fax | [www.sheppardmullin.com](http://www.sheppardmullin.com)

Writer's Direct Line: 415-774-2996  
[dlanferman@sheppardmullin.com](mailto:dlanferman@sheppardmullin.com)

Our File Numbers: 02WZ-132573

March 17, 2010

**VIA EMAIL AND U.S. MAIL**

Mr. John Beckman  
Chief Executive Officer  
BUILDING INDUSTRY OF THE DELTA  
315 N. San Joaquin Street, Suite 202  
Stockton, CA 95203

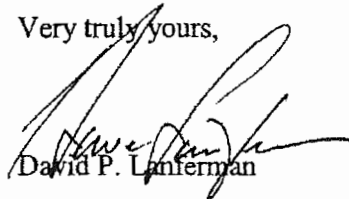
Re: *City of Ripon*  
**Cities Must Conform General Plans to Accommodate Housing Needs**

Dear John:

I am forwarding a copy of the ruling issued on March 12, 2010, by the Alameda County Superior Court in the case of Urban Habitat Program v. City of Pleasanton. This very significant ruling has clear implications for all cities and counties in California. It also provides additional support for BIA's efforts to assure that municipalities in your service area are fulfilling their responsibilities to adapt their Housing Elements to State Law.

The ruling vigorously enforces the State Housing Law which requires that all California municipalities conform their General Plan Housing Elements and local zoning ordinances in order to accommodate their fair share of housing as determined by the Regional Housing Needs Allocation process (Government Code § 65583, 65584.09, and 65588). The Court issued a Writ of Mandate, commanding the City to set aside non-conforming portions of its existing General Plan, including voter-mandated housing caps adopted by local initiatives, and to cease and desist from issuing any new development permits until deemed to be in compliance. It is my understanding that one or more jurisdictions in your territory, including the City of Ripon, may be in similar non-compliance. This ruling may help induce corrective action in those cities. Please contact me to discuss this at your earliest convenience.

Very truly yours,



David P. Lanferman

for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

## **Appendix B: Residential Sites Inventory**



## Appendix B: Residential Sites Inventory

Map ID	Site	APN	General Plan	Zoning	Acres	Density (units/acre)	Maximum Capacity	Potential Capacity	Existing Use	Notes
<i>Low Density</i>										
1	A	213-350-61	Residential Medium	Planned Unit Development	9.42	6.8	64	64	Vacant	Small lot, single family project approved; no building permits issued yet.
2	B	246-140-02	Residential	Planned Unit Development	18.10	5.7	103	103	Vacant	Single-family project approved; no building permits issued yet.
3		246-140-03	Low							
4	K	235-100-32	Residential Low	Low Density Residential	2.00	5.8	11	8	Vacant	
5	N	242-040-36	Residential Low	Low Density Residential	47.1	5.8	273	218	Vacant	
6-41	Q	240-660-01 thru 36	Urban Reserve 14	Planned Unit Development	14.9	4.8	71	71	Vacant	Finished lots, but no homes constructed yet.
42-76		240-670-01 thru 35								
<b>Subtotal</b>					<b>91.52</b>		<b>522</b>	<b>464</b>		
<i>Medium Density</i>										
77	C	248-560-28	Residential Low	Planned Unit Development	10.01	11.6	116	116	Vacant	95-unit project approved. 21 units have the option for an additional in-law unit; no building permits issued yet.
78	D	238-080-08	Residential High	Planned Unit Development	4.32	18.5	80	80	Vacant	Multi-family project approved. No building permit issued yet.
79	E	234-070-06	Residential Medium	Medium Density Residential	2.39 <sup>1</sup>	12.0	35	35	Vacant	The MDR zone permits one dwelling unit for each 2,900 square feet of net lot area.
80	F	234-070-04	Residential Medium	Medium Density Residential	7.09 <sup>1</sup>	12.0	106	106	Vacant	The MDR zone permits one dwelling unit for each 2,900 square feet of net lot area.
81	T	214-460-04	Residential Medium	General Highway Commercial	1.75	12.0	21	16	Vacant	
<b>Subtotal</b>					<b>25.56</b>		<b>358</b>	<b>353</b>		

Map ID	Site	APN	General Plan	Zoning	Acres	Density (units/acre)	Maximum Capacity	Potential Capacity	Existing Use	Notes
<i>High Density</i>										
82	G	235-150-06	Downtown	Low Density Residential	28.34	40.0 <sup>2</sup>	1,133	906	Vacant	The General Plan designations for these sites were changed to Downtown with the 2006 General Plan update. The zoning will be changed to be consistent with the General Plan designation with the Downtown Specific Plan project, scheduled for adoption in 2010.
83		235-150-23		Central Business District						
84		235-150-24		Low Density Residential						
85	H	235-150-02	Downtown	Light Industrial	31.57	40.0 <sup>2</sup>	1,262	1,009	Vacant	The General Plan designations for these sites were changed to Downtown with the 2006 General Plan update. The zoning will be changed to be consistent with the General Plan designation with the Downtown Specific Plan project, scheduled for adoption in 2010.
86		235-150-14								
87		235-150-26								
88	O	246-130-03	Residential High	Light Industrial	33.80	25.0	845	676	Vacant	The General Plan designations for these sites were changed to Residential High or Village Center with the 2006 General Plan update. The zoning will be changed to be consistent with the General Plan designation with a General Plan amendment project, scheduled for adoption in 2010.
89		246-130-04								
90		246-130-05								
91		246-130-06								
92		246-130-16	Village Center		3.62		90	72		
93	P	246-140-01	Residential High	Light Industrial	34.18	25.0	854	683	Vacant	The General Plan designations for these sites were changed to Residential High or Village Center with the 2006 General Plan update. The zoning will be changed to be consistent with the General Plan designation with a General Plan amendment project, scheduled for adoption in 2010.
94		246-140-12		Medium Density Residential			71	56		
95	R	214-320-83	Commercial	General Highway Commercial	1.66	25.0	41	32	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

Map ID	Site	APN	General Plan	Zoning	Acres	Density (units/acre)	Maximum Capacity	Potential Capacity	Existing Use	Notes
										GHC zone. It is reasonable to anticipate a density similar to the HDR zone: 12.1 to 25 du/acre.
96	S	240-660-37	Urban Reserve 14	Planned Unit Development	3.43	25.0	85	68	Vacant	
<b>Subtotal</b>					<b>139.47</b>		<b>4,381</b>	<b>3,502</b>		
<b>Total</b>					<b>256.55</b>		<b>5,261</b>	<b>4,319</b>		

Notes:

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





## **Appendix C: Review of Past Accomplishments**



## Appendix C: Review of Past Accomplishments

### Program Summary (2003-2009)

Program Description	Objectives	Accomplishments
<b>Goal #1: A Diversity of Housing Opportunities that Satisfy the Physical, Social, and Economic Needs of Tracy Residents</b>		
1.1	Provide a range of residential development opportunities through appropriate land use and zoning designations.	<ul style="list-style-type: none"> <li>• Re-designate/rezone at least 72 acres to accommodate residential development at a density of at least 25 units per acre</li> <li>• Revise zoning code to prohibit development of single-family residences in HDR zone and prohibit new operations of crop and tree farming in the MDC, MDR, and HDR zones</li> </ul>
1.2	Sites for Homeless and Emergency Shelters	<ul style="list-style-type: none"> <li>• Through the General Plan update the City changed the General Plan designation on at least 72 acres to provide sites that allow at least 25 units per acre. The Zoning Code update is still in progress and is expected to be completed in 2010.</li> <li>• Prohibition of single-family homes (or established minimum densities) in the in HDR Zone and elimination of crop and tree farming from the residential zone districts is part of the zoning code update currently underway. The City anticipates completion of that project in 2010.</li> </ul>
1.3	Land Banking and Land Trust	<ul style="list-style-type: none"> <li>• Revise the Zoning Ordinance by the end of 2004 to permit transitional housing and emergency housing in appropriate zones</li> <li>• Assist in site acquisition for affordable housing</li> <li>• Pursue land acquisition for affordable housing development, particularly sites near the downtown and within the Community Development Agency Redevelopment Project Area.</li> <li>• Partner with nonprofit organizations to explore the development of a land trust program</li> </ul>
1.4	Requirement for a Variety of Housing Types and Sizes	<ul style="list-style-type: none"> <li>• Consider the adoption of a policy requiring a variety of housing types and sizes to be provided in each new subdivision, annexation, and/or specific plan with the update of the General Plan</li> <li>• Acquired one site for a Habitat for Humanity House that was completed and occupied in 2009.</li> <li>• The City has been collaborating with Visionary and working toward the goal of a land trust program. These efforts have been somewhat stalled, however, as a result of the poor housing market, so the program has not yet moved forward.</li> <li>• This policy was adopted with the General Plan update of 2006.</li> </ul>

**Program Summary (2003-2009)**

Program Description		Objectives	Accomplishments
1.5	Housing for Persons with Disabilities	<ul style="list-style-type: none"> <li>• Amend the Zoning Ordinance to address constraints to the development and improvement of housing for persons with disabilities</li> <li>• Facilitate the development of affordable housing for seniors and persons with disabilities with incentives, which may include density bonus, assistance with land acquisition and gap financing, support for grant applications, and/or other feasible options.</li> </ul>	<ul style="list-style-type: none"> <li>• Zoning amendments for housing for persons with disabilities is part of the zoning code update currently underway. The City anticipates completion of that project in 2010.</li> <li>• The City provided financial assistance for the Village Apartments, a rehabilitation of apartments for seniors. The City also provided funding for the 50-unit Tracy Place Apartments, completed and occupied in 2008.</li> </ul>
1.6	Community Care Facilities	<ul style="list-style-type: none"> <li>• Update the Zoning Ordinance to permit State-licensed community care facilities serving six or fewer persons by right in all residential zones</li> <li>• Update the Zoning Ordinance to permit State-licensed community care facilities serving more than six persons in the MDR and HDR zones via a conditional use permit.</li> </ul>	<ul style="list-style-type: none"> <li>• Zoning code amendments regarding community care facilities are part of the zoning code update currently underway. The City anticipates completion of that project in 2010.</li> </ul>
1.7	Downpayment Assistance Program	<ul style="list-style-type: none"> <li>• Continue to provide downpayment assistance to all qualifying households.</li> <li>• Develop a plan in 2004 to effectively market the availability of the program to existing and future residents on an ongoing basis</li> <li>• Pursue additional programs to expand homeownership opportunities to lower and moderate-income households.</li> </ul>	<ul style="list-style-type: none"> <li>• The City provided down-payment assistance 21 households between 2005 when the program began, and the present.</li> <li>• The marketing plan for the program was developed and approved by the City Council on December 7, 2004.</li> <li>• Expanded homeownership opportunities through the Down Payment Assistance Program (DAP).</li> </ul>

**Goal #2: Balanced Growth between Housing Production, Employment, and Provision of Services**

**Program Summary (2003-2009)**

Program Description	Objectives	Accomplishments
<p>2.1 Growth Management Allocation</p>	<ul style="list-style-type: none"> <li>• Review and revise, as necessary, the Growth Management Ordinance and/or Guidelines in 2005 to facilitate multi-family and affordable housing development.</li> <li>• Allow more than 150 affordable housing units as exceptions to the GMO by January of 2005.</li> <li>• Extend the infill housing priority projects allocation to 2009 by January of 2005.</li> <li>• Develop prioritization policy for infill priority projects by January of 2005.</li> </ul>	<ul style="list-style-type: none"> <li>• The GMO and GMO Guidelines were revised by the City Council on May 19, 2009.</li> <li>• The language in the GMO regarding the number of RGAs available each year to Affordable Housing Exceptions was not changed from the 2005 Ordinance, which states a maximum of 150 Affordable RGAs per year. The reason this was not changed is because it was put in place through Measure A, as approved by Tracy voters in 2009, and the language could not be amended without another ballot initiative approved by voters. However, when the City Council determined in early 2001 that the City will allocate as many RGAs to affordable projects as are qualified to receive them each year, not limiting the number to 150.</li> <li>• The revised GMO and Guidelines adopted in May also established the City’s Infill area as the “Primary Residential Growth Area”, designated on a map. The regulations within the GMO Guidelines are such that the Primary Area has first priority (aside from any Development Agreement projects that may be in place) to receive all of the RGAs available within every calendar year. Once all of the available RGAs are allocated to Primary Area (infill) projects, then the Secondary Areas may receive any remaining RGAs that are available. This prioritization of the Primary Areas as a whole eliminated the need to extend the 100 RGAs per year to what the City used to call “Priority” projects. Now infill is not only the priority for the first 100 RGAs, but it is the priority for all of them.</li> </ul>

**Program Summary (2003-2009)**

Program Description		Objectives	Accomplishments
2.2	Housing in Downtown	<ul style="list-style-type: none"> <li>As a part of the update of the General Plan and comprehensive revision of the Zoning Ordinance, provide appropriate development standards and incentives for higher-density housing in the downtown area.</li> </ul>	<ul style="list-style-type: none"> <li>In July 2006, the City created the “Downtown” General Plan designation. Allowed uses in the Downtown area include residential development at a density of 15 to 40 units per gross acre.</li> <li>As a part of the City’s General Plan update, the City has established a Land Use Policy which states: “New residential development or redevelopment of existing residential shall be allowed and encouraged in or around the Downtown.”</li> <li>In 2006, the City hired the firm of Freedman, Tung and Sasaki to prepare a Specific Plan for Tracy’s downtown, which is anticipated to be adopted next year.</li> <li>In June 2009, the City amended its Growth Management Ordinance to give priority to the downtown area when distributing residential building permits.</li> </ul>
<b>Goal #3: Preservation and Improvement of the Existing Affordable Housing Stock</b>			
3.1	Preservation of At-Risk Units	<ul style="list-style-type: none"> <li>Monitor the at-risk status of Village Apartments annually and contact the project owner to discuss preservation options and incentives.</li> <li>Work with the San Joaquin County Housing Authority to provide technical assistance regarding the availability of rental vouchers in case units are converted to market-rate housing.</li> <li>Work with the property owner and nonprofit housing providers to pursue preservation of the at-risk units.</li> </ul>	<ul style="list-style-type: none"> <li>The City worked with Pacific American Properties on the Village Apartments, and with Tracy Village Garden Associates on Tracy Village Garden Apartments to provide funding sources so that they would be able to rehabilitate the units for seniors and low-income residents.</li> </ul>

**Program Summary (2003-2009)**

Program Description		Objectives	Accomplishments
3.2	Residential Rehabilitation Program	<ul style="list-style-type: none"> <li>Annually, continue to allocate CDBG funds to the Neighborhood Preservation Program.</li> <li>Develop a marketing campaign to promote the Neighborhood Preservation Program by the end of 2004 to improve participation, with an objective of achieving 10 units per year.</li> <li>Continue to seek additional funds to expand the program.</li> </ul>	<ul style="list-style-type: none"> <li>The City allocated \$2,500,000 between 2004 and 2008, first starting with \$1,000,000, and then adding an additional \$1,500,000 in 2008 because of the initial success of the program.</li> <li>The marketing campaign was started for the program in December 2004.</li> <li>Issued 22 rehab loans since the program began in 2004.</li> </ul>
3.3	Housing Choice Voucher Program	<ul style="list-style-type: none"> <li>Continue to contract with the San Joaquin County Housing Authority to administer the program, and support the Housing Authority's efforts in applying for additional voucher allocations and petitioning for increases in the payment standards.</li> </ul>	<ul style="list-style-type: none"> <li>Approximately (insert #) Tracy households per year are assisted through the Housing Choice Voucher Program.</li> </ul>
3.4	Public Housing	<ul style="list-style-type: none"> <li>Continue to support the San Joaquin County Housing Authority's efforts in administering the program and in applying for comprehensive capital grants for the improvement of the public housing units.</li> </ul>	<ul style="list-style-type: none"> <li>The City has supported the Housing Authority each year by allocating the following amounts to San Joaquin Fair Housing each fiscal year:                             <ul style="list-style-type: none"> <li>❖ 03/04--\$10,900</li> <li>❖ 04/05--\$3,395</li> <li>❖ 05/06--\$12,100</li> <li>❖ 06/07--\$12,100</li> <li>❖ 07/08--\$12,227</li> <li>❖ 08/09--\$12,788</li> <li>❖ 09/10--\$11,692</li> </ul> </li> </ul>
3.5	Shared Housing	<ul style="list-style-type: none"> <li>Research and identify public and private nonprofit agencies that have the capacity and experience to operate a shared housing program. Encourage the appropriate agency to establish a program for Tracy and the region by providing technical support in funding applications.</li> </ul>	<ul style="list-style-type: none"> <li>The City has been talking with Visionary in order to work on establishing a shared housing program. The City has also been working with Federal stimulus money to buy foreclosed homes through the Neighborhood Stabilization Program.</li> </ul>

