



# **City of Tracy**

## **2023-2031 Housing Element**

Revised Draft

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April 2025

333 Civic Center Plaza

Tracy, CA 95376

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## I. Introduction

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

### A. Community Context

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

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

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

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

### B. Role of the Housing Element

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

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

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

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

## C. Legislative Requirements

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

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

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

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

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

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

State law requires each municipality to accomplish the following tasks:

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

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

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

## **D. Relationship to Other General Plan Elements**

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

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

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

## **E. Public Participation**

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

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

## I. Introduction

### **1. City Webpage and Balancing Act Tool**

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

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

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

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

### **2. Housing Element Presentations, Workshops and Events**

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

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

### **3. Stakeholder Interviews**

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

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

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

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

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

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

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

- High development and impact fees;

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

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

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

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

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

## 4. Online Housing Survey

A 15-question survey was posted on the City website on June 29, 2023, and has remained open to receive responses throughout the Housing Element update review process. The survey was posted in both English and Spanish and all responses were anonymous. Questions included the following: age of respondent, years lived in Tracy and tenure, housing affordability and maintenance. A total of 138 respondents were recorded for the survey. A complete survey and tallied responses are

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

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

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

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

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

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

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

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

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

## 5. Public Review of Draft Housing Element

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

Correspondence was received from:

- Meritage Homes
- BIA of the Greater Valley
- Kaiser Permanente
- Hsiang Tseng
- Kenneth Stahl on behalf of Bright Development
- John Stanek, Integral Development of Tracy Hills

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

Public Comment	Housing Element Response
Consider adding Tracy Pavilion site (APNs 212-040-13, 212-040-16, 212-040-71 and 212-040-74) to the Housing Element site inventory.	<p>The Tracy Pavilion site has not been included in the sites inventory due to the following:</p> <ul style="list-style-type: none"><li>- Located within the City's sphere of influence but outside of the City limits</li><li>- Currently designated Commercial by the City's General Plan and too speculative at this time about how future City Councils may respond to any future General Plan amendments, annexation requests and subdivision maps for this property.</li></ul>
The City's implementation of development regulations is not transparent and the permit times for final map issuance is causing excessive delays	The Housing Element is a land use planning instrument and is not intended to address generalized complaints and dissatisfaction stemming from specific project applicants.
Requests removal of 2.9 acres located at 2185 W. Grant Line Road from the sites inventory since it is included in future medical facility expansion plans.	A review of the projects referenced in the BIA's letter confirms there were no unusual delays in the projects' review. Instead, the developers' own delays in responding to comments or non-performance of its conditions precedent to certain approvals were the primary causes of the projects' review timing.
	A more detailed response to the BIA letter is included in Appendix A, Public Outreach.
Property owner request to remove 5-acre parcel located at 27901 North Lammers Road (APN 251-050-080)	This parcel has been removed from the sites inventory.
Property owner request to shift the location of a 10-acre portion of a 48.7-acre parcel that is proposed to be rezoned to High Density Residential. The site is located on Mabel Josephine Drive and West Schulte Road.	This parcel does not have a Developer Agreement with the City and provides an opportunity for housing at higher densities; therefore, it remains in the site inventory. The City wishes to help distribute higher-density housing (and the opportunity for lower-income housing) throughout the residential areas of the City. This south portion of the City currently has less higher-density residential than the central and northern portions of the City. Including this area in the Sites Inventory for higher-density housing will help achieve a more balanced distribution of housing densities throughout the City.
Property owner correspondence to remove the proposed Tracy Hills parcels in order to remain consistent with the approved Development	The location of the 10-acre portion for lower-income units has been relocated to one of the locations the property owner though would be most feasible to develop low-income multifamily housing (please refer to Chapter IV – Housing Sites and Resources).
	APNs 251-06-016, 253-37-001, 253-38-052, 253-38-053 have been removed from the sites inventory.

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Agreement (APNs 251-05-009, 251-06-016, 253-37-001, 253-38-052, 253-38-053)

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

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

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

<b>Public Comment</b>	<b>Housing Element Response</b>
Request that a redline/strikeout version of the Housing Element be prepared in order to see changes made during the public comment period.	Redline/strikeout changes have been made throughout the Housing Element document.
Council request for the City to keep track of ADU demolitions so that the City can monitor potential loses of ADUs.	The ADU program in this Housing Element (Program 12) has been modified to include changes to the building permit tracking records to document and monitor ADU demolition permits.
City staff committed to removing the following sites from the Sites Inventory Map as Pending Projects and as Opportunity Sites:	These sites have been removed from the Housing Element.
<ul style="list-style-type: none"><li>- Rodgers/Viera Site at Tracy Hills (APNs: 253-020-13, -14, and 15)</li><li>- Sandhu and South Parcel Sites in WSP area (APN 209-250-42)</li><li>- Kaiser Site (APN 214-020-29) and</li><li>- Extended Stay Site (APN 214-020-40)</li></ul>	

### **Comment Received on July 2024 Revised Housing Element**

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

### **City Letter to BIA in February 2025**

Between July 2024 and February 2025, the City had discussions with the BIA about project timelines, including delays that occurred between the approval of the project (entitlement) and the issuance of

building permits authorizing construction of the units. The City's Director of Community Development sent a letter to the BIA, dated February 5, 2025, explaining how any of the conditions described are not reflective of the current City Council and City staff. Please refer to Appendix A, Public Outreach, for the complete letter. Also, additional information related to the City's project processing and timelines can be found in the Constraints Chapter (On- and Off-Site Improvements, Building Codes and Enforcement and Development Review sections).

## **6. Housing Element Adoption**

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

## **F. Data Sources and Methodology**

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

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

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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 2023-2031 Housing Element cycle.

### A. Population Characteristics

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

#### 1. Population Growth Trends

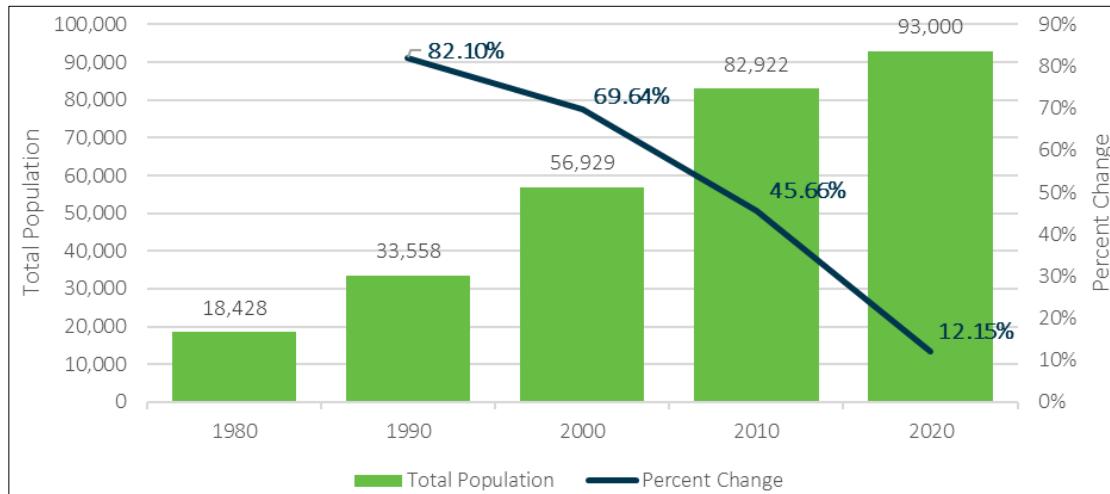
The population in Tracy was 91,462 persons in 2020 (Table II-1). Table II-1 also shows the population in San Joaquin County (751,615 persons) and California (39,346,023 persons) in 2020. Figure II-1 and Table II-2 show population growth trends for Tracy and surrounding jurisdictions over the last 40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

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

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

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

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



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

## II. Housing Needs Assessment

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

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

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

## 2. Age Characteristics

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

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

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

**Table II-3: Age Distribution**

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

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

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

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

### 3. Race and Ethnicity

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

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

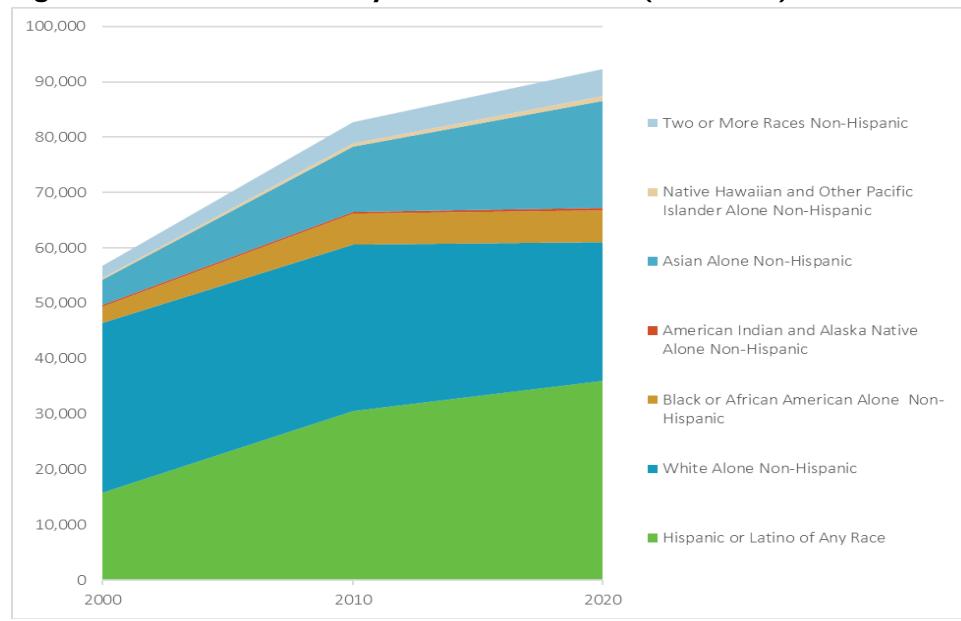
**Table II-4: Race and Ethnicity**

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

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

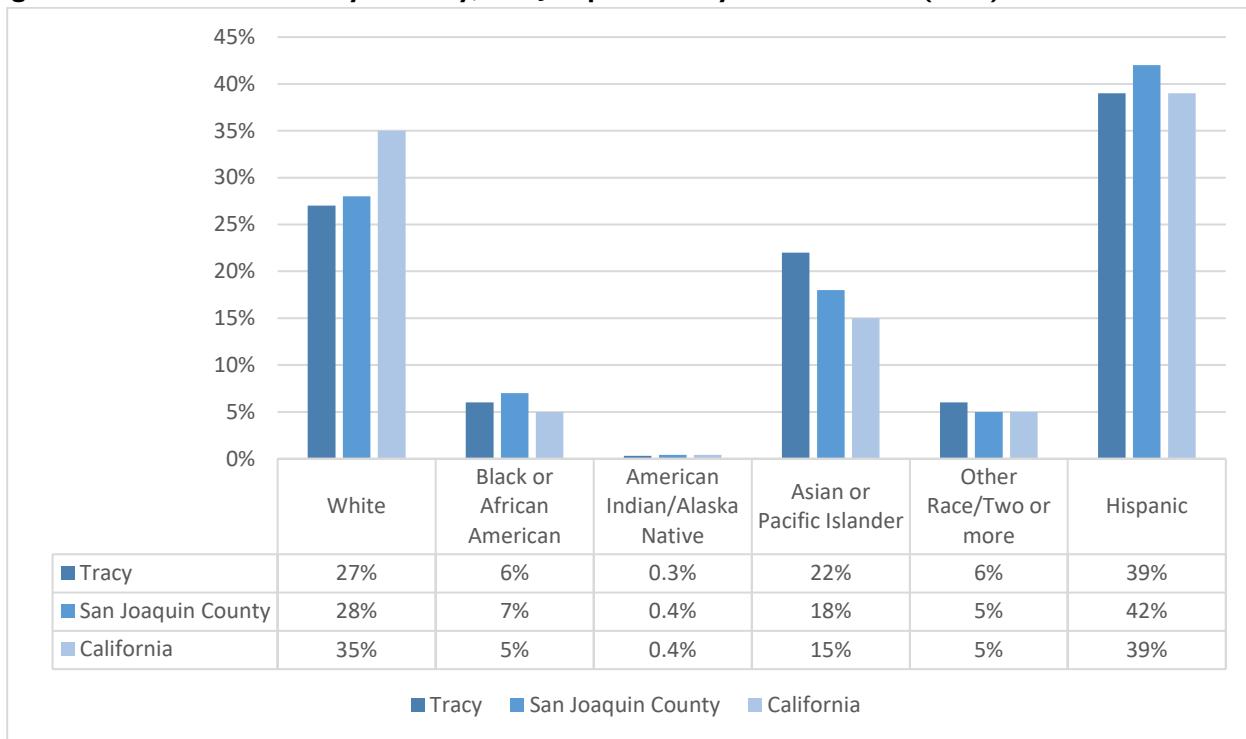
## II. Housing Needs Assessment

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



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

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



Source: Bureau of the Census, 2020

## B. Household Characteristics

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

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

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

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

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

### 1. Household Type and Size

#### Household Type

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

## II. Housing Needs Assessment

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

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

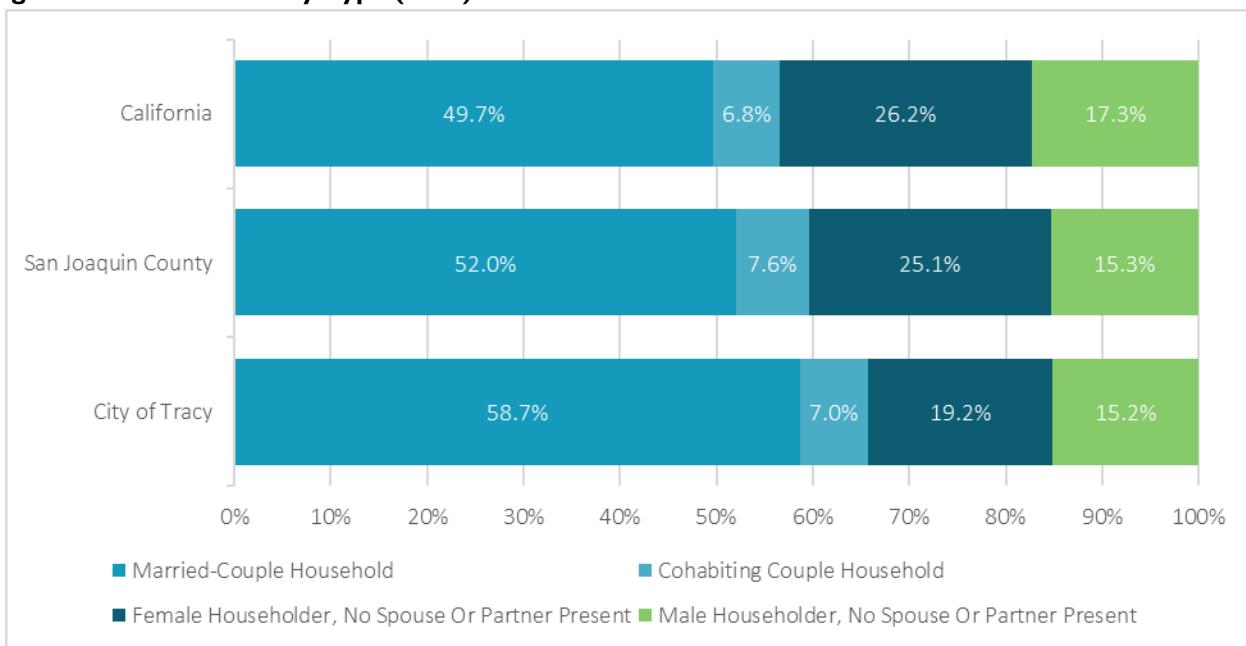
	1980	1990	2000	2010	2020
Total Households	6,632	11,208	17,620	24,331	27,007
Percent Change	69.00%	57.21%	38.09%	11.00%	

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

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

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

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

**Figure II-4: Households By Type (2020)**

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

## Household Size

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

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

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

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

## II. Housing Needs Assessment

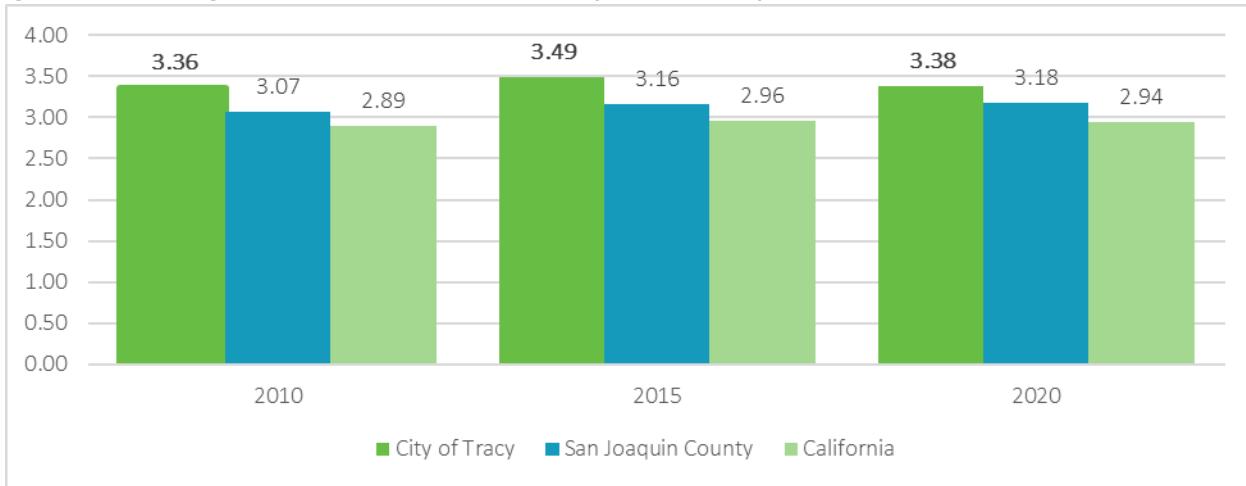
The larger family households in Tracy are reflected in higher average household size than the County or State (Table II-8). Figure II-5 shows that the average household size in Tracy was roughly the same in 2010 and 2020 (3.36 and 3.38).

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

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

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

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



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

## 2. Household Income

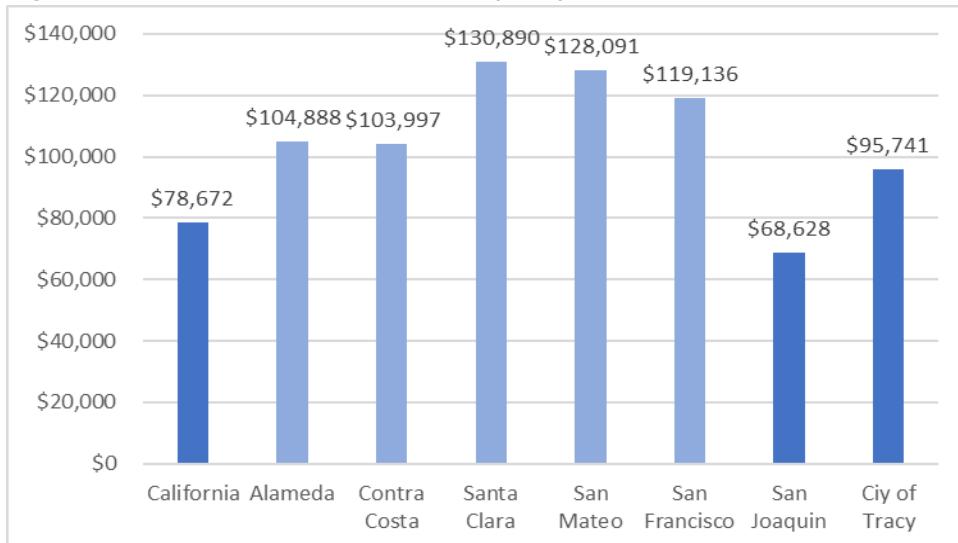
Household income indicates the wealth of a community and therefore is directly connected to the ability to afford housing. Median household income compared to neighboring communities provides a way to measure income in Tracy against other cities.

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

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

## II. Housing Needs Assessment

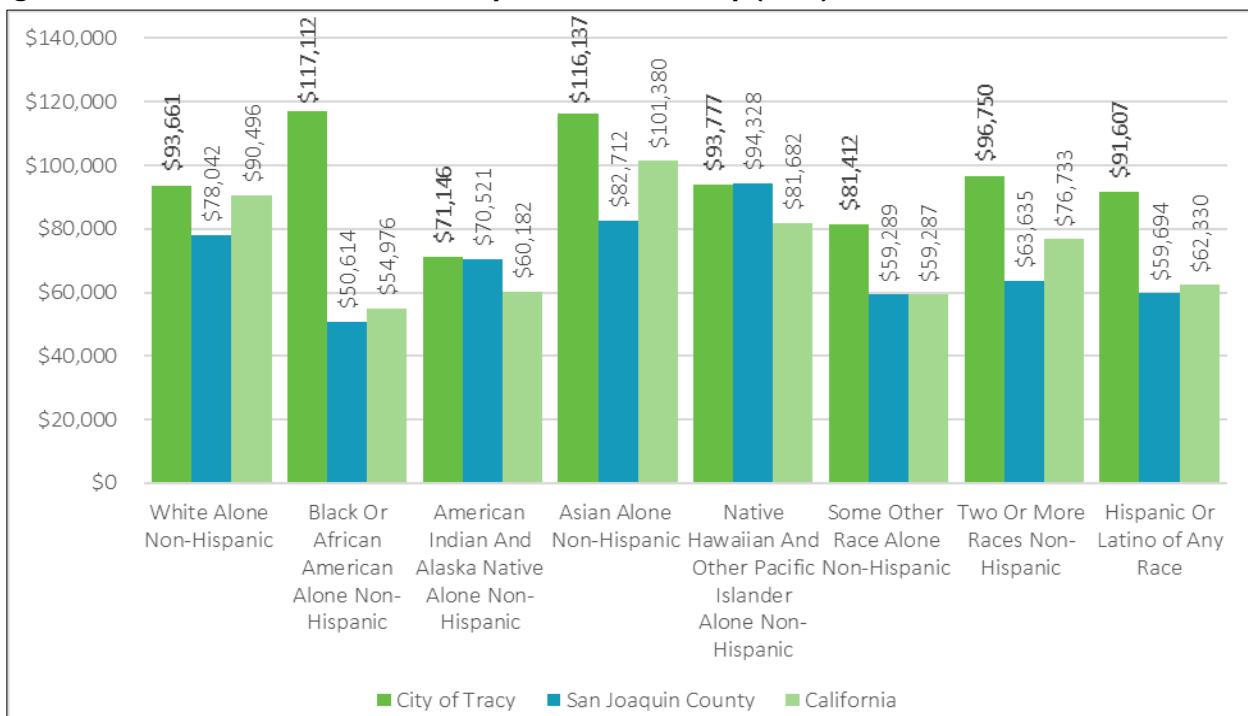
**Figure II-6: Median Household Income (2020)**



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

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

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



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

## II. Housing Needs Assessment

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

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

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

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

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

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

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

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

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

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

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

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

## C. Employment Market

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

### 1. Employment

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

**Table II-11: Employment Profile**

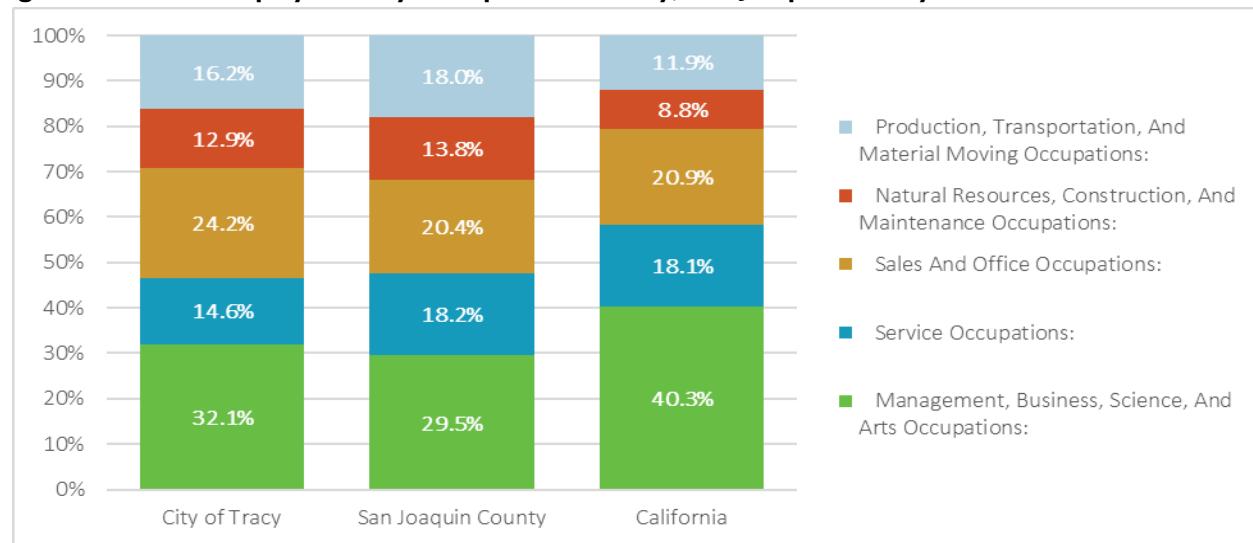
Industry	2006-2010		2016-2020	
	#	%	#	%
Agriculture, Forestry, Fishing and Hunting, and Mining	430	1.20%	370	0.80%
Construction	3,346	9.40%	4,341	9.60%
Manufacturing	4,755	13.40%	5,227	11.60%
Wholesale Trade	1,176	3.30%	1,378	3.10%
Retail Trade	4,785	13.50%	6,032	13.40%
Transportation and Warehousing,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