**Goal #4: Increased Supply of Housing Affordable to All Economic Segments of the Community**

**Program Summary (2003-2009)**

Program Description		Objectives	Accomplishments
4.1	Density Bonus Program	<ul style="list-style-type: none"> <li>• Incorporate density bonus provisions as part of Zoning Ordinance revisions.</li> <li>• Devise and implement an outreach plan.</li> </ul>	<ul style="list-style-type: none"> <li>• The City adopted a density bonus ordinance on January 8, 2008, and prior to its adoption, worked with interested members of the development community (in individual meetings and through the standard public hearing notice process prior to adoption) to ensure that the regulations within the ordinance would not render potential density bonus projects infeasible.</li> </ul>
4.2	Second Units	<ul style="list-style-type: none"> <li>• Review the Second Unit Ordinance to ensure that development standards facilitate and encourage the development of second units without compromising neighborhood integrity.</li> <li>• Amend the Second Unit Ordinance to comply with State law in 2005.</li> <li>• Encourage the inclusion of second units in the planning of new subdivisions and specific plans.</li> <li>• Consider waiving all development impact fees for second unit applicants.</li> </ul>	<ul style="list-style-type: none"> <li>• The 2006 General Plan update included a policy stating that “second units...shall be allowed and encouraged in existing and new neighborhoods.” Amendments to the City’s second unit ordinance are part of the zoning code update. The City anticipates completion of this project in 2010.</li> </ul>
4.3	Modify Development Standards	<ul style="list-style-type: none"> <li>• By the end of 2004, review development standards and establish a set of modified standards as incentives to facilitate affordable housing development, incorporating these modified standards into the revised Zoning Ordinance in 2005.</li> </ul>	<ul style="list-style-type: none"> <li>• Reviewing development standards for affordable housing development is part of the zoning code update currently underway. The City anticipates completion of this project in 2010.</li> </ul>



**Program Summary (2003-2009)**

Program Description		Objectives	Accomplishments
4.4	Local, State, and Federal Funding	<ul style="list-style-type: none"> <li>• Continue to work closely with housing developers to pursue various funding mechanisms</li> <li>• Continue review of the funding programs offered by the State Department of Housing and Community Development and U.S. Department of Housing and Urban Development</li> <li>• Develop detailed description and eligibility information on various programs in 2004 and continue to publish the availability of housing assistance to residents and issue notices of funding availability to inform developers via City website, brochures at public counters, and newspapers</li> </ul>	<ul style="list-style-type: none"> <li>• We do community outreach to advertise the Down payment Assistance Program and rehabilitation loans, but because we have developers regularly coming to us asking for assistance and partnerships for funding, we have not had to advertise to find parties interested in working with us.</li> </ul>
4.5	Equity Sharing	<ul style="list-style-type: none"> <li>• Work with nonprofit organizations to offer shared equity programs as an affordable housing option for lower- and moderate-income households.</li> <li>• Pursue one shared equity project annually.</li> </ul>	<ul style="list-style-type: none"> <li>• The City has not yet completed any share equity projects.</li> </ul>
4.6	Housing for Seniors	<ul style="list-style-type: none"> <li>• Work with affordable housing developers to provide a range of low-cost housing options for seniors.</li> <li>• Continue to offer incentives such as increased density, reduced parking requirements, and financial assistance to facilitate the development of senior housing.</li> <li>• Partner with private and nonprofit developers to pursue funding resources for affordable senior housing.</li> <li>• Encourage the use of second units as an affordable rental housing option for seniors.</li> </ul>	<ul style="list-style-type: none"> <li>• The City worked with CFY Development to provide funding for the 50-unit Tracy Place senior project.</li> <li>• The City provided \$1,975,000 from the Community Development Agency Housing Set-Aside Fund 281 for the Village Garden senior apartment rehabilitation project.</li> <li>• The City has not received any applications for secondary residential units since 2003.</li> </ul>

**Goal #5: Equal Housing Opportunity for All Residents of Tracy**

**Program Summary (2003-2009)**

Program Description		Objectives	Accomplishments
5.1	Fair Housing Services	<ul style="list-style-type: none"> <li>• Continue to support the Housing Resource Board and provide referral services.</li> <li>• Advertise services of the Resource Board in City buildings, public buildings throughout the city, and transit centers by the end of 2004.</li> </ul>	<ul style="list-style-type: none"> <li>• The City has provided approximately 12 referrals per year to Fair Housing Services, and advertises their services on the City website.</li> </ul>
<b>Goal #6: Coordination among Public and Private Organizations that Address Housing Issues</b>			
6.1	Public/Private Partnership	<ul style="list-style-type: none"> <li>• Develop a list of private and nonprofit developers with interest in developing affordable housing in Tracy and conduct a developer’s workshop by the end of 2004 to explore ways to get units built in the City.</li> <li>• Partner with private and non-profit organizations in funding applications and solicit funding support from lenders, the business community, and philanthropic organizations.</li> <li>• Work with private and nonprofit developers to facilitate affordable housing, maximizing the use of remaining growth management allocation available.</li> </ul>	<ul style="list-style-type: none"> <li>• The City has been contacted by numerous developers and has held many individual meetings with them regarding their specific prospective projects.</li> <li>• The City attempted to partner with the Tracy Unified School District on funding a project o build affordable units for teachers, but the money for the project from the school district fell through and the project was not completed.</li> <li>• Worked with CFY on Tracy Place Apartments.</li> </ul>
6.2	Redevelopment Implementation Plan	<ul style="list-style-type: none"> <li>• Continue to pursue specific affordable housing goals and objectives using financing available in the five-year Redevelopment Implementation Plan.</li> <li>• Annually monitor the Agency’s progress toward fulfilling the redevelopment affordable housing obligations (inclusionary and replacement) via annual reports to the State Department of Housing and Community Development.</li> </ul>	<ul style="list-style-type: none"> <li>• Within the 5-year Redevelopment Area Plan, most of the projects were not residential. The ones that somewhat relate to residential development are the creation of a downtown Specific Plan, and cleanup of the bowtie area (for some future housing). Both of these projects are currently in process.</li> <li>• The City’s most recent annual report on its redevelopment activities was completed on December 29, 2008.</li> </ul>

**Program Summary (2003-2009)**

Program Description		Objectives	Accomplishments
6.3	Annual Reporting	<ul style="list-style-type: none"> <li>Develop, by the end of 2004, a monitoring program and report to the City Council on implementation progress and forward monitoring report to HCD annually. Adjust, if necessary, implementation strategies to ensure achievement of affordable housing goals.</li> </ul>	<ul style="list-style-type: none"> <li>The City has not developed a monitoring program, but rather reports the information to the City Council as it is available.</li> </ul>

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

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August 19, 2010

Mr. Bill Dean, Manager  
Planning Department  
City of Tracy  
333 Civic Center Plaza  
Tracy, CA 95376

RECEIVED

AUG 20 2010

CITY OF TRACY  
D.E.S.

Dear Mr. Dean:

**RE: Review of the City of Tracy's Draft Housing Element**

Thank you for submitting Tracy's draft housing element received for review on June 22, 2010 along with additional revisions received on August 13 and 16, 2010. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). A telephone conversation on August 12, 2010 with Ms. Veronica Tam and Ms. Jessica Suimanjaya, of Veronica Tam and Associates, facilitated the review. In addition, the Department considered comments from the Building Industry Association of the Delta pursuant to Government Code Section 65585(c).

The Department commends Tracy for its achievements in partnering with non-profit housing providers to preserve the City's housing stock affordable to lower-income households. The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element must include a complete land inventory and analysis to accommodate the regional housing need and address potential governmental constraints. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

The Department is committed to assist Tracy in addressing all statutory requirements of housing element law. If you have any questions or need additional technical assistance, please contact Brett Arriaga, of our staff, at (916) 445-5888.

Sincerely,

*Glen A. Campore*  
Assistant Deputy  
for Cathy E. Creswell  
Deputy Director

Enclosure

**APPENDIX**  
**CITY OF TRACY**

The following changes would bring Tracy's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on the Department's website at [www.hcd.ca.gov/hpd](http://www.hcd.ca.gov/hpd). Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Element section contains the Department's latest technical assistance tool *Building Blocks for Effective Housing Elements (Building Blocks)* available at [www.hcd.ca.gov/hpd/housing\\_element2/index.php](http://www.hcd.ca.gov/hpd/housing_element2/index.php), the Government Code addressing State housing element law and other resources.

**A. Housing Needs, Resources, and Constraints**

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

Tracy has a remaining regional housing needs allocation (RHNA) of 4,533 housing units, of which 1,489 are for lower-income households. To address this need, the element relies on vacant sites, including sites in specific plan areas. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses as follows:

Sites Inventory: Many of the parcels are aggregated to include potential unit capacities and sizes. For example, Site O, Map ID numbers 88-91, includes four parcels totaling 33.8 acres with an estimated unit capacity of 676 units. However, the element must also include parcel sizes and potential unit capacity for each identified parcel. This is particularly important in evaluating whether parcels are appropriately sized to facilitate the development of housing for lower-income households.

*For smaller parcels (<1 acre) anticipated to be developed individually and necessary to accommodate the RHNA*: The element should include an analysis demonstrating the potential of smaller sites anticipated to develop individually to accommodate residential development, given necessary economies of scale, particularly for new multifamily rental development affordable to lower-income households. While it may be possible to build housing on a very small parcel, the nature and conditions necessary to construct the units often render the provision of affordable housing infeasible. For example, assisted housing developments utilizing State or federal financial resources typically include 50-80 units. *For parcels anticipated to be consolidated and necessary to accommodate the RHNA*, the element should describe the potential for lot consolidation, including conditions rendering parcels suitable and ready for redevelopment, trends or information on the number of owners and indicating where sites have been assembled.

In addition, the element must also include site-specific information (parcel number, size, zone, General Plan designation and capacity) for sites in specific plan areas as identified (pages 80-82).

Ellis Specific Plan: Residential capacity in the Ellis Specific Plan is still dependent on annexation to be available for development. If using these sites to accommodate the regional housing need, the element must:

- Describe all required entitlement process steps, minimum timelines, and findings to make the sites available in the planning period and indicate what portions of the required process are under the City's control to initiate.
- Describe the status of the San Joaquin Local Area Formation Commission's required findings for annexation of the Ellis Specific Plan area.
- Given the length of time needed for annexation and development approvals, include a realistic estimate of the length of time necessary for annexation into the City and an estimate of the number of units that could be developed in the planning period.

Downtown Specific Plan: The element indicates the Downtown Specific Plan is pending adoption and does not demonstrate whether zoning is available to accommodate a portion of the regional housing need for lower-income households. The element should identify sites by existing zoning and allowable densities and may also list sites by proposed zoning. If rezoning is necessary to make sites available at appropriate densities, the element may need to add or revise programs pursuant to Government Code Sections 65583(c)(1) and 65583.2(h) and (i).

Large Sites: Appendix B appears to identify very large parcels (Sites G, H, O and P) to accommodate the City's housing need for lower-income households with estimated unit capacities over 500 units. However, the element does not describe how such large parcels can facilitate the development of housing affordable to lower-income households. For example, most developments utilizing State or federal financial resources include 50-150 units. If using larger sites to accommodate the City's share of the regional housing need for lower-income households, the element should include an analysis of the appropriateness of such sites including, for example, a discussion of opportunities for specific-plan development, further subdivision or other methods to facilitate their use for the development of housing affordable to lower-income households.

Realistic Capacity: The element appears to assume 80 percent of maximum densities (Table 53). However, the estimate of potential unit capacity must consider land-use controls and site improvements, including height limits and floor area ratio. As a result, the element must describe the methodology for determining the development capacity of sites listed in Table 53 and Appendix B. For example, the element could include examples of recent residential capacities of developments.

Environmental Constraints: While the element broadly discusses environmental constraints (pages 72-75), it should include a general discussion of how these or other conditions may impact development capacity in the planning period.

2. *Analyze potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7) (Section 65583(a)(5)).*

Land-Use Controls: Growth Management Ordinance (GMO): While the element includes a general and broad overview of the GMO, it must include a specific description and analyses of the ordinance, its requirements and processes. More specifically, the element should address all of the following:

*GMO and the RHNA:* As indicated in the element, the GMO does not allow the City to accommodate the RHNA (page 49). As a result, the element must include programs to address the constraint and accommodate the RHNA.

*GMO Process:* Provide analyses regarding the impacts of the GMO process and limitation of the residential growth allotment (RGA) on the cost, supply, timing and affordability of housing, including, but not limited to:

- The element must describe and analyze the exemption process for projects with an affordable component, including its effectiveness to date in accommodating lower- and moderate-income households. This is particularly important since the exemption requires 55-year deed restrictions for moderate-income housing development while current market sale prices are affordable to this income group.
- Given the GMO prohibits carryover of unused allocations, the element must analyze the impact on the cost, supply and availability of sufficient allocations to accommodate the City's RHNA throughout the planning period.
- Identify and analyze any limit to the number of allocations which could be received by a project in a single year and the process for obtaining allocations for phased projects (multi-year development), and the effect on financing required for infrastructure.
- Length of time for approval of allocations and how the approval process relates to other entitlements, including evaluating cumulative impacts on timing and costs.
- Describe and analyze the impacts of scoring criteria on costs and timing of development. For example, the element does not discuss how criteria for primary and secondary areas are considered and does not list or evaluate the other criteria in the GMO guidelines (page 50).
- Analyze the GMO process on the certainty and predictability of development approval.
- Analyze the impacts of annual limits on the cost and supply of housing, including descriptions and analysis of the effects of five-year rolling averages of RGAs.
- Identify and analyze the relationship of primary and secondary areas and their impacts on identified sites in the inventory.

Fees and Exactions: While the element includes a list of some fees, the analysis should list all applicable fees in the analysis of typical per unit fees for single- and multi-family development. For example, the analysis noting typical fees of \$23,000 per multifamily unit does not list fees comprising the \$23,000 or include planning and other fees assessed from outside entities, such as school fees (page 65). For assistance with this requirement, refer to the *Building Blocks*' website at [http://www.hcd.ca.gov/hpd/housing\\_element2/CON\\_fees.php](http://www.hcd.ca.gov/hpd/housing_element2/CON_fees.php).

## **B. Housing Programs**

1. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

As noted in the Finding A-1, the element does not include a complete sites inventory or analysis; as a result, the adequacy of sites and zoning has not been established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites and zoning for a variety of housing types. Specifically, the element must include a program to provide sites with zoning that allows owner-occupied and rental multifamily uses by-right sufficient to accommodate the remaining need for lower-income households. Pursuant to Government Code Section 65583.2(i), "by-right" means local government review must not require a conditional use permit (CUP), planned unit development or other discretionary review or approval.

The program must also ensure the adequate sites program provides for:

- minimum of 16 units per site;
- a minimum density of 20 units per acre; and
- at least 50 percent of the lower-income need must be accommodated on sites designated for residential use only.

Program 16 (Emergency Shelters): While the Program describes the City's commitment to amend the MDR and HDR zones to permit emergency shelters without a CUP, it must also commit to only subject emergency shelters to the same development and management standards that apply to other uses within the identified zone.



2. *Describe the amount and uses of fund in the redevelopment agency's Low and Moderate Income Housing Fund (Section 65583(c)).*

While the element identifies a current low- and moderate-income fund balance of \$3,684,804 (page 87), it should also include an estimate of the moneys expected to accrue through the end of the planning period. The City should describe the proposed uses of these funds by approximate amount where possible and relative to the programs described in the element. In addition, Health and Safety Code Section 33413(b)(4) requires a redevelopment implementation plan to be consistent with a community's housing element. The integration of applicable information from the redevelopment agency's current housing implementation plan into the housing element will assist in the development of an effective element. For assistance with this requirement, see the *Building Blocks'* website at [http://www.hcd.ca.gov/hpd/housing\\_element2/OR\\_lowmod.php](http://www.hcd.ca.gov/hpd/housing_element2/OR_lowmod.php).

3. *The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households (Section 65583(c)(2)).*

General: The element must include specific actions to assist in the development of housing for extremely low-, very low-, low-, and moderate-income households, including persons with special needs. This program could commit the City to annually contact nonprofit housing sponsors to coordinate and implement a strategy for developing housing including assisting with site identification, adopt priority processing, fee waivers or deferrals, modify development standards, grant concessions and incentives for housing developments that include units affordable to extremely low- to moderate-income households, and assist, support or pursue funding applications. To assist the City with these efforts, the Department's *Financial Assistance Program Directory* is available at [http://www.hcd.ca.gov/fa/LG\\_program\\_directory.pdf](http://www.hcd.ca.gov/fa/LG_program_directory.pdf).

Extremely Low-Income (ELI) Households: While the element includes Program 16 to conditionally permit single-room occupancy (SRO) units in the MDR and GHC zones which can assist in meeting the needs of single-person ELI households, it does not commit to amend or establish development standards to encourage the development of SROs nor do other programs address the needs of family or larger ELI households. As a result, pursuant to Chapter 891, Statutes of 2006 (AB 2634), existing programs should either be expanded or new programs added to specifically assist in the development of a variety of housing types to meet the housing needs of ELI households. To address this requirement, the element could revise programs to prioritize some funding for the development of rental housing affordable to ELI households, and/or offer financial incentives or regulatory concessions to encourage the development of rental housing which address some of the needs of this income group.

4. *The housing element shall contain programs which address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing (Section 65583(c)(3)).*

As noted in Finding A-2, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints. For example, the element may need to add programs to address the GMO process as a constraint.

In addition, the element and as noted in Finding A-2, the City's GMO does not allow it to accommodate its share of the regional housing need (page 49). As a result, the element must include programs to address and mitigate and/or remove constraints of the GMO.

**C. Consistency with General Plan**

*The housing element shall describe the means by which consistency will be achieved with other general plan elements and community goals (Section 65583(c)(7)).*

The City should also note recent statutory changes to Government Code Section 65302 (Chapter 369, Statutes 2007 [AB 162]) which requires amendment of the safety and conservation elements of the General Plan to include analysis and policies regarding flood hazard and management information upon the next revision of the housing element on, or after, January 1, 2009. For additional information, refer to the Department's website at [http://www.hcd.ca.gov/hpd/hrc/plan/he/ab\\_162\\_stat07.pdf](http://www.hcd.ca.gov/hpd/hrc/plan/he/ab_162_stat07.pdf).

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
**Division of Housing Policy Development**

1800 Third Street, Suite 430  
P. O. Box 952053  
Sacramento, CA 94252-2053  
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## Incentives for Housing Element Compliance

Updated January 2009

Housing elements have been mandatory portions of local general plans in California since 1969. This reflects the statutory recognition that the availability of housing is a matter of statewide importance and cooperation between government and the private sector is critical to attainment of the State's housing goals. Housing element law is the State's primary market-based strategy to increase housing supply, affordability and choice. The law recognizes that in order for the private sector to adequately address housing needs and demand, local governments must adopt land-use plans and regulatory schemes that provide opportunities for, and do not unduly constrain, housing development.

To incentivize and reward local governments that have adopted compliant and effective housing elements, several housing, community development and infrastructure funding programs include housing element compliance as a rating and ranking or threshold requirement.

Housing element compliance is generally included as a rating and ranking criteria in programs where the primary applicants are local governments. As eligible applicants vary by program, (e.g., only non-entitlement jurisdictions eligible for State CDBG or HOME programs) not all jurisdictions are affected by these programmatic requirements.

The effect or significance of the housing element factor within the context of other competitive factors varies by program. Please refer to program specific information available for the specific criteria utilized including timing requirements.

### California Department of Housing and Community Development

- **Building Equity and Growth in Neighborhoods (BEGIN) Program**

<http://www.hcd.ca.gov/fa/begin>

Program Description: The BEGIN Program is a homeownership program providing grants to local governments that reduce regulatory constraints to housing. Grants are provided for downpayment assistance to low- and moderate-income first-time homebuyers.

Housing Element Criteria: Points are granted for jurisdictions with an adopted housing element found in substantial compliance with State housing element law.

- **Home Investments Partnerships (HOME) Program (Federal)**  
<http://www.hcd.ca.gov/fa/home>

Program Description: The HOME Program provides grants to cities, counties, and State-certified CHDO's for housing rehabilitation, new construction, and acquisition and rehabilitation for both single family and multifamily housing projects serving lower-income renters and owners.

Housing Element Criteria: Points are granted for jurisdictions with an adopted housing element found in substantial compliance with State housing element law.

- **Community Development Block Grant (CDBG) Program**  
<http://www.hcd.ca.gov/fa/cdbg>

***General Allocation***

Program Description: The CDBG/GA Program provides funds for new construction, housing acquisition, housing programs, housing rehabilitation, public services, community facilities, economic development, and public works.

Housing Element Criteria: To be eligible for funding, a jurisdiction's housing element must be adopted pursuant to Government Code Section 65585 by a date established in the NOFA/Application.

***Planning and Technical Assistance***

Program Description: CDBG/PTA Program provides funds for planning and feasibility studies related to CDBG-eligible activities.

Housing Element Criteria: To be eligible for funding, a jurisdiction's housing element must be adopted pursuant to Government Code Section 65585 by a date established in the NOFA/Application.

- **Infill Incentive Grant (IIG) Program**  
<http://www.hcd.ca.gov/fa/iig/>

Program Description: The IIG Program provides funds for infrastructure improvements necessary to facilitate new infill housing development.

Housing Element Criteria: To be eligible for funding, projects must be located in a locality which has an adopted housing element that has been found by the Department to be in substantial compliance as of the due date for applications pursuant to the NOFA.

- **Housing Related Parks (Parks) Program**

<http://www.hcd.ca.gov/hpd/hrpp/>

Program Description: The Housing Related Parks Program creates incentives and rewards for cities and counties with documented housing starts for newly constructed units affordable to very low or low-income households with grant funds which can be used to create new parks or rehabilitation or improvement to existing parks.

Housing Element Criteria: To be eligible for funding Cities and counties must have an adopted housing element that the Department has found to be in substantial compliance with State housing element law by the end of the 12-month period (CY) for which application is made. In addition, jurisdictions must have submitted to the Department the annual progress report required by Section 65400 of the Government Code within the preceding 12 months.

- **Local Housing and Trust (LHTF) Program**

<http://www.hcd.ca.gov/fa/ahif/lhtf.html>

Program Description: The LHTF helps finance local housing trust funds dedicated to the creation or preservation of affordable housing. The program provides matching grants (dollar-for-dollar) to local housing trust funds that are funded on an ongoing basis from private contributions or public sources that are not otherwise restricted in use for housing programs.

Housing Element Criteria: To be eligible for funding, Cities and counties must have adopted housing elements that the Department has found in compliance with State housing element law.

- **Workforce Housing Reward (WFH) Program *(no current funding available)***

<http://www.hcd.ca.gov/fa/whrp>

Program Description: The WFH Program provides financial incentives to cities and counties that issue building permits for new housing affordable to very low- or low-income households. Grant funds can be used for a wide range of capital asset projects including parks, street/infrastructure improvements, recreational facilities, housing, neighborhood improvements, public safety and community revitalization efforts.

Housing Element Criteria: To be eligible for funding, a jurisdiction must have an adopted housing element that has been found in compliance by the Department by a date established in the NOFA/Application.

### Other Statewide Programs

- **California Debt Limit Allocation Committee of State Treasurer's Office  
Single Family Home Program**

<http://www.treasurer.ca.gov/cdlac/procedures/adopted.pdf>

Program Description: Reduced interest, tax-exempt bonds to finance affordable housing projects, both rental and homeownership.

Housing Element Criteria: The proposed Single Family Home Program must be consistent with the adopted housing element for the jurisdiction in which the program is to be operated.

- **California Infrastructure and Economic Development Bank (I-Bank) Infrastructure State Revolving Fund (ISRF) Program**

[http://www.ibank.ca.gov/ttca/pdfs/detail/inf\\_bank/BoardApprovedCriteria-revised02-01-07.pdf](http://www.ibank.ca.gov/ttca/pdfs/detail/inf_bank/BoardApprovedCriteria-revised02-01-07.pdf)

Program Description: The ISRF Program provides low-cost financing to public agencies for a wide variety of infrastructure projects. Eligible project categories include city streets, county highways, state highways, drainage, water supply and flood control, educational facilities, environmental mitigation measures, parks and recreational facilities, port facilities, public transit, sewage collection and treatment, solid waste collection and disposal, water treatment and distribution, defense conversion, public safety facilities, and power and communications facilities.

Housing Element Criteria: Points will be granted for jurisdictions or applicants located within a jurisdiction with a Department approved housing element.

- **California Housing Finance Agency Housing Enabled by Local Partnerships (HELP) Program**

<http://www.calhfa.ca.gov/localities/help/index.htm>

Program Description: The HELP Program and the Residential Development Loan Program (RDLP) offer reduced rate loans to local government entities for locally determined affordable housing activities and priorities (acquisition, construction, rehabilitation, single-family homeownership, or preservation of multifamily and special needs units).

Housing Element Criteria: Proposals must include documented housing plans that demonstrate that the proposed housing activity described in the application has been identified as a local housing priority. Eligible documented housing plans include the housing elements, consolidated plans, redevelopment plans or other general housing plans that the locality's governing board has ratified. Applications must also include evidence that a plan has been approved.

AGENDA ITEM 6

REQUEST

**DISCUSS GUIDELINES FOR THE MEASURE E RESIDENTS' OVERSIGHT COMMITTEE, APPOINT COUNCIL SUBCOMMITTEE TO INTERVIEW OVERSIGHT COMMITTEE APPLICANTS AND DIRECT STAFF TO RETURN TO COUNCIL WITH A RESOLUTION ESTABLISHING THE RESIDENTS OVERSIGHT COMMITTEE GUIDELINES AND BY-LAWS**

EXECUTIVE SUMMARY

On November 2, 2011, the electors approved, by 57.98%, Measure E which provides for an additional one-half-cent sales tax. Staff requests that Council discuss guidelines for the Residents' Oversight Committee required by Measure E and direct staff to return to Council with a resolution establishing the Measure E Residents' oversight committee guidelines and bylaws. Staff also requests that the Council form a Council Subcommittee to review applications, conduct interviews and return to Council with Measure E Resident Oversight Committee recommendations.

DISCUSSION

On August 3, 2010, based on the results of a community survey, Council adopted Resolution 2010-130 to place a one-half-cent transactions and use (sales) tax measure (Measure E) to maintain City services on the November 2, 2010, ballot. On August 17, 2010, Council adopted Ordinance 1151 imposing a transactions and use tax to be administered by the State board of equalization, enacting the transactions and use (sales) tax, if a majority of the electors approved the imposition of the tax. On November 2, 2010, Tracy residents approved Measure E with 57.98% of the vote.

Section 6.28.180 of Ordinance 1151 states that the City Council will establish a five member Residents' Oversight Committee no later than March 1, 2011. This staff report outlines specific guidelines for Council discussion. These guidelines include a proposed application/recruitment process, powers and duties, qualifications for appointment, selection of members, term of service, meetings, and staff liaison appointments. Once Council discusses and finalizes each area, staff will return to Council with the Measure E Resident Oversight Committee By-laws that reflect and incorporate Council discussion and input.

The proposed timeline to establish the Measure E Residents' Oversight Committee is as follows:

<u>Action</u>	<u>Timeline</u>
Council discusses and provides direction to staff regarding Resident Oversight Committee Guidelines & Bylaws	12/21/10
Appointment of Council Subcommittee to review Applications And Conduct Interviews	12/21/10

<u>Action</u>	<u>Timeline</u>
Adoption of a Resolution establishing the Measure E Residents' Oversight Committee Guidelines and By-Laws	01/18/11
Notice to Residents of Committee vacancies and Begin recruitment process	01/19/11
Applicant Interviews by Council Subcommittee	2/8/11 – 2/14/11
Appointment of Measure E Residents' Oversight Committee Members by Council	02/15/11

**Application/Recruitment Process:**

It is recommended that Council utilize the recruitment process for boards and commissions as outlined in Resolution 2004-152 (Attachment "A") to conduct the application and recruitment process for the Measure E Residents' Oversight Committee.

Special noticing of vacancies would be posted in the office of the City Clerk, Tracy Public Library, the City's website, and in other places eliciting interest from Tracy residents for a minimum of 20 days. The Mayor (or designee) and a selected Council member review applications, interview applicants and recommend candidates to the Council for appointment to the Committee.

**Powers and Duties:**

The Measure E residents' Oversight Committee will ensure transparency and oversight of the revenues generated by and expenses related to Measure E. Enterprise and other funds generated independent of Measure E are outside the jurisdiction of the Measure E Residents' Oversight Committee. The Committee's duties include review of the annual independent financial audit of the City performed by an independent auditor, which includes the revenue raised and expended by this tax and other City financial reports necessary to advise the City Council of its findings regarding use of the sales tax during their term. The Measure E Residents' Oversight Committee's findings will be presented annually in a written report to the City Council. The City Council will seriously consider the Committee's recommendations; however, the City Council retains final authority in all decisions and has the fiduciary responsibility over all aspects of the sales tax revenue.

The Committee is not charged with decision-making on spending priorities, schedules, project details, funding source decisions, or financing plans. The Committee serves as an advisory-only role to the City Council, who retains final decision authority.

**Qualifications for Appointment:**

Staff recommends that residents appointed to the Measure E Residents' Oversight Committee will be residents at large who meet the residency requirement.



The residency requirement is defined as residents who live within the city limits of the City of Tracy. Residency can be verified annually by the City Clerk through (1) voter registration, (2) California Driver's License or Identification, (3) utility bill (phone, water, cable, etc.), or (4) federal or state tax returns.

**Selection of Members:**

Per Ordinance 1151, five (5) members will be appointed to the Measure E Residents' Oversight Committee by the City Council. Members will not be current City of Tracy employees, officials, contractors or vendors of the City. Past employees officials or vendors may be eligible to serve on the Committee, provided that no conflicts of interest exist.

**Term of Service:**

The five (5) member Measure E Residents' Oversight Committee will commence on March 1, 2011. Of the five (5) members of the Committee first appointed, three (3) could be appointed for a two (2) year term and two (2) could be appointed for a three (3) year term. Due to the Measure E's sunset date, no member of the committee could serve more than two consecutive terms.

**Meetings:**

The Measure E Residents' Oversight Committee could meet semi-annually on the 3<sup>rd</sup> Monday in January and 3<sup>rd</sup> Monday in July at 5:30 p.m. at City Hall Room 109. The Measure E Residents' Oversight Committee will be subject to the Brown Act, so its meetings must be noticed and open to the public. Committee minutes and reports are a matter of public record, and will be posted on a web site provided by the City. Additional meetings may be scheduled by the Committee as necessary. All Committee members should attend training and orientation sessions, including separate Brown Act and AB 1234 Ethics training.

Committee members are expected to attend all regular meetings. Because this committee only meets twice a year, failure to attend two consecutive meetings should result in removal from the Committee at the discretion of the City Council. Committee decisions, positions, findings, and procedures may require a simple majority vote of those members in attendance. The quorum requirement for any meeting shall be a minimum of three members.

**Staff Liaison Appointment:**

A city staff person will be appointed by the City Manager or his designee to serve as staff liaison. The staff liaison will be responsible for providing relevant information and will receive and record all exhibits, petitions, documents, or other material presented to the Committee in support of, or in opposition to, any question before the Committee, including the annual financial audit. The staff liaison will prepare, post and distribute agendas, and take minutes at each meeting. The city staff liaison will ensure approved minutes are made available to the public.

After Council discusses the guidelines and provides staff with direction, staff will return on with final guidelines and by-laws that reflect Council's direction and input for Council adoption. Attached are approved standard by-laws For City Boards, Commissions and Committees as an example (Attachment "C").

STRATEGIC PLAN:

This agenda item assists with implementation of the following Goals and Objectives outlined in the Organizational Effectiveness strategic plan:

Goal 1: Assure Fiscal Health  
Objective C: Placement of a tax measure on the ballot

FISCAL IMPACT:

There is no fiscal impact associated with Council's consideration and discussion of this item.

RECOMMENDATION:

Staff recommends that:

- (1) Council discuss and finalize the Residents' Oversight Committee guidelines and direct staff to return for Council adoption of a resolution establishing the Measure E Residents' Oversight Committee guidelines and by-laws, and that
- (2) Council appoint a Council subcommittee to review applications, interview applicants and recommend candidates to the Council for appointment to the Oversight Committee.

Prepared by: Maria A. Hurtado, Assistant City Manager

Approved by: R. Leon Churchill, Jr., City Manager

ATTACHMENTS:

Attachment "A": Resolution 2004-152 Establishing the Council Selection Process, and Defining Residency Requirements, for Appointee Bodies

Attachment "B": Proposed Measure E Residents' Oversight Committee Guidelines

Attachment "C": Approved Standard By-Laws for City Boards, Commissions and Committees

RESOLUTION 2004-152

REVISING RESOLUTION NO. 2004-089 ESTABLISHING THE COUNCIL SELECTION PROCESS, AND DEFINING RESIDENCY REQUIREMENTS, FOR APPOINTEE BODIES (GOVERNMENT CODE §54970 ET SEQ. LOCAL APPOINTEE OFFICERS)

WHEREAS, Council Policy D-5 was adopted by Resolution 2002-434 on October 15, 2002, which established a selection process for appointee bodies, and

WHEREAS, A variety of terms are used to define residency for the purposes of eligibility for appointment to various Appointee bodies and a method to verify residency has not been established, and

WHEREAS, Council wishes to define the terms and identify methods by which to verify residency and to incorporate those definitions into the selection process, and

WHEREAS, The definitions established herein shall apply to all boards and commissions to which the City Council appoints members unless the Bylaws of the board or commission specifically define otherwise, and

WHEREAS, Revisions to Resolution No. 2004-089 were considered and approved by the City Council on May 18, 2004 as set forth below.

NOW, THEREFORE, the Tracy City Council hereby resolves as follows:

A. SELECTION PROCESS FOR APPOINTEE BODIES:

1. On or before December 31<sup>st</sup> of each year, the clerk shall prepare an appointment list of all regular and ongoing boards, commissions and committees that are appointed by the City Council of the City of Tracy. The list shall contain the following information:
  - a. A list of all appointee terms which will expire during the next calendar year, with the name of the incumbent appointee, the date of the appointment, the date the term expires and the necessary qualifications for the position.
  - b. A list of all boards, commissions and committees whose members serve at the pleasure of the Council and the necessary qualifications of each position.
  - c. The list of appointments shall be made available to the public for a reasonable fee that shall not exceed actual cost of production. The Tracy Public Library shall receive a copy of the list.
2. Whenever a vacancy occurs in any board, commission or committee, whether due to expiration of an appointee's term, resignation, death, termination or other causes, a special notice shall be posted in the office of the City Clerk, The Tracy Public Library, the City website, and in other places as directed within twenty (20) days after the vacancy occurs. Final

appointment to the board, commission or committee shall not be made by the City Council for at least ten (10) working days after the posting of the notice in the Clerk's office. If Council finds an emergency exists, the Council may fill the unscheduled vacancy immediately.

3. Appointments shall be made for the remainder of the term created by the vacancy except as follows:
  - a. If appointee will fill an un-expired term with six months or less remaining, the appointment shall be deemed to be for the new term.
  - b. If the vacancy is filled by an emergency appointment the appointee shall serve only on an acting basis until the final appointment is made pursuant to section 3.
4. The council shall use the following selection process to provide an equal opportunity for appointment to a board, commission or committee:
  - a. Mayor (or designee) and a selected Council member will review applications, interview applicants and recommend a candidate for appointment to the board, commission or committee.
  - b. If the interview subcommittee determines there are multiple qualified candidates, the subcommittee can recommend the Council establish an eligibility list that can be used to fill vacancies that occur in the following twelve (12) months.
  - c. At the interview subcommittee's discretion, the chair (or designee) of the board, committee or commission for which a member will be appointed, can participate in the interviews.
5. In the event there are not two or more applicants than vacancies on any board, commission or committee, the filing deadline may be extended by staff.
6. An individual already serving on a City of Tracy board, committee or commission may not be appointed to serve on an additional City of Tracy board, committee, or commission concurrently.