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

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

## II. Housing Needs Assessment

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



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

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

**Table II-12: Major Employers (2022)**

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

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

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

## II. Housing Needs Assessment

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

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

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

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

## 2. Commuting Patterns

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

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

**Table II-14: Place of Work**

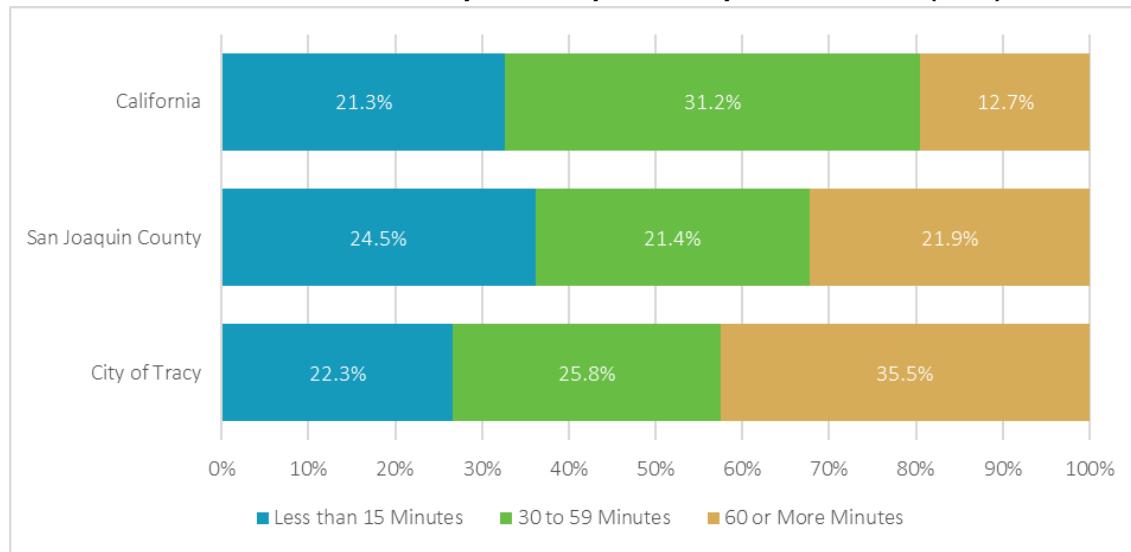
Place of Work	Alameda Co.	Contra Costa Co.	San Joaquin Co.	San Mateo Co.	Santa Clara Co.	Tracy
Outside of County of Residence (2010)	32%	40%	26%	41%	13%	55%
Outside of County of Residence (2020)	35%	41%	29%	40%	13%	54%
Change in Proportion (2010-2020)	3%	1%	3%	-1%	0%	-1%

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

## II. Housing Needs Assessment

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

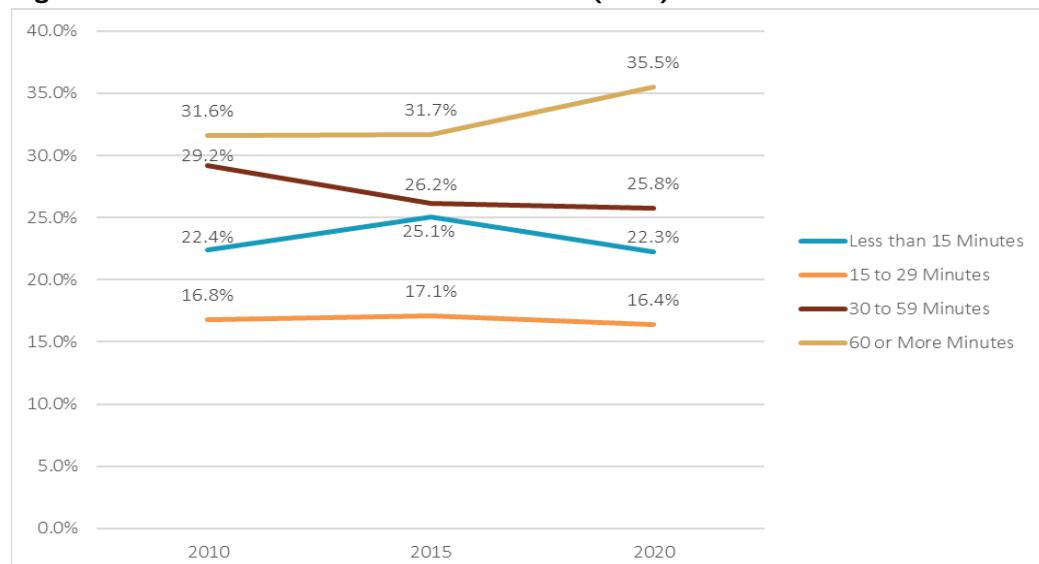
**Figure II-9: Travel Time to Work For Tracy, San Joaquin County and California (2020)**



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

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

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



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

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

**Table II-15: Means of Transportation to Work**

	<b>City of Tracy</b>	<b>San Joaquin County</b>	<b>California</b>	
Total	43,150	307,317	18,239,892	
Car, Truck, Or Van	38,662	89.6%	278,963	90.8%
Drove Alone	32,561	75.5%	241,465	78.6%
Carpooled	6,101	14.1%	37,498	12.2%
In 2-Person Carpool	4,682	10.9%	26,146	8.5%
In 3-Person Carpool	1,060	2.5%	6,428	2.1%
In 4-Person Carpool	231	0.5%	2,830	0.9%
In 5- Or 6-Person Carpool	14	0.0%	1,426	0.5%
In 7-Or-More-Person Carpool	114	0.3%	668	0.2%
Public Transportation (Excluding Taxi)	939	2.2%	5,006	1.6%
Bus	121	0.3%	2,102	0.7%
Subway Or Elevated Rail	189	0.4%	878	0.3%
Long-Distance Train Or Commuter Rail	619	1.4%	1,859	0.6%
Light Rail, Streetcar Or Trolley	10	0.0%	167	0.1%
Ferryboat	0	0.0%	0	0.0%
Taxicab	16	0.0%	250	0.1%
Motorcycle	145	0.3%	658	0.2%
Bicycle	89	0.2%	906	0.3%
Walked	532	1.2%	4,050	1.3%
Bicycle or Walked	621	1.4%	4,956	1.6%
Other Means	130	0.3%	1,574	0.5%
Other Means (+Taxi and Motorcycle)	291	0.7%	2,482	0.8%
Worked From Home	2,637	6.1%	15,910	5.2%
			1,529,697	8.4%

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

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

## D. Housing Problems

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

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

## II. Housing Needs Assessment

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

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

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

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

## II. Housing Needs Assessment

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

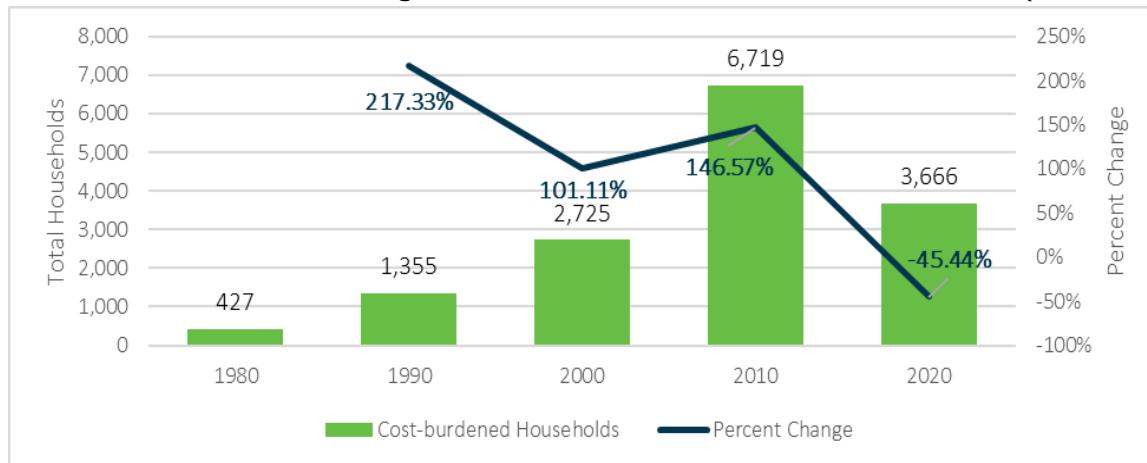
- Renter-households are more likely to experience housing problems (49%) than owner-households (38%).
- Large renter-families were more likely to experience housing problems than all other household types (59%).
- Lower income households were significantly more likely than households of other income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

### 1. Overpayment (Cost Burden)

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

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

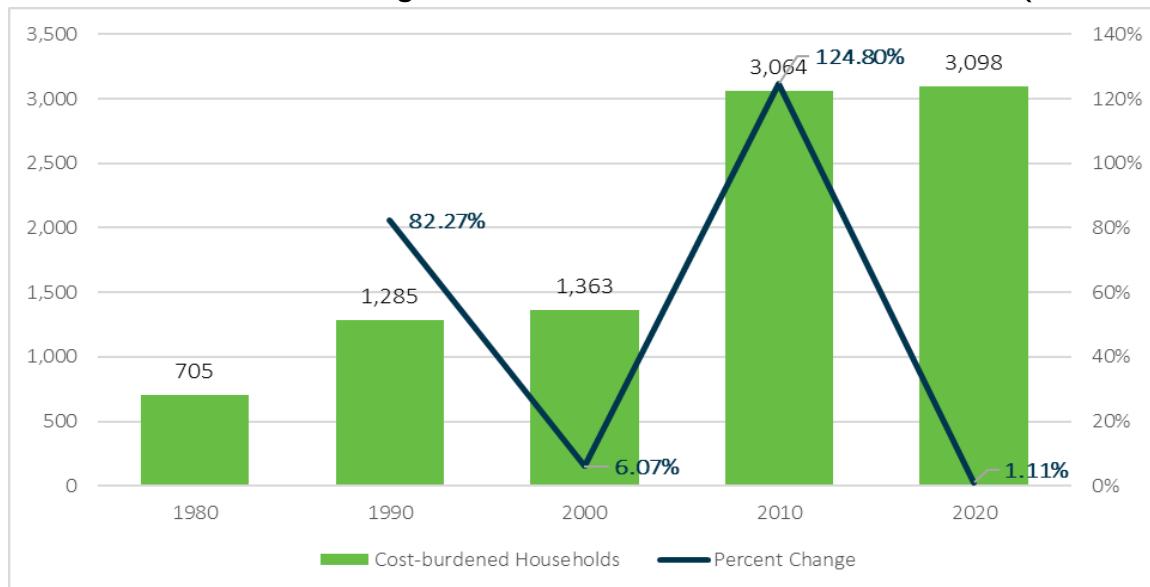
**Figure II-11: Total and Percent Change Cost Burdened Owner Households Over Time (1980-2020)**



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

## II. Housing Needs Assessment

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



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

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

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

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

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

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

## II. Housing Needs Assessment

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

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

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

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

### 2. Overcrowding

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

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

## II. Housing Needs Assessment

**Table II-18: Overcrowding**

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

Source: American Community Survey, 2016-2020

## E. Special Housing Needs

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

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

**Table II-19: Special Needs Groups**

	Number of Persons	% of Tracy Population	Number of Households	% of Tracy Households
Seniors	8,438	9.2%	—	—
With a disability	3,162	3.4%	—	—
Households			4,055	15%
Senior living alone			1,350	4.9%
Persons with Disabilities	7,918	8.7%	—	—
Female-Headed Households, No Spouse			5,174	19.2%
With own children			1,252	4.6%
Living Alone			2,152	8.0%
Male Headed Households, No Spouse			4,092	15.2%
With own children			401	1.5%
Living alone			2,199	8.1%
Large Households			5,617	20.8%
Renter			2,272	8.4%
Owner			3,345	12.3%
Households Living in Poverty			1,405	6.6%
Agricultural Workers	328	0.36%	—	—
Homeless	124	0.14%	—	—
<b>Total Population/Households</b>	<b>91,462</b>		<b>27,007</b>	

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

## 1. Seniors

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

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

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

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

**Table II-20: Senior Households by Tenure Over Time**

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

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

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

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

## Resources Available

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

## II. Housing Needs Assessment

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

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

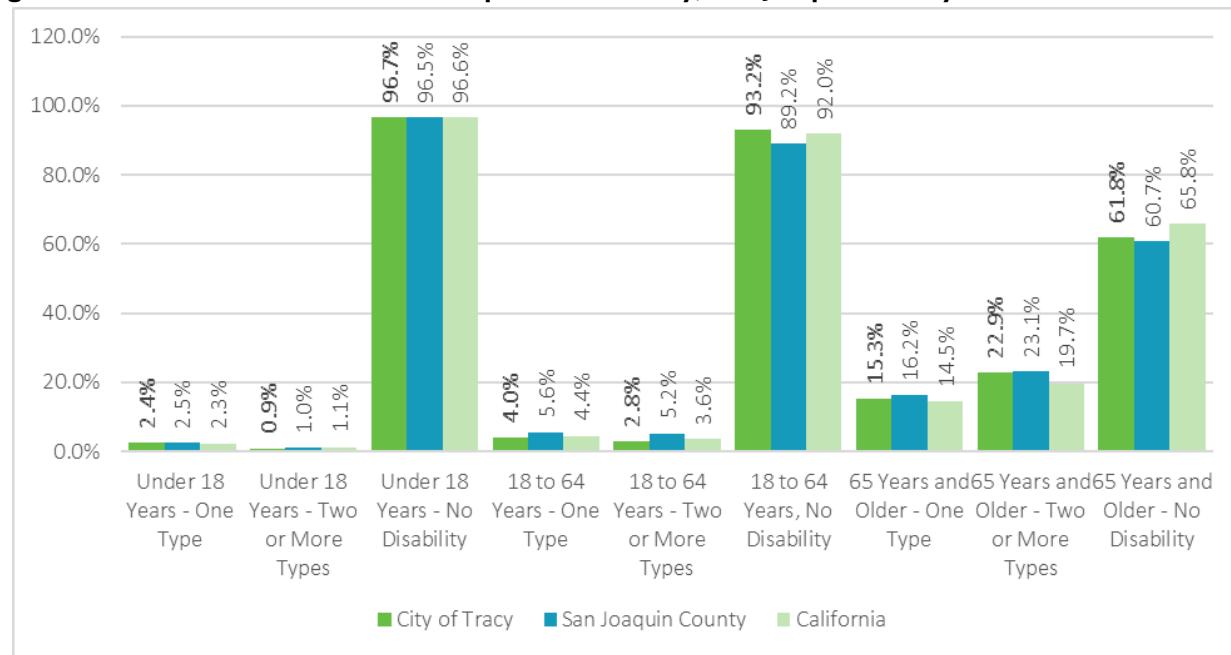
- *Senior Link*: Specialist provides assistance with access to information, local agencies and service providers.
- *Lunch Program*: Home delivered hot meals available to homebound and/or temporarily ill persons.
- *Paralegal Services*: Paralegal service is provided free of charge by the El Concilio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

### **2. Persons with Disabilities**

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

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

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

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

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

**Table II-21: Disabilities Tallied by Age and Type**

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

Notes:

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

2. Persons may have multiple disabilities.

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

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

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

## II. Housing Needs Assessment

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

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

**Table II-22: Persons with Developmental Disabilities by Age**

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

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

### **Resources Available**

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

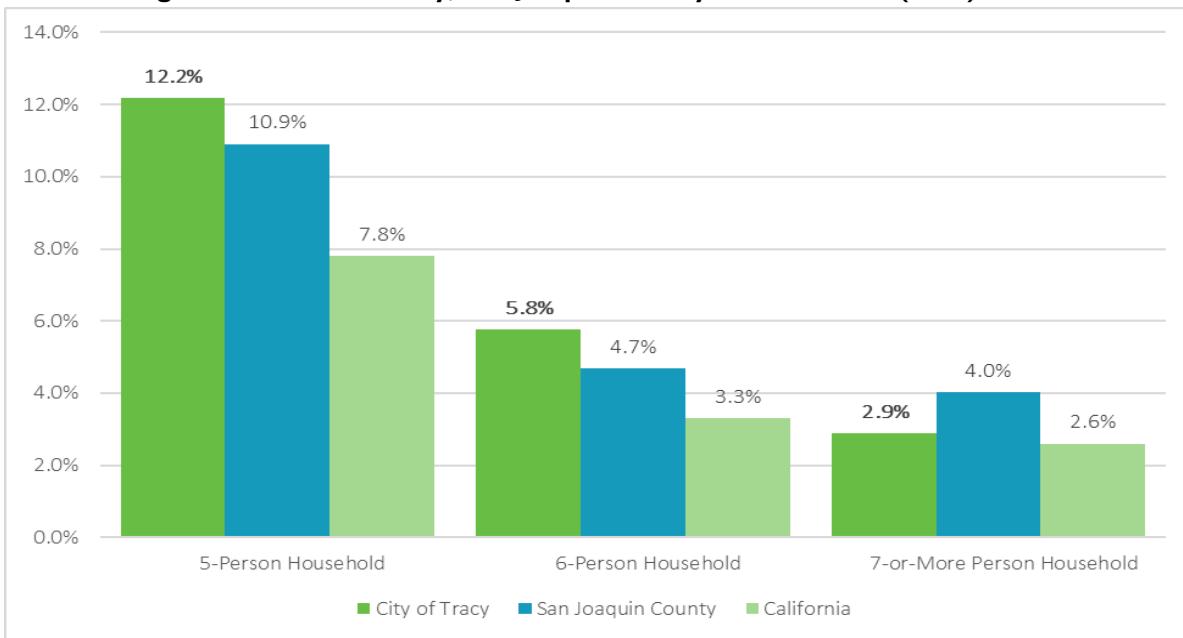
- Ten Small Adult Residential Care facilities – 55 beds total
- One Adult Day Care facility – 60 clients

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

### **3. Large Households**

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

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

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

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

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

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

### Resources Available

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

#### 4. Single-Parent Households

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

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

## II. Housing Needs Assessment

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

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

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

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

## Resources Available

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

## 5. Farmworkers

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

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

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

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

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

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

The United States Department of Agriculture (USDA) Agricultural Census counted over 1,700 farms with more than 19,000 farm workers in San Joaquin County in 2017.<sup>2</sup> In terms of the number of days worked, the Agricultural Census found that 40 percent of the farm laborers worked 150 days or more, while 60 percent worked 150 days or less.

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

### Resources Available

San Joaquin County has many resources for farmworkers and their families. According to the 2020-2025 County Consolidated Plan, the Housing Authority of San Joaquin County offers programs to assist very lower income households with their housing costs, including the Housing Choice Voucher (Section 8) rental assistance program, public housing, and migrant centers in the county located in Lodi, French Camp and Thornton. In addition, the Housing Authority provides the Family Self-Sufficiency Program, supportive services centers, and the Residential Construction Program. The County has established an ongoing collaboration with the Housing Authority and is committed to expanding access to affordable housing and improving the living environment for low income families. The housing needs of farmworkers in the City can be met through these various supportive programs and other affordable housing programs that are available to all lower income households.

## 6. Households Living in Poverty and Extremely Low Income Households

Households living in poverty<sup>3</sup> comprise about 7 percent of Tracy's total households (Table II-19). Table II-24 shows that Tracy has a lower percentage of households living in poverty compared to the County and the State, while Figure II-15 shows that the percentage of households in poverty has decreased in Tracy between 2010 and 2020. Figure II-16 illustrates that the highest percentages of households living in poverty are two or more races (11%), some other race alone (10.8%) and Hispanic or Latino of any race (10.4%).

<sup>2</sup> USDA Agricultural Census, Table 7, 2017

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

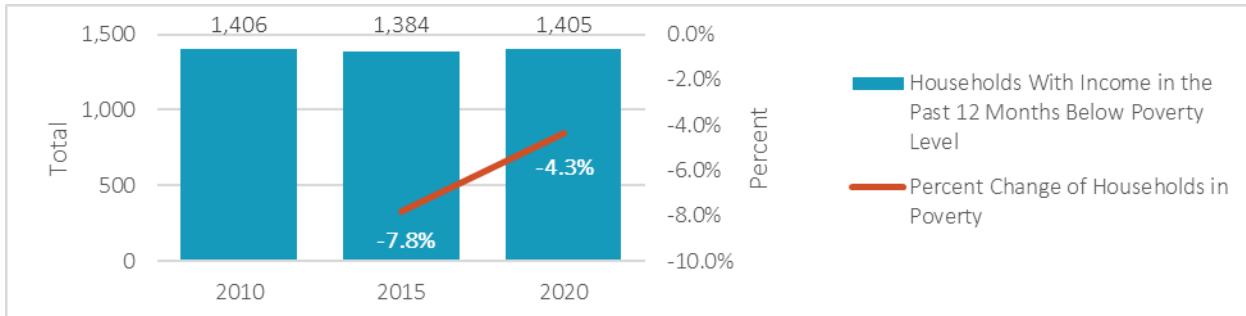
## II. Housing Needs Assessment

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

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

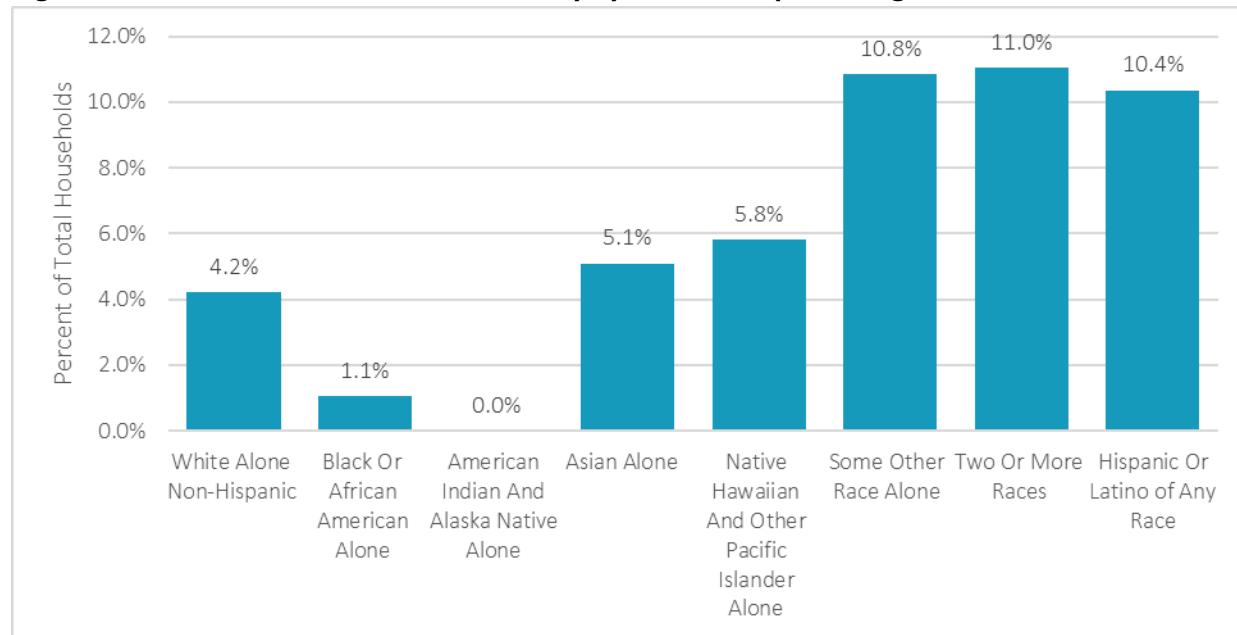
Source: Census Data from the San Joaquin Valley REAP Housing Data Workbook, 2022 (amended 2023).

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



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

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



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

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

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

- Approximately six percent of households in Tracy are extremely low income.

## II. Housing Needs Assessment

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

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

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

### Resources Available

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

In 2019, the City allocated \$112,000 in Home Investment Partnership Program funds to the San Joaquin County Housing Authority and Stone Pine Meadows, a 72-unit apartment complex for lower-income households. In fiscal year 2021, the City allocated \$163,461 in Home Investment Partnership Program funds to the San Joaquin County Housing Authority to support the demolition and reconstruction of a 55-unit low-income apartment project (Tracy Senior Living). Phase 1 of the project involves the demolition of 17 obsolete units and Phase 2 involves the reconstruction of 55 energy-efficient units for very low income seniors. This project is anticipated to be completed in 2026. In 2020, City Council allocated \$4 million to the Housing Authority of San Joaquin County for the rehabilitation of existing low-income housing units.