**B. DEFINITION OF RESIDENCY REQUIREMENTS:**

1. The following definitions shall be used to determine whether residency requirements are met for boards and commissions to which the Tracy City Council appoints members:
  - a. Tracy Planning Area means the geographical area defined in the City of Tracy General Plan and any amendments thereto.
  - b. City of Tracy means within the city limits of the City of Tracy.

- c. Citizen means a resident of the City of Tracy.
  - d. Tracy School District means the geographical area served by the Tracy Unified School District.
  - e. Sphere of Influence shall be the geographical area approved by the Local Agency Formation Commission (LAFCo) of San Joaquin County and any amendments thereto.
2. Residency, as defined above and as set forth in the applicable bylaws for each board or commission, shall be verified annually by the City Clerk. The residency must be verifiable by any of the following means:
- a. Voter registration,
  - b. Current California Driver's License or Identification,
  - c. Utility bill information (phone, water, cable, etc.),
  - d. Federal or State tax returns.
3. Members of boards or commissions shall notify the City Clerk in writing within thirty (30) days of any change in residency. If the change in residency results in the board member or commissioner no longer meeting the residency requirements, the member shall tender their resignation to the City Clerk who shall forward it to the City Council.

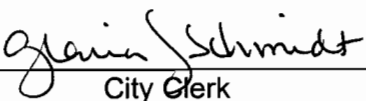
\*\*\*\*\*

The foregoing Resolution 2004-152 was passed and adopted by the Tracy City Council on the 18th day of May, 2004, by the following vote:

AYES: COUNCIL MEMBERS: HUFFMAN, IVES, TOLBERT, TUCKER, BILBREY  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: NONE  
ABSTAIN: COUNCIL MEMBERS: NONE

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

## **Proposed Measure E Residents' Oversight Committee Guidelines**

The City of Tracy will establish a City of Tracy Measure E Residents' Oversight Committee (the "Oversight Committee") to monitor the revenue collected by Measure E. These guidelines include a proposed application/recruitment process, powers and duties, qualifications for appointment, selection of members, term of service, meetings, and staff liaison appointments and will be used to develop the Oversight Committee By-Laws.

### **Application/Recruitment Process:**

The recruitment process for boards and commission as outlined in Resolution 2004-152 (Attachment "A") will be used to conduct the application and recruitment process for the Oversight Committee.

Special noticing of vacancies will be posted in the office of the City Clerk, Tracy Public Library, the City's website, and in other places eliciting interest from Tracy residents for a minimum of 20 days. A Council subcommittee will review applications, interview applicants and recommend to City Council candidates for appointment to the Oversight Committee.

### **Powers and Duties:**

The Oversight Committee will ensure transparency and oversight of the revenues generated by and expenses related to Measure E. Enterprise and other funds generated independent of Measure E are outside the jurisdiction of the Oversight Committee. Oversight Committee duties include review of the annual independent financial audit of the City performed by an independent auditor, which includes the revenue raised and expended by this tax and other City financial reports necessary to advise the City Council of its findings during their term. The Oversight Committee's findings will be presented annually in a written report to the City Council. The City Council will seriously consider the Oversight Committee's recommendations; however, the City Council retains final authority in all decisions and has the fiduciary responsibility over all aspects of the sales tax revenue.

The Oversight Committee is not charged with decision-making on spending priorities, schedules, project details, funding source decisions, or financing plans. The Committee serves as an advisory-only role to the City Council, which retains final decision authority.

### **Qualifications for Appointment:**

Residents interested in appointment to the Oversight Committee will be residents at large who meet the residency requirement.

The residency requirement is defined as residents who live within the city limits of the City of Tracy. Residency can be verified annually by the City Clerk through (1) voter registration, (2) California Driver's License or Identification, (3) utility bill (phone, water, cable, etc.), or (4) federal or state tax returns.

**Selection of Members:**

The City Council will appoint five members to the Oversight Committee. Members will not be current City of Tracy employees, officials, contractors or vendors of the City. Past employees officials or vendors may be eligible to serve on the Committee, provided that no conflicts of interest exist.

**Term of Service:**

The term of the Oversight Committee members shall commence on March 1, 2011. Of the five members of the Oversight Committee first appointed, three will be appointed for a two year term and two will be appointed for a three year term. No member of the Oversight Committee shall serve more than two consecutive terms.

**Meetings:**

The Oversight Committee will meet semi-annually on the 3<sup>rd</sup> Monday in January and 3<sup>rd</sup> Monday in July at 5:30 p.m. @ City Hall Room 109. The Oversight Committee is subject to the Brown Act. Meetings must be noticed and open to the public. Oversight Committee minutes and reports are a matter of public record, and may be posted on a web site provided by the City. Additional meetings may be scheduled by the Oversight Committee as necessary. All Oversight Committee members shall attend training and orientation prior to the first regular Oversight Committee meeting, including separate Brown Act training and AB 1234 Ethics Training.

Oversight Committee members are expected to attend all regular meetings. Because the Oversight Committee only meets twice a year, failure to attend two consecutive meetings may result in removal from the Oversight Committee at the discretion of the City Council. Oversight Committee decisions, positions, findings, and procedures require a simple majority vote of those members in attendance. The quorum requirement for any meeting shall be a minimum of three members.

**Staff Liaison Appointment:**

A city staff person will be appointed by the City Manager or his designee to serve as staff liaison. The staff liaison will be responsible for providing relevant information and receive and record all exhibits, petitions, documents, or other material presented to the Oversight Committee in support of, or in opposition to, any question before the Oversight Committee, including the annual financial audit. The staff liaison will prepare, post and distribute agendas, and take minutes at each meeting. The city staff liaison will ensure approved minutes are made available to the public.

RESOLUTION 2003-368

APPROVING STANDARD BYLAWS FOR CITY BOARDS, COMMISSIONS,  
AND COMMITTEES

WHEREAS, the City Council establishes City boards, commissions, and committees;

WHEREAS, City boards, commissions, and committees adopt bylaws to govern their operations;

WHEREAS, it is desirable for the bylaws of City boards, commissions, and committees to contain similar terms;

WHEREAS, the standard bylaws attached as Exhibit A to this resolution have been developed for use by individual City boards, commissions, and committees in developing future bylaws to be presented to the City Council for adoption.

WHEREAS, there is no fiscal impact to the General Fund,

NOW, THEREFORE, BE IT RESOLVED that the City Council approves the standard bylaws attached as Exhibit A to this resolution for future use by City boards, commissions, and committees in developing bylaws for adoption by the City Council.

\* \* \* \* \*

The foregoing Resolution 2003-368 was adopted by the Tracy City Council on the 7th day of October, 2003, by the following vote:

AYES:	COUNCIL MEMBERS:	HUFFMAN, IVES, TOLBERT, TUCKER, BILBREY
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

  
\_\_\_\_\_  
Mayor

ATTEST:  
  
\_\_\_\_\_  
City Clerk



BYLAWS OF THE  
“ \_\_\_\_\_ [Board/Commission]”  
CITY OF TRACY, CALIFORNIA

WHEREAS, the City Council has established a “ \_\_\_\_\_ [Board/Commission]” for the purpose of \_\_\_\_\_;

WHEREAS, the “ \_\_\_\_\_ [Board/Commission]” is advisory to the City Council.

NOW, THEREFORE, these Bylaws govern the conduct of the meetings and the transaction of its affairs.

A. PURPOSE

The purpose of the “ \_\_\_\_\_ [Board/Commission]” \_\_\_\_\_ is to \_\_\_\_\_.

B. ROLE AND RESPONSIBILITIES

The role of the “ \_\_\_\_\_ [Board/Commission]” is to \_\_\_\_\_. The responsibilities of the “ \_\_\_\_\_ [Board/Commission]” are to \_\_\_\_\_.

C. MEMBERSHIP GUIDELINES

1. Membership. The “ \_\_\_\_\_ [Board/Commission]” \_\_\_\_\_ shall consist of \_\_\_\_\_ members unless otherwise provided in the Tracy Municipal Code.
2. Term. Each member shall serve a four- year term.
3. Attendance. If a member of the “ \_\_\_\_\_ [Board/Commission]” \_\_\_\_\_ fails to attend three regular meetings in any calendar year, his or her position on the “ \_\_\_\_\_ [Board/Commission]” \_\_\_\_\_ shall become vacant and the staff liaison shall so inform the City Clerk. A member who needs to miss a meeting shall inform the staff liaison designated by the relevant City Department at least 48 hours before the meeting.
4. Leave of Absence. A “ \_\_\_\_\_ [Board/Commission]” member may submit a written request to the City Council, for a leave of absence of up to six- months, which may be approved in its discretion.

D. QUORUM

A quorum of the “ \_\_\_\_\_ [Board/Commission]” shall consist of a majority of the members (including any vacancies) plus one. A quorum must be present in order for the “ \_\_\_\_\_ [Board/Commission]” to hold a meeting.

E. OFFICERS AND DUTIES

1. The officers of the “ \_\_\_\_\_ [Board/Commission]” shall be:
  - a. The Chairperson and
  - b. The Vice-Chairperson.

2. The Chairperson shall:
  - a. Preside at all regular and special meetings.
  - b. Rule on all points of order and procedure during the meetings.
  - c. Provide recommendations to staff liaison regarding agenda items.
3. The Vice Chairperson shall assume all duties of the Chairperson in his or her absence or disability.
4. In case of the absence of both the Chairperson and Vice Chairperson from any meeting, an Acting Chairperson shall be elected from among the members present.

F. TERMS AND VACANCIES

The officers will be selected by the membership for a one year term. The annual election of officers shall take place at the last regular meeting in June of each year. The terms of officers shall commence as of July 1st following the election and shall continue through June 30th of the following year. In the first year of formation, the election of officers shall take place at the first regular meeting.

G. MEETINGS

1. Regular meetings of the “ \_\_\_\_\_ [Board/Commission]” shall be held on the \_\_\_\_\_ and \_\_\_\_\_ of each month and shall begin at \_\_\_\_\_ in the \_\_\_\_\_.
2. If the scheduled date of a regular meeting conflicts with a holiday period, staff shall reschedule that meeting to be conducted within that month.
3. Any regular meeting may be adjourned, or any item on the agenda continued to the next or any subsequent regular meeting of the “ \_\_\_\_\_ [Board/Commission]” \_\_\_\_\_ by a majority of the quorum. If a meeting is adjourned or an item is continued to a special meeting to be held on a date other than a regular meeting date, the time, place, and date of such special meeting shall be specified in the motion for adjournment or continuance.
4. All meetings are subject to the Brown Act as set forth in Government Code sections 54950 and following. Accordingly, all meetings shall be noticed and agendas for all meetings shall be prepared and posted in accordance with the current City Council meeting procedures.
5. All meetings shall be conducted in accordance with the current City Council meeting procedures.
6. All agendas shall be prepared and distributed in accordance with City Council meeting procedures and the Brown Act.

H. FUNDING

Any funding necessary for operation of the “[Board/Commission]” shall be included in the City of Tracy budget, which shall be approved by the City Council.

I. ADMINISTRATIVE PROCEDURES AND POLICIES

City Boards and Commissions shall follow all applicable City fiscal administrative policies and procedures.

J. SUBCOMMITTEES

The “\_\_\_\_\_ [Board/Commission]” may form ad hoc subcommittees in accordance with the Brown Act, and make appointments to that subcommittee, as it deems necessary. If a proposed subcommittee will consist of \_\_\_\_\_ Board/Commission members, a quorum of Board/Commission members may not be appointed to serve on a subcommittee. Before forming a subcommittee, the \_\_\_\_\_ shall establish a specific charge and term for the subcommittee.

K. STAFF LIAISON

The “\_\_\_\_\_ [Board/Commission]” shall have a staff liaison designated by the relevant City Department. The staff liaison shall:

1. Receive and record all exhibits, petitions, documents, or other material presented to the [Board/Commission] in support of, or in opposition to, any question before the [Board/Commission].
2. Sign all meetings minutes and resolutions upon approval.
3. Prepare and distribute agendas and agenda packets.

K. ADOPTION

This document, as adopted and amended by City Council resolution, shall serve as the Bylaws for the “\_\_\_\_\_ [Board/Commission]”.

AGENDA ITEM 7

REQUEST

**APPOINT ONE APPLICANT TO THE TRACY ARTS COMMISSION**

EXECUTIVE SUMMARY

There is a vacancy on the Tracy Arts Commission due to the mid-term resignation of Marvin Rothschild. A recruitment and interviews were conducted and an appointment needs to be made.

DISCUSSION

There is one vacancy on the Tracy Arts Commission due to the mid-term resignation of Commissioner Marvin Rothschild. To fill the vacancy, the City Clerk's office conducted a recruitment which opened on November 9, 2010, and closed on November 30, 2010. Three applications were received.

On December 14, 2010, a Council subcommittee consisting of Mayor Pro Tem Maciel and Council Member Abercrombie interviewed the applicants. In accordance with Resolution 2004-152, the Council subcommittee will recommend an appointment to the Tracy Arts Commission. The appointee will serve the remainder of the vacated term which will expire on December 31, 2011.

The subcommittee can recommend the Council establish an eligibility list that could be used to fill vacancies that occur in the following twelve months.

STRATEGIC PLAN

This agenda item is a routine operational item and is not related to the City's seven strategic plans.

FISCAL IMPACT

None.

RECOMMENDATION

That Council approves the subcommittee's recommendation and appoints one applicant to the Tracy Arts Commission to serve the remainder of the vacated term which expires on December 31, 2011.

Prepared by: Carole Fleischmann, Assistant City Clerk  
Reviewed by: Maria Hurtado, Assistant City Manager  
Approved by: Leon Churchill, Jr., City Manager

AGENDA ITEM 9.A

REQUEST

**CONSIDERATION OF A REQUEST BY COUNCIL MEMBER ABERCROMBIE TO RECONSIDER PREVIOUS COUNCIL DIRECTION REGARDING THE USE OF ADDITIONAL CITY RESOURCES ON THE VAN LEHN'S NOISE COMPLAINT WITH LEPRINO FOODS PROCESSING FACILITY LOCATED AT 2401 N. MACARTHUR DRIVE**

EXECUTIVE SUMMARY

Council Member Abercrombie requests that City Council reconsider previous direction to staff regarding the use of additional City resources to be used to address the Van Lehn's noise complaint with Leprino Foods. Leprino is not in violation of their noise exemption; any additional mitigations would be to lower noise levels below Leprino's current requirements.

DISCUSSION

City staff, Leprino, and the Van Lehn's have working together to address certain noise issues related to operations at the Leprino facility since December 2, 2008. The outcome of those early discussions resulted in Leprino constructing noise barriers near the refrigerated rail cars adjacent to the residential neighborhood on the west side of their facility located at 2401 N. MacArthur Drive. The rail car barriers were recommended by an acoustical engineer hired by Leprino to analyze and make a recommendation as to the best way to reduce noise levels. Noise readings conducted after the barriers were constructed concluded that Leprino was not in violation of their 1994 Noise Exemption. For greater detail regarding all of the effort and resources directed toward this noise issue, please refer to Attachment A (Council Agenda from May 18, 2010).

On May 18, 2010, Council directed staff to consider this code enforcement case closed. However, if the Leprino facility changes its operations or equipment in a manner that increases noise emissions, staff would conduct additional noise readings. Staff is not aware of any new operations or equipment at the plant at this time.

Council Member Abercrombie requests that this issue be reconsidered and brought back to Council for additional discussion. Additionally, that staff solicit cost estimates from an acoustical engineer to analyze the Van Lehn's noise complaint and to make recommendations on how to reduce noise levels below Leprino's current Noise Exemption. The cost of an acoustic engineer could be approximately \$15,000.

FISCAL IMPACT

This is a discussion item only; there is no impact to the General Fund. Should Council direct staff to spend more resources on this issue, there will be an impact to the General Fund.

RECOMMENDATION

Provide staff direction relative to the following options:

1. Do not bring the item back for further discussion.
2. Bring the item back for greater discussion, but do not spend any staff time or resources until the item comes back for further discussion.
3. Bring the item back and include a proposal (with detailed costs) for an acoustical engineer for further recommendations.

Attachment A: May 18, 2010 Council Report

AGENDA ITEM \_\_\_\_\_

REQUEST

**ACCEPT A REPORT ON STAFF'S ACTIONS TO DATE RELATIVE TO THE LEVEL OF NOISE EMISSIONS FROM THE LEPRINO FOODS PROCESSING FACILITY AT 2401 N. MACARTHUR DRIVE**

EXECUTIVE SUMMARY

This report is in response to Council's request for a report on Code Enforcement's actions and findings relative to complaints received from Brian Lehn and Leanne Van Lehn regarding noise from Leprino Foods located at 2401 N. MacArthur Drive. City staff is requesting City Council accept the report as submitted.

DISCUSSION

Background

Code Enforcement staff has worked with both Brian Van Lehn and Leanne Van Lehn (the Van Lehns) and Leprino Foods since December 2, 2008, after receiving complaints of possible Noise Ordinance violations emitting from diesel engines used in the rail cars that transport food products manufactured by Leprino Foods. The Van Lehns live in the residential neighborhood immediately west of the Leprino Foods facility located at 2401 MacArthur Drive (see Exhibit A). Their residence is located adjacent to Union Pacific Railroad lines that separate residences from the Leprino Foods property line.

Leprino Foods was granted a Noise Exemption in 1994 by the Tracy Planning Commission (see attached Planning Commission Resolution - Exhibit B). This resolution authorized an exemption from the otherwise applicable Tracy Municipal Code sound level limit of 65 decibels along the residential property line adjacent to the railroad tracks to a maximum of 67 decibels along the residential property line. A violation of the Noise Ordinance occurs if the one-hour average sound level limit is exceeded for three or more days during any 30 day period.

Leprino uses refrigerated rail cars to transport food product from the plant. The 1994 Exemption relieves Leprino Foods from the applicable sound level limits for diesel engine generators on rail car refrigeration units. The exemption allows for sound emissions up to a maximum of 98 decibels at the residential property line (as illustrated in Exhibit C).

The 98 decibel noise limit applies to noise that is generated when rail cars are entering, leaving, and parked immediately adjacent to the west property line, when the diesel-powered cooling generators are operating. The 1994 Exemption permits rail car diesel-engine generators to emit up to 98 decibels for no more than 60 minutes per 24-hour period. Since 1999, rail car cooling technology has changed. According to Union Pacific, diesel-powered cooling generators are the exclusive cooling source for the rail cars and are actually quieter than they were before.

### History of Case Management

Since receiving the complaint, a significant amount of time has been dedicated to the case in order to determine the following:

- Whether a violation exists;
- Sources and extent of the noise, and
- What actions would be required to resolve a noise violation if a noise violation exists.

City staff has had multiple conversations and meetings with the Van Lehns, Leprino Foods executive staff, and Union Pacific Railroad representatives regarding this matter. Conversations with Union Pacific resulted in preventative maintenance of the railcars used in the Leprino Foods operation in an effort to correct potential operational deficiencies that may be contributing to the noise problem. The retrofitting was completed by the end of September 2009.

During the time this noise study was being completed, Leprino moved forward with voluntary abatement measures to reduce noise emissions from the plant and refrigeration units. Leprino received land use authorization from Union Pacific Railroad to erect target noise barriers at the railcars and lift pump station. Illingworth and Rodkin recommended this option as the best way to reduce the sound generated at these locations. The valuation for installation of the target noise barriers, including construction costs, exceeded \$170,000 and was finalized by the City of Tracy Building Division on November 13, 2009.

To obtain readings during the times that were reported as the most offensive to the Van Lehns, staff agreed to respond on an "on-call basis". Staff responded to the Van Lehns requests for readings based on the level of noise presented by the food operation facility and the southern orientation of the diesel car generators. The results of staff's readings are as follows:

#### Noise Readings after Installation of the Target Barrier Walls

Date	Start Time	End Time	Minimum Reading (LMIN)	Maximum Reading (LMAX)	Average Reading (LEQ)
Monday December 21, 2009 <sup>1</sup>	12:00 a.m.	1:12 a.m.	48.9	85.4	<b>68.2</b>
Wednesday December 23, 2009	11:38 p.m.	12:45 a.m.	55.9	75.9	<b>65.1</b>
Friday December 25, 2009	7:56 p.m.	9:14 p.m.	56.4	77.4	<b>64.8</b>
Thursday January 28, 2010 <sup>2</sup>	3:25 a.m.	4:35 a.m.	51.4	73.9	<b>66.8</b>

1) Spikes in reading occurred at 12:06 a.m. (transfer truck) and again at 12:28 a.m. (loud muffler on a muscle car).

2) Spike in reading at 4:13 a.m. (transfer truck)

As evidenced in the above table, with the exception of the readings taken on December 21, 2009, which was a result of sources unassociated with the Leprino Foods operation, all readings were within the acceptable noise level limit of 67 dBA during the one-hour readings as permitted by the Noise Exemption.



During work on this case, staff researched a Condition of Approval of the Conditional Use Permit Leprino Foods obtained in 1999. The condition required a post-construction noise survey to verify consistency with the Noise Ordinance Exemption granted to Leprino Foods after an expansion of the plant that began in 1999. No City records dating to 1999 could be located documenting that the survey was completed. To satisfy this condition, Leprino Foods paid for the City to enter into a contract with Brown Buntin and Associates, Inc. (BBA), to perform the noise survey. The noise study was conducted on March 11, 2010, at the four sites outlined in Exhibit D. Upon completion of the noise survey, BBA documented the noise levels generated by the Leprino Foods plant in the range of 60-66 dBa at the four pre-determined monitoring sites near the residential boundary to the west of the plant, with the refrigeration units of the rail cars in full and continuous operation. That study corroborates the findings by City staff that Leprino Foods is in compliance with the 1994 Noise Exemption granted by the Planning Commission.

The March 11, 2010 noise measurements undertaken by BBA were conducted for 30 minutes with the Leprino plant in normal operation and the refrigeration cars running and 30 minutes with the refrigeration units powered down. BBA concluded that the 30 minute sample periods were sufficient for accurately determining the overall sound level produced by the plant and refrigeration units. Extending the sample period to one hour would not have changed the findings of the study unless changes in equipment operations occurred during the sample period. Although the BBA noise survey was performed to satisfy a condition of the use permit granted in 1999 and not specifically responding to a noise complaint, it substantiates staff's findings that the noise produced by Leprino Foods is in compliance with the exemption granted in 1994.

City staff's noise readings conducted between December, 2009 and January 2010 document Leprino Food's noise levels to be within the allowable limits of 67 dBa as allowed by the exemption. In summary, the March 11, 2010 noise study conducted by BBA confirmed that Leprino Foods is operating within the limits of the approved Noise Exemption.

#### FISCAL IMPACT

Enforcement staff has conducted numerous inspections of alleged noise violations from Leprino Foods at the request of the Van Lehns. Most of these inspections were performed at the time and exact location requested by the Van Lehns. These inspections generally occurred between 1:00 a.m. and 5:00 a.m., including staff conducting a noise reading at the Van Lehns' request on Christmas Day.

Between Code Enforcement, Planning, and legal counsel, staff has determined that more than 250 collective hours have been spent on researching and investigating this case.

#### RECOMMENDATION

Staff has been diligent in responding to the Van Lehns concerns and numerous readings have been taken at the Van Lehns request. These readings were conducted at various hours of the day, during the middle of the night, and with the diesel powered generators facing north and south, respectively. Despite diligent and costly efforts, staff has found

no evidence that Leprino Foods is out of compliance with the 1994 Noise Exemption. Continuing to expend resources on this matter may be warranted if past efforts had disclosed violations; however, staff believes it is inappropriate to continue to use City resources after all efforts to date fail to identify any violation of City ordinances or the Noise Exemption.

Staff recommends City Council accept this report and consider this case closed. Additional noise readings or surveys could be undertaken in the future if the Leprino Foods plant changes its operations or facilities in a manner that increases noise emissions.

Prepared by: Ana Contreras, Community Preservation Manager

Reviewed by: Andrew Malik, Development and Engineering Services Director

Approved by: R. Leon Churchill, Jr., City Manager

#### Attachments

- Exhibit "A" – Location Map
- Exhibit "B" – 1994 Leprino Noise Exemption Resolution
- Exhibit "C" - Noise Exemption
- Exhibit "D" - Brown Buntin Report, dated March 18, 2010
- Exhibit "E" - Site Plan Identifying Locations from Where Noise Survey Was Conducted  
for the March 11, 2010 Survey
- Exhibit "F" – Follow-up Letter from BBA



Van Lehn Property

**Property Line #1**  
Exempt from noise ordinance

**Property Line #2**  
67 dBa at residential property line  
Up to 98 dBa at residential property line not to exceed 1 hour

## RESOLUTION NO. PC 94-06

A RESOLUTION OF THE CITY OF TRACY PLANNING COMMISSION  
APPROVING A NOISE EXEMPTION PLAN  
FOR LEPRINO FOODS COMPANY  
2401 MACARTHUR DRIVE  
APPLICATION NO. 3-94-NE

WHEREAS, Tracy Municipal Code Section 4-3.1004 establishes certain sound level limits for properties within the City of Tracy, and

WHEREAS, City Ordinance No. 897 C.S. allows certain commercial and industrial land owners to apply to by exempt from the sound level limits imposed by Section 4-3.1004 and subject to alternative sound level limits, and

WHEREAS, Leprino Food Company owns certain property located at 2401 MacArthur Drive in the City of Tracy and conducts certain food processing and related operations thereon which generate sound levels exceeding those established by Section 4-3.1004, and

WHEREAS, On June 1, 1994, and within sixty (60) days of the effective date of Ordinance No. 898 C.S., Heinz filed with the Planning Division of the City of Tracy, a Noise Exemption Application for exemption from the sound level limits imposed by said ordinance, and

WHEREAS, On August 12, 1994, within ninety (90) days after the filing of Noise Exemption Application, Heinz filed a comprehensive sound study reporting a fair and representative sampling of the base line sound measurements of the subject property during full operation, and

WHEREAS, On September 16, 1994, within sixty (60) days after the filing of the comprehensive sound study, Leprino filed a noise mitigation plan, which was subsequently revised and elaborated on November 17, 1994 and December 13, 1994, and

WHEREAS, On December 21, 1994, the Planning Commission conducted a duly noticed public hearing on Leprino's Noise Mitigation Plan and request to be subject to alternative sound level limits as contained therein, and

WHEREAS, The Planning Commission has reviewed and considered the project and determines that it is exempt from CEQA pursuant to general rule (CEQA Guidelines Section 15061 (b) (3)) because the Noise Exemption does not have the potential to cause a significant effect on the environment because no increase in noise levels will result from the exemption;

NOW, THEREFORE, BE IT RESOLVED That the Planning Commission of the City of Tracy does hereby resolve and find as follows:

1. Leprino Foods company has complied with the exemption application procedures established by Ordinance No. 897 C.S.
2. The Mitigation Plan and Alternative Sound Level Limits proposed by Leprino as hereby approved will not be detrimental to the public health, safety, and welfare of persons residing or working in or adjacent to the property.
3. The Mitigation Plan and Alternative Sound Level Limits submitted by Leprino as hereby approved is a reasonable means of reducing the adverse economic impact that would otherwise result from the application of the sound level limits prescribed by the Tracy Municipal Code Section 4-3.1004.
4. Leprino's Sound Mitigation Plan is hereby approved and Leprino is henceforth subject to the following alternative sound level limits:
  - a. Leprino Foods Plant is subject to the sound level limits of Tracy Municipal Code Section 4-3.1004 except as otherwise specified below;
  - b. The noise generated by diesel engine generators on railroad car refrigeration units shall be exempt from the general sound level limits up to 98 DAB at the industrial property line from which the noise is generated when rail cars are entering, leaving, and parked immediately adjacent to the west property line provided the diesel engine generators operate no more than 60 minutes per 24 hour period.
  - c. The west boundary line of the Leprino Foods Company property, where it adjoins the railroad tracks, shall be exempt from the noise ordinance limits;
  - d. An alternative sound level limit of 67 DAB is hereby established at the residential property boundary adjoining the railroad tracks and located west of the Leprino Foods Company facility;
  - e. A sound level limit of 70 DAB is hereby established along the eastern half of the northern property line common with the mobile home park (from a point opposite the freezer building to MacArthur Drive). The 65 DAB limit established by the ordinance shall apply elsewhere along the northern property boundary of the facility.

5. The sound level limits hereby established shall supersede, replace, and amend the sound level limits which would otherwise apply pursuant to Tracy Municipal Code Section 4-3.1004 to the property and shall be enforceable in the same manner as the limit otherwise prescribed by that section.

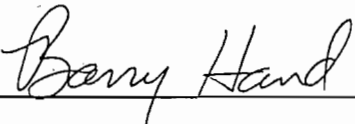
\* \* \* \* \*

The foregoing Resolution No. PC 94-06 was passed and adopted by the Planning Commission of the City of Tracy on the 21st day of December, 1994, by the following vote:

AYES: COMMISSION MEMBERS: PRIBYL, ALEGRE, SWINGLE  
NOES: COMMISSION MEMBERS: NONE  
ABSENT: COMMISSION MEMBERS: ENGLISH

  
\_\_\_\_\_  
CHAIR

ATTEST:

  
\_\_\_\_\_  
SECRETARY

## ORDINANCE NO. 897 C.S.

AN ORDINANCE ADDING NEW ARTICLE 11 TO TITLE 4 CHAPTER 3 OF THE TRACY MUNICIPAL CODE ALLOWING CERTAIN COMMERCIAL AND INDUSTRIAL PROPERTIES TO BE EXEMPT FROM THE GENERAL SOUND LEVEL LIMITS IMPOSED BY ARTICLE 10 OF TITLE 4 CHAPTER 3 OF THE TRACY MUNICIPAL CODE AND SUBJECT TO ALTERNATIVE SOUND LEVEL LIMITS

WHEREAS, The City of Tracy has adopted a noise ordinance prohibiting certain disturbing, excessive, offensive or unusually loud noises within the jurisdictional limits of the City of Tracy; and

WHEREAS, Such ordinance establishes certain sound level limits on base district zones within the City; and

WHEREAS, The City of Tracy recognizes that such limits may have a substantial adverse economic impact on certain existing commercial and industrial properties; and

WHEREAS, The City of Tracy declares that it is in the public interest and in the furtherance of the health, safety, and welfare of the residents of Tracy to allow owners of such property to apply for an exemption from the sound level limits and become subject to such alternative sound level limits, as may be found to be reasonable under the circumstances.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Tracy as follows:

SECTION 1. That a new Article 11 shall be added to the Tracy Municipal Code and shall read as follows:

Sec. 4-3.1100 Purpose.

In conjunction with the adoption of Article 10 of Title 4 Chapter 3 of the Tracy Municipal Code, owners of property in a base district zone listed as Commercial or Industrial under the Tracy Zoning Regulations may be exempted from the general sound level limits prescribed by Tracy City Code Section 4-3.1000 and subject to such alternative sound level limits pursuant to the procedures prescribed herein.

Sec 4-3.1101. Definitions.

1) Existing use shall mean any use in a Commercial or Industrial base district zone or legal use existing in the unincorporated County and as prescribed by the Tracy Zoning Regulations which use is in existence on the effective date of Article 10 of the Tracy Municipal Code.

2) Baseline sound level shall mean the sound existing at the property line of an existing use on or before a date not later than one hundred eighty (180) days after the effective date of Article 10 of the Tracy Municipal Code. For seasonal operations, for the first season following the effective date of Article 10 of the Tracy Municipal Code.

3) Target sound level shall mean the sound level proposed in a sound mitigation plan submitted by an owner of an existing use pursuant to this ordinance.

Section 4-3.1102. Application for Exemption.

Any owner of an existing use in the City desiring to be exempt from the sound level limits prescribed by section 4-3.1004 shall file with the Community Development Director of the City of Tracy a notice of application for an exemption from the sound level limits otherwise prescribed by that provision. This notice shall be filed no later than sixty (60) days after the effective date of Article 10. For existing uses outside the City limits at the date of the adoption of this ordinance, notice shall be filed with the City no later than sixty (60) days after the City Council has adopted a Resolution ordering annexation for said property or use.

Section 4-3.1103. Sound Study Preparation and Plan of Sound Mitigation

An applicant shall make a filing of one of the following:

- 1) A deposit for the preparation and review of a sound study and sound mitigation plan, which shall be set by a resolution of the City Council as provided by Section 65456 of the California Government Code which allows a charge to recover the costs incurred to review the applications, prepare, review, and comment on the exemption proposal and corresponding documents. This shall include, but not be limited to, staff time, including consultants costs and environmental review. The studies shall report a fair and representative sampling of the day and night baseline sound levels on the subject property. Such study shall be completed no later than ninety (90) days after the filing of the notice of application for an exemption from section 4-3.1004, and shall be prepared by a qualified engineer and conducted in a scientifically reliable manner. Any amount expended beyond the amount of the initial deposit, the applicant will reimburse the City. Any amount not used by the City will be reimbursed to the applicant; or
- 2) A deposit for the review of an applicant's prepared sound study and sound mitigation plan, which shall be set by a



resolution of the City Council as provided by Section 65456 of the California Government Code which allows a charge to recover the costs incurred to review the applications, prepare, review, and comment on the exemption proposal and corresponding documents. This shall include, but not be limited to, staff time, including consultants costs and environmental review. The applicant's sound study and sound mitigation plan must have been prepared no more than three years prior to or no more than ninety (90) days after the filing date of the request for exemption, and which no modifications have been made by virtue thereof, resulting in measurable alteration and noise levels emitted from the source. For seasonal operations the sound study and sound mitigation plan shall be submitted during the first season following the effective date of Article 10 of the Tracy Municipal Code when a study completed in the last three years is not applicable. All sound studies must be prepared by a qualified engineer.

Section 4-3.1104. Hearing on Application for Exemption

Within sixty (60) days after receiving the sound study and sound mitigation plan, the Community Development Director shall cause the applicant's sound study and plan of sound mitigation to be placed for public hearing at a general meeting of the City Planning Commission. The Director shall prepare a staff report recommending the adoption, modification, or rejection of the plan.

The Planning Commission shall conduct a hearing on the sound study and plan of sound mitigation to decide whether to exempt the applicant's property from the sound level limits of section 4-3.1004. If an exemption is approved, the Commission shall further approve a plan of sound mitigation for the property, including a timetable for achieving approved sound levels.

Actions taken by the Planning Commission are appealable to the City Council consistent with the process established in the Zoning Regulations for Conditional Use Permits. The approved plan of sound mitigation shall establish the sound level limits for such property subject to enforcement by the City of Tracy in the same manner as those limits prescribed by section 4-3.1004.