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

## II. Housing Needs Assessment

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

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

### 7. Persons Experiencing Homelessness

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

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

The San Joaquin County Continuum of Care (SJCoC) conducted the 2022 Point-in-Time (PIT) Count during the last ten days in January 2022.<sup>4</sup> The PIT Count found 2,319 persons experiencing homelessness in the County. Of those, 964 were sheltered and 1,355 were unsheltered. Table II-26 shows the homeless counts from 2017 to 2022. Please note that a PIT count of unsheltered persons was not conducted in 2020 or 2021. The number of homeless persons decreased by 310 individuals between 2019 and 2022. It is noted by the SJCoC that the decrease between 2019 and 2022 may indeed be due to a decline in individuals, but it may be also due to extenuating circumstances from COVID-19, such as a lower number of volunteers during the PIT count.<sup>5</sup>

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

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

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

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

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

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

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

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

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

## **Resources Available**

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

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

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

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

## II. Housing Needs Assessment

**Table II-28: Homeless Services**

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

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

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

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

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

## II. Housing Needs Assessment

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

## F. Housing Stock Characteristics

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

### 1. Housing Growth

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

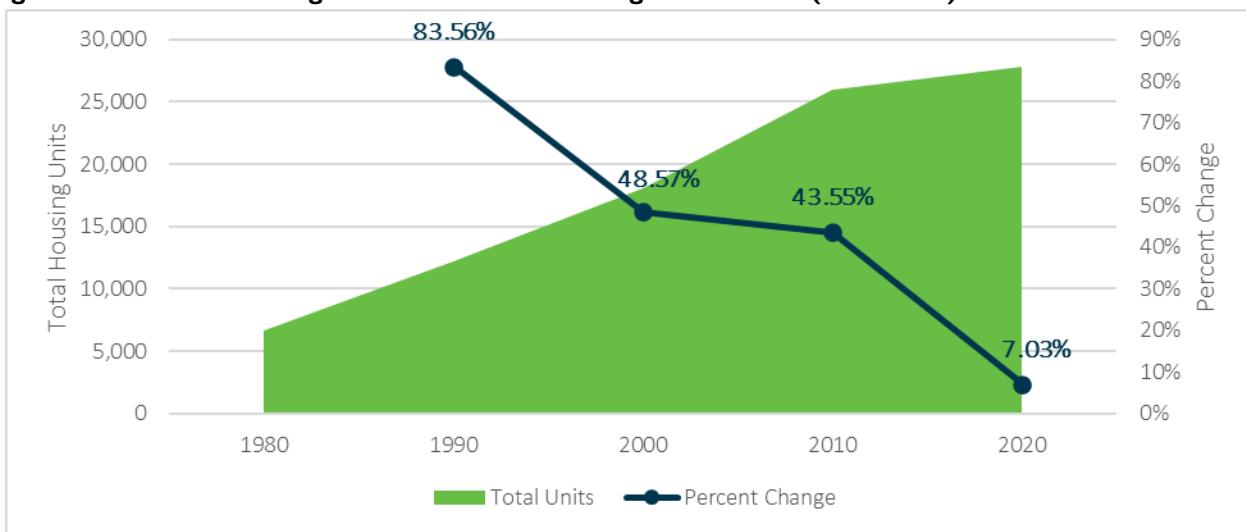
**Table II-29: Housing Units in Tracy, San Joaquin County and California**

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

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

## II. Housing Needs Assessment

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



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

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

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

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

## 2. Housing Type

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

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

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

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

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

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

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

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

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

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

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

### 3. Housing Tenure and Availability

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

## II. Housing Needs Assessment

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

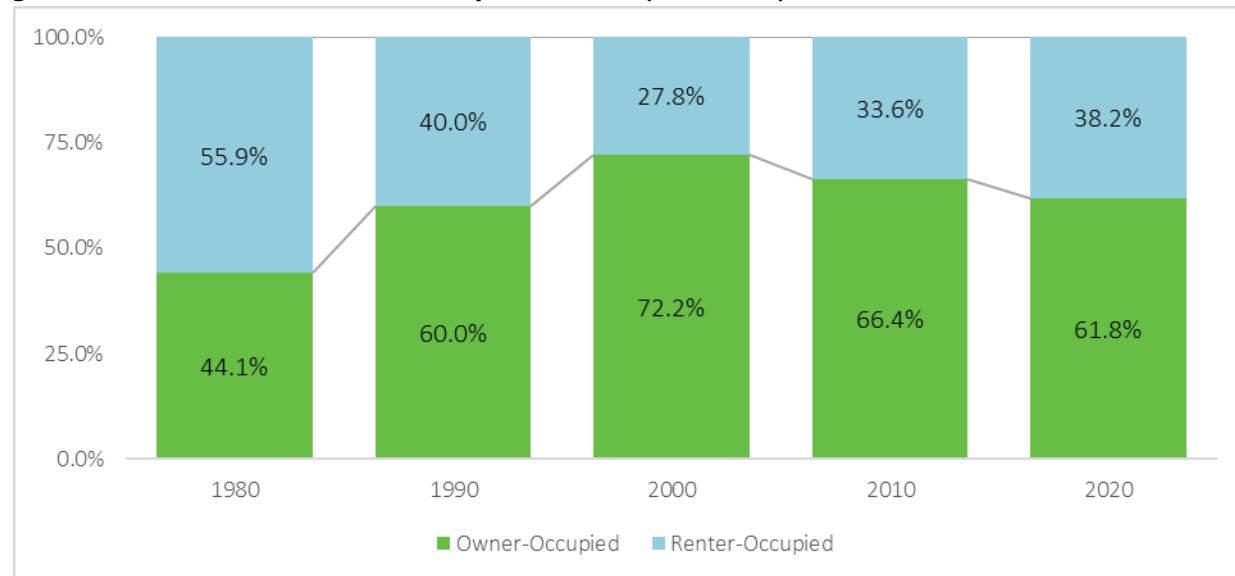
**Table II-34: Housing Tenure**

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

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

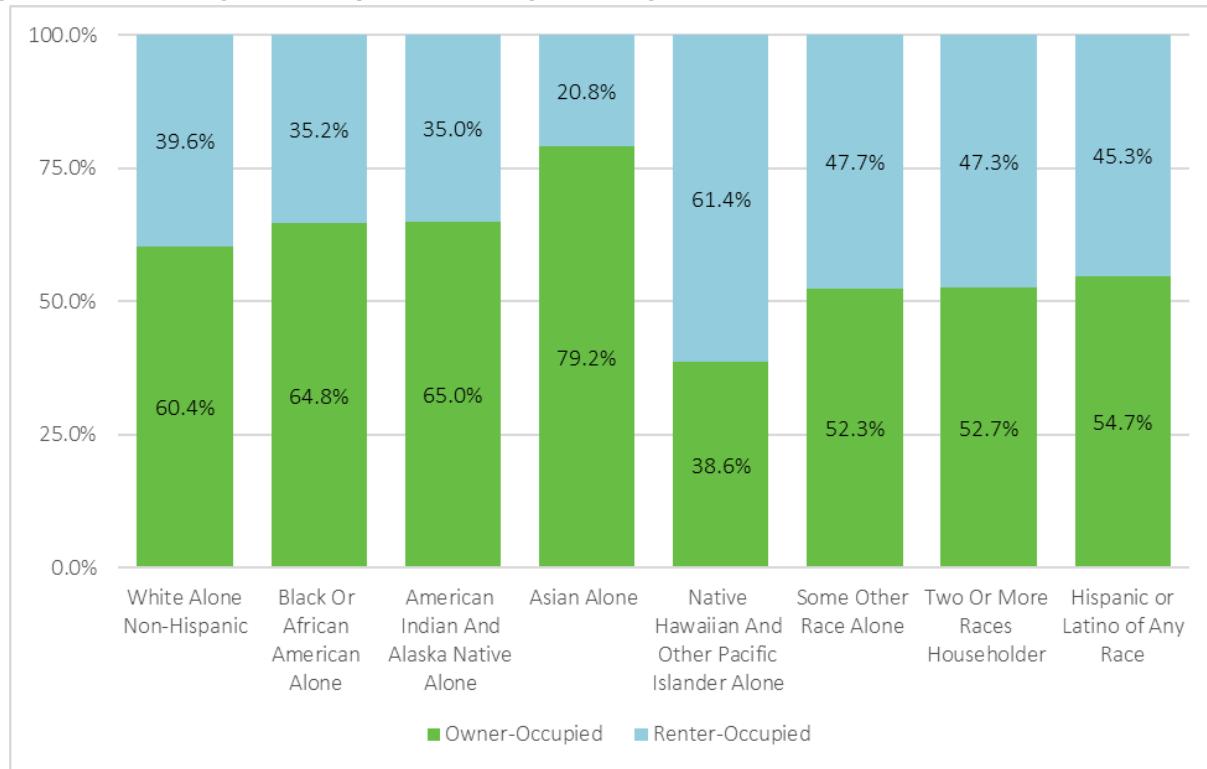
Figure II-18 shows housing tenure in Tracy over the last 40 years. The percentage of owner-occupied units increased from 44 percent in 1980 to 62 percent in 2020. The highest percentage of owner-occupied units occurred in 2000, at 72 percent.

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



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

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

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

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

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

**Table II-35: Percentage Homeowner by Household Size**

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

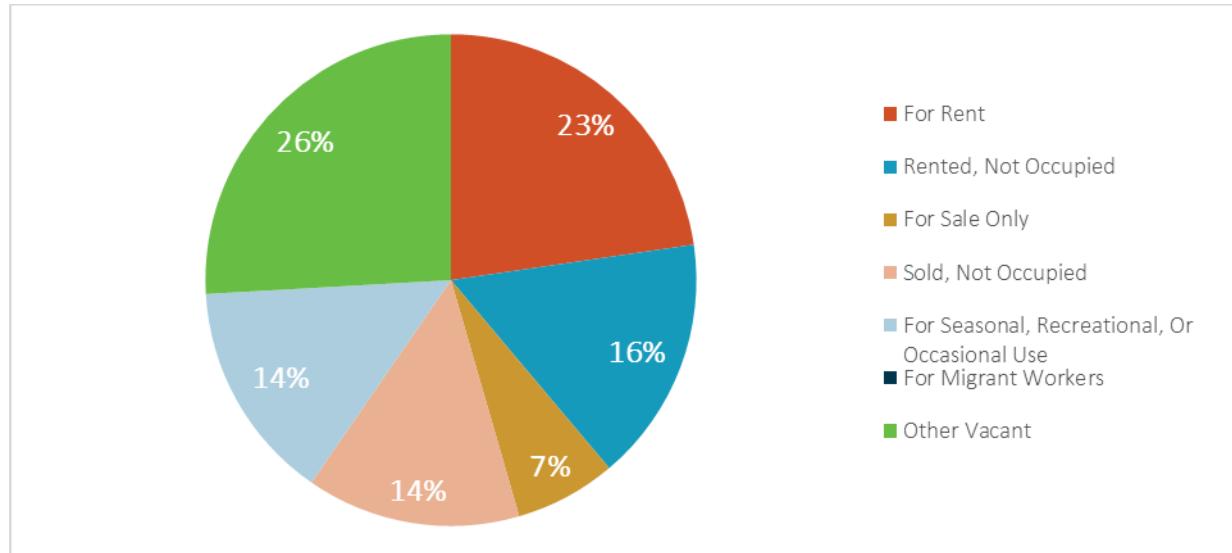
Source: Bureau of the Census, American Community Survey, 2016-2020

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

## II. Housing Needs Assessment

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

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



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

### 4. Housing Age and Condition

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

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

**Table II-36: Age of Local Housing Stock**

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

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

## II. Housing Needs Assessment

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

**Table II-37: Lack of Complete Facilities by Tenure**

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

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

As discussed before, the City's housing stock is of relatively young age and therefore does not have significant rehabilitation or replacement needs. The City's Code Enforcement Unit is under the City's Police Department but is located in Development Services. Code Enforcement officers respond to reports of violations that can be submitted via phone or online through the City's Government Outreach System. The Code Enforcement Unit Code enforcement data noted the following cases of substandard housing in 2023.

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

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

No windshield surveys have been conducted for substandard housing issues, as such efforts would not accurately detect interior or foundational issues. The 22 units estimated to need rehabilitation and possible replacement equates to 0.8 percent of the City's total housing stock (27,787 units). Applying this percentage to the estimated 11,115 units constructed prior to 1990 results in approximately 89 units Citywide that may need rehabilitation and possible replacement.

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

## G. Housing Costs and Affordability

The cost of housing is directly related to the extent of housing problems in a community. If housing costs are relatively high in comparison to household income, there will be a correspondingly higher

## II. Housing Needs Assessment

prevalence of housing cost burden and overcrowding. This section summarizes the cost and affordability of the housing stock to Tracy residents.

### 1. Homeownership Market

In August 2022, the median home value in Tracy was \$823,750 per data from CoreLogic (Table II-38). This median home value was 10 percent higher than a year prior in August 2021 (\$751,000). Over the 12-month period, the increase in median home values in the County overall were similar to Tracy. The jurisdictions of Lathrop, Lodi and Manteca saw greater increases, while Escalon and Ripon's home values saw decreases.

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

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

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

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

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

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

Source: Zillow.com, November 2022

### 2. Rental Market

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

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

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

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

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

**Table II-41: Rental Rates (November 2022)**

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

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

### 3. Housing Affordability by Income Level

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

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

#### Extremely Low Income Households

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

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### Very Low Income Households

Very low income households earn between 31 percent and 50 percent of the County area median income - up to \$29,000 for a one-person household and up to \$44,750 for a five-person household in 2022. A very low income household can afford homes offered at prices between \$54,136 and \$67,077, adjusting for household size. Given the costs of ownership housing in Tracy, very low income households would not be able to afford a home in the City. Similarly, very low income renters could not afford market-rate rental units in Tracy. After deductions for utilities, a very low income household at the maximum income limit can afford to pay approximately \$459 to \$646 in monthly rent, depending on household size.

### Low Income Households

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

### Moderate Income Households

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

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

Household	Annual Income	Affordable Costs	Estimated Utility Allowance, Taxes, and Insurance		Affordable Rent	Affordable Home Price
		(All Costs)	Utilities	Taxes, Ins., HOA (Ownership)		
<b>Extremely Low Income (0-30% AMI)</b>						
1-Person	\$17,400	\$435	\$266	\$152	\$169	\$4,458
2-Person	\$19,900	\$498	\$290	\$174	\$207	\$8,708
3-Person	\$23,030	\$576	\$347	\$202	\$229	\$7,178
4-Person	\$27,750	\$694	\$411	\$243	\$283	\$10,569
5-Person	\$32,470	\$812	\$473	\$284	\$339	\$14,487
<b>Very Low Income (30-50% AMI)</b>						
1-Person	\$29,000	\$725	\$266	\$254	\$459	\$54,136
2-Person	\$33,150	\$829	\$290	\$290	\$538	\$65,452
3-Person	\$37,300	\$933	\$347	\$326	\$586	\$68,291
4-Person	\$41,400	\$1,035	\$411	\$362	\$624	\$69,027
5-Person	\$44,750	\$1,119	\$473	\$392	\$646	\$67,077

Household	Annual Income	Affordable Costs	Estimated Utility Allowance, Taxes, and Insurance		Affordable Rent	Affordable Home Price
		(All Costs)	Utilities	Taxes, Ins., HOA (Ownership)		
<b>Low Income (50-80% AMI)</b>						
1-Person	\$46,350	\$1,159	\$266	\$406	\$893	\$128,439
2-Person	\$53,000	\$1,325	\$290	\$464	\$1,035	\$150,462
3-Person	\$59,600	\$1,490	\$347	\$522	\$1,143	\$163,792
4-Person	\$66,200	\$1,655	\$411	\$579	\$1,244	\$175,235
5-Person	\$71,500	\$1,788	\$473	\$626	\$1,315	\$181,637
<b>Median Income (80-100% AMI)</b>						
1-Person	\$59,500	\$1,488	\$266	\$521	\$1,222	\$184,755
2-Person	\$68,000	\$1,700	\$290	\$595	\$1,410	\$214,700
3-Person	\$76,500	\$1,913	\$347	\$669	\$1,566	\$236,168
4-Person	\$85,000	\$2,125	\$411	\$744	\$1,714	\$255,747
5-Person	\$91,800	\$2,295	\$473	\$803	\$1,822	\$268,573
<b>Moderate Income (100-120% AMI)</b>						
1-Person	\$71,400	\$1,785	\$266	\$625	\$1,519	\$235,718
2-Person	\$81,600	\$2,040	\$290	\$714	\$1,750	\$272,943
3-Person	\$91,800	\$2,295	\$347	\$803	\$1,948	\$301,692
4-Person	\$102,000	\$2,550	\$411	\$893	\$2,139	\$328,551
5-Person	\$110,150	\$2,754	\$473	\$964	\$2,281	\$347,159

Source: California Department of Housing and Community Development, 2022 Income limits; and Veronica Tam and Associates.

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

## H. Affordable Housing

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

### 1. Assisted Housing

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

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

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**Table II-43: Inventory of Assisted Units**

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

Sources: City of Tracy, 2022

### **Preservation and Replacement Options**

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

#### **1. Transfer of Ownership**

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

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

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

## II. Housing Needs Assessment

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

**Table II-44: Market Value of At Risk Units**

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

*Market value for project is estimated with the following assumptions:*

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

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

*Annual income is calculated on a vacancy rate = 5%*

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

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

*Multiplication factor for a building in good condition is 12.5.*

## 2. Rental Assistance

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

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

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

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

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

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

## II. Housing Needs Assessment

### 3. Construction of Replacement Units

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

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

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

Notes:

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

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

Construction cost an estimate only.

### 4. Purchase of Affordability Covenants

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

### 5. Cost Comparisons

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

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

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

## I. Future Housing Needs

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

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

## II. Housing Needs Assessment

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

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

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

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## 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. Land and Construction Costs

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

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

One indicator of construction costs is Building Valuation Data, compiled by the International Code Council (ICC). The unit costs compiled by the ICC include structural, electrical, plumbing, and mechanical work, in addition to interior finish and normal site preparation. The data is national and does not account for regional differences nor include the price of the land upon which the building is built. The most recent Building Valuation Data, dated February 2021, reports the national average for development costs per square foot for apartments and single-family homes as follows<sup>4</sup>:

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

<sup>1</sup> City of Tracy Engineering Division, September 2023.

<sup>2</sup> [www.trulia.com](http://www.trulia.com), Accessed September 2023

<sup>3</sup> Sonoma County Economic Development Board. July 2021. "Construction Industry Insider Report". [www.sonomaeedb.org](http://www.sonomaeedb.org)

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

### III. Housing Constraints

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

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

## 2. Availability of Financing

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

Table III-1 summarizes the disposition of loan applications submitted to financial institutions in 2021<sup>5</sup> for home purchase, refinance, and home improvement loans in Tracy. Included is information on loan outcomes (i.e., the number of applications that were approved and originated, denied, withdrawn by the applicant, and incomplete).

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

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

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

Notes: 1. "Approved" includes loans approved by the lenders whether or not accepted by the applicant.  
2 "Other" includes loan applications that were either withdrawn or closed for incompleteness.

### Home Purchase Loans

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

### Refinance Loans

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

### Home Improvement Loans

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

<sup>5</sup> 2022 HMDA data not yet available at the writing of this Housing Element.

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

### **3. Realized Densities and Approval Time**

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

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

## **B. Governmental Constraints**

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

### **1. Transparency in Developmental Regulations**

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

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

### III. Housing Constraints

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

## 2. Land Use Controls

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

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

Land Use Category	Zoning District	Density (du/acre)	Character
Residential Very Low (RVL)	Residential Estate Zone (RE)	0.1 to 2.0	Single-family dwelling units are the principal type of housing stock allowed in these areas. Attached units, zero lot line and clustered housing are also permissible and are encouraged within the overall framework of each community. These housing types can help to meet the City's desire to create unique neighborhoods and enhance the character of the community.
Residential Low (RL)	Low Density Residential Zone (LDR)	2.1 to 5.8	
Residential Medium (RM)	Medium Density Cluster Zone (MDC)	5.9 to 12.0	Includes small lot single-family detached homes, duplexes, triplexes, fourplexes, townhouses, apartments and includes condominiums as an ownership type.
	Residential Mobile Home Zone (RMH)		
	Medium Density Residential Zone (MDR)		
Residential High (RH)	High Density Residential Zone (HDR)	12.1 to 25.0	Includes triplexes, fourplexes, townhouses, apartments, and includes condominiums as an ownership type.
Traditional Residential (TR)	n/a	Varies	Applies only in combination with a Specific Plan or other project level plan.
Traditional Residential – Ellis (TR-Ellis)	Ellis Specific Plan	4.0 to 9.0	Applies to the Ellis Specific Plan area.
Downtown (D)	Central Business District Zone (CBD), General Highway Commercial Zone (GHC), Planned Unit Development (PUD), Professional Office and Medical Zone (POM)	15.0 to 50.0	A mix of retail, office, high-density residential, cultural and public-serving uses on a grid or modified grid, multi-modal street design, with direct pedestrian and bicycle connections to residential neighborhoods.
Village Center (VC)	Professional Office and Medical (POM) and General Highway Commercial 9GHC)	12.1 to 25.0	Relatively small retail or mixed-use areas. Allowable uses in Village Centers include, but are not limited to, grocery stores, drug stores, banks, restaurants, retail stores for durable goods, small-scale professional offices or services such as travel agencies, beauty salons, daycare facilities, gyms, parks, and high density residential development, along with other neighborhood-serving uses.
Commercial		12.1 to 25	Multi-family condominiums, fourplexes, garden apartments, and similar; may include mixed use with multi-family residential and commercial.

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

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

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

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

#### **Growth Management Ordinance**

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

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

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

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

### III. Housing Constraints

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

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

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

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

#### *2009 Revisions*

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

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

#### *2012 Revisions*

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

### III. Housing Constraints

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

#### *2013 Revisions*

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

#### *2014 Revisions*

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

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

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

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

### III. Housing Constraints

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

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

#### *2015 Revisions*

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

#### *Residential Growth Allotment Allocation Process*

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

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

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

### III. Housing Constraints

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

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

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

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

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

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

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

#### *GMO and Affordability*

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

### III. Housing Constraints

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

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

#### **SB 330 and the GMO**

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

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

- (i) Has more than 550,000 acres of agricultural land.*
- (ii) At least one-half of the county area is agricultural land.*

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

### **Planned Unit Development (PUD) Zone**

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

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

#### **Density Bonuses**

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

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

#### **Cumulative Impacts of Local Ordinances**

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

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

### III. Housing Constraints

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

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

### Specific Plans

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

#### *Tracy Hills Specific Plan*

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

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

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

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

#### *Ellis Specific Plan*

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

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

### III. Housing Constraints

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

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

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

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

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

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

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

#### *Tracy Village Specific Plan*

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

### III. Housing Constraints

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

#### **3. Residential Development Standards**

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

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

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

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

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

**Medium Density Residential Zone (MDR) - 5.9 to 12.0 du/acre** - The Medium Density Residential (MDR) Zone is designed to provide for apartments, multiple-family dwellings, dwelling groups, and supporting uses. One-, two-, and multiple-family dwellings are permitted by right in this zone, as are dwelling groups and apartment houses, boarding and rooming houses, and crop and tree farming. Mobile home parks and subdivisions, condominiums and planned residential developments, board and care facilities, and rest or nursing homes are permitted through issuance of a conditional use permit. A minimum 2,900-square-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,

### III. Housing Constraints

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

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

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

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

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

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

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**Table III-5: Residential Development Standards**

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

Source: City of Tracy Zoning Ordinance, 2023.

n/a = No prescribed minimum or maximum standard.

#### **Lot Coverage, Height and Allowable Density**

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

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

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

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

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

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

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

#### **Parking**

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

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

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**Table III-6: Parking Requirements**

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

*Source: City of Tracy Zoning Ordinance, 2023.*

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

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

### Cumulative Impacts of Land Use Controls

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

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

### III. Housing Constraints

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

## 4. Provision for a Variety of Housing Opportunities

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

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

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

Source: City of Tracy Zoning Ordinance, 2015.

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

\*For information about the City's policies regarding Residential Care Facilities, please refer to the "Residential Care Facilities" discussion later in this chapter.

### Single-Family Dwellings

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

### Accessory Dwelling Unit

As defined in Tracy's Zoning Ordinance an "Accessory dwelling unit" (ADU) means:

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

### III. Housing Constraints

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

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

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

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

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

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

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

### **Manufactured Homes, Mobile Homes and Mobile Home Parks**

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

### III. Housing Constraints

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

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

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

#### **Multiple-Family Housing**

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

#### **Residential Care Facilities**

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

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

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

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

#### **Emergency Shelters**

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

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

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

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

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

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

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

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

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

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

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

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

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

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#### **Transitional and Supportive Housing**

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

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

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

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

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

### **Single Room Occupancy Units (SROs)**

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

### **Farmworker Housing**

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

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

### **Housing for Persons with Disabilities**

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

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

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

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**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’s current definition of “family” is “one or more persons occupying a single dwelling unit, under no more than one written or oral rental agreement.” This definition may act as a constraint on housing for persons with disabilities. For example, there are some service providers that require individual lease agreements for residents within a residential care facility or transitional housing. The City will revisit this definition of family to ensure that it places no negative impacts for persons with disabilities.

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

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

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

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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 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.

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

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

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

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

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

(2) Other requirements.

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

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

The City's Reasonable Accommodation procedures ensure that the requests are reviewed in a timely manner. However, the condition relating to impacts on surrounding properties may potentially constrain housing for persons with disabilities. This Housing Element includes a program action to remove this potential consideration. The program will also include an action to remove the application fee for reasonable accommodation requests.

## **5. Development and Planning Fees**

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

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

**Table III-8: Permit Processing Fees**

Type	Amount
Conditional Use Permit	\$5,969
Development Review	
Class A	\$10,680
Class B	\$8,654
Environmental Initial Study/Negative Declaration	Cost Recovery Agreement
Environmental Impact Report	\$32,772
General Plan Amendment	Cost Recovery Agreement
Planned Unit Development	\$8,945
Planning Commission Determination	\$5,417
Residential Growth Allotment	\$4,021
Specific Plan Amendment	
Minor	\$4,904
Major or New Specific Plan	\$19,632
Tentative Parcel Map	\$8,865
Tentative Subdivision Map	
5-100 lots	\$16,011
101+ lots	\$29,412
Variance	\$2,663
Zone Change	\$3,712

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

Notes:

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

A typical development is also expected to pay a variety of impact fees to ensure the adequate provision of infrastructure, services, and facilities. The exact fees to be paid depend on the location of the projects. Estimated fee schedules for single family and high density residential development are shown in Table III-9. Overall, planning and development fees total approximately \$95,548 per single-family unit and \$51,936 per multi-family unit. It should be noted that approximately 24 percent of the single-family fees and 18 percent of the multifamily fees are from outside agencies, including the County and the School District, beyond the control of the City. The City's fee structure is not partial to single-family development.

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

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

Fee Type	Single-Family Dwelling <sup>1</sup>	4-Unit Multifamily Dwelling <sup>1</sup>
<b>City Application/Permit Fees</b>		
Development Review Permit	\$8,654	\$10,680
Environmental Assessment	\$636	\$636
CBSC Fee (State Fee)	\$17	\$19
Plan Check Fee	\$323.00	\$646.00
Building Permit/Inspection Fee	\$3,999.61	\$14,974.44

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Building Plan Check Fee	\$2,567.47	\$3,258.16
Photovoltaic Residential	\$450.00	\$1,650.00
SMI (State Seismic Fee)	\$53.07	\$126.48
Fire Sprinkler	\$542.00	Note #2
<i>Subtotal - Application and Permit Fees</i>	<i>\$17,242.15</i>	<i>\$31,990.08</i>
<b>City Impact Fees<sup>1</sup></b>		
Traffic	\$7,312.00	\$17,844.00
Water Distribution	\$5,972.00	\$12,176.00
Water Supply	\$2,555.00	\$5,216.00
Water Treatment	\$4,646.00	\$9,472.00
Recycled Water	\$3,742.00	\$8,684.00
Wastewater Treatment Plan	\$9,483.00	\$25,292.00
Wastewater Conveyance - East	\$3,390.00	\$9,040.00
Wastewater Conveyance - West	\$2,269.00	\$6,052.00
Neighborhood Parks	\$8,095.00	\$21,588.00
Community Parks	\$2,559.00	\$6,824.00
Fire	\$797.00	\$2,124.00
Police	\$965.00	\$2,568.00
Communication Facilities	\$325.00	\$868.00
Public Facilities	\$4,163.00	\$11,104.00
<i>Subtotal - City Impact Fees</i>	<i>\$56,273.00</i>	<i>\$138,852.00</i>
<b>Outside Agency Fees</b>		
County Agricultural Mitigation Fee	\$763.72	\$664.12
County Habitat Mitigation Fee	\$4,428.65	\$3,851.00
County Facilities Fee	\$3,249.00	\$9,632.00
Regional Transportation Impact Fee	\$4,053.26	\$9,727.80
School Impact Fee (Tracy Unified School District)	\$10,538.00	\$13,028.80
<i>Subtotal - Outside Agency Fees</i>	<i>\$23,032.63</i>	<i>\$36,903.72</i>
<b>Total Cost</b>	<b>\$96,547.78</b>	<b>\$207,745.80</b>
<b>Cost Per Unit</b>	<b>\$95,547.78</b>	<b>\$51,936.45</b>

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

City of Tracy Development Services Department, City of Tracy 2024/25 Development Impact Fees.

Tracy Unified School District Developer Fees Effective 6/22/22

Note 1: Assumptions: 2,200 square-foot Single-Family Residence; 4-unit Multifamily project – each unit is 680sqft in size.

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

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



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## 6. On- and Off-Site Improvements

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

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

**Table III-10: Street Design Criteria**

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

Source: City of Tracy, 2023.

VPD=Vehicles per day

The City requires that curbs, gutters, and sidewalks be installed along the frontage of every lot on which new construction or significant alteration occurs. The cost of many of these onsite and offsite improvements are described in Table III-9 above. The cost of curbs, gutters and sidewalks depends on the type and size of project and are proportional to each individual project. In the flat areas of Tracy, onsite and offsite costs are about ten to 15 percent of the overall project costs for a house. In the hill areas of the City, this percentage is about ten to 18 percent of the overall costs. With new homes in Tracy averaging \$550,000, these infrastructure costs are a lower percentage because of the higher home costs.

Similar to most communities with tract home development trends, the City of Tracy has historically conditioned projects to provide infrastructure to ensure the project would provide for on-site improvements necessary to function and develop. Any off-site improvements that are required for

road connections and utilities would also be conditioned as part of project approvals. These approvals made sure that projects could be developed in a timely manner and by practice fast tracked development projects.

The result of this policy has placed a larger amount of off-site infrastructure into the City Capital Improvement Program. These improvements are largely dependent upon development impact fees to complete and the timing is based upon the greatest community need. This has also really placed the burden on projects to provide for their own infrastructure needs. For large projects, there is a benefit. For smaller projects, the infrastructure improvements may require greater coordination with adjacent development projects and potentially wait for capital improvement projects to be completed.

Given the large scale of some projects in Tracy, developers may have to provide large scale infrastructure to serve their projects. One example is Tracy Hills. This project requires the construction of a new water reservoir which requires going through the State permitting process. This is a process that is outside of the City's responsibility and timing depends on the State and developer coordination. In addition, the San Joaquin Council of Governments provides grants for infrastructure improvements. As mentioned in the Sites Chapter of this Housing Element, recent multifamily developments in the City have had success in meeting the densities allowed by the Zoning Ordinance.

The City of Tracy has placed a renewed importance on the timing of infrastructure and reviewing capital infrastructure timing and location to ensure that services and utilities are provided to the community. The Assistant City Manager is now reviewing the overall CIP program to ensure the timing and financing of capital improvement projects are provided throughout the community. The community has voiced their concerns to the City Council about needed infrastructure improvements.

The City is rethinking about how projects are financed and how to accelerate the construction of needed improvements. This will help speed up the construction of industrial, commercial and residential projects city-wide. The city is coordinating efforts to make sure that the opportunity sites will have needed infrastructure to construct.

Please also see information about the Process Review Committee described in the Development Review section below.

## **7. Building Codes and Enforcement**

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

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

- Permitted size of tool and storage sheds;
- Height of fences, including masonry fences;

### III. Housing Constraints

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

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

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

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

## 8. Local Permits and Processing Times

The processing time needed to obtain development permits and required approvals is commonly cited by the development community as a prime contributor to the high cost of housing. Depending on the magnitude and complexity of the development proposal, the time that elapses from application submittal to project approval may vary considerably. Factors that can affect the length of development review on a proposed project include: completeness of the development application submittal, responsiveness of developers to staff comments and requests for information, and projects that are not exempt from the California Environmental Quality Act (CEQA), require rezoning or general plan amendment, or are subject to a public hearing before the Planning Commission or City Council.

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

**Table III-11: Processing Times**

Project Type	Reviewing Body	Public Hearing Required	Appeal Body (if any)	Estimated Total Processing Time
Single-Family Subdivision	Planning Commission*	Yes	City Council	2-6 months
Multiple-Family	DES Director	Yes	Planning Commission	2-6 months
Multiple-Family (with subdivisions)	Planning Commission*	Yes	City Council	2-6 months
Mixed Use	Planning Commission	Yes	City Council	2-6 months

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

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

Tracy follows the requirements of the Subdivision Map Act and the Permit Streamlining Act. Timing between a tentative and final map, as well as between planning approval and the submittal of building permit applications are often reliant on the property owners and developers as they work through their financing and construction management. Tracy also follows CEQA requirements: including determining what type of CEQA document is required within 30 days of a complete application and filing a Notice of Determination within 30 days of a project approval. 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.

The City's Engineering Division has been impacted by staffing limitations because of retirements and staff turnover. The engineering profession as a whole, has been impacted by retirements from the profession and fewer applicants compared to jobs in municipal government. The City has recently hired a consulting firm to backfill open engineering staff positions and help provide technical expertise to process entitlements and review improvement plans and construction documents. The goal is to eliminate any holdups to approvals and eliminate any bottlenecks that might exist because of staff limitations. This is a longer-term commitment to help bolster the engineering department staffing and maintain the timely processing of entitlements and construction plans.

**Table III-12: Approximate Processing Times**

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

Source: City of Tracy Planning Department, 2015.

## Development Review

Development Review is a discretionary review of the design of a project, including the site plan, landscape plan, building elevations, grading plan, and utility plan. The purpose of Development

### III. Housing Constraints

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

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

A Development Review Permit is required for all multifamily and mixed-use housing developments or improvements that require a building permit. Single-family home projects that include more than four units are also required to obtain a development review permit. The vast majority of these applications are determined at the Director level and take approximately two to three months for application processing. Only one application has been moved up to the Planning Commission over the last several years. Individual single-family homes, duplexes and single-family development projects with four or fewer units are exempt.

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. Approximately 90 percent of these are approved at the Director level. For the approximately ten percent that go to Planning Commission, it is due to older conditions on the property that need to be corrected or brought up-to-date. The City's Specific Plans are very specific to make subsequent applications as easy and quick as possible.

Regarding the tier levels described below, Tier 1 usually applies to commercial projects related to aesthetics and proximity to the freeway. Residential projects are almost always reviewed at the Director level (please see comment about Specific Plans above).

The Community and Economic Director recently implemented a Process Review Committee to look at the entitlement review process and how the City organization functions. The goal is to look at how this City process entitlements and determine if there are opportunities to streamline operations and determine if there are areas that can be improved upon. This group is looking at interactions between City departments as well as outside agencies and to ensure the City follows the timeframes identified in the Permit Streamlining Act, the Subdivision Map Act, CEQA and other legislative requirements.

The City of Tracy is a fast-paced development community and processes a large volume of entitlement permits each year. The city does not have a policy or tradition of holding on to applications and stalling development.

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

#### Tier 1

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

- the development review permit application is paired with another application being reviewed by the City Council (including an appeal);
- the affected property is located within the I-205 overlay zone ([Article 21.2](#));

### III. Housing Constraints

- a specific plan or design guidelines require City Council review.

#### *Tier 2*

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

- the development review permit application is paired with another application being reviewed by the Planning Commission (including an appeal);
- the development review permit application is for a site located within 500 feet of a freeway;
- a specific plan or design guidelines require Planning Commission review; or
- the Director refers a development review permit application to the Planning Commission.   
Please note: For RHNA projects, this would be other applications, such as a Conditional Use Permit, that requires Planning Commission approval.

#### *Tier 3*

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

Referring applications to the Planning Commission occurs when there are questions about General Plan and Zoning consistency. Most projects are consistent with the City of Tracy General Plan and zoning code. These projects are approved at a Development and Economic Department Director review. Most projects under the RHNA identified sites will require only Development Review at the Director level, unless there are extenuating circumstances, such as a conditional use permit or other application type that requires Planning Commission or City Council approval. Director review timeframes are identified below (see Table III-13). As part of the Process Review Committee described above, the City will look at the Development Review Permit Process and remove and subjective language that may impede development. This is included in the Housing Element's Zoning Code amendment program.

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

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

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

### III. Housing Constraints

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

These findings are subjective and can serve as a constraint to development. On March 2, 2021, the City Council approved staff to begin working on an action plan to address affordable/workforce housing, among which include changes to density and development regulations. The action plan will include objective design standards for multi-family and mixed-use development. However, since Development Review Permits are required for single-family projects with five or more units, this Housing Element includes a program to revise the two above findings to remove subjective language and allow for approval certainty. **Table III-13: Development Review Processing Times**

	Application Steps	Time
Step 1	<b>Submit Application</b> Development application forms, general submittal requirements and instructions, electronic submittal instructions, and the fee schedule are available on the City's website.	
Step 2	<b>City Review</b> City review includes routing application materials to multiple City departments and other agencies for comments. The comments are compiled into a comprehensive letter to the applicant, which details incomplete items, applicable requirements and staff recommendations. Once the application is deemed complete and all requirements are met, City staff will prepare the project for public hearing (step 4).	30 days
Step 3	<b>Applicant Response</b> Some projects require additional information or clarification by the applicant and/or revisions to the plans. This step is the applicant's response to those requirements. The applicant's response will be reviewed by the City and steps 2 and 3 may be repeated if necessary.	30 days (typical)
Step 4	<b>Public Hearing</b> Public hearings before the Community & Economic Development Director are required for all Development Review applications. Director-level hearings are scheduled on an as-needed basis. A public notice of the hearing will be sent to all property owners within 300 feet of the subject property and posted in a local newspaper.	30 - 180 days (typical)*
<b>Estimated Total Timeframe</b>		90 - 240 days (typical)**
<i>Source: City of Tracy Planning Department, 2015.</i>		
<i>Notes: * PUD zone districts require a public hearing with both Planning Commission and City Council, which could add additional time (typically 45 – 60 days).</i>		
<i>** The time frame may be extended for complex projects or to meet requirements of environmental review.</i>		

## Conditional Use Permit

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

A public hearing is required for each application for a Conditional Use Permit. Hearings are typically held within 90 days after the date the application was filed. Notice of the public hearing must 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 granting a conditional use permit, the Commission must make all of the following findings:

- (a) That there are circumstances or conditions applicable to the land, structure, or use which make the granting of a use permit necessary for the preservation and enjoyment of a substantial property right;
- (b) That the proposed location of the conditional use is in accordance with the objectives of this chapter and the purposes of the zone in which the site is located;
- (c) That the proposed location of the use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety, or welfare or materially injurious to, or inharmonious with, properties or improvements in the vicinity; and
- (d) That the proposed use will comply with each of the applicable provisions of this chapter.

In finding (c) the term "inharmonious" may be considered subjective. The Housing Plan in this Element includes review of this finding by the City.

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;

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- The regulation of noise, vibration, odors, and other similar characteristics;
- The regulation of the time for certain activities to be conducted on the site;
- The time period within which the proposed use shall be developed;
- A bond, deposit of money, or letter of credit for the completion of the street improvements and other facilities or for the removal of such use within a specified period of time to assure faithful performance on the part of the applicant.

### **Development Review Team Meetings**

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

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

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

## **9. State Tax Policies and Regulations**

### **Proposition 13**

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

### **Federal and State Environmental Protection Regulations**

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

## C. Environmental and Infrastructure Constraints

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

### 1. Geologic and Seismic Hazards

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

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

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

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

### 2. Flooding

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

### III. Housing Constraints

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

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

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

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

### **3. Wildland Fires**

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

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

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

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

### III. Housing Constraints

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

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

#### **4. Hazardous Materials and Waste**

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

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

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

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

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

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

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

### III. Housing Constraints

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

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

## 5. Water Supply

Tracy's 2020 Urban Water Management Plan (UWMP) was adopted in June 2021.<sup>7</sup> The UWMP provides information about the City's historical and projected water demands, water supplies, supply reliability and potential vulnerabilities, water shortage contingency planning and demand management programs. The information provided below is from the 2020 UWMP.

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

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

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<sup>7</sup> City of Tracy, 2020 Urban Water Management Plan, June 2021. Prepared by EKI Environment & Water.

### III. Housing Constraints

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

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

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

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

## 6. Wastewater Capacity

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

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

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

## 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.

### III. Housing Constraints

These vegetation areas and habitats, which are described below, host a wide range of wildlife and plant species that reflect the diversity in San Joaquin County and the Central Valley.

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

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

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

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

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## IV. Housing Sites and Resources

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### A. Land Inventory

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

#### Housing Allocation

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

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

**Table IV-1: 2023-2031 RHNA**

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

*Source: Regional Housing Needs Plan, SJCOC, 2023-2031.*

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

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

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

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

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### 20 Percent No Net Loss Buffer

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

### 5th Cycle Carryover Sites

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

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

### Total Target Capacity

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

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

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

## B. Realistic Capacity

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

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

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

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

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

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

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

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

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

\*Proposed project, not included in the RHNA

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

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

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

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

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

**Table IV-5: Assumed Yields**

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

\*Proposed Mixed Use zone

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

## C. Assumed Affordability – Density and Size

### 1. Density

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

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

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

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

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

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

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

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

## 2. Size of Development Sites

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

### Small Opportunity Sites

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

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

The Junction (46 lower-income units) and the E 8<sup>th</sup> St Apartments (5 above moderate-units) are two pending multifamily projects that demonstrate the viability and interest in developing/consolidating lots under 0.5 acres in Tracy (see ~~Table IV-11~~~~Table IV-9~~). The Junction consists of six parcels totaling 0.47 acres and the E 8<sup>th</sup> St Apartments consist of three parcels totaling 0.23 acres. Both pending projects are smaller in total acreage than any of the consolidated sites shown in Table IV-7 and both projects are examples of vacant (The Junction) and non-vacant (E 8<sup>th</sup> St Apartments) consolidation development. Additionally, ~~six-all nine~~ of the ~~ten~~ proposed consolidation sites are located within/adjacent to downtown Tracy which is also where the two pending lot consolidation projects are located.

The City processes lot consolidations through a standard lot line adjustment process as part of the Final Map Review and can be processed as one application or approved separately with conditions of joining lots. It is a routine process and does not cost additional fees to the applicant. Therefore, there is no additional constraint for the applicant to consolidate small lots.

**Table IV-7: Small Lot Consolidations**

<u>Sites Consolidated</u> <u>Group</u>	<u>APNs</u>	<u>Total Acreage</u>	<u>Common Ownership?</u>
A	23336913, 23336914, 23336915, 23336916, 23336917, 23336918, 23336919	0.79	Yes
B	23405003, 23405004	0.51	Yes
C	<u>23505305</u> , 23505306, 23505307	<u>0.750.62</u>	Yes
D	23512001, 23512002	3.24	Yes
E	23516206, 23516207, 23516208, 23516209	0.68	No
F	23542005, 23542007	0.82	Yes
G	23543009, 23543011	0.55	Yes
H	<u>23543012</u> , 23543013, <u>23543014</u>	<u>0.560.90</u>	<u>No</u> Yes
I	<u>23506311</u> , 23506312, 2350631623310314, <u>23310315</u>	<u>1.220.34</u>	Yes
J	<u>23506311</u> , 23506312, 23506316	1.22	Yes

The following 9 sets of parcels (26 total parcels) with potential for lot consolidation are detailed below.

- Group A is composed of seven contiguous parcels totaling 0.79 acres, with a realistic capacity of 20 lower income units. This site area forms a rectangular regular shaped half block and is bounded by Holly Drive, E 11<sup>th</sup> Street, and El Portal Street. All seven parcels are under common ownership. The sites are vacant, fenced off in some areas, and used informally for parking and function as one site.
- Group B is composed of two parcels totaling 0.51 acres, with a realistic capacity of nine lower income units. These two adjacent parcels are under common ownership, vacant, function as a single use, and accessible only by W 11<sup>th</sup> Street. Consolidating these parcels allows for improved access and greater development feasibility as the parcels are currently only accessible by a single road and are irregularly shaped.
- Group C is composed of two parcels totaling 0.62 acres, with a realistic capacity of 16 lower income units. This site area forms a rectangular half block and is bounded by W 11<sup>th</sup> and B Street and is alley-loaded. These are adjacent parcels under common ownership and function as a single use. There are no active uses on the sites, however there is a vacant building and an unmaintained paved area. Consolidating these parcels allows for improved access and greater development feasibility as one site will be difficult to develop at its size (0.17 acres).
- Group D is composed of two adjacent parcels totaling 3.24 acres, with a realistic capacity of 95 lower income units. These parcels are under common ownership and consist of a single-family home which consists of approximately 6-percent of the total site. Consolidating these parcels allows for improved access and greater development feasibility as one site will be difficult to develop at its size (0.29 acres) and shape (narrow and deep ~ 35 ft x 350 ft).
- Group E is composed of four contiguous parcels totaling 0.68 acres, with a realistic capacity of 17 lower income units. This site area forms more than a half block and is bounded by N Central Avenue, E 7<sup>th</sup> Street, and Jackson Alley. Three of the parcels are under common ownership and vacant, the other is a single family residence between the vacant parcels. Two

#### IV. Housing Sites and Resources

of the sites function as a single use. The sites currently have good access and are rectangular in shape.

- **Group F** is composed of two parcels totaling 0.82 acres, with a realistic capacity of 24 lower income units. These two adjacent parcels function as a single use, are under common ownership one of which is vacant and one is consists of a single-family home. This site area is also only accessible by W 4<sup>th</sup> Street. Consolidating these parcels allows for improved access and greater development feasibility as the parcels are currently only accessible by a single road and are irregular shaped.
- **Group G** is composed of two parcels totaling 0.55 acres, with a realistic capacity of 16 lower income units. These two adjacent parcels are under common ownership, function as a single use, vacant, and accessible only by W Mount Diablo Avenue. Consolidating these parcels allows for improved access and greater development feasibility due to the potential parcel size (100 ft x 185 ft). The sites currently have good access and are rectangular in shape.
- **Group H** is composed of two parcels totaling 0.9 acres, with a realistic capacity of 27 lower income units. These two adjacent parcels are under common ownership, function as a single use, vacant, and accessible only by W Mount Diablo Avenue. The sites currently have common access and are regular in shape.
- **Group I** is composed of three parcels totaling 1.22 acres, with a realistic capacity of 31 lower income units. These three adjacent parcels function as a single use, are under common ownership, consist of vacant land and a dilapidated structure, and accessible only by W 6<sup>th</sup> Street. Consolidating these parcels allows for improved access and greater development feasibility as the parcels are currently only accessible by a single road and are irregular shaped.

#### Large Opportunity Sites

Due to the availability of vacant land in the City limits, the City is expecting and planning to grow in these areas. However, several vacant parcels the City is including in the RHNA sites inventory are larger than 10 acres. The City has a strong track record of developing large parcels with multifamily residential. Table IV-8 lists four projects on sites larger than 10 acres, which have an average actual built density of 93 percent of the allowed density for each site. Additionally, there is precedence of affordable units constructed on large sites in Tracy, as highlighted in Table IV-8. The Vela Apartments is a 246 unit project on 11.88 acres. The project has 70 deed restricted moderate income units, which is 28 percent of the total.

**Table IV-8: Recently Built Large Site Multifamily Projects Affordability**

Project	Project Size	Low Units	Moderate Units	Above Moderate Units	Total Units	% of Affordable Units	Project Density (du/ac)	% of Max Density
Gateway Crossing/Gateway Station	10.15	-	-	-	231	-	22.8	91%
Aspire Apartments	10.80	-	-	-	348	-	32.2	129%
The Vela Apartments	11.88	-	70	194	246	28%	20.7	83%
Harvest in Tracy	17.14	-	-	-	301	-	17.6	70%

Source: City of Tracy

Additionally, Table IV-9 highlights the regional large sites trend assumptions for jurisdictions compared to the City of Tracy. The following factors were identified.

- Located within the San Joaquin Valley,

- Site acreage,
- Permitted densities, and
- Affordability distribution

The regional examples in Table IV-9 support the conservative affordability assumptions used in Tracy (see Table IV-5). The affordability distribution of lower-income units in these jurisdictions ranges from 50 to 100 (average of 70 percent). This observed trend of 70% lower income is higher than the conservative 40 percent affordability assumptions used in Tracy (20% very low, 20% low, and 60% moderate). These regional examples are also similar in permitted density (average max 34 du/ac), realistic density (average 23.1 du/ac), and parcel size (average 19.5 acres), to the large opportunity sites in Tracy.

**Table IV-9: Regional Large Sites Trends**

<u>Jurisdiction</u>	<u>Site Acreage Range/Average</u>	<u>Density</u>	<u>Realistic Density</u>	<u>Lower Income Distribution</u>
Stockton	12.16 – 19.35/14.8	17.5-30 du/ac	24	100%
Clovis	11.17 – 37.5/ 25	15-43 du/ac	25.1	60%
Fresno County	11.82	20-29 du/ac	20.1	50%
Tracy*	11.4 – 14.3/13.3	20-35 du/ac	17.5	40%

*Note: Does not include sites where <10 acre portions of a site were identified to accommodate lower-income units.*

Therefore, the City will create including a program to facilitate the development and subdivision of large lots and vacant portions of non-vacant parcels to sizes appropriate for the development of affordable housing units (.5 – 10 acres) through master plans or specific plans and will give high priority to processing subdivision maps that include affordable housing units as well as other large parcel development incentives (Program 10).

Additionally, In addition to the regional trends and implementation of Program 10, the City is currently conducting an analysis for an inclusionary housing ordinance which will determine the City's options to ensure affordable units in new multifamily housing projects.

The City has identified 11-10 large opportunity sites for lower-income units that meet a portion of its lower-income RHNA obligation (see Table IV-10). The 11-10 opportunity sites consist of parcels ranging in size from 11.4 to 104.1 acres. The sites inventory does not utilize the entirety of each large parcel, as subdivision is anticipated.

Three of the sites (between 11.94 and 14.3 acres) are projected to develop the entire property, while the other eight, larger parcels are only projected to develop a portion of the property. Both types of large sites are described below. Eight of the eleven large sites are being rezoned to HDR, a total of 58.7 acres and 1,748 units.

The first three sites are being and will be rezoned from Light Industrial (M1) to the new Mixed Use zone (MU-1), for a total of 40.3 acres and 706 units. The large To account for the potential for non-residential development, these opportunity sites are not assumed at a total of 50 percent total capacity to be entirely lower income and are projected at mixed-income with both moderate and lower-income units for a total of 282 lower income and 424 moderate income units. Additionally, a conservative 40 percent lower-income affordability assumption is being used in Tracy (20% very low, 20% low, 60% moderate) lower income units are only being projected as 20 percent of the maximum yield of the sites.

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~~while the other eight, larger parcels are only projected to develop a portion of the property. Both types of large sites are described below. Eight of the eleven large sites are being and will be rezoned to HDR, a total of 58.78 acres and 1,748 1,450 units.~~

**Table IV-10: Large Sites**

<u>APN</u>	<u>Total Acres</u>	<u>Use of Entire Parcel</u>	<u>Zoning</u>	<u>Estimated Yield Density (du/ac)</u>	<u>Very Low Income Units</u>	<u>Low Income Units</u>	<u>Moderate Income Units</u>	<u>Total Units</u>
<u>24802017</u>	<u>14.3</u>	<u>Yes</u>	<u>MU-1</u>	<u>17.5</u>	<u>50</u>	<u>50</u>	<u>150</u>	<u>250</u>
<u>24803005</u>	<u>14.3</u>	<u>Yes</u>	<u>MU-1</u>	<u>17.5</u>	<u>50</u>	<u>50</u>	<u>150</u>	<u>250</u>
<u>24803010</u>	<u>11.4</u>	<u>Yes</u>	<u>MU-1</u>	<u>17.5</u>	<u>41</u>	<u>41</u>	<u>124</u>	<u>206</u>
<u>21205052</u>	<u>42.1</u>	<u>No (5.0 acres)</u>	<u>HDR</u>	<u>29.75</u>	<u>90</u>	<u>56</u>	<u>-</u>	<u>146</u>
<u>24614001</u>	<u>34.2</u>	<u>No (10.0 acres)</u>	<u>HDR</u>	<u>29.75</u>	<u>59</u>	<u>59</u>	<u>180</u>	<u>298</u>
<u>23213010</u>	<u>70.1</u>	<u>No (3.8 acres)</u>	<u>HDR</u>	<u>29.75</u>	<u>70</u>	<u>43</u>	<u>-</u>	<u>113</u>
<u>20925050</u>	<u>71.5</u>	<u>No (10.0 acres)</u>	<u>HDR</u>	<u>29.75</u>	<u>184</u>	<u>114</u>	<u>-</u>	<u>298</u>
<u>25105008</u>	<u>104.1</u>	<u>No (10.0 acres)</u>	<u>HDR</u>	<u>29.75</u>	<u>184</u>	<u>114</u>	<u>-</u>	<u>298</u>
<u>25105008</u>		<u>No (5.0 acres)</u>	<u>HDR</u>	<u>29.75</u>	<u>92</u>	<u>57</u>	<u>-</u>	<u>149</u>
<u>24014027</u>	<u>21.7</u>	<u>No (5.0 acres)</u>	<u>HDR</u>	<u>29.75</u>	<u>91</u>	<u>57</u>	<u>-</u>	<u>148</u>

The first three sites are being

Additionally, the City is currently conducting an analysis for an inclusionary housing ordinance which will determine the City's options to ensure affordable units in new multifamily housing projects.

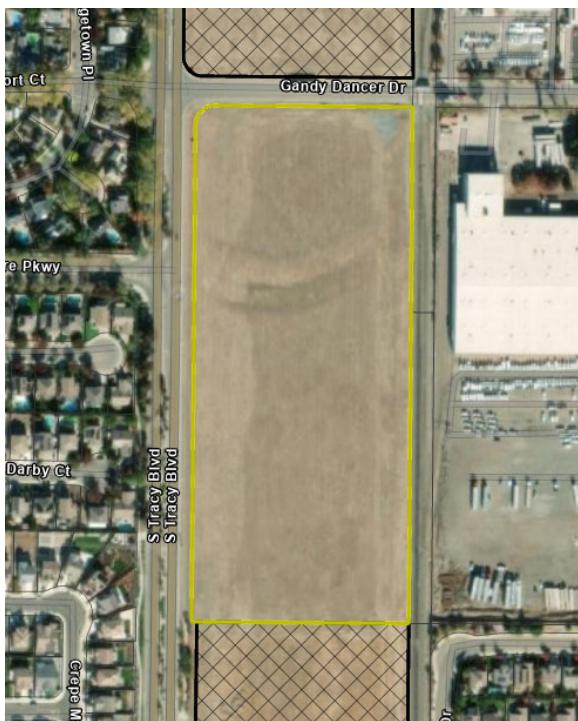
The following are descriptions of these 10 large opportunity sites.