No plan of mitigation shall be approved unless the Planning Commission makes each of the following findings:

- 1) That the owner has complied with the exemption application procedures established by this ordinance;

2) That the plan of the mitigation will not be detrimental to the public health, safety, and welfare of persons residing or working in or adjacent to the property; and

3) That the plan of mitigation is a reasonable means of reducing the adverse economic impact that would otherwise result from the application of the sound level limits prescribed by section 4-3.1004.

4) That the plan is a reasonable means of improving the social benefits to the community.

Section 4-3.1105. Extension on time limits.

Extensions on any time limits, excluding the initial filing for the exemption in section one, must be approved in writing by the Community Development Director. If the Community Development Director denies any extension on time limits, applicant has the right of appeal with the Planning Commission and subsequently to the City Council.

Section 4-3.1106. Severability

If any section, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The City Council hereby declares that it would have passed this ordinance and adopted this ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one (1) or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

\* \* \* \* \*

The foregoing Ordinance No. 897 C.S. was introduced at a regular meeting of the Tracy City Council on the 1st day of March, 1994, and finally passed and adopted on the 15th day of March, 1994, by the following vote:

AYES: COUNCIL MEMBERS: BILBREY, IVES, MATTHEWS, MCCRAY, BLAND

NOES: COUNCIL MEMBERS: NONE

ABSENT: COUNCIL MEMBERS: NONE

*Clyde Bland*  
Mayor, City of Tracy

ATTEST:

*Sharon Smith*  
City Clerk

**NOISE SURVEY REPORT**

**LEPRINO FOODS  
N. MacARTHUR DRIVE & E. GRANTLINE ROAD  
TRACY, CALIFORNIA**

**BBA Report No. 10-207**

**PREPARED FOR**

**CITY OF TRACY  
DEPARTMENT OF DEVELOPMENT & ENGINEERING SERVICES  
333 CIVIC CENTER PLAZA  
TRACY, CALIFORNIA 95376**

**PREPARED BY**

**BROWN-BUNTIN ASSOCIATES, INC.**

**MARCH 18, 2010**

## INTRODUCTION

The following report describes the methods and findings of a noise monitoring survey undertaken by Brown-Buntin Associates, Inc. (BBA) at Leprino Foods (plant) in Tracy, California. The survey was conducted at the request of the City of Tracy for the purpose of documenting noise levels generated by the plant as they affect residential properties to the west of the plant. Noise monitoring sites were the same as utilized by BBA in 1999 for preparation of an Environmental Noise Assessment for the Leprino Foods Plant Expansion Project (report dated February 28, 1999).

Appendix A provides a description of the acoustical terminology used in this report. Unless otherwise stated, all sound levels reported are in A-weighted decibels (dB). A-weighting de-emphasizes the very low and very high frequencies of sound in a manner similar to the human ear. Most community noise standards utilize A-weighting, as it provides a high degree of correlation with human annoyance and health effects.

## CRITERIA FOR ACCEPTABLE NOISE EXPOSURE

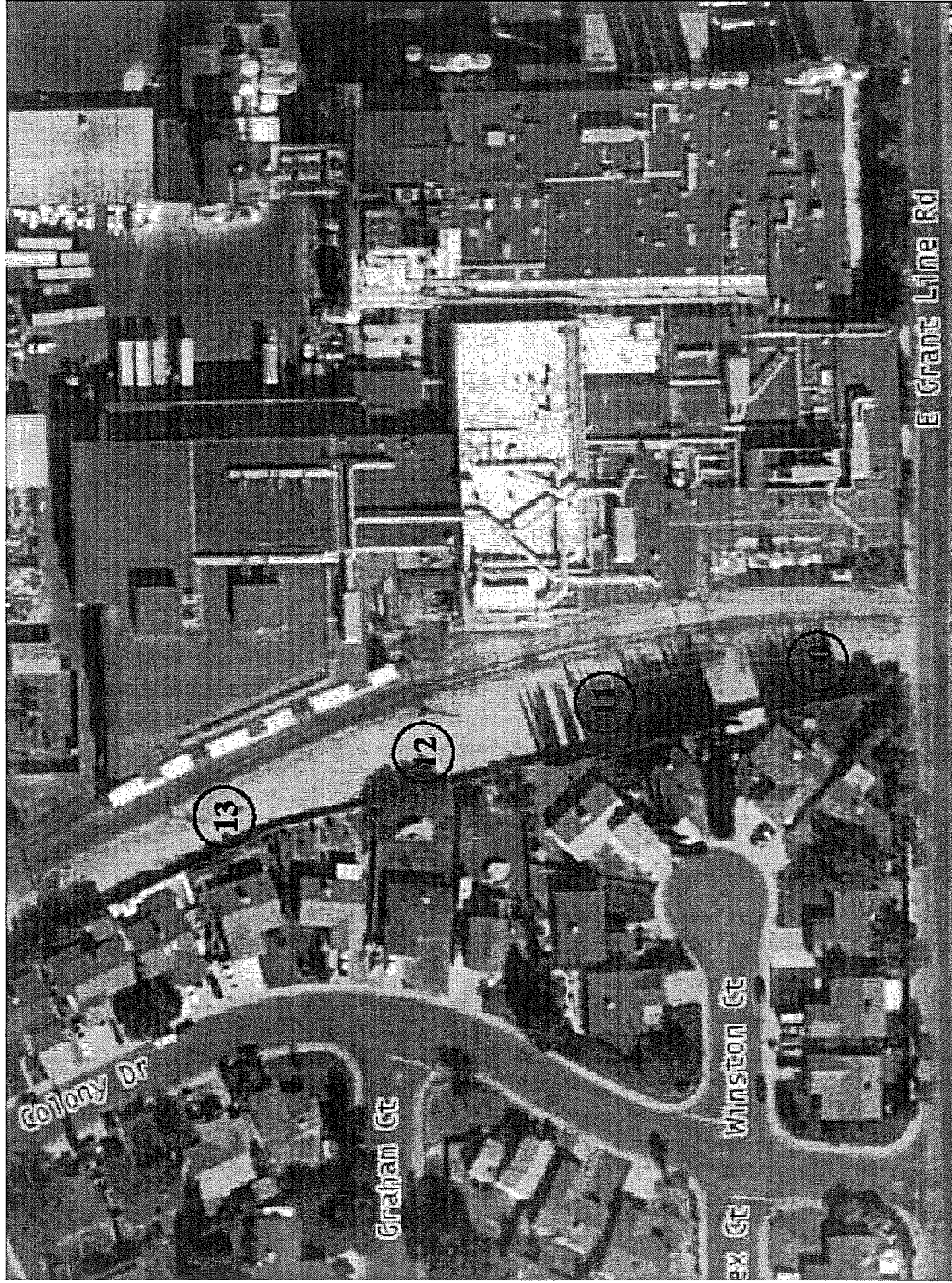
City of Tracy CUP 15-98-CUP imposed conditions of approval for the plant expansion. With respect to noise, the Planning Commission Conditions of Approval required that a noise survey be undertaken at a later date to verify consistency with the 1994 Noise Ordinance Exemption. The 1994 Noise Ordinance Exemption allowed the plant to generate noise levels not to exceed an hourly energy average ( $L_{eq}$ ) of 67 dBA at the boundary of residential properties located to the west of the plant.

## NOISE MONITORING SURVEY

The noise monitoring survey was conducted during the morning of March 11, 2010 at the four (4) locations noted on Figure 1. The monitoring sites were located at the same locations as monitored by BBA for the above-referenced 1999 noise study. The sites are described as Sites 10-13 in order to be consistent with the 1999 BBA study. Noise monitoring was conducted simultaneously at the four sites using automated sound level meters. A BBA staff member was present throughout the noise monitoring period to note the various noise sources that contribute to measured sound levels at each site.

Noise monitoring equipment consisted of Larson-Davis Laboratories (LDL) Model 820 sound level analyzers equipped with Bruel & Kjaer (B&K) Type 4176 ½" microphones. The instruments were placed on tripods at approximately five (5) feet above the ground with the microphones facing the plant noise sources. Additional noise measurements were conducted using an LDL Model 824 sound level analyzer equipped with an LDL Type 2541 microphone to obtain sound level frequency (spectral) data for each site. Instrumentation was calibrated prior to use with a B&K Type 4230 acoustical calibrator to ensure the accuracy of the measurements. All equipment utilized for the survey complies with applicable specifications of the American National Standards Institute (ANSI) for Type 1 sound measurement systems.

FIGURE 1: NOISE MONITORING SITES



It was noted at the time of the survey that there are a number of noise sources that affect the noise monitoring sites to greater or lesser degrees. Those sources include mobile and stationary equipment at the Leprino plant, refrigerated railcars located on a siding next to the Leprino plant, another food processing plant located on the south side of Grantline Road, roadway traffic on Grantline Road, occasional aircraft over-flights and occasional barking dogs.

Noise monitoring was begun at approximately 10:00 a.m. At that time, three (3) refrigerated railcars were positioned on the siding next to the plant. The car-mounted refrigeration units were *not* yet running, affording the opportunity to measure plant-related noise levels without contributions from the railcars. The refrigeration units were started at approximately 10:30 a.m. and noise measurements were repeated while the units were running. According to Leprino representatives, the refrigeration units were running at the normal setting while the noise measurements were conducted.

Noise measurements were conducted for 30-minute sample periods. A sample interval of 30 minutes was determined to be sufficient for documentation of plant-related energy average noise levels since the noise levels produced by the plant and refrigerated railcars are constant with little variation.

Table I provides a summary of measured noise levels at the four monitoring sites. Shown are the overall ranges of measured noise levels, energy average ( $L_{eq}$ ) noise level from all sources, and estimated  $L_{eq}$  attributable to the Leprino plant. It is important to note that measured  $L_{eq}$  values include contributions from *all* sources of noise affecting the sites. Since the  $L_{eq}$  is an energy-based noise metric, it can be significantly affected by intermittent noise events that may or may not be related to the plant. This includes roadway traffic, aircraft over-flights and barking dogs. The determination of energy average noise levels attributable to the Leprino plant was based on BBA's field observations and analysis of noise monitoring data.

TABLE I SUMMARY OF NOISE MONITORING DATA LEPRINO FOODS NOISE SURVEY MARCH 11, 2010						
Site	Sound Level, dBA					
	Without Refrigeration Units			With Refrigeration Units		
	Range	Leq (all)	Leq (Leprino)	Range	Leq (all)	Leq (Leprino)
10	58-71	62.2	<60	60-69	63.2	<60
11	60-67	62.0	60-61	61-66	63.4	61-62
12	62-69	63.3	62-63	63-70	65.8	64-65
13	56-65	59.8	58-59	64-68	66.4	65-66

Source: Brown-Buntin Associates, Inc.

Table I shows that energy average noise levels produced by the Leprino plant were in the range of 58-63 dBA at the monitoring sites *without* the railcar-mounted refrigeration units in operation. With

the refrigeration units in full and continuous operation, energy average noise levels produced by the plant were in the range of 60-66 dBA at the monitoring sites. The dominant noise sources at Site 10 were traffic on Grantline Road and operations at the plant on the south side of Grantline Road, and *not* the Leprino plant.

Appendix B includes time histories at each site for sample periods while the railcar-mounted refrigeration units were in full operation. The time histories clearly show variations in noise levels over time during the sample periods due to roadway traffic or other sources. Appendix C includes graphs showing the frequency content of measured noise levels during a representative portion of the sample periods at each site while the refrigeration units were in operation.

## CONCLUSIONS

Noise monitoring conducted by BBA on March 11, 2010 documented that energy average ( $L_{eq}$ ) noise levels generated by the Leprino plant were in the range of 60-66 dBA at the four (4) pre-determined monitoring sites near the residential boundary to the west of the plant with refrigerated railcars in full and continuous operation. Such levels do not exceed the 67 dBA standard of the 1994 Noise Ordinance Exemption. According to Leprino Foods, the plant and refrigerated railcars were in full and continuous operation during the period of time that the above-stated levels were measured.

The findings and conclusions of this noise monitoring survey are based upon the best information known to Brown-Buntin Associates, Inc. (BBA) at the time the survey was completed concerning plant operations and resulting noise levels. Any significant future changes in plant equipment, refrigerated railcar technology, noise regulations or other factors beyond BBA's control may result in long-term noise results different from those described by this report.

Respectfully submitted,



Robert E. Brown  
President

REB:dm



## APPENDIX A

### ACOUSTICAL TERMINOLOGY

**AMBIENT NOISE LEVEL:** The composite of noise from all sources near and far. In this context, the ambient noise level constitutes the normal or existing level of environmental noise at a given location.

**CNEL:** Community Noise Equivalent Level. The average equivalent sound level during a 24-hour day, obtained after addition of approximately five decibels to sound levels in the evening from 7:00 p.m. to 10:00 p.m. and ten decibels to sound levels in the night before 7:00 a.m. and after 10:00 p.m.

**DECIBEL, dB:** A unit for describing the amplitude of sound, equal to 20 times the logarithm to the base 10 of the ratio of the pressure of the sound measured to the reference pressure, which is 20 micropascals (20 micronewtons per square meter).

**DNL/ $L_{dn}$ :** Day/Night Average Sound Level. The average equivalent sound level during a 24-hour day, obtained after addition of ten decibels to sound levels in the night after 10:00 p.m. and before 7:00 a.m.

**$L_{eq}$ :** Equivalent Sound Level. The sound level containing the same total energy as a time varying signal over a given sample period.  $L_{eq}$  is typically computed over 1, 8 and 24-hour sample periods.

**NOTE:** The CNEL and DNL represent daily levels of noise exposure averaged on an annual basis, while  $L_{eq}$  represents the average noise exposure for a shorter time period, typically one hour.

**$L_{max}$ :** The maximum noise level recorded during a noise event.

**$L_n$ :** The sound level exceeded "n" percent of the time during a sample interval ( $L_{90}$ ,  $L_{50}$ ,  $L_{10}$ , etc.). For example,  $L_{10}$  equals the level exceeded 10 percent of the time.

## ACOUSTICAL TERMINOLOGY

### **NOISE EXPOSURE CONTOURS:**

Lines drawn about a noise source indicating constant levels of noise exposure. CNEL and DNL contours are frequently utilized to describe community exposure to noise.

### **NOISE LEVEL REDUCTION (NLR):**

The noise reduction between indoor and outdoor environments or between two rooms that is the numerical difference, in decibels, of the average sound pressure levels in those areas or rooms. A measurement of "noise level reduction" combines the effect of the transmission loss performance of the structure plus the effect of acoustic absorption present in the receiving room.

### **SEL or SENEL:**

Sound Exposure Level or Single Event Noise Exposure Level. The level of noise accumulated during a single noise event, such as an aircraft overflight, with reference to a duration of one second. More specifically, it is the time-integrated A-weighted squared sound pressure for a stated time interval or event, based on a reference pressure of 20 micropascals and a reference duration of one second.

### **SOUND LEVEL:**

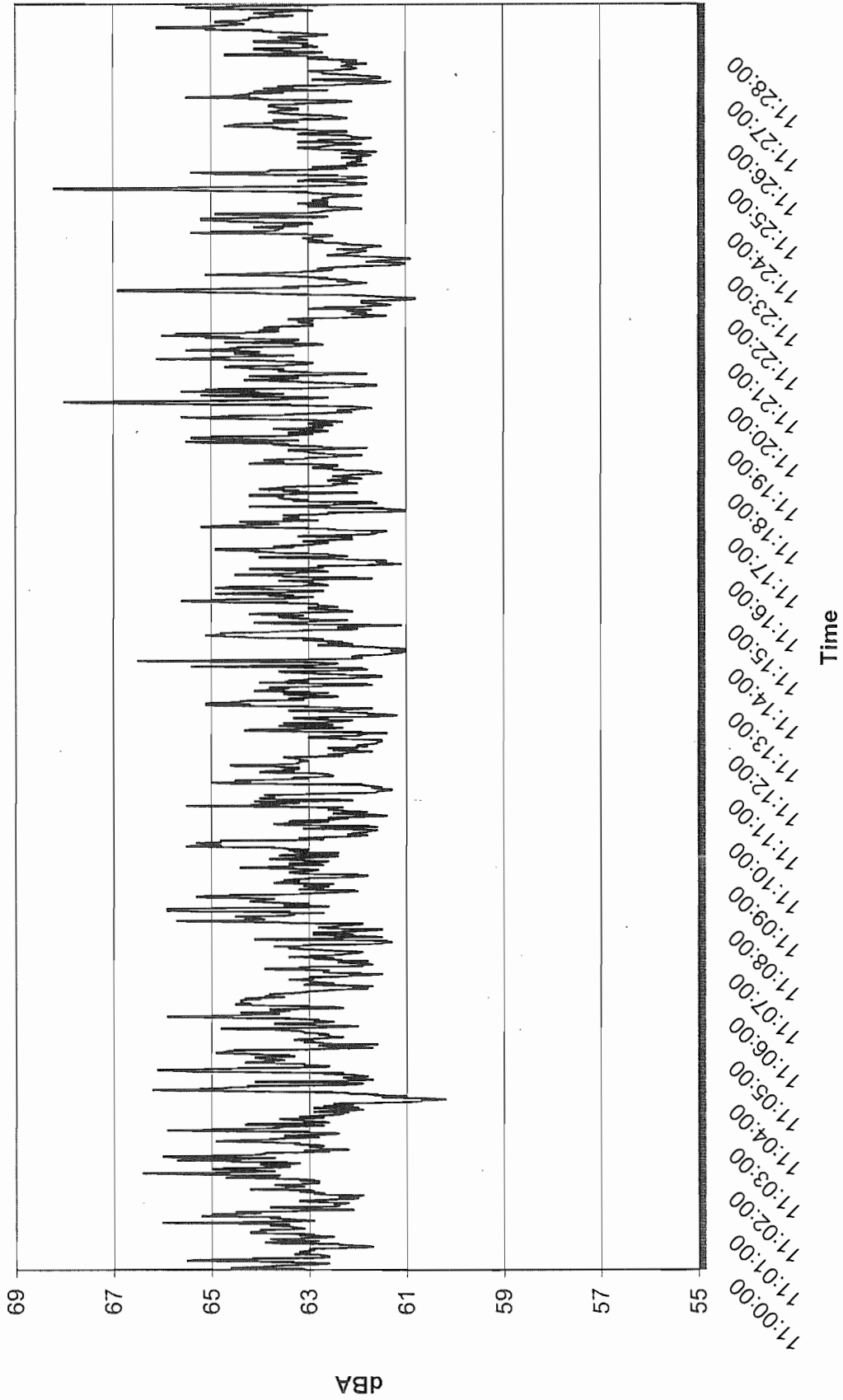
The sound pressure level in decibels as measured on a sound level meter using the A-weighting filter network. The A-weighting filter de-emphasizes the very low and very high frequency components of the sound in a manner similar to the response of the human ear and gives good correlation with subjective reactions to noise.