**24802017 - South Tracy Blvd and Gandy Dancer Drive**

This site has a total area of approximately 14.3 acres, which is entirely vacant. This opportunity site is anticipated to be mixed income and accommodate 100 lower-income units and 150 moderate-income units. To account for the potential for non-residential development, the sites inventory assumes a conservative 50 percent yield and 40 20 percent distribution for the lower-income units. The site is located off a major thoroughfare (South Tracy Blvd) providing great access, adjacent to existing residential, and approximately less than 0.5 miles from a grocery store. This site is also similar in characteristics and zoning to the Vela Apartments site (seen in Table IV-8Table IV-8, this project yielded a total of 264246 units on 11.88 acres (20.7 du/acre).

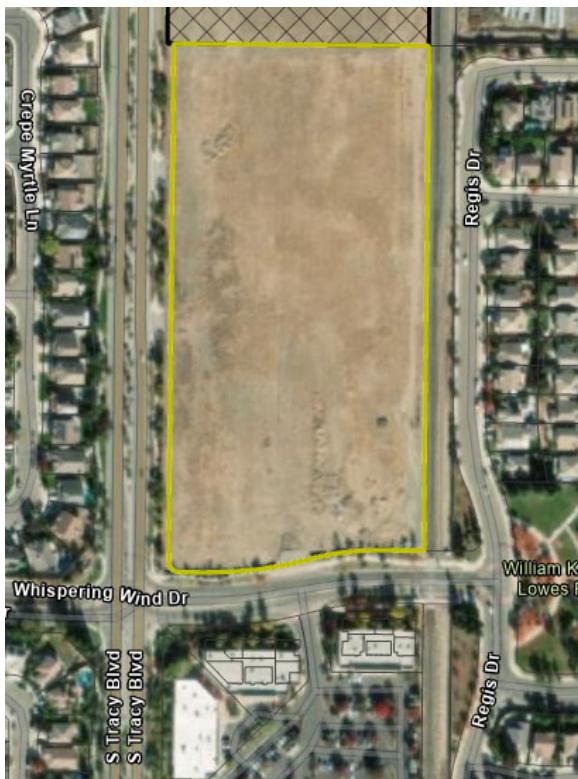
#### IV. Housing Sites and Resources

##### 24803005 - 4800 South Tracy Blvd



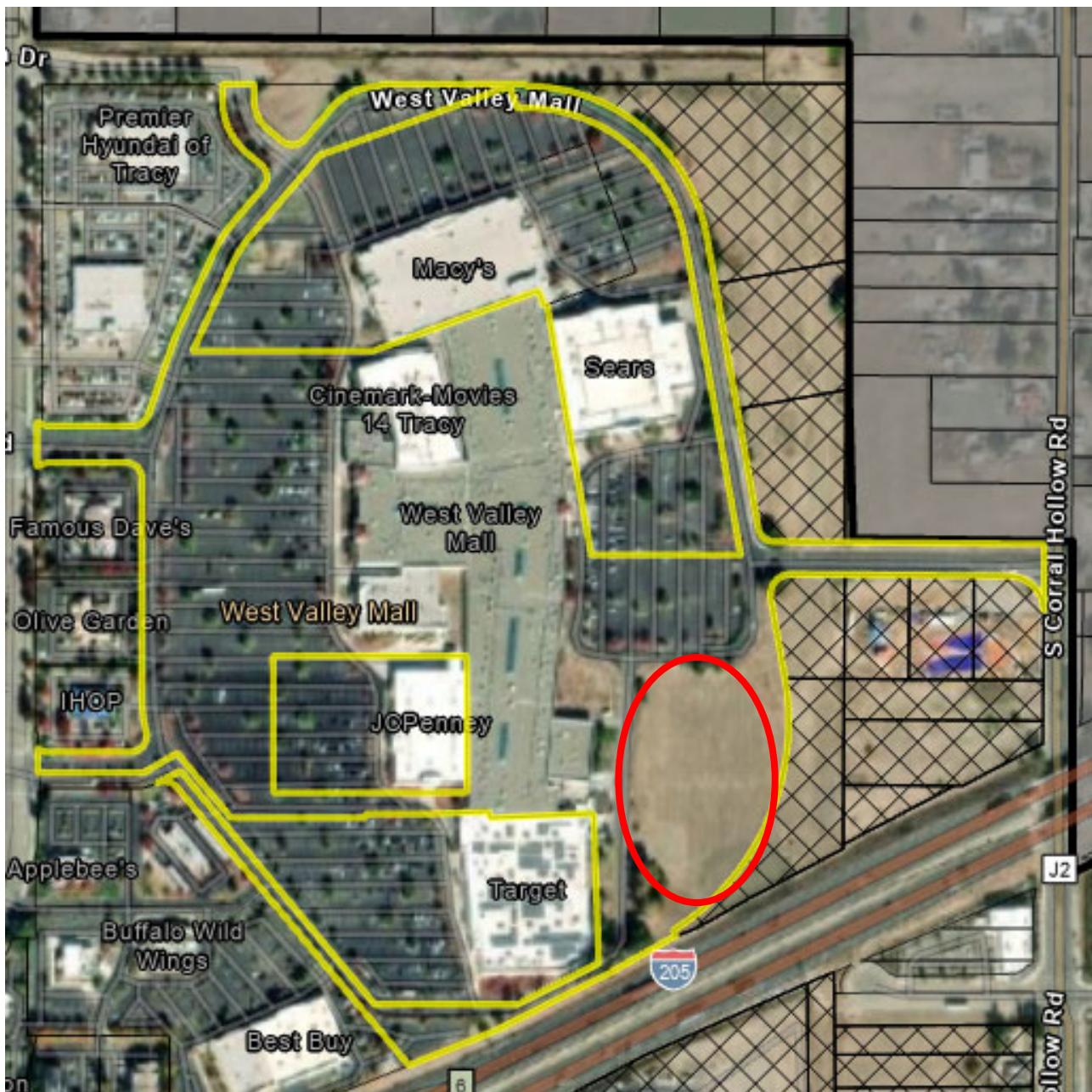
4800 South Tracy Blvd has a total area of approximately 14.3 acres, which is entirely vacant. This opportunity site is anticipated to be mixed income and accommodate 100 lower-income units and 150-moderate income units. To account for the potential for non-residential development, the sites inventory assumes a conservative 50 percent yield and 40 ~~20~~ percent distribution for the low-income units. The site is located off a major thoroughfare (South Tracy Blvd) providing great access, adjacent to existing residential, and approximately 0.5 miles from a grocery store. This site is nearly identical in characteristics and directly south of the site at the intersection of South Tracy Blvd and Gandy Dancer Dr. It is also similar in characteristics and zoning to the Vela Apartments site (seen in Table IV-11~~Table IV~~), this project yielded a total of 246 units on 11.88 acres (20.7 du/acre).

##### 24803010 - 4100 South Tracy Blvd



4100 South Tracy Blvd has a total area of approximately 11.4 acres, which is entirely vacant. This opportunity site is anticipated to be mixed income and accommodate 82 lower-income units and 124 moderate-income units. To account for the potential for non-residential development, the sites inventory assumes a conservative 20 percent distribution for the low-income units. The site is located off a major thoroughfare (South Tracy Blvd) providing great access, there is a bus stop on the western edge of the parcel as well as an adjacent park to the southeast. The site has existing curb cuts and sidewalks along the western and southern edge, making the site ready for development. This site is similar in characteristics and zoning to the Vela Apartments site (seen in Table IV-11~~Table IV~~), this project yielded a total of 246 units on 11.88 acres (20.7 du/acre).

## 21205052 - West Valley Mall

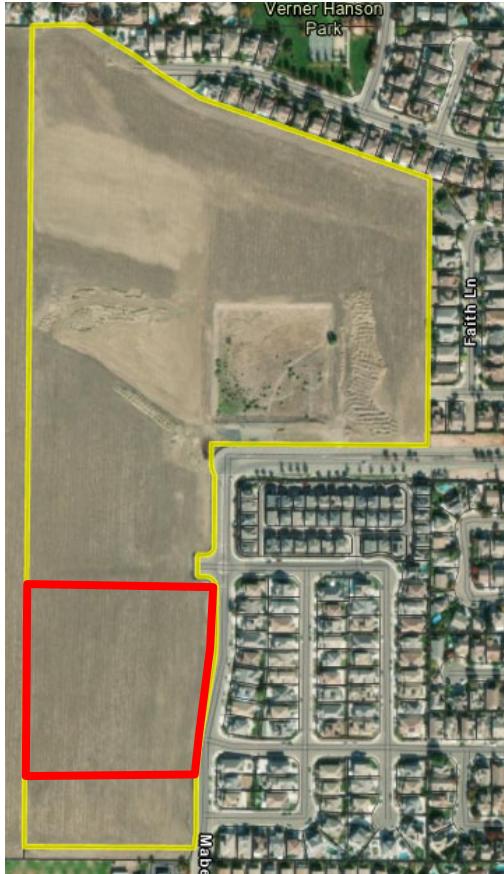


West Valley Mall has a total area of approximately 42.1 acres, which includes a majority of the mall structure, parking lots, and drive aisles. Located on this parcel is an approximately 5-acre vacant area towards the southeastern part of the site along Interstate 205. This opportunity site is anticipated to accommodate 146 lower-income units. Discussions with real estate professionals and developers during outreach reflected the opportunity to develop this property and area of the City. The site is within the I-205 Specific Plan and has a General Plan designation of Commercial, which allows for 25 du/acre. One of the most recent projects completed in the City (Aspire Apartments, see [Table IV-11](#)[Table IV](#)) is located just west of this parcel and is also in the I-205 Specific Plan. This project yielded a total of 348 units on [10.80](#)-acres (32.2 du/acre). [Program 10](#) will help the City process the

#### IV. Housing Sites and Resources

subdivision of these larger parcels to smaller parcels appropriate for lower-income housing development.

##### *24005037 - Mabel Josephine Drive and West. Schulte Road*

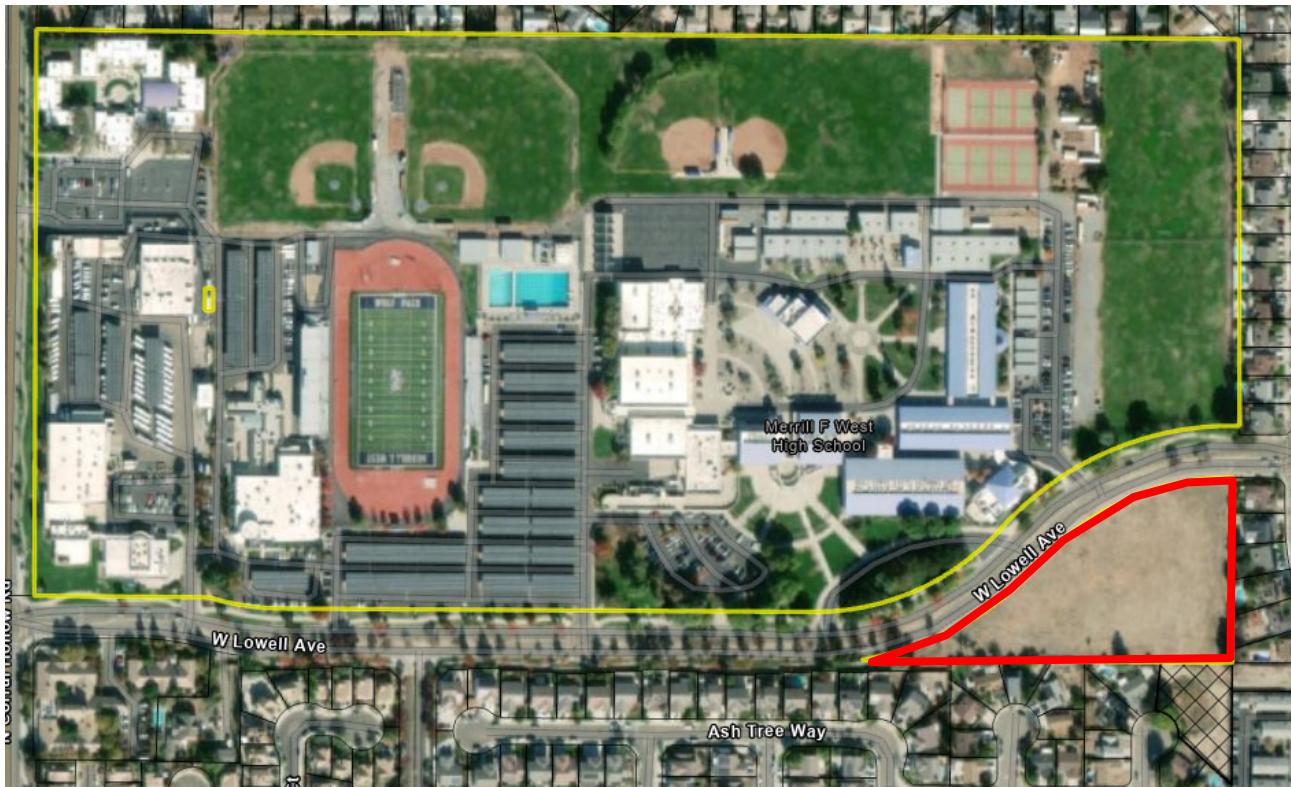


The parcel located at the intersection of Mabel Josephine Drive and W. Schulte Road is approximately 48.7 acres of vacant Planned Unit Development (PUD) zoned land. The parcel contains a 10-acre RHN opportunity site that is anticipated to accommodate 298 lower-income units after rezoning from PUD to HDR. The 10-acre RHN opportunity site is located at the intersection of Patrick McCaffrey Sr. Avenue and Mabel Josephine Drive. The parcel is surrounded by single-family residential uses along the eastern and northern boundary; northeast of the site there is recently completed multifamily housing project developed by Bright Homes. The owner of the property (Bright Homes) confirmed interest in the site and has identified this location for the opportunity site and determined it was one of two locations which were the most feasible to develop low-income multifamily housing on the parcel. Program 10 will help the City process the subdivision of these larger parcels to smaller parcels appropriate for lower-income housing development.

**24614001 - West Valpico Road (West of Vela Apartments)**

The parcel located on Valpico Road about 0.5 mile east of Tracy Blvd is approximately 34.2 acres of vacant Light Industrial (M-1) zoned land. The parcel contains a 10.0-acre RHNA opportunity site that is anticipated to be mixed income and accommodate 118 lower-income units and 180 moderate-income units after rezoning from M1 to HDR. The site is located at the southern half of the parcel that is fronting Valpico Road. The site is surrounded by single-family residential uses to the northeastern corner, a warehouse to the west, and multifamily housing located directly adjacent to and east of the site (Vela Apartments; see [Table IV-8](#)). The Vela Apartments are comparable in size (11.8-acres) and the owner has expressed interest to the City in developing this portion of the parcel in the future as a continuation of the Vela Apartments project. [Program 10 will help the City process the subdivision of these larger parcels to](#)

[smaller parcels appropriate for lower-income housing development.](#)

**23213010 - Merrill F West High School**

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The parcel located at 1775 West Lowell Ave is approximately 70.1 acres of LDR zoned land. The non-contiguous parcel contains a 3.8-acre vacant opportunity site that is anticipated to accommodate 113 lower-income units. The vacant 3.8-acre site is located in southeastern portion of the property on the south side of West Lowell Ave across the street from Merrill F West High School. The vacant 3.8-acre portion of the parcel is underutilized and is located adjacent to existing residential, three schools, bus stops, and an opportunity site which has the potential for consolidation. The realistic capacity for the site before rezoning would be 18 above moderate-income units, but after rezoning from LDR to HDR, the realistic capacity is 113 net new lower-income units. [Program 10 will help the City process the subdivision of these larger parcels to smaller parcels appropriate for lower-income housing development.](#)

#### *20925050 - West of North Lammers Road*



The parcel located west of North Lammers Road is approximately 71.5 acres of vacant PUD zoned land. The parcel contains a 10.0-acre RHNA opportunity site that is anticipated to accommodate 298 lower-income units after rezoning from PUD to HDR. The identified vacant 10.0-acre site is located along the eastern boundary of the property southwest of the intersection of North Lammers Road and Capitol Park Drive. The vacant site is surrounded by vacant land and single family with agricultural activity. The City of Tracy views this area as having great development potential and

#### IV. Housing Sites and Resources

has identified several other RHNA opportunity sites in this area of the City as well. Program 10 will help the City process the subdivision of these larger parcels to smaller parcels appropriate for lower-income housing development.

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##### **25105008 -27901 North Lammers Road**

The parcel located at 27901 North Lammers Road is approximately 104.1 acres of vacant MDR zoned land in the Tracy Hills Specific Plan. The parcel contains a 5.0-acre RHNA opportunity site that is anticipated to accommodate 149 lower-income units after rezoning from MDR to HDR and a 10.0-acre RHNA opportunity site that anticipated to accommodate 298 lower-income units after rezoning. Through Program 10, these sites can be developed as part of a phased development or subdivided individually. The sites are located in the eastern portion of the property along North Lammers Road. The vacant sites are surrounded by vacant land and single family residential with agricultural activity. Additionally, the site is adjacent to several other identified RHNA opportunity sites as well as Tracy Hills Phase 5 to the southeast (see Table IV-4). The City is anticipating and preparing for growth in this area and is currently planning infrastructure improvements to support development and access to these RHNA opportunity sites. Program 10 will help the City process the subdivision of these larger parcels to smaller parcels appropriate for lower-income housing development.

The realistic capacity for the 5.0-acre site before rezoning would be 51 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 98 net new units (149 total lower-income units). The capacity for the 10-acre site before rezoning would be 102 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 196 net new units (298 total lower-income units).



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##### **24014027 – 4720 North Lammers Road**

The parcel located at 4720 North Lammers Road is approximately 21.7 acres of M1 zoned land in the Tracy Hills Specific Plan. The parcel contains a 5.0-acre RHNA opportunity site that is anticipated to accommodate 148 lower-income units after rezoning from M1 to HDR. The identified vacant 5.0-acre site is located in the western portion of the property along S Lammers Rd. The single-family residential site is surrounded by vacant land and other single family residential with agricultural activity. Additionally, the site is adjacent to several other identified RHNA opportunity sites as well as Tracy Hills Phase 5 to the south (see Table IV-4). The City is anticipating and preparing for growth in this area and is currently planning infrastructure improvements to support development and access to these RHNA opportunity sites. Program 10 will help the City process the subdivision of these larger parcels to smaller parcels appropriate for lower-income housing development.

The existing zoning does not allow residential, but after rezoning from M1 to HDR, the realistic capacity is 148 net new lower-income units.



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### **3. Environmental and Infrastructure Constraints**

The sites inventory analysis takes into account any environmental constraints such as habitat, flood, noise hazards, easements, airport compatibility, Williamson Act contracts, environmental overlays, property conditions and steep slopes. Any environmental constraints that would lower the potential yield have already been accounted for in the site/unit capacity analysis through a reduction of the developable acreage of the site. There are no other known conditions on the sites that would preclude development in the planning period.

In general, the deductions in the yield from the maximum will cover and accommodate any reductions in site capacity due to environmental constraints. Other than those conditions described herein, there are no other known environmental constraints or conditions within the City that could preclude development on identified sites within the planning period, including hazards, airport compatibility, and related land use controls, shape, contamination, easements or overlays.

#### **Contamination**

According to the Department of Toxic Substances Control's data management system (EnviroStor), there is only one parcel in the sites inventory that have cleanup, permitting, enforcement, and investigation efforts open and no sites have known or suspected contamination issues.

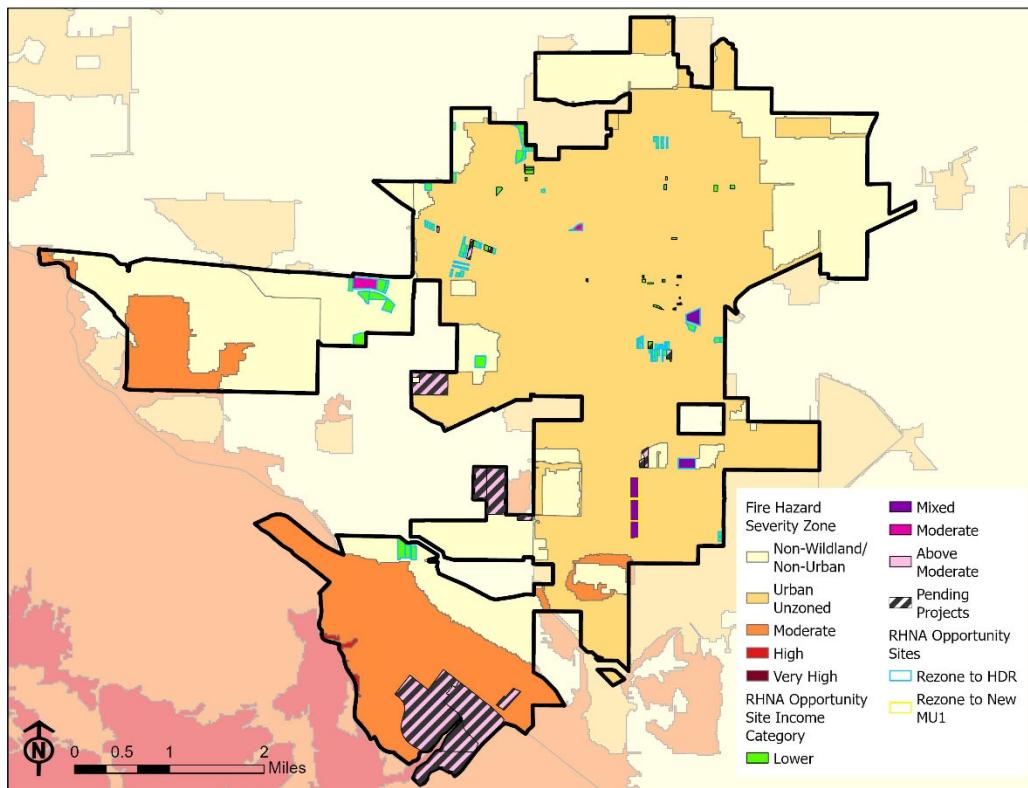
The 34.2-acre parcel located on Valpico Rd (West of Vela Apartments) previously operated as a gravel mine in the early 1900's and later used to dispose of crude oil tank bottoms. In 1989 a series of environmental assessments were completed. From 2004 to 2009, a series of soil and groundwater investigations have been conducted to delineate the extent of contaminant impacts. Per EnviroStor the affected soil appears to be limited to the northeast section of the site. This should not compromise the development capacity for the portion of the site (southern half) that has been identified in the sites inventory (see 24614001 - West Valpico Road (West of Vela Apartments)~~24614001 - West Valpico Road (West of Vela Apartments)~~). Additionally, there is adjacent property owner interest in developing this site.

Therefore, the RHNA opportunity sites inventory has no identified conditions that would preclude or impact housing development.

#### **Fires**

The risk of wildland fires is related to a combination of factors, such as winds, temperatures, humidity levels, and fuel moisture content. Of these four factors, wind is the most crucial. Steep slopes also contribute to fire hazard by intensifying the effects of wind and making fire suppression difficult. Features in some parts of Tracy, including highly flammable vegetation and warm, dry summers with temperatures that often exceed 100 degrees Fahrenheit, create situations that potentially result in wildland fires.

There are no severe fire zones within the City of Tracy, according to the Very High Fire Hazard Severity Zone (VHFHSZ) as shown in Figure IV-1. The City is located just outside a moderate to high fire hazard zone along the southwest border. Since there are no VHFHSZs within the City, none of the RHNA sites are in these zones.

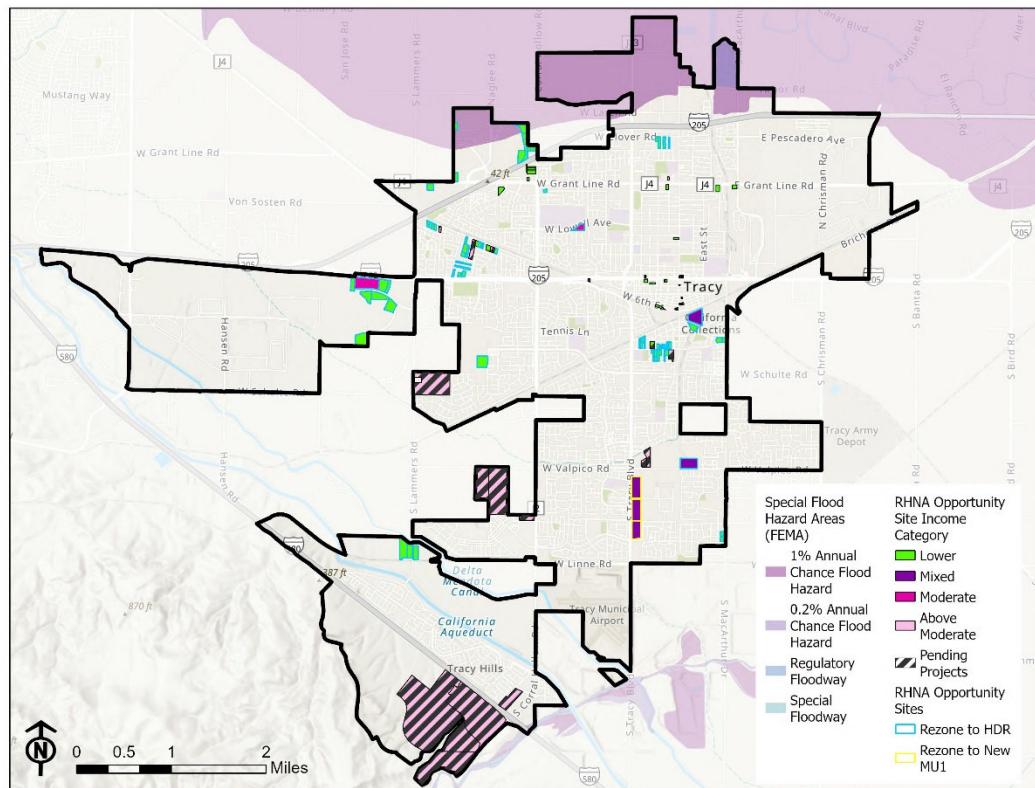
**Figure IV-1: Very High Fire Hazard Severity Zones**

## Flooding

[Figure IV-2](#) [Figure IV-2](#) [Figure IV-2](#) displays the flood hazard zones as identified by the Federal Emergency Management Agency (FEMA). The vast majority of Tracy falls into an area with no identified flood risk, but there is a 1 percent chance flood area located in the northernmost portion of the City. There are only two opportunity sites that fall within this designation; however, this should not preclude or constrain the development of any housing as the built environment is already disturbed and developed. Additionally, all new construction shall comply with the applicable flood hazard reduction provisions of Tracy Municipal Code Sections 9.52.150 through 9.52.190.

#### IV. Housing Sites and Resources

**Figure IV-2: Tracy Flood Hazards Areas**



#### Infrastructure

All vacant or underutilized land currently available for development in the City of Tracy can be served by the infrastructure necessary for development. Additionally, the City is currently planning infrastructure improvements that will service and support the development of the northwestern portion of Tracy Hills in the southern part of the City. Such services are (or will be) in place prior to development and adequate for the potential unit yield on each site. There are several parcels in the opportunity sites that are on septic. They are generally large, single-family parcels, previously part of San Joaquin County; however, this condition is not anticipated to prevent their development as the sites are all surrounded by newer existing housing all with dry and wet utilities. Water and sewer services are available to all parcels within the City, including each opportunity site in this inventory. The City has the water and sewer capacity to service the number of units necessary to meet, and substantially exceed, the regional share goals. Dry utilities are also available throughout the City, PG&E, and other service providers and on each RHNA site.

#### 4. Entitled and Pending Projects

Per the HCD Sites Inventory Guidebook, the City may credit sites that have been proposed, approved, or given a certificate of occupancy since the beginning of the RHNA projected period.<sup>2</sup> The beginning of the RHNA projection period for Tracy is July 1, 2022. Thus, any pending projects that did not receive certificates of occupancy prior to June 30, 2022, are eligible to be counted towards the RHNA. Table IV-11Table IV-9Table IV-8 includes pending projects (proposed, entitled, permits issued) that had not received certificates of occupancy as of June 30, 2022. The City has approved or received multiple applications for housing developments in the City. Pending project unit counts were based on City-approved entitlements, building permits issued, and submitted applications. The City has reviewed the pending projects and there are no known barriers to development, phasing, or other relevant factors that would prohibit the pending projects from being completed. Any phasing or build-out horizons are considered in unit counts. There are 3,1373,149 pending and recently approved units that did not obtain a certificate of occupancy by June 30, 2023. Over 95 percent (2,9963,008) are presumed to be above-moderate income units, resulting in a surplus of 226 above moderate-income units above the RHNA.

There are also 141 lower-income pending units across two projects, as follows:

- The Junction consists of 56 total units, 23 very low and 23 low income units, in a mixed-use development. The units will be deed restricted for no less than 55-years and affordability is included as a condition of approval of the project.
- Tracy Senior Living consists of 110 age-restricted, multi-family apartment units to be available for rent at 50% of the AMI. This project is replacing 15 existing affordable units for a total of 95 net new units. This is a project by the Housing Authority County of San Joaquin (HACSJ), utilizing local and federal funding sources. The project will be completed in two phases of 55-units each. The first phase is anticipated to be completed by mid-2026 with the second phase to follow closely after.

All pending project units are anticipated to be completed in the planning period. Table IV-11Table IV-9 describes the status, remaining steps, timelines, and expiration dates for each of the entitled and pending project counted toward the RHNA as of April 2024.

The City will monitor the actual units constructed and income/affordability when the pending projects are developed. If the pending projects are not developed or are developed with fewer RHNA units than anticipated, the City will identify additional RHNA sites needed to make up the loss. The City will maintain an independent inventory of suitable backup opportunity site. Replacement or additional sites will be identified from the No Net Loss Inventory List.

**Table IV-119: Entitled and Pending Projects**

Approved and Pending Projects	Status	Very Low	Low	Moderate	Above Moderate	Total
15 Duplexes, 2 Triplexes and 1 SFD	Under Review	-	-	-	37	37
The Junction	Approved	23	23	-	-	46
Avenues	Approved	-	-	-	480	480
Byron Road Duplexes	Approved	-	-	-	12	12
Byron Road TSM	Under Review	-	-	-	46	46
Collin Avenue Duplexes	Approved	-	-	-	10	10

<sup>2</sup> HCD Sites Inventory Guidebook, [https://www.hcd.ca.gov/community-development/housing-element/docs/sites\\_inventory\\_memo\\_final06102020.pdf](https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf)

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Approved and Pending Projects	Status	Very Low	Low	Moderate	Above Moderate	Total
East 8th Street Apartments	Approved	-	-	-	5	5
Ellis Village Center North	Under Review	-	-	-	3	3
Larkspur Basin Lots	Approved	-	-	-	14	14
Rocking Horse	Approved	-	-	-	226	226
Red Singh Apartments	Approved	-	-	-	24	24
1000 N. Central Avenue	Approved	-	-	-	6	6
Tracy Senior Apartments	Under Review	95	-	-	-	95
SANSUB Apartments	Under Review	-	-	-	9	9
Tracy Apartments	Under Review	-	-	-	12	12
Tracy Hills Phase 2	Approved	-	-	-	1,517	1,517
Tracy Hills Dr & Corral Hollow Rd	Under Review	-	-	-	375	375
Red Maple Village Apartments	Under Review	-	-	-	232	232
Total		118	23	-	2,9723,008	3,1133,149

Source: City of Tracy

**Table IV-12: Status of Entitled and Pending Projects**

Approved and Pending Projects	Project Status	Remaining Steps	Anticipated Timelines	Expiration Dates on Entitlements	Units on Track to be Available During the Planning Period
15 Duplexes, 2 Triplexes and 1 SFD	Approved January 2025	Construct project	Construction anticipated to begin in 2026	January 2027	✓
The Junction	Currently in Building Permit Review	Building Permit approval/issuance; Construct project	-	Entitlement is active	✓
Avenues	Vested tentative subdivision map approved; No architecture submitted yet	Architectural review/approval; Issuance of RGAs; Building permits; Construct project	-	August 2026	✓
Byron Road Duplexes	Building Permits issued and project entitlement is vested <sup>3</sup>	Construct project	Construction anticipated to begin 2025	Entitlement is active and vested	✓
Byron Road TSM	Approved in 2024	Building permit approval/issuance; Construct project	Construction anticipated to begin 2026	Entitlement is active	✓
Collin Avenue Duplexes	Building Permits issued and project entitlement is vested	Construct project	Construction anticipated to begin 2025	Entitlement is active and vested	✓

<sup>3</sup> Under California law, you can obtain vested rights via: 1) obtaining a vested tentative map; 2) entering into a developer agreement with a local agency; or 3) under common law, obtaining a building permit, then perform substantial work and incur substantial liabilities in good faith reliance on the permit.

#### IV. Housing Sites and Resources

<u>Approved and Pending Projects</u>	<u>Project Status</u>	<u>Remaining Steps</u>	<u>Anticipated Timelines</u>	<u>Expiration Dates on Entitlements</u>	<u>Units on Track to be Available During the Planning Period</u>
East 8th Street Apartments	Currently in Building Permit Review	Construct project	Construction anticipated to begin 2025	Entitlement is active.	✓
Ellis Village Center North	In Development Review	Final map; Building permit approval/issuance; Construct project	Within Housing Element planning period	-	✓
Larkspur Basin Lots	Under construction	Complete construction	Complete construction within Housing Element planning period	Entitlement is active.	✓
Rocking Horse	In Development Review	Development Review approvals; Building permit approval/issuance; Construct project	Within Housing Element planning period	-	✓
1000 N. Central Avenue	Currently in Building Permit Review	Building Permit approval/issuance; Construct project	Complete construction within Housing Element planning period	Entitlement is active.	✓
Tracy Senior Apartments	Currently in Building Permit Review	Building Permit approval/issuance; Construct project	Construction anticipated to begin by end of 2026	Entitlement is active.	✓
SANSUB Apartments	Currently in Building Permit Review Entitlement is active.	Building Permit approval/issuance; Construct project	Complete construction within Housing Element planning period	Entitlement is active.	✓
Tracy Hills Phase 2	Phase 2A - under construction  Waiting on reservoir permit. The City and Dept Water Resources are reviewing for approval	Approval of final maps and Building Permit approval/issuances for Phase 2B; Complete construction for Phase 2A.	Complete construction of Phase 2A and 2B in four to six years	Entitlement is active.	✓

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<u>Approved and Pending Projects</u>	<u>Project Status</u>	<u>Remaining Steps</u>	<u>Anticipated Timelines</u>	<u>Expiration Dates on Entitlements</u>	<u>Units on Track to be Available During the Planning Period</u>
<u>Tracy Hills Dr &amp; Corral Hollow Rd</u>	<u>In Development Review</u>	<u>Development Review approvals; Building permit approval/issuance; Construct project</u>	<u>Within Housing Element planning period</u>	<u>-</u>	<u>✓</u>
<u>Red Maple Village Apartments</u>	<u>In Development Review</u>	<u>Complete project review; Rezone/Specific Plan; Amendment to allow land use; Public hearings for approval; Building permits; Construct project</u>	<u>Application resubmittal anticipated mid to late 2025</u>	<u>-</u>	<u>✓</u>

*Source: City of Tracy*

#### Historical Growth Trends and Commitment to Development

The City of Tracy has been historically a development driven City and has supported residential, commercial, and industrial development. The population of Tracy has grown from 34,401 in 1990 to over 98,000 in 2023, an increase of 185 percent in 33 years.

The City continues to be proactive in working with the development community to ensure that entitled projects are constructed. The City dedicates staff to track and assist during the building and improvement plan process. The City's development track record in the last five years (see Table IV-13) has highlighted the City's commitment as an active partner in processing residential development projects at or above allowed densities, high completion rates, and consistent outreach and communication with project developers. The City does not have a policy or tradition of delaying applications and stalling development. They City also does not let permits expire, they are renewed unless the applicant withdraws the application.

Although the majority of new development is occurring in larger subdivisions, the City has also adopted regulations within the Growth Management Ordinance and its Guidelines that prioritize infill development, by setting aside RGAs each year for projects that meet certain criteria such as affordability, higher density, completion of gaps in infrastructure, and compilation of multiple parcels.

#### Entitlement Processing

The Community and Economic Director recently created a Process Review Committee to look at the entitlement review process and how the City organization functions. The goal is to look at how the city processes entitlements to determine if there are opportunities to streamline operations and identify areas/processes that can be improved upon. The committee will be reviewing internal processes and interactions between city departments to ensure the City follows the timeframes identified in the permit streamlining act, the subdivision map act, CEQA and other legislative requirements.

Post entitlement delays and construction timeframes are typically driven by the developer and their design team. The preparation of construction documents and securing project financing is in most

cases completely independent of City processes. The value of a project, labor, material supply and delivery timeframes determine when and how a project moves forward. The City works with the developer to make sure no obstructions come from the City as long as project design and conditions are met. Additionally, the City will include an action in the Adequate Sites and No Net Loss Program to evaluate the progress on pending projects counted towards the RHNA at the midpoint of the housing element planning cycle. If it is determined after consultation with developers that the projects are not proceeding as planned and would result in a shortfall in RHNA sites, the City will identify alternative sites strategies (including potential rezoning) within six months.

The Community and Economic Development Department tracks development projects to ensure that projects move forward and the City heads up all infrastructure needs, staff requirements and other resources that might be necessary. It is typical to follow up with developers if a project has not been active for over 90 days. This is done to encourage projects to move forward and eliminate any perceived obstacles.

Once a project is approved/entitled, the developer will work with various departments to satisfy conditions of approval. This could include building plans, improvement plans, or infrastructure studies. The building department has a turnaround time of 20 business days for first round review and 10 business days for the second round review. In engineering, an improvement plan check is 45 to 60 days depending on the submittal type and the number of technical studies included. The completeness of a submittal is key to the quality and timeliness of a review.

### **Engineering Department Post Approval and Staffing**

The City's Engineering Division has been impacted by staffing limitations because of retirements and staff turnover. The engineering profession as a whole, has been impacted by retirements from the profession and fewer applicants compared to jobs in municipal government. The City has recently hired a consulting firm to backfill open engineering staff positions and help provide technical expertise to process entitlements and review improvement plans and construction documents. The goal is to eliminate any holdups to approvals and eliminate any bottlenecks that might exist because of staff limitations. This is a longer-term commitment to help bolster the engineering department staffing and maintain the timely processing of entitlements and construction plans. Staff augmentation support will help ensure that all proposed projects are entitled and constructed during the planning period.

### **Facilitating Large Development Projects**

The two largest pending residential development projects in the City are Tracy Hills and Ellis Village. City staff is an active participant to get the projects through the finish line. One way the City is doing that is through the weekly or bi-weekly meetings that serve to identify and proactively address any issues that arise before they can slow or stall the process.

Additionally, to ensure large development projects like Tracy Hills and Ellis Village complete construction during the Housing Element planning period, Program 10 will facilitate the subdivision of sites into smaller parcels and establish a new process for the by-right subdivision of parcels over 10 acres in size. Also, through Program 10, the parcel map process will be simplified, including removing infrastructure requirements at the time of a lot split and instead move this requirement to the development phase.

## IV. Housing Sites and Resources

### **Capital Improvement Projects (CIP) and Infrastructure Gaps**

The City of Tracy has placed a renewed importance on the timing and coordination of capital improvement projects. As of February 2025, the Assistant City Manager is actively reviewing the overall CIP program to ensure the timing and financing of capital improvement projects are provided throughout the community. This review is in response to community needs and requests regarding infrastructure availability and quality.

The City is reevaluating the process and options for how projects are financed and how to accelerate the construction of needed improvements. This will help speed up the construction of industrial, commercial and residential projects city-wide. The City is coordinating internally and externally (i.e. property owners, developers, relevant agencies) to ensure the opportunity sites will have necessary infrastructure to support the construction of projected units during the planning period.

### **Off-site vs On-site Infrastructure**

The City of Tracy has historically conditioned projects to provide infrastructure to ensure the project would provide for on-site improvements necessary to function and develop. Any off-site improvements that are required for road connections and utilities would also be conditioned as part of project approvals. These approvals made sure that projects could be developed in a timely manner and by practice fast tracked development projects.

The result of this policy has placed a larger amount of off-site infrastructure into the City Capital Improvement Program. These improvements are largely dependent upon development impact fees to complete and the timing is based upon the greatest community need. For large projects like Tracy Hills, there are benefits such as funding for essential infrastructure, equitable proportionality, and increased predictability in development. For smaller projects, the infrastructure improvements may require greater coordination with adjacent development projects to limit any post-entitlement delays or extend construction timelines.

Given the large scale of some projects in Tracy, developers may have to provide large scale infrastructure to serve their projects. For Tracy Hills, the project requires the construction of a new water reservoir which requires going through the State permitting process. This is a process that is outside of the City's responsibility and timing depends on the State and developer coordination.

### **Project Phasing**

Projects are conditioned to build infrastructure as necessary for sewer, water, storm drainage and access to be provided in order to provide necessary services. City staff work on projects to ensure that infrastructure is available prior to occupancy. A project may be phased and there have been instances where temporary infrastructure is constructed to support the project. Staff monitors the timing and progress of projects and facilitates and assists in the process as necessary for projects to move forward.

Project phasing for larger projects in Tracy is typically done to ensure that necessary infrastructure and design features are available. Infrastructure requirements can pose a significant upfront cost for builders and limit a project start time. Project phasing can potentially alleviate those upfront costs and allow for a variety of financing options for builders so project construction is ensured. Additionally, the City is required to update and prepare a municipal service review and ensure that utility and service capacity are available for projects within the city limits. Projects and vacant land within the City boundaries have available services and utilities, there are no service or capacity constraints for any RHNA opportunity sites.

## 6.5. Accessory Dwelling Units

Tracy has been approving ADUs at an increased pace since passage of recent state laws that remove constraints on ADU production. While the City can meet its RHNA capacity without using ADUs, ADUs will contribute to the 20 percent no net loss buffer and provide an additional source of affordable housing and housing options across the City.

### Production Trends

Table IV-14<sup>4</sup> Table IV-11 illustrates trends in ADU production since 2018. ADU production in Tracy has grown significantly and is expected to continue expanding throughout the 6<sup>th</sup> Cycle. Additional changes to State law in 2019 led to a significant increase in ADU production in the last three years. Importantly, the City of Tracy issued 120 permits for ADUs in the 2022 calendar year. Additional ADU incentives and public education will further increase ADU production above the recent trends (see Program 12). Based on the average number of building permits for ADUs in the last five years (41.5), the City is conservatively projecting 332 ADUs over the 2023-2031 6<sup>th</sup> Cycle. The City is not relying heavily on projected ADUs to meet its RHNA (less than 3 percent of the RHNA plus the buffer).

**Table IV-14**: ADU Building Permit

2018	2019	2020	2021	2022	Average
7	18	10	54	120	41.5

Source: City of Tracy

### Assumed Affordability

ADU affordability data specific to Tracy is not available, so the levels of affordability assumed for the 332 ADUs projected during the 6<sup>th</sup> Cycle is based off the Association of Bay Area Governments' affordability survey data.<sup>4</sup> The City predicts that this trend will continue and that future ADU production will also be largely affordable to moderate-, low-, and very low-income households. Many ADU applicants from 2018 to 2022 indicated intent for the unit to remain affordable at no or negligible cost for immediate family members, such as adult parents or children.

**Table IV-15**: ADU Affordability Assumptions

Percent	Income Category	# of ADUs
30%	Very Low	99
30%	Low	99
30%	Moderate	99
10%	Above Moderate	33

Source: City of Tracy

## D. Site Inventory and Rezoning Strategy

### Shortfall

The City has a shortfall for portions of its lower- and moderate-income RHNA, which necessitates specific rezoning programs and development standards pursuant to Government Code Section 65583.2. Under existing zoning, the City has realistic capacity for 1,016 lower-income units and 754

<sup>4</sup> ABAG ADU Technical Assistance Memo. <https://abag.ca.gov/sites/default/files/documents/2022-03/ADUs-Projections-Memo-final.pdf>

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moderate-income units, creating a lower-income shortfall of 3,857 units and a moderate-income shortfall of 421 units.

The City's overall strategy is to accommodate the RHNA shortfall through increasing the permitted densities of existing multifamily zones, rezoning limited single-family and commercial areas to multifamily residential, and creating programs to facilitate increased ADU production in single-family zones. These strategies will allow the City to fully meet its housing needs for all income levels during the 6th Cycle Housing Element.

Rezoning will meet all requirements pursuant to Government Code Section 65583.2, subdivisions (h) and (i).

#### **Multifamily and Mixed-Use Density Increase**

A key component of the City's RHNA strategy is to increase the permitted densities of the multifamily zones and to rezone more land to the multifamily zones. Overall, multifamily zones are expected to accommodate 7,028 units, all for lower- and moderate-income housing.

Currently, Tracy's MDR and MDC zones have maximum densities set to 12 du/acre and the HDR and GHC zones have maximum densities set to 25 du/acre. The City will increase the maximum densities of these zones to allow for housing at densities suitable for lower-income households and to provide a significant increase in housing capacity across the City. As shown in [Table IV-16](#)[Table IV-13](#), the City will increase the maximum densities of the MDR and MDC zones from 12 to 20 du/acre and amend the minimum and maximum densities of the HDR and GHC zones from 12-25 du/acre to 20-35 du/acre.

**Table IV-16**[Table IV-13](#): Proposed Multifamily Zone Densities

Zone	Existing Density (Min)	Existing Density (Max)	Proposed Density (Min)	Proposed Density (Max)
MDR	5.9 du/ac	12 du/ac	5.9 du/ac	20 du/ac
MDC	5.9 du/ac	12 du/ac	5.9 du/ac	20 du/ac
HDR	12 du/ac	25 du/ac	20 du/ac	35 du/ac
GHC	12 du/ac	25 du/ac	20 du/ac	35 du/ac
MU-1	-	-	20 du/ac	35 du/ac

#### **MDR and MDC Rezoning to HDR**

In addition to increasing the allowed densities in the multifamily zones (MDR, MDC, HDR, GHC), the City will rezone multiple blocks where a significant amount of housing capacity was identified from MDR and MDC to HDR. These blocks include approximately 109 MDR parcels totaling 78.3 acres and 39 MDC parcels totaling 15.0 acres.

These areas can be characterized as underutilized (building occupies less than 35 percent of the parcel) or vacant lots adjacent to arterial roadways surrounded by other existing residential uses. This rezoning will provide increased housing capacity in key nodes with excellent access to transit, commercial, and educational facilities.

Of these rezoned MDR and MDC parcels, [46.345.8](#) acres ([1,336,331](#) lower income units) have been identified in the sites inventory as opportunity sites (see [Table IV-17](#)[Table IV-14](#)).

## Rezoning to HDR

The City will also rezone approximately 152.9198.7 additional acres from LDR, PUD, NS, GHC, M1-TH, MDR-TH, and M1 to HDR as shown in Table IV-17Table IV-14. This includes approximately 34.728.9 acres in zones that do not currently allow for multifamily residential (LDR, M1, HS, and NS). The rezoning of these parcels will provide increased housing capacity (3,4653,758 lower-income units) in prime areas with excellent access to employment centers and educational facilities.

**Table IV-1714: Opportunity Sites Rezoned to HDR**

Existing Zone	Acres	Very Low Units	Low Units	Moderate Units	Total Units
LDR	<u>4.63.8</u>	<u>0.84</u>	<u>0.52</u>	<u>-113</u>	<u>136113</u>
MDC	5.5	98	64	-	162
MDR	<u>40.5</u> <u>40.3</u>	<u>700.703</u>	<u>469.471</u>	-	<u>1,1691,174</u>
PUD	75.4	1,029	641	575	2,245
NS	3.2	59	37	-	96
I-205 - GC	7.9	146	91	-	237
I-205 - CC	19.6	357	227	-	584
M1	21.9	<u>129.59</u>	<u>129.59</u>	<u>394.534</u>	652
M1-TH	5.0	91	57	-	148
MDR-TH	15.0	276	171	-	447
GHC	1.1	17	12	-	29
Total	<u>199.7</u> <u>198.7</u>	<u>2,902</u> <u>2,919</u>	<u>1,898</u> <u>1,882</u>	<u>1,1091</u> <u>1,082</u>	<u>5,8825</u> <u>,910</u>

## Proposed Mixed Use Zone

Through Program 9, the City of Tracy will create a new mixed-use zone (MU-1) to allow properties to be developed with a mix of commercial retail office and/or residential uses. The allowable residential density will range from 20 to 35 dwellings units per acre similar to the existing HDR and GHC zones (see Table IV-16Table IV-13). The creation of the MU-1 zone will provide a new option for mixed use and multifamily development that doesn't currently exist in the City.

As shown in Table IV-18Table IV-15, three parcels (40.3 acres) will be rezoned to MU-1 which will provide a mix of lower and moderate-income units. The assumed yield for the new MU-1 zone is based off the GHC zone (50% yield) in Table IV-5 and is significantly less than the observed yields and averages of recent projects shown in Table IV-4.

**Table IV-1815: Opportunity Sites Rezoned to MU-1**

Existing Zone	Acres	Very Low Units	Low Units	Moderate Units	Total Units
M1	40.3	141	141	424	706

The City is rezoning to accommodate capacity beyond identified RHNA sites. As the City is increasing the maximum densities of the MDR, MDC, HDR, and GHC zones and rezoning areas to HDR and MU-1, the RHNA sites inventory is only calculating the impact of the zoning changes on the specifically identified and listed opportunity sites; not all parcels that are rezoned are counted in the RHNA. As such, other parcels within these zones will also benefit from the zoning changes and may develop during the 6<sup>th</sup> Cycle planning period. The total capacity of additional rezone is about 880 units. This includes the following:

- 36.0 acres of MDR to HDR (maximum capacity of 720 units)
- 8.0 acres of MDC to HDR (maximum capacity of 160 units)

## E. Ability to Meet the RHNA

Using the realistic assumptions listed above, the City will have adequate sites to accommodate the RHNA for all income levels after rezoning.

Many factors outside the City's control influence a property owner's desire and ability to develop, including market conditions and constraints.

The new residential capacity associated with the rezoning program creates a strong market incentive for these properties to be developed or redeveloped within the planning period.

Table IV-19Table IV-16 illustrates the residential capacity that is being counted toward the RHNA. The City has adequate sites at all income levels. The inventory includes a total lower-income capacity of 5,825,824 units. The inventory also supports 3,043,005 above-moderate units, exceeding the RHNA requirement of 2,782 units. The 259-436 excess moderate units can provide a buffer for any net loss of units with above-moderate capacity.