### **SOUND TRANSMISSION CLASS (STC):**

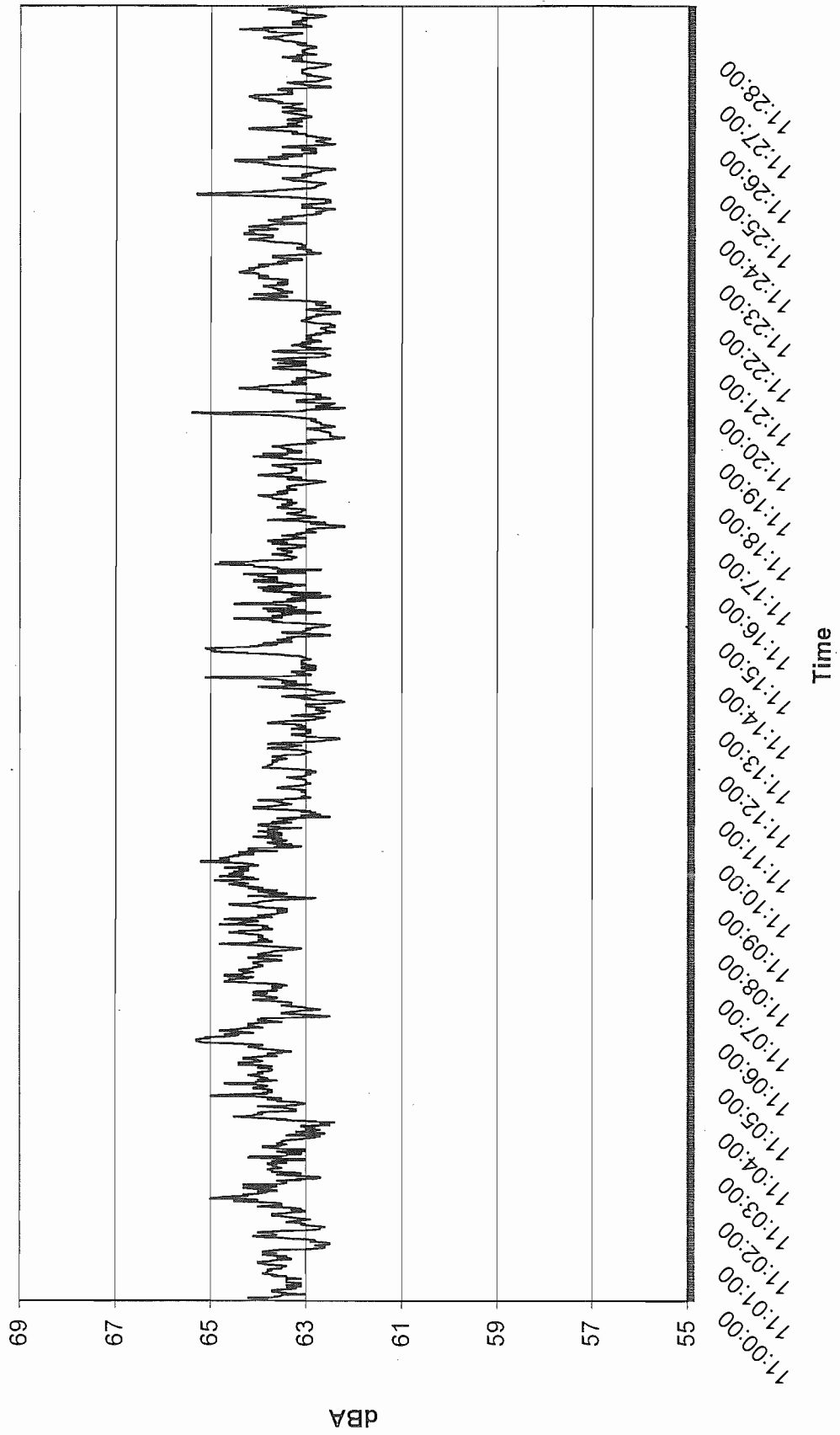
The single-number rating of sound transmission loss for a construction element (window, door, etc.) over a frequency range where speech intelligibility largely occurs.