**Table IV-19**Table IV-16: RHNA Capacity and Buffer

	Type	Very Low	Low	Moderate	Above Moderate	Total
A	5th Cycle Carryover	250	250	-	-	500
B	6 <sup>th</sup> Cycle RHNA	2,994	1,879	1,175	2,782	8,830
C	Total Need (A + B)	3,244	2,129	1,175	2,782	9,330
D	Pending Projects ( <u>Table IV-11</u> <u>Table IV-9</u> )	118	23	-	<u>2,972</u> <u>3,008</u>	<u>3,113</u> <u>3,149</u>
E	ADUs ( <u>Table IV-14</u> <u>Table IV-11</u> )	99	99	99	33	330
F	Unmet RHNA (B-D-E)	2,777	1,757	1,076	-	5,610
G	Vacant Opportunity Sites ( <u>Table IV-21</u> <u>Table IV-18</u> <u>Table IV-16</u> )	<u>2,552</u> - 2,497	<u>1,727</u> - 4,668	<u>1,539</u> <u>1,399</u>	-	<u>5,678</u> <u>5,704</u>
H	Non-Vacant Opportunity Sites ( <u>Table IV-22</u> <u>Table IV-19</u> <u>Table IV-17</u> )	<u>725</u> - <u>798</u>	<u>481</u> - <u>526</u>	<u>-113</u>	-	<u>1,319</u> - <u>1,324</u>
I	Total Opportunity Sites Capacity (G+H)	<u>3,277</u> <u>3,295</u>	<u>2,208</u> <u>2,194</u>	<u>1,539</u> <u>1,512</u>	-	<u>6,997</u> <u>7,028</u>
J	<b>Total Capacity (D+E+I)</b>	<b><u>3,494</u><u>3,512</u></b>	<b><u>2,330</u><u>2,316</u></b>	<b><u>1,638</u><u>1,611</u></b>	<b><u>3,005</u><u>3,041</u></b>	<b><u>10,440</u> <u>10,507</u></b>
K	Surplus of Total Need (J-C)	<u>250</u> <u>268</u>	<u>201</u> <u>187</u>	<u>463</u> <u>436</u>	<u>223</u> <u>259</u>	<u>1,110</u> <u>1,177</u>
L	% Buffer Above Unmet RHNA (K/F)	<u>9%</u> <u>10%</u>	11%	<u>43%</u> <u>41%</u>	-	-

## F. Overall Capacity

### Opportunity Site Details

The opportunity site selection process examined zoned capacity, existing uses, and recent development trends to determine which parcels to include to meet the remaining RHNA after considering pending projects and ADUs. Both vacant and non-vacant sites are included in the Opportunity Sites Inventory. The opportunity site selection process took site characteristics, surrounding uses, and development constraints into consideration when evaluating each site's development potential. To meet the RHNA for lower-income households, the Opportunity Sites Inventory relies on sites with densities that allow for at least 20 du/acre. To meet the RHNA for moderate-income households, the inventory relies on sites zoned for up to 20 du/acre in the medium density General Plan land use category. In addition, sites zoned for up to and greater than 20 du/acre

but smaller than 0.5 acre or larger than 10.0 acres were counted toward the moderate-income household RHNA.

For a detailed analysis of the sites as they relate to affirmatively furthering fair housing, see the Affirmatively Furthering Fair Housing chapter.

### Lower Income Capacity

Government Code Section 65583.2(g)(2) states that housing elements relying on non-vacant sites for greater than 50 percent of its lower-income households need to demonstrate that the existing use does not constitute an impediment to additional residential development. The requirements of Government Code Section 65583.2(g)(2) do not apply to Tracy, since only 29.224.7 percent of the proposed lower-income RHNA sites are met through non-vacant sites (1,2061,324/4,8734,534 = 29.224.7 percent). The remaining lower-income (low and very low) RHNA units are met through pipeline projects, ADUs, and vacant sites, as illustrated in [Table IV-20](#)[Table IV-17](#) below.

**Table IV-20<sup>17</sup>: Lower Income RHNA Capacity**

Category	Very Low Income Capacity	Low Income Capacity	Total Lower Income Capacity	% of Lower Income RHNA (4,873 units)
Pipeline Projects ( <a href="#">Table IV-11</a> <a href="#">Table IV-9</a> )	118	23	141	<u>3.12.9%</u>
ADUs ( <a href="#">Table IV-14</a> <a href="#">Table IV-11</a> )	99	99	198	<u>4.44.1%</u>
Vacant Opportunity Sites ( <a href="#">Table IV-21</a> <a href="#">Table IV-18</a> )	<u>2,552</u> <u>2,497</u>	<u>1,727</u> <u>1,668</u>	<u>4,2794,165</u>	<u>87.8%</u> <u>91.9%</u>
Non-Vacant Opportunity Sites ( <a href="#">Table IV-22</a> <a href="#">Table IV-19</a> )	<u>725</u> <u>798</u>	<u>481</u> <u>526</u>	<u>1,2061,324</u>	<u>24.7%</u> <u>29.2%</u>
Total Lower Income Sites	<u>3,4943,572</u>	<u>2,3302,353</u>	<u>5,8245,925</u>	<u>119.5%</u> <u>130.7%</u>

### Moderate and Above Moderate Income Capacity

Pursuant to Government Code Section 65583.2(c)(4), at least 25 percent of the remaining moderate- and above moderate-income RHNA sites are zoned for at least four units of housing (e.g., fourplex or greater). As shown in Table IV-2, above moderate-income sites are met entirely through pending projects and ADU projections (3,008 and 33 units, respectively). The 3,041 units exceed the above moderate-income RHNA allocation (2,782) by 259 units. There is no remaining above moderate-income RHNA that needs to be identified.

There is a remaining need of 1,076 moderate-income units after pending projects and projected ADUs. The Opportunity Sites Inventory identifies 1,5391,512 moderate-income RHNA opportunity site units, all of which will allow for at least four units of development once rezoned. Thus, the City is compliant with Government Code Section 65583.2(c)(4).

### Vacant Sites

A portion of the RHNA will be met on vacant land that is zoned for residential use. Per HCD's Housing Element Sites Inventory Guidebook, a vacant site is one "without any houses, offices, buildings, or other significant improvements [...] or structures on a property that are permanent and

#### IV. Housing Sites and Resources

add significantly to the value of the property.<sup>5</sup> Table IV-21Table IV-18 displays the capacity of residentially zoned vacant sites included in the Opportunity Sites Inventory. A total of 5,6785,704 lower- and moderate-income units can be accommodated with currently vacant land with the existing and proposed zoning. This includes 2,5222,497 very low-units, 1,7271,668 low-units, and 1,5391,399 moderate-income units.

**Table IV-21**18: Vacant Site Capacity

Zone (Existing & Proposed)	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Total Capacity
HDR	<u>2,270</u> <u>2,214</u>	<u>1,484</u> <u>1,423</u>	<u>1,109</u> <u>969</u>	<u>4,723</u> <u>4,746</u>
MU-1	141	141	424	706
CBD	<u>31</u> <u>32</u>	<u>28</u> <u>30</u>	-	<u>592</u>
GHC	110	74	6	190
Total	<u>2,552</u> <u>2,497</u>	<u>1,727</u> <u>1,668</u>	<u>1,539</u> <u>1,399</u>	<u>5,678</u> <u>5,704</u>

#### Non-Vacant Sites

A total of 1,1901,324 lower-income units will be met by the 4333 non-vacant RHNAs opportunity sites; this is approximately 2724 percent of the lower-income RHNAs (4,873). All 1,1901,324 of the potential units on the non-vacant opportunity sites are being allocated toward the lower-income RHNAs (798716 very low- and 526474 low-income). As shown in Table IV-22Table IV-19, the 1,1901,324 units are located in the HDR zone (1,0681,202 units), the CBD zone (25 units), and the GHC zone (97 units).

**Table IV-22**19: Non-Vacant Site Capacity

Zone (Existing & Proposed)	Very Low Income Capacity	Low Income Capacity	Total Capacity
HDR	<u>645</u> <u>727</u>	<u>423</u> <u>475</u>	<u>1,068</u> <u>1,202</u>
CBD	14	11	25
GHC	57	40	97
Total	<u>716</u> <u>798</u>	<u>474</u> <u>526</u>	<u>1,190</u> <u>1,324</u>

#### Non-Vacant Development Trends

Recently completed projects, approved projects, and projects under review were analyzed in order to understand development trends in the City and aid in the non-vacant site selection process. Error! Reference source not found. displays the characteristics of these analyzed sites. Characteristics identified by the review of these sites included:

- 1. Building Coverage.** Building coverage shows the percent of the parcel that was occupied by the structure of the use before residential redevelopment. All six trend projects had a building coverage of less than 20 percent and two projects had less than 5 percent building coverage prior to redevelopment.
- 2. Land-improvement ratio (LIR).** LIR compares the value of the land to the value of improvements (structures) on the land, using data from the County Assessor's office. The trend projects had LIRs that ranged from 0.45 to 13.04. Two projects have a LIR that is greater

<sup>5</sup> HCD. Housing Element Sites Inventory Guidebook. [https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sites\\_inventory\\_memo\\_final06102020.pdf](https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sites_inventory_memo_final06102020.pdf).

than one, meaning that the land is greater in value than the improvements (buildings/structures). Three projects have a LIR that is less than one.

3. **Age of the existing structure.** Building age was also considered for each non-vacant site. An older building indicates potential for redevelopment. All of the existing buildings in the project trends were built prior to 1982, many of which were built prior to 1950.
4. **Previous Use.** Many of the trend projects included existing single-family residential structures with some agricultural uses.

**Table IV-2320: Non-Vacant Opportunity Trend Details**

<u>ID</u>	<u>Project</u>	<u>Project Type</u>	<u>Building Coverage</u>	<u>LIR</u>	<u>Year Built</u>	<u>Previous Non-Vacant Use</u>
1	<u>East 8th Street Apartments</u>	<u>Approved</u>	<u>18%</u>	<u>0.66</u>	<u>1910, 1893</u>	<u>Two single family homes; Vacant</u>
2	<u>Byron Road TSM</u>	<u>Under Review</u>	<u>1%</u>	<u>13.04</u>	<u>1940</u>	<u>Single family home; Large vacant land</u>
3	<u>Tracy Apartments</u>	<u>Under Review</u>	<u>10%</u>	<u>0.45</u>	<u>1947</u>	<u>Two single family homes; Large vacant land</u>
4	<u>Gateway Crossing/Gateway Station</u>	<u>Completed</u>	<u>-</u>	<u>NA</u>	<u>Between 1982 and 1974</u>	<u>Agricultural; Single family home</u>
5	<u>Rod-Singh Apartments</u>	<u>Approved</u>	<u>3%</u>	<u>1.49</u>	<u>Before 1957</u>	<u>Single family home; Large vacant land</u>
6	<u>Collin Avenue Duplexes</u>	<u>Approved</u>	<u>12%</u>	<u>0.57</u>	<u>1948</u>	<u>Two single family homes; Large vacant land</u>

These development applications demonstrate the viability and interest in redeveloping non-vacant sites in Tracy, including for both affordable and market-rate housing. These sites have similar zoning and characteristics to the proposed RHNA sites and therefore demonstrate the strong likelihood of meeting the projected construction of units within the next eight years.

### **Non-Vacant Site Details**

The following section provides further detail on each of the non-vacant sites identified in the inventory. Based on the trends of redevelopment of non-vacant sites in Tracy detailed above, a set of criteria was used for evaluating the redevelopment potential of sites and selecting opportunity sites. The selection process utilized five factors. The determination of factors was based, in part, off of the characteristics of the non-vacant trend projects described in Table IV-23Table IV 20. Each of the sites has at least four of the five factors. The factors utilized include:

- A. **Significantly Underutilized (LIR > 0.50).** The comparison of assessed values for land and improvements (land-improvement ratios, LIR) is a reliable indicator of whether and to what extent sites are underutilized. Recently developed sites have LIRs prior to development as low as 0.45.

#### IV. Housing Sites and Resources

- B. **Building Age.** A building age greater than 40 years. This matches the trends set by the recently developed sites, as the existing buildings were all built prior to 1982 (approximately 42 years old).
- C. **Similar Types of Non-Vacant uses.** If the site had a similar non-vacant use to the non-vacant trend sites. Uses specified by the recently developed nonvacant sites include religious facilities, parking, single-family homes, and educational facilities.
- D. **Building Coverage.** Another factor to quantify the underutilization of a site is the building coverage, which is the percentage of the site that has a building footprint. A low building coverage indicates ample land available for infill development. As the majority of the trend projects had building coverage under 20%, for this calculation, the threshold is 20%.
- E. **Adjacent to Services.** Sites were reviewed for their location within one mile of services such as daycares, grocery stores, and schools.

The full non-vacant sites list of which sites meet which criteria is provided in Appendix D.

**Table IV-242I: Non-Vacant Opportunity Site Criteria**

Opportunity Sites	A	B	C	D	E
<u>1241 Berg Road</u>	✓	✓	✓	✓	✓ <sup>1</sup>
<u>1240 Berg Road</u>	✓	✓	✓	✓	✓ <sup>1</sup>
<u>1191 Berg Road</u>	✓	✓	✓	✓	✓ <sup>1</sup>
<u>1180 Berg Road</u>	✓	✓	✓	✓	✓ <sup>1</sup>
<u>1121 Berg Road</u>	✓ <sup>2</sup>	✓	✓	✓	✓
<u>2881 Fabian Road</u>	✓	✓	✓	✓	✓
<u>1150 Berg Road</u>	✓	✓	✓	✓	✓
<u>489 West Mount Diablo Avenue</u>	✓	✓		✓	✓
<u>491 West Mount Diablo Avenue</u>	✓	✓		✓	✓
<u>2640 West Byron Road</u>	✓	✓	✓	✓	✓ <sup>1</sup>
<u>2520 West Byron Road</u>	✓	✓	✓	✓	✓ <sup>1</sup>
<u>104 West 11<sup>th</sup> Street</u>	✓	✓	✓		✓
<u>306 West 6<sup>th</sup> Street</u>	✓	✓	✓	✓	✓

1. Within a mile of a daycare, grocery store, or school, but not all three.

2. No actual Land Improvement Ratio was able to be calculated by the County Assessor because parcel was designated as vacant. However, through the sites inventory process, it was identified as an underutilized non-vacant parcel (small structure on large lot which would yield a high land improvement ratio).

A majority of the existing uses on non-vacant opportunity sites fall into three categories. Table IV-25 provides the three use categories that were identified as well as the number of parcels for each, the total acreage of parcels, as well as the anticipated number of lower-income units. As most of the properties within each existing use category share similar site characteristics.

(detailed in the non-vacant site criteria above), this Housing Element describes examples from each land use typology, instead of describing each site in detail.

**Table IV-2522: Non-Vacant Opportunity Sites by Use Details**

Existing Use	# of Parcels	Acreage	# of Low Income Units
Single-family residential	3635	34.4	952948
Religious/Education Facilities	3	5.2	155
Commercial/Office/Retail	5	8.6	217216
Total	4443	47.248.2	1,295-1,319

As most of the properties within each category included toward the RHNA are similar, this Housing Element describes examples from each typology, instead of describing each site in detail. Each of the commercial, religious, and multifamily non-vacant sites have a similar lack of impediments to redevelopment. Specifically, many sites with existing single and multifamily residential uses are similar and can be grouped together for the purposes of the non-vacant sites analysis. The commercial sites are each majority underutilized surface parking lots prime for redevelopment. The site selection process considered four different factors that indicate high potential for near term redevelopment of the sites. Each of these four factors alone indicate positive potential for redevelopment of a site. All of the non-vacant sites included in the inventory have at least three of the four indicators of redevelopment.

**Significant underutilization.** The building takes up less than 30% of the parcel. On many parcels in the inventory, the site could be redeveloped and maintained the existing use.

**Land improvement ratio (LIR).** All sites included have a LIR that is greater than one, meaning that the land is greater in value than the improvements (buildings/structures).

**Similarity to recently developed non-vacant sites.** The City has seen a number of recent residential projects develop on prior non-vacant uses. These projects have similar uses and characteristics to the sites included in the RHNA inventory.

Tracy Senior Living Apartments

Byron Road Duplexes

Byron Road TSM

Tracy Apartment

**Age of the existing structure.** A building that is older than 30 years old.

#### **Future Housing Opportunities (Additional Residential Buffer)**

This element includes Program 7 for the City to facilitate discussions and incentivize the production of affordable housing on underutilized lots owned by religious and educational facilities through actions such as outreach, funding, technical assistance, and promotional materials. One school site has been identified (Merrill F West High School). This location was chosen due to portions of the site being functionally vacant and non-contiguous that could be utilized for housing, see additional site details below. It is assumed that any future residential development would be in addition to the school uses and would not replace them. While this location was not included in the sites inventory for the 6th cycle, 113 units of moderate-income housing are being incorporated into the City's buffer.

#### IV. Housing Sites and Resources

This is due to interest expressed by nonprofit developers, making residential development on these parcels a possibility during the 2023-2031 planning period.

##### **Single-family Residential**

There are 35 sites with existing single-family uses that provide redevelopment opportunities. As a part of Program 9, these sites will be rezoned to accommodate additional units. The rezoning will also make the redevelopment of these sites more financially feasible. As existing uses do not significantly vary site by site, the section below describes three examples of sites with similar characteristics to other single-family homes in the area. ~~Characteristics include an existing, non-conforming use, a parcel larger than 0.5 acres, and significant amounts of vacant land on the parcel. The existing uses are not anticipated to act as an impediment to redevelopment of the parcels.~~

Additionally, the City has seen recent redevelopment of residential uses into lower-income housing in the Tracy Senior Living Project. This project consists of demolishing 15 existing residential units and replacing them with 110 affordable units.

Note that the single-family homes in the MDR and MDC zones, which ~~has~~ have a minimum density of 5.9 du/acre may already be a non-conforming use. The increased density in these zones will increase the capacity for high density housing in areas with already non-conforming uses. The upzone from MDR/MDC to HDR provides capacity for an additional ~~589-608~~ units beyond what is currently allowed.

There is a total of ~~36-35~~ sites with existing residential uses included in the RHNA. These sites provide capacity for ~~952-948~~ new lower-income units (~~905 net new units~~). ~~None of the existing units are lower-income units. Furthermore, the development on any site listed in the Sites Inventory that proposes to demolish existing housing units shall be subject to a policy requiring the replacement of affordable units as a condition of any development on the site pursuant to Government Code Sec. 65583.2(g)(3). Replacement requirements shall be consistent with those set forth in Section 65915(c)(3).~~

Additionally, the City will implement Program 20 to ensure a no net loss of housing by income category when existing housing is demolished so that, at a minimum, an equivalent number of replacement units are created at the same level of affordability.

Residential Sites		Description					
<u>Address</u>	<u>1241 Berg Road</u>	<u>1240 Berg Road</u>	<u>1191 Berg Road</u>	<u>1180 Berg Road</u>	<u>1121 Berg Road</u>	<u>2881 Fabian Road</u>	<u>1150 Berg Road</u>
<u>APNs</u>	<u>23806024</u>	<u>23806005</u>	<u>23806021</u>	<u>23806009</u>	<u>23806029</u>	<u>23806018</u>	<u>23806013</u>
<u>Size (Acres)</u>	<u>0.80</u>	<u>0.49</u>	<u>0.82</u>	<u>1.00</u>	<u>0.79</u>	<u>1.07</u>	<u>1.23</u>
<u>Existing Zoning</u>	<u>MDR</u>	<u>MDR</u>	<u>MDR</u>	<u>MDR</u>	<u>MDR</u>	<u>MDR</u>	<u>MDR</u>
<u>General Plan Designation</u>	<u>Residential Medium</u>	<u>Residential Medium</u>	<u>Residential Medium</u>	<u>Residential Medium</u>	<u>Residential Medium</u>	<u>Residential Medium</u>	<u>Residential Medium</u>
<u>Current Use</u>	<u>Single-Family Residential</u>	<u>Manufactured home</u>	<u>Single-Family Residential</u>				
<u>Land Improvement Ratio</u>	<u>0.9</u>	<u>1.10</u>	<u>1.13</u>	<u>0.82</u>	<u>NA</u>	<u>1.69</u>	<u>1.22</u>
<u>Year Built Prior To</u>	<u>1995</u>	<u>1948</u>	<u>1957</u>	<u>1955</u>	<u>NA</u>	<u>1948</u>	<u>1948</u>
<u>Building Coverage</u>	<u>6%</u>	<u>9%</u>	<u>6%</u>	<u>5%</u>	<u>2%</u>	<u>6%</u>	<u>4%</u>

Residential Sites		Description					
Income Category	Lower	Lower	Lower	Lower	Lower	Lower	Lower
Total Units	23	14	22	29	23	29	36
Non-Vacant Site Characteristics	B,C,D, E	A,B,C,D, E	A,B,C,D, E	B,C,D, E	B,C,D,E	A,B,C,D,E	A,B,C,D,E
<u>Within 1 mile of:</u>							
Daycare	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Grocery	No	No	No	No	Yes	Yes	Yes
School	No	No	No	No	No	Yes	Yes

### Berg Road Cluster

The parcels at 1241, 1240, 1191, 1180, 1121, and 1150 Berg Road, and 2881 Fabian Road range in size from 0.5 to 2.6 acres in area. Because they are in close proximity to one another, there is an opportunity and strong incentive for consolidation of adjacent lots. The sites are near a grocery store and several daycares and parks, which provide necessary resources for residents. The structures vary in age, with many built prior to 1949. The combined acreage is 6.2 acres. The land improvement ratio for these sites range from 0.8 to 3.0. The combined realistic capacity for these sites is 181-176 units. All of these parcels will be rezoned from MDR to HDR, resulting in a minimum density of 20 du/acre and a maximum density of 35 du/acre.

#### 1121 Berg Road

This 0.79-acre site is currently partially occupied by a manufactured home that appears to be currently vacant. The majority of the lot is vacant, underutilized land. It is located within an existing residential community, making this site optimal for further residential development and potential lot consolidation. The realistic capacity for the site before rezoning would be 7 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 23 net new lower-income units.



#### IV. Housing Sites and Resources

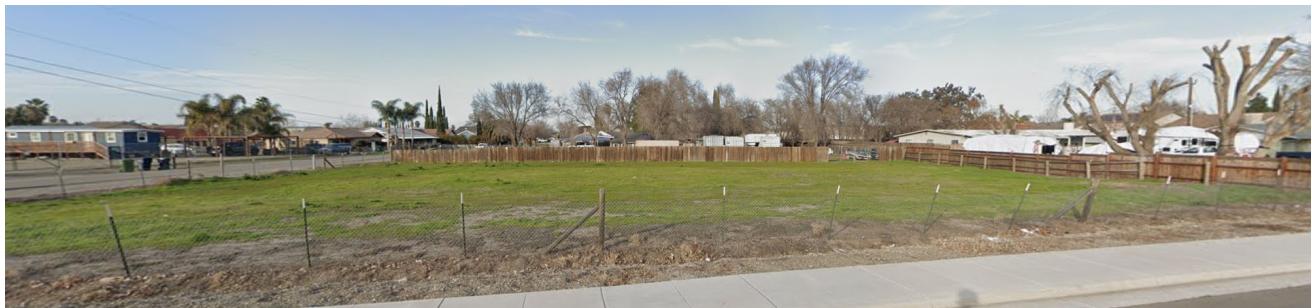
##### ***2881 Fabian Road***

This 1.07-acre site is currently occupied by three units, and the majority of the parcel is vacant, underutilized land. It is located within an existing residential community, making this site optimal for further residential development and potential lot consolidation. The realistic capacity for the site before rezoning would be 8 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 29 net new lower-income units.



##### ***1150 Berg Road***

This 1.23-acre site is currently partially occupied by a single-family home. The majority of the lot is vacant, underutilized land. It is located within an existing residential community, making this site optimal for further residential development and potential lot consolidation. The realistic capacity for the site before rezoning would be 12 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 36 net new lower-income units.



### 1240 Berg Road

This 0.49-acre site is currently partially occupied by a single-family home. The majority of the lot is vacant, underutilized land. It is located within an existing residential community, making this site optimal for further residential development and potential lot consolidation. The realistic capacity for the site before rezoning would be 4 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 14 net new lower-income units.



### 1241 Berg Road

This 0.80-acre site is currently partially occupied by a manufactured home that appears to be currently vacant. The majority of the lot is vacant, underutilized land. It is located within an existing residential community, making this site optimal for further residential development and potential lot consolidation. The realistic capacity for the site before rezoning would be 7 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 23 net new lower-income units.



### 1180 Berg Road

This 1.0-acre site is currently partially occupied by a manufactured home that appears to be currently vacant. The majority of the lot is vacant, underutilized land. It is located within an existing residential community, making this site optimal for further residential development and potential lot consolidation. The realistic capacity for the site before rezoning would be 9 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 29 net new lower-income units.

#### IV. Housing Sites and Resources



##### 1191 Berg Road

This 0.82-acre site is currently partially occupied by a manufactured home that appears to be currently vacant. The majority of the lot is vacant, underutilized land. It is located within an existing residential community, making this site optimal for further residential development and potential lot consolidation. The realistic capacity for the site before rezoning would be 6 moderate-income units, but after rezoning from MDR to HDR, the realistic capacity is 22 net new lower-income units.



#### **Religious and Educational Facilities**

Senate Bill (SB) 4, the Affordable Housing on Faith Lands Act, provides a streamlined process for religious organizations and nonprofit colleges to develop affordable housing on their property. City staff have received positive feedback from faith leaders in the community about their desire to provide affordable housing on religious properties. Several religious facilities have extensive amounts of surface parking, underdeveloped, and vacant land that is suitable for re-use and re-development for housing. The existing religious uses have potential to be redeveloped and reconfigured to maintain the existing use, while still accommodating new housing units on the same site. The City is including Program 7 to facilitate the development of affordable housing for persons with special needs and to capture the potential of developer interest on religious and educational properties. Program 7 will also incentivize the production of affordable housing on underutilized lots owned by religious and educational facilities through actions such as outreach, funding, technical assistance, and promotional materials.

The designated opportunity sites that are currently being used by a church or educational facility span the Low Density Residential (LDR), Medium Density Residential (MDR), and High Density Residential (HDR) zones. Parcels that are not currently zoned HDR will be rezoned to HDR. These parcels are largely underutilized lots with smaller building footprints (<30% lot coverage). It is

#### IV. Housing Sites and Resources

possible the existing uses could be maintained with the redevelopment of the parcel. The existing uses are not anticipated to act as an impediment to redevelopment of the parcels.

There are three sites with existing uses by a church or school in the RHNA. These sites provide capacity for 155 net new lower-income units.

<u>Residential Sites</u>	<u>Description</u>	
<u>Address</u>	<u>489 West Mount Diablo Avenue</u>	<u>491 West Mount Diablo Avenue</u>
<u>APNs</u>	<u>23542008</u>	<u>23542006</u>
<u>Size (Acres)</u>	<u>0.85</u>	<u>0.57</u>
<u>Existing Zoning</u>	<u>MDR</u>	<u>MDR</u>
<u>General Plan Designation</u>	<u>Residential Medium</u>	<u>Residential Medium</u>
<u>Current Use</u>	<u>Religious facility</u>	<u>Religious facility</u>
<u>Land Improvement Ratio</u>	<u>2.0</u>	<u>2.0</u>
<u>Year Built Prior To</u>	<u>1993</u>	<u>Manufactured home</u>
<u>Building Coverage</u>	<u>10%</u>	<u>5%</u>
<u>Income Category</u>	<u>Lower</u>	<u>Lower</u>
<u>Total Units</u>	<u>25</u>	<u>17</u>
<u>Non-Vacant Site Characteristics</u>	<u>A, B, D, E</u>	<u>A, B, D, E</u>
<u>Within 1 mile of:</u>		
<u>Daycare</u>	<u>Yes</u>	<u>Yes</u>
<u>Grocery</u>	<u>Yes</u>	<u>Yes</u>
<u>School</u>	<u>Yes</u>	<u>Yes</u>

#### *489 and 491 West Mount Diablo Avenue*

The parcels at 489 and 491 West Mount Diablo Avenue are adjacent to one another and currently act as one parcel and function as a single use. They are also adjacent and to several other opportunity sites including two parcels to the north which have common ownership. This creates the opportunity for a larger, consolidated development. These sites are near a grocery store, a daycare, and several schools, which provide necessary resources for residents. Each parcels has a single-story, church-owned structure which combined occupy less than 16 percent of the combined lot area. The majority of each parcel is underutilized land. A multifamily development can be designed and constructed without impact to the existing church use and can be accessible via West Mount Diablo and West 4th Street. If consolidated with the parcels to the north, multifamily development can occur without



#### IV. Housing Sites and Resources

impacting the existing ingress and egress of the church. Additionally, the existing use is only active during two services on Sundays and otherwise is inactive and empty most of the week.