**APPENDIX B**  
**TIME HISTORIES**

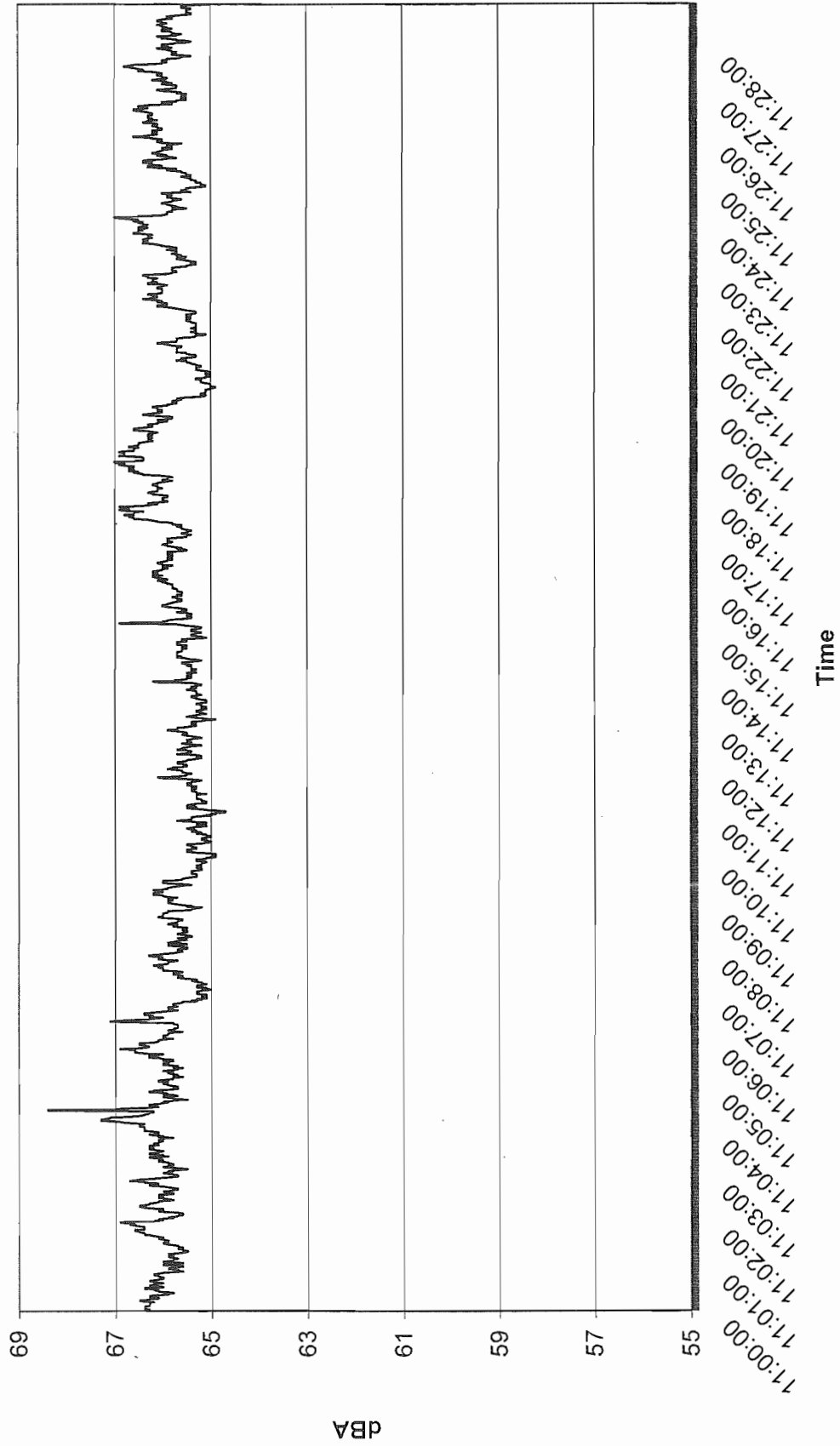
Site 10 Time History



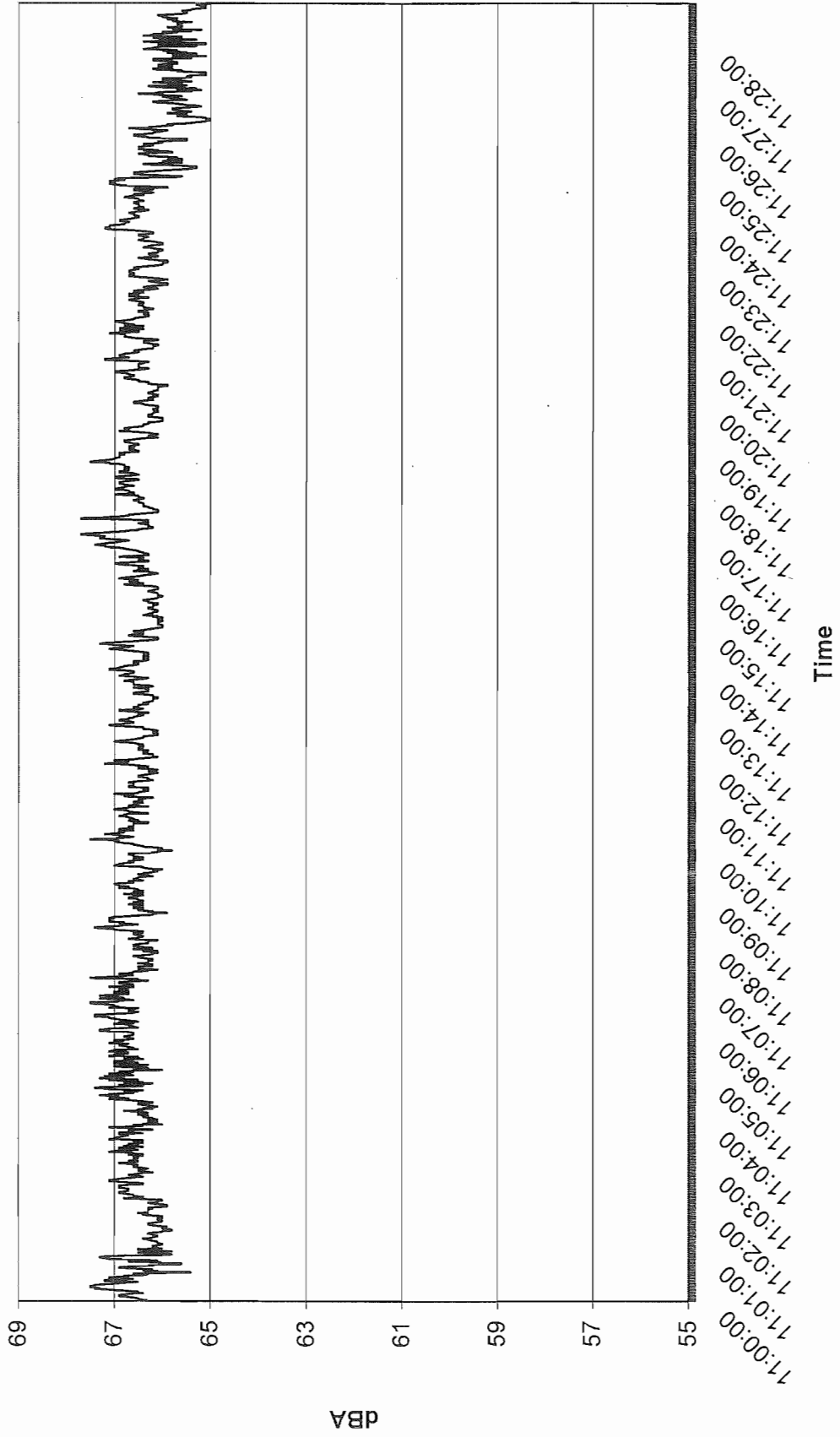
# Site 11 Time History



Site 12 Time History



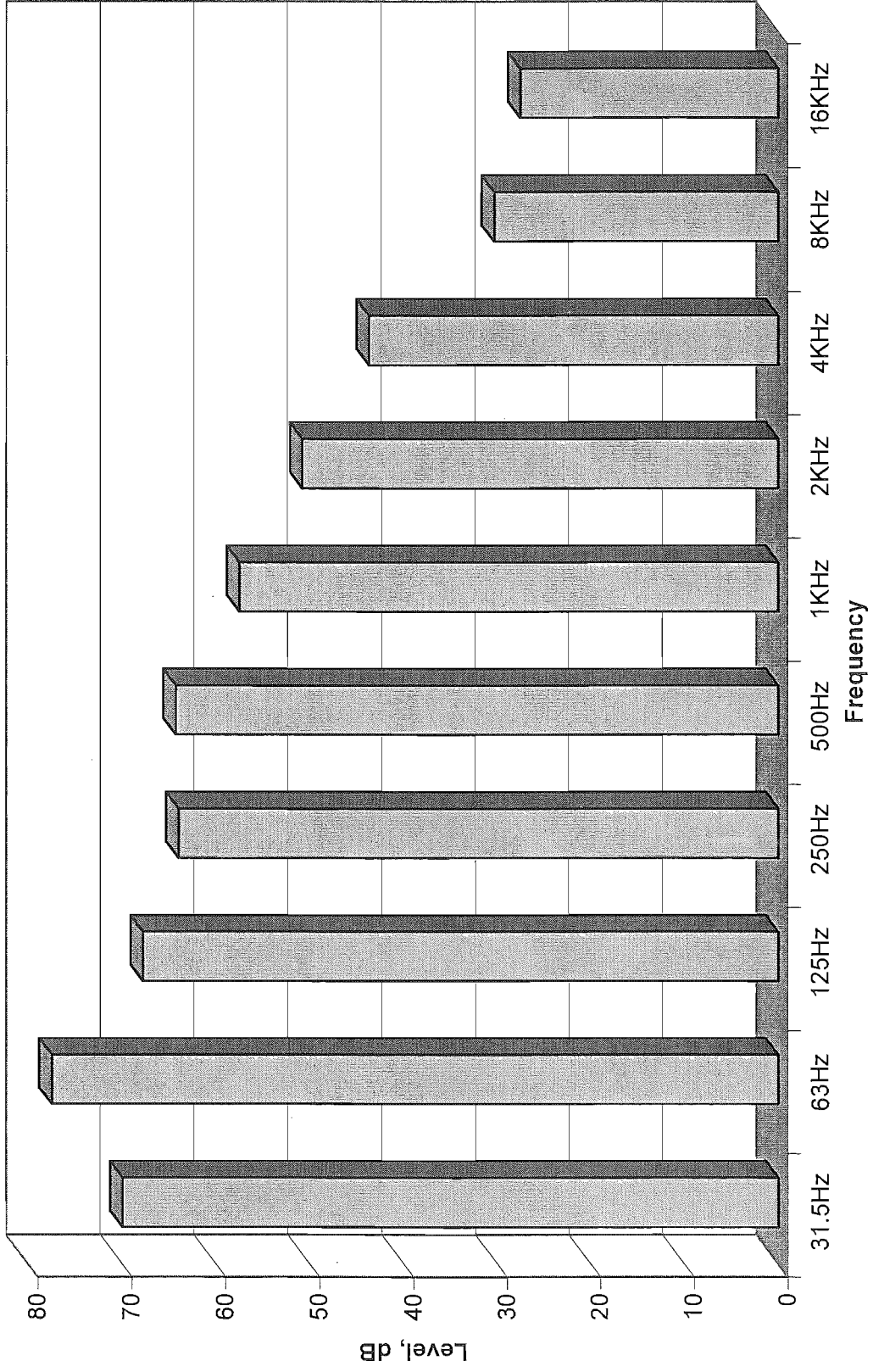
Site 13 Time History



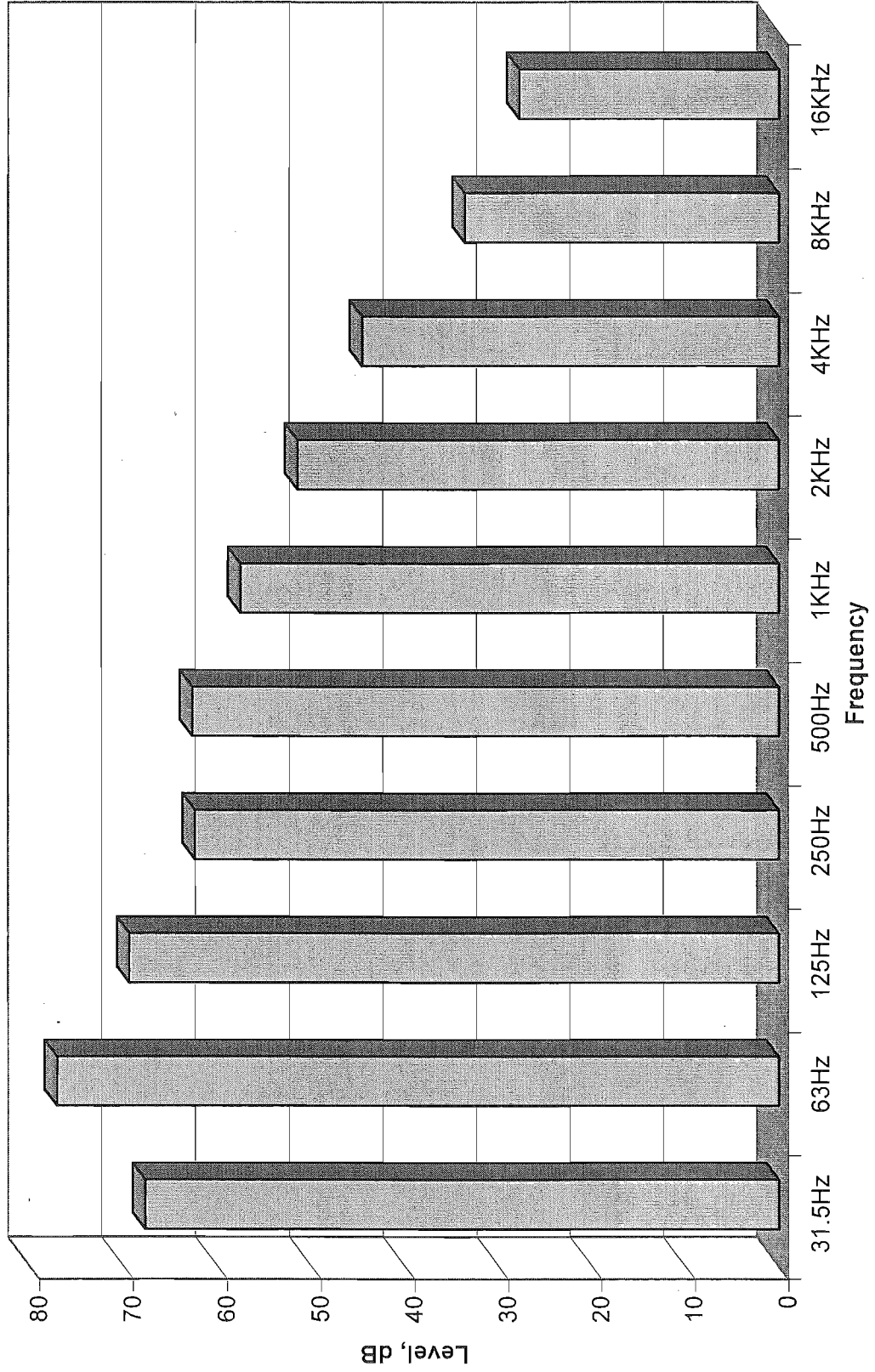
**APPENDIX C**  
**NOISE FREQUENCY GRAPHS**



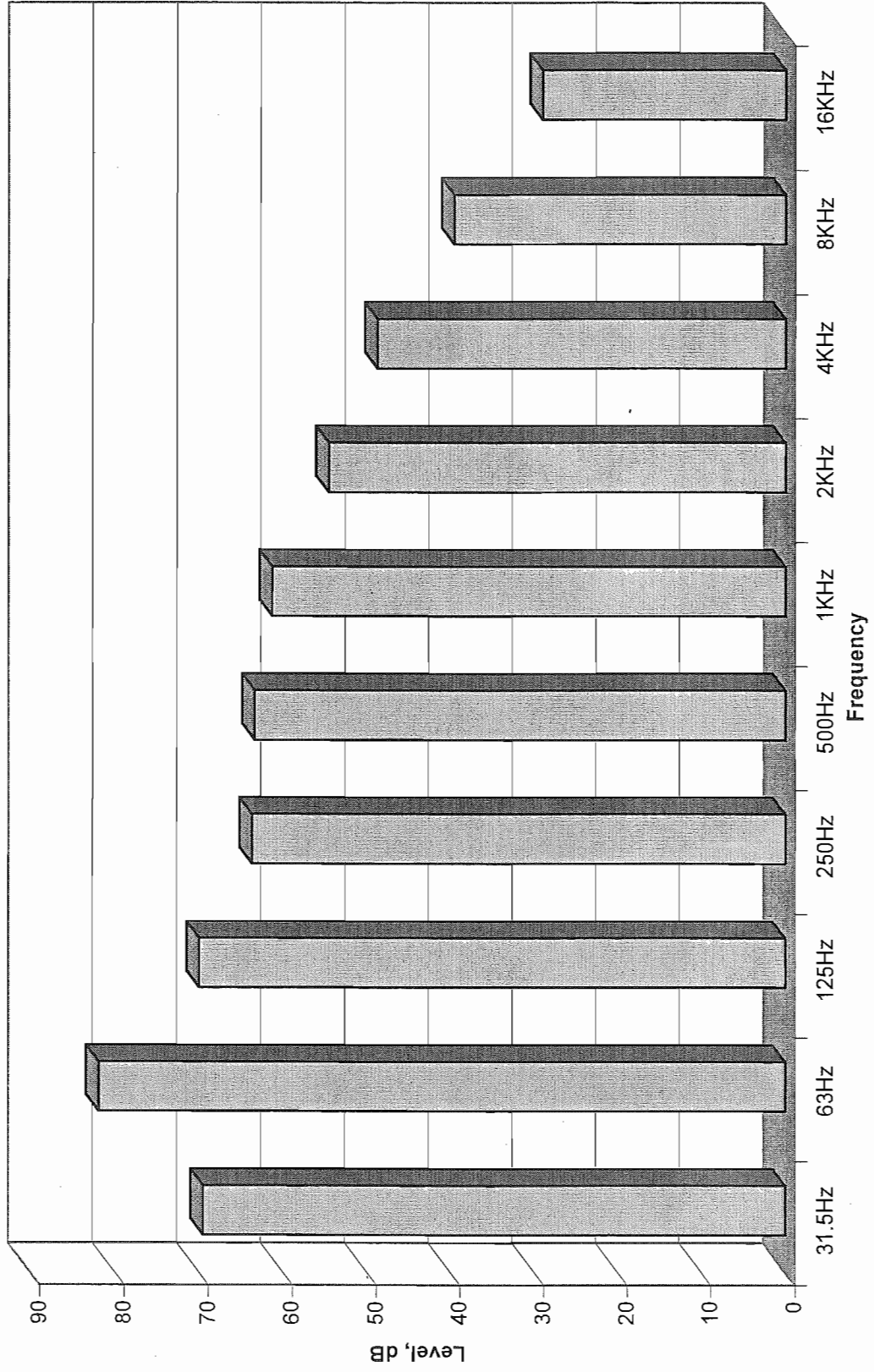
Site 10



Site 11



Site 12



Site 13

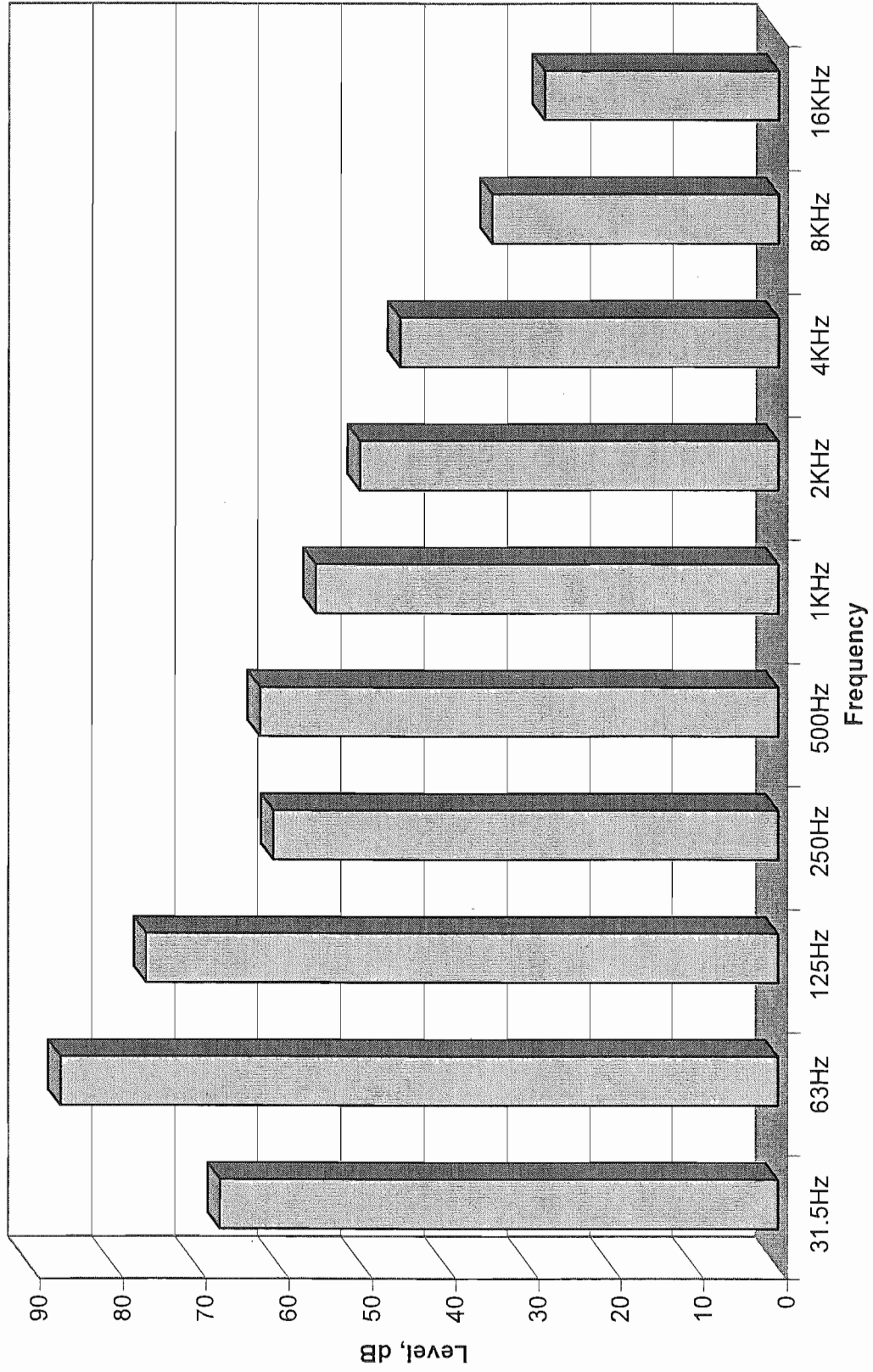
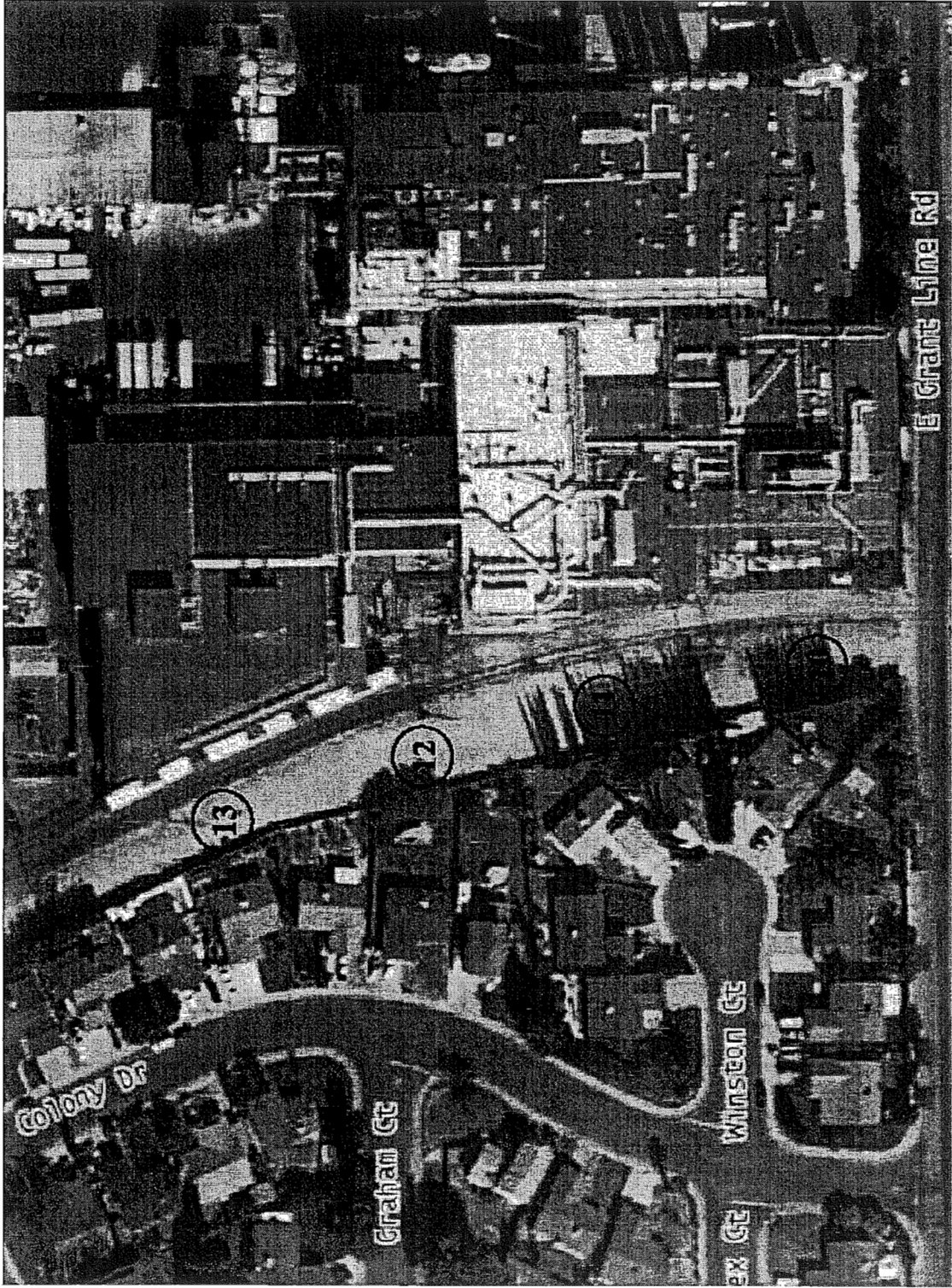


FIGURE 1: NOISE MONITORING SITES





April 1, 2010.

Mr. Alan Bell  
Development & Engineering Services Department  
CITY OF TRACY  
333 Civic Center Plaza  
Tracy, California 95376

Dear Mr. Bell:

This letter is intended to clarify the noise monitoring procedures and findings reported by Brown-Buntin Associates, Inc. (BBA) in the Noise Survey Report for Leprino Foods dated March 18, 2010.

Noise monitoring was conducted on March 11, 2010. Noise monitoring was conducted at the four (4) reference noise monitoring sites utilized by BBA in 1999. The purpose of the noise measurements was to determine hourly energy average sound levels ( $L_{eq}$ ) produced by the plant at the sites. The  $L_{eq}$  is defined as the sound level containing the same total energy as a time varying signal over a given sample period. For noise sources that produce relatively constant noise levels with little variation over time, the  $L_{eq}$  may be accurately measured during a period of time shorter than one hour.

The March 11, 2010 noise measurements were conducted for 30 minutes before railcar-mounted refrigeration units were started and for 30 minutes while the refrigeration cars were running. According to Leprino representatives, all normal plant-related equipment was in full and constant operation during both sample periods. Since the refrigeration units had just been started, the units ran constantly during the second 30-minute sample period. It is our understanding that the units may cycle on and off *after* the desired temperature within the railcars has been achieved.

It is BBA's opinion that the 30-minute sample periods were sufficient for accurately determining the  $L_{eq}$  produced by the plant and refrigerated railcars. Extending the sample period to an hour would not have changed the findings of the study unless changes in equipment operations occurred during the sample period. Since the refrigeration units ran constantly during the second 30-minute sample period, and did not cycle on and off, measured  $L_{eq}$  values may represent a worst-case condition.

It was noted at the time of the measurements that railcars were positioned on the siding next to Leprino Foods so that refrigeration units were located behind acoustic screens that have been constructed along the rail siding. According to Leprino representatives, the railcars were in the normal position relative to the screens. A photo of Monitor 13 is attached to this letter showing the location of the railcars during the study.

Mr. Alan Bell  
CITY OF TRACY  
April 1, 2010  
Page 2

In conclusion, noise monitoring conducted by BBA on March 11, 2010 documented that hourly energy average ( $L_{eq}$ ) noise levels generated by the Leprino plant were in the range of 60-66 dBA at the four (4) pre-determined monitoring sites near the residential boundary to the west of the plant *while refrigerated railcars are in full and continuous operation*. Hourly  $L_{eq}$  values could be lower if the refrigeration units cycle on and off over the sample period. The noise levels measured at the time of the study do not exceed the 67 dBA standard of the 1994 Noise Ordinance Exemption.

Please do not hesitate to contact me at (559) 627-4923 or [rbrown@brown-buntin.com](mailto:rbrown@brown-buntin.com) if you have any questions or require additional information.

Sincerely,

BROWN-BUNTIN ASSOCIATES, INC.



Robert E. Brown  
President

REB:dm

Attachment: Photo