The structure at 489 West Mount Diablo was built between 1993 and 2003 and has had no apparent significant improvements to the structure since construction. The structure occupies 10.2 percent of the total lot area, the paved area/parking lot occupies 22.4 percent of the lot area, and the other 67 percent is vacant open fields.

The structure at 491 West Mount Diablo is temporary and occupies 5.2 percent of the total lot area and the rest of the property is vacant open fields. Historical aerials have indicated the vacant portion of the property has never been used for any alternate or supportive use to the Church dating back to its construction between 1993 and 2003.

The parcels are 0.85 and 0.57 acres, respectively; there is a combined 4 acres among the seven opportunity sites. The realistic capacity for these two sites before rezoning would be 16 and 11 moderate-income units respectively, but after rezoning from MDR to HDR, the realistic capacity is 42 net new lower-income units.



#### *Merrill F West High School*

This 3.8-acre site is a non-contiguous parcel currently partially occupied by Merrill F West High School. The southeastern portion of the parcel (shown in the image) is located across the street from the high school and is functionally vacant, however the APN is the same as the high school. As described in the Housing Plan, Program 10 will facilitate the development and subdivision of large lots and vacant portions of non-vacant parcels as is the case for this site, including simplifying the parcel map process, which would involve removing infrastructure requirements at the time of a lot split



and instead move this requirement to the development phase. Additionally, Program 10 will establish a new by-right subdivision process for parcels over 10 acres in size.

## IV. Housing Sites and Resources

No portion of the parcel currently occupied by the school is included in the RHNA calculations, only the non-contiguous, vacant piece of the parcel is included in calculations for the RHNA. This vacant piece of land on the south side of West Lowell Ave is currently owned by the Tracy Unified School District. This vacant 3.8-acre portion of the parcel is underutilized and is located adjacent to existing single family residential as well as a bus stop at the intersection of West Lowell Ave and Lincoln Blvd, making this site optimal for further residential development. The realistic capacity for the site before rezoning would be 19 above moderate-income units, but after rezoning from LDR to HDR, the realistic capacity is 94 net new lower-moderate-income units. While this site was not included in the sites inventory for the 6th cycle, 113 units of moderate-income housing are being incorporated into the City's buffer



### Commercial/Office/Retail

All opportunity sites that have existing commercial development are in the Central Business District (CBD) or General Highway Commercial (GHC) zones (2 sites in both the CBD and GHC zones), which also currently allow residential development. The CBD zone allows development with a minimum density of 15 du/acre and a maximum density of 50 du/acre. The GHC zone currently allows residential development at 12-25 du/acre, but it is being upzoned to allow development between 20 and 35 du/acre. The existing uses are not anticipated to act as an impediment to redevelopment of the parcels.

For the commercial and office non-vacant sites, the land-improvement ratio (LIR) was used to determine the underutilization of a site. The comparison of assessed values for land and improvements (land-improvement ratios) is a reliable indicator of whether and to what extent sites are utilized. All of the commercial and office sites included have a LIR greater than one, meaning that the land is worth more than the improvements (existing buildings/structures) on the site.

There is a total of four sites with existing commercial uses included in the RHNA. These sites provide capacity for 71 new lower-income units.

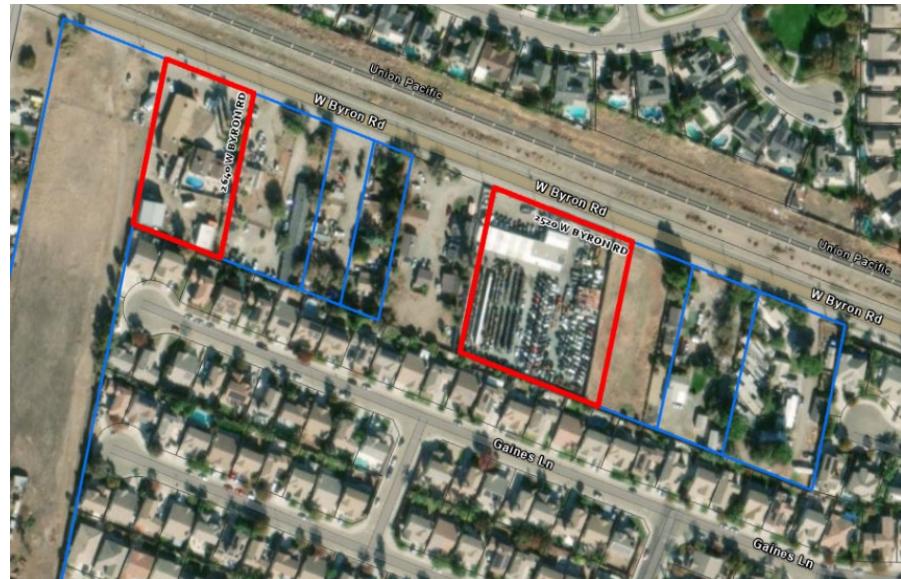
Residential Sites	Description			
<u>Address</u>	<u>2640 West Byron Road</u>	<u>2520 West Byron Road</u>	<u>104 West 11<sup>th</sup> Street</u>	<u>306 West 6<sup>th</sup> Street</u>
<u>APNs</u>	<u>23805014</u>	<u>23805019</u>	<u>23505307</u>	<u>23506311</u>
<u>Size (Acres)</u>	<u>1.10</u>	<u>1.73</u>	<u>0.44</u>	<u>0.48</u>
<u>Existing Zoning</u>	<u>GHC</u>	<u>GHC</u>	<u>CBD</u>	<u>CBD</u>
<u>General Plan Designation</u>	<u>Commercial</u>	<u>Commercial</u>	<u>Downtown</u>	<u>Downtown</u>
<u>Current Use</u>	<u>Liquor Store/Single-family residential</u>	<u>Automobile services/shop</u>	<u>Vacant commercial building</u>	<u>Dilapidated warehouse building</u>
<u>Land Improvement Ratio</u>	<u>1.50</u>	<u>1.74</u>	<u>1.16</u>	<u>1.58</u>
<u>Year Built Prior To</u>	<u>1982</u>	<u>1957</u>	<u>1940</u>	<u>1957</u>

#### IV. Housing Sites and Resources

Residential Sites	Description			
<u>Building Coverage</u>	<u>12%</u>	<u>9%</u>	<u>48%</u>	<u>11%</u>
<u>Income Category</u>	<u>Lower</u>	<u>Lower</u>	<u>Lower</u>	<u>Lower</u>
<u>Total Units</u>	<u>18</u>	<u>30</u>	<u>11</u>	<u>12</u>
<u>Non-Vacant Site Characteristics</u>	<u>A, B, C, D, E</u>	<u>B, C, D, E</u>	<u>A, B, C, E</u>	<u>A, B, C, D, E</u>
<u>Within 1 mile of:</u>				
<u>Daycare</u>	<u>No</u>	<u>No</u>	<u>Yes</u>	<u>Yes</u>
<u>Grocery</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>
<u>School</u>	<u>No</u>	<u>No</u>	<u>Yes</u>	<u>Yes</u>

#### West Byron Road Corridor

The parcels at 2640 and 2520 West Byron Road are adjacent to several RHNA opportunity sites, which provides for a larger lower-income multifamily community. The sites are located along a major thoroughfare and are within one mile of local amenities including a grocery store, a bank, a school, and several restaurants, which provide necessary resources for residents. Additionally, these sites are surrounded by single family residential.



Their combined acreage is 2.8 acres. The combined realistic capacity after the proposed rezoning from GHC to HDR is 48 new lower-income units.

### ***2640 West Byron Road***

This 1.1-acre site is occupied with a structure that was built prior to 1982 and is currently a market, liquor store, and U-Haul pick up location. Since 2007 the building has had three different tenants. A large percent of the lot is used as parking, sheds, or laydown areas and is underutilized land. It is adjacent to an existing residential community, making this site optimal for further residential development. The land-improvement ratio is 1.5. The realistic capacity for this site is 18 new lower-income units.



### ***2520 West Byron Road***

This 1.7-acre site is occupied with a structure that was built prior to 1957 and is currently an automotive recycle center. Over 90 percent of the lot is used as staging areas for cars and car parts and is underutilized land. It is adjacent to an existing residential community, making this site optimal for further residential development. The land-improvement ratio is 1.7. The realistic capacity for this site is 30 new lower-income units.



#### IV. Housing Sites and Resources

##### **104 West 11th Street**

The two consolidated parcels at this address currently total 0.62 acres. The non-vacant parcel is currently partially occupied by a structure that was built prior to 1957. About half of the lot is a parking lot or for vehicle access and is underutilized. It is near an existing residential community, making this site optimal for further residential development. The land-improvement ratio is 1.58. The realistic capacity for these combined parcels is 12 net new lower-income units.



##### **306 West Sixth Street**

The three consolidated parcels at this address currently total 1.3-acres. The non-vacant parcel is currently partially occupied with a structure that was built prior to 1982 and is currently dilapidated and vacant. Over 90 percent of the lot is paved and deemed underutilized land. It is adjacent to an existing residential community, making this site optimal for further residential development. The land-improvement ratio is 1.16. The realistic capacity for this site is 11 new lower-income units.





## **G. Financial Resources**

The Housing Element serves, in part, to identify what actions can be taken to support the production of housing. Through collaboration with City staff, service providers, and the community, the City's Housing Element identifies financial resources that support housing production.

### **1. Administrative Resources**

The City of Tracy's Development Services Department is responsible for implementing City policies that direct the physical development and community character of the City. This includes reviewing land use proposals and implementation of City development policies, including the General Plan. The Building Safety Division processes and issues building permits, conducts plan reviews, and conducts building inspections. The City Police Department resolves land use-related violations through the Code Enforcement Division.

### **2. Countywide Programs**

#### **Housing Authority of the County of San Joaquin**

The Housing Authority of the County of San Joaquin (HACSJ) is the agency responsible for providing decent, safe, and affordable housing for low-income, elderly, and disabled individuals and families. The HACSJ manages the Housing Choice Voucher (HCV) program, providing rent subsidies in the form of housing assistance payments to private landlords on behalf of eligible families. The HCV program provides housing assistance to extremely low- and very low-income families, senior citizens, and disabled persons. Its objective is to provide affordable, decent, and safe housing for eligible families, while increasing residential mobility and choice.

#### **Housing Choice Voucher**

The Housing Choice Voucher (HCV) program is the federal government's major program for assisting very low-income families, elderly, and disabled households to afford decent, safe, and sanitary housing in the private market. A housing subsidy is paid to the landlord directly by the HACSJ on behalf of the participating household. The household then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program. This is generally 30 percent of their adjusted income. Households who participate in the HCV program are selected from the HACSJ's waitlist.

## IV. Housing Sites and Resources

### **3. Statewide Resources**

There are a variety of statewide programs and resources available. The City receives regular notification regarding state and federal funding and grant opportunities. Additionally, the City pursues grants on a programmatic and project basis for active programs and projects.

#### **Senate Bill (SB) 2 Grant**

In 2017, a 15-bill housing package was signed into law aimed to address the state's housing issues; the package included the Building Homes and Jobs Act. This established a \$75 recording fee on real estate documents to increase the supply of affordable homes in California.

This funding was designed to help cities and counties accomplish the following:

- Accelerate housing production;
- Streamline the approval of housing development affordable to owner and renter households at all income levels;
- Facilitate housing affordability, particularly for lower- and moderate-income households;
- Promote development consistent with the State Planning Priorities (Government Code Section 65041.1); and
- Ensure geographic equity in the distribution and expenditure of the funds.

#### **Local Early Action Planning Grant**

The Local Early Action Planning (LEAP) grant provides one-time grant funding to cities and counties to update their planning documents and implement process improvements that will facilitate the acceleration of housing production and help local governments prepare for their 6th Cycle RHNA, much like the SB 2 planning grants.

The 2019-20 Budget Act provides a spectrum of support, incentives, resources, and accountability to meet California's housing goals. Some specific elements include:

- Local and regional planning grants (LEAP and REAP)
- Pro-housing preference points on competitive funding applications
- Additional funding resources
- Accountability (penalties for noncompliant housing plans)
- Reform (collaborative processes to reform regional housing needs)

## **4. Department of Housing and Urban Development Grants**

### **HOME Investment Partnership Act (HOME)**

HOME, like CDBG, is a formula-based block grant program. HOME funds must be spent only on housing, and are intended to provide incentives for the acquisition, construction, and rehabilitation of affordable rental and home ownership. HOME requires local governments to provide matching funds, though the matching ratio depends on the specific uses to which HOME funds are to be put. The federal-to-local matching ratio for tenant assistance is currently four-to-one, while the match for rental construction is two-to-one. The City participates in the HOME program through San Joaquin County and received an estimated \$180,173 in fiscal year 2023-2024.

## **Community Development Block Grant (CDBG) Funds**

CDBG is the largest federal housing-related program for affordable housing. It is a "pass-through" program that allows local governments to use federal funds to alleviate poverty and blight. HUD makes allocations based on a formula that takes population, poverty, and housing distress into account. CDBG funds are used for a variety of housing efforts including activities aimed at reducing costs for private development (helping fund site acquisition, improvement, and other soft costs); housing acquisition and rehabilitation through short- and long-term loans, grants or loan guarantees; direct payment of rent or mortgage and housing counseling services; and fair housing activities. Tracy receives CDBG funds through the San Joaquin Urban County program. The City uses 15 percent of its CDBG funds for public services with the remainder of the allocation going toward public facilities. Tracy received an estimated \$495,584 in CDBG funding in the 2023-2024 fiscal year.

## **H. Energy Conservation**

Energy Conservation State law (Government Code Section 65583(a)(7)) requires a Housing Element to provide an analysis of opportunities for energy conservation in residential development. Not only do such energy conservation measures reduce consumption of non-renewable or limited resources, but they can also substantially lower housing maintenance costs.

Pacific Gas and Electric (PG&E) provides electrical and gas service for the City. PG&E also provides several programs, incentives, and rebates for qualified renters and homeowners to save energy and money.

As of January 1, 2020, the State of California began requiring solar on newly constructed low-rise residential buildings including single-family homes, duplexes, townhouses of three stories or less, and ADUs, through the 2019 California Building Standards Energy Code (Title 24, Part 6). The City has adopted the 2022 California Building Code, including the 2022 California Green Building Standards Code (Title 24, Part 11), which intends to improve public health, safety, and general welfare by enhancing the design and construction of buildings through the use of building concepts having a reduced negative impact or positive environmental impact and encouraging sustainable construction practice in planning, energy efficiency, water efficiency and conservation, material conservation and resource efficiency, and environmental quality.

The City has a number of local efforts to encourage energy conservation through its Water Conservation and Efficiency Rebates and Incentives. These are programs for qualifying single-family, multifamily, commercial, and industrial properties. Programs include an Ultra Low-Flush Toilet Rebate Program, a Smart Irrigation Controller Replacement Program, a Lawn and Turf Removal and Replacement Program, and a Water Use Survey Program.

Additionally, the City adopted a Sustainability Action Plan in 2011 to achieve sustainability in the sectors of greenhouse gas emissions, energy, transportation and land use, solid waste, water, agriculture and open space, biological resources, air quality, public health, and economic development.

The San Joaquin County Human Services Agency, through its Home Energy Assistance Programs, operates a weatherization program. The weatherization program can assist income-qualifying renters or owners by installing energy-saving measures and through repairs to homes, multiunit dwellings, and mobile homes. Weatherization efforts include repair or replacement of a refrigerator,

#### IV. Housing Sites and Resources

stove, water heater, or microwave, insulation, minor home repair, LED light bulbs, smoke and carbon monoxide detectors, shade screens, and weather-stripping.

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## V. 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 2023-2031 planning period.

Goals are statements of community desires which are broad in both purpose and aim but are designed specifically to establish direction. Policies provide specific standards and/or end states for achieving a goal. Essentially, goals represent desired outcomes the City seeks to achieve through the implementation of policies. Further articulation of how the City will achieve the stated goals is found in the programs. Programs identify specific actions the City will undertake toward putting each goal and policy into action. Quantified objectives identified in particular programs are estimates of assistance the City will be able to offer, subject to available financial and administrative resources.

To make adequate provision for the housing needs of all economic segments of the community, the programs in the Housing Plan aim to:

- Conserve and improve the condition of the existing affordable housing stock;
- Assist in the development of housing for low- and moderate-income households;
- Identify adequate sites to encourage the development of a variety of types of housing for all income levels;
- Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing; and
- Promote housing opportunities for all persons.

Table V-3 at the end of this section summarizes the quantified objectives of the various housing programs for the period of December 31, 2023 through December 31, 2031.

### A. Conservation of the Existing Supply of Housing

Conserving and improving the housing stock is an important goal for the City of Tracy. The City supports neighborhood preservation and improvement through code enforcement.

**Goal 1.0      Conserve and improve the condition of the existing housing stock, especially affordable housing.**

**Policy 1.1**      Promote the continued maintenance and enhancement of residential units.

**Policy 1.2**      Work to preserve affordable units in publicly assisted housing developments that are at risk of converting to market-rate housing.

**Policy 1.3**      Facilitate the removal of existing housing that poses serious health and safety hazards to residents and adjacent structures.

**Policy 1.4**      Work with property owners and nonprofit housing providers to preserve existing housing for low and moderate income households.

**Policy 1.5**      Promote energy conservation in housing.

## V. Housing Plan

### **Program 1: Housing Rehabilitation**

The San Joaquin County Home Rehabilitation Program assists property owners in making residential building improvements. It offers low interest (two percent) amortized and deferred payment loans. The program is designed to make needed renovations affordable for low income homeowners (up to 80 percent AMI). San Joaquin County will make rehabilitation loans that, combined with the existing mortgage, do not exceed 110% of the value of the property.

*Objectives and Timeframe:*

- Assist 15 lower income households in Tracy with the rehabilitation of their homes during the planning period.
- Citywide, targeted outreach in lower resource, lower income neighborhoods, , including central northern and northeastern Tracy.

*Responsible Agency:* San Joaquin County Neighborhood Preservation

*Funding Sources:* Urban County CDBG

### **Program 2: Code Enforcement**

The Code Enforcement Division handles the enforcement of the City's zoning regulations and building and housing codes. Complaints received are investigated for possible violations and compliance is handled first by direct person to person visit or by telephone to discuss the violations and obtain voluntary compliance. The Code Enforcement Division also works with other city departments and outside state and county agencies.

*Objectives and Timeframe:*

- Investigate possible code violations.
- Disseminate information on available housing rehabilitation assistance to address code violations and other housing issues.

*Responsible Agency:* Tracy Code Enforcement Division

*Funding Sources:* General Fund

### **Program 3: Graffiti Abatement Program**

The majority of graffiti is done by graffiti vandals known as "taggers." The City of Tracy operates a Graffiti Abatement Program. Residents can report any graffiti around the City on public or private property to the City's Graffiti Hot Line. This hot line is available 24 hours a day and is completely anonymous.

*Objectives and Timeframe:*

- Continue to operate the Graffiti Hot Line and promote program through City website and social media platforms.

*Responsible Agency:* Operations and Utilities Department

*Funding Sources:* General Fund

## Program 4: Affordable Housing Monitoring

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

The City will work to preserve the long-term affordability of its affordable housing inventory, including 237 units at risk during this planning cycle.

### *Objectives and Timeframe:*

- Annually monitor status of affordable units by maintaining contact with property owners and updates from HUD's Multi-Family Housing division.
- If a Notice of Intent is filed to opt out of low income housing use, work with property owners to ensure compliance with noticing requirements (three years, one year, and six months advance notices required). Education of alternative housing options should be provided to tenants.
- Annually solicit interest and participation of nonprofit housing developers to acquire and preserve housing to be maintained as affordable units.
- Annually pursue funding available from state and federal programs to improve and preserve existing affordable housing.

*Responsible Agency:* Tracy Economic Development Division

*Funding Sources:* General Fund

## B. Assist in the Development of Affordable Housing

Providing affordable housing is essential for a healthy community. In addition to a diverse mix of housing types, it is necessary to make available housing for residents of all income levels. Seeking funding from varied sources increases the opportunities for development of affordable housing units. The Tracy Development and Engineering Services (DES) Department actively works with both non-profit and for-profit developers in the production of affordable for-sale and rental housing. Recognizing that homeownership plays a significant role in establishing strong neighborhoods and a sense of community pride, the City supports programs that make purchasing a home a realistic option for lower and moderate income households.

**Goal 2.0** **Assist in the provision of housing that meets the needs of all economic segments of the community.**

**Policy 2.1** Facilitate homeownership opportunities for low and moderate income households.

**Policy 2.2** Use density bonuses and other incentives to facilitate the development of new housing for extremely low, very low, and low income households.

**Policy 2.3** Work with non-profit and for-profit developers to maximize resources available for the provision of housing affordable to lower income households.

## V. Housing Plan

**Policy 2.4** Address the housing needs of special populations and extremely low income households through a range of housing options, including emergency shelters, transitional housing, supportive housing, and single-room occupancy units.

**Policy 2.5** Promote the use of energy conservation features in the design of residential development to conserve natural resources and lower energy costs.

### Program 5: DAP Loan Program

The Tracy Down Payment Assistance (DAP) Loan Program provides deferred down payment assistance loans, for 20 percent of the sales price up to \$40,000 (whichever is the lesser), to low income, first-time homebuyers for the purchase of a home in Tracy. The loans are intended to bridge the “gap” between the cost of a home and what a low income household can afford. The program is administered by the San Joaquin County Neighborhood Preservation Division.

*Objectives and Timeframe:*

- Provide down payment assistance to ten qualified lower income households (up to 80 percent AMI) during the Housing Element planning period.
- Disseminate information through City website and social media platforms.
- Citywide, targeted outreach in lower resource, lower income neighborhoods, including central northern and northeastern Tracy.

*Responsible Agency:* San Joaquin County Neighborhood Preservation

*Funding Sources:* Urban County HOME funds

### Program 6: Homebuyer and Financial Literacy Training

Homebuyer and financial literacy education represents a key step to introducing households to the challenges, responsibilities, and benefits of homeownership. These programs also serve as critical components of asset-building, helping families build wealth – savings and equity – rather than living paycheck to paycheck. In particular, homebuyer education programs help first-time buyers evaluate their financial readiness, understand the home buying process, explore different financing options, access homebuyer assistance programs, resolve credit issues, and avoid predatory lending practices. Other asset-building education programs address financial literacy more broadly. Homebuyer and financial literacy programs are best offered in tandem with demand-side initiatives such as a down payment assistance program.

*Objectives and Timeframe:*

- Require a “Certificate of Completion” from a HUD-approved homebuyer class in order to participate in the DAP Loan Program.
- Partner with qualified local non-profit agencies to offer homebuyer education classes and publicize the availability of these classes to residents twice during the planning period
- Citywide, targeted outreach in lower resource, lower income neighborhoods, including central northern and northeastern Tracy.

**Responsible Agency:** San Joaquin County Neighborhood Preservation Division; Visionary Home Builders; Neighbor Works; NID-HCA (Housing Counsel Agency)

**Funding Sources:** Urban County HOME funds

## Program 7: Affordable/Workforce Housing

The City will continue to facilitate the development of affordable housing in the community through a number of strategies:

- Density bonus incentives
- GMO exemptions and exceptions for affordable housing units
- Support in funding applications by nonprofits
- Expedited review of affordable housing development

Furthermore, on March 2, 2021, the City Council approved a scope of work for an action plan to address affordable/workforce housing. Completing this action plan will be a priority project for the City upon adoption of the Housing Element. Estimated timelines for this plan are late 2025 and early 2026 in coordination with other Development Code updates. Some of the actions are already included in the rezoning program to accommodate the RHNA under Program 11: Adequate Sites for RHNA. Additional actions to pursue over the 2023-2031 planning period include:

These include:

- Amend Zoning Ordinance to permit high density housing by right in certain commercial zones.
- Update the Zoning Ordinance with the most recent State law changes regarding ADUs (Program 12).
- Rezone two sites, currently zoned Industrial, to accommodate the City's 5th cycle RHNA (Program 9).
- Increase maximum densities in higher density residential zones (Program 9).
- Remove minimum lot size in favor of floor area ratio and/or units per acre in residential zones.
- Increase minimum density in medium density residential zones (Program 9).
- Allow and encourage duplexes, triplexes, and fourplexes in new single-family home subdivisions.
- Create and apply an overlay zone that allows clusters of tiny homes.
- Amend the City's parking ordinance to reduce the number of off-street parking spaces required for new multi-family housing development projects (Program 14).
- Develop objective design standards for multi-family development (Program 15).
- Consider inclusionary housing (Program 13).

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### *Objectives and Timeframe:*

- Complete the Affordable/Workforce Housing Action Plan by March 2026. As part of the plan, pursue rezoning and zoning code amendments as outlined in various programs to facilitate affordable and workforce housing.
- Annually during City budgeting process, prioritize actions to pursue to expand housing choices and opportunities.
- Facilitate the development of 200 affordable housing units beyond the RHNA over eight years, with the goal of prioritizing housing for persons with special needs, including extremely-low income households and farmworkers. Utilize the incentives listed above in this program and work with interested local developers, the County Housing Authority, ~~religious and educational~~ facilities and organizations and nonprofits toward the development of the affordable units. Pursue residential development on the Merrill F West High School site (residential uses would be in addition to the school and not replace it) as part of the moderate income unit buffer. At least every other year, beginning in 2026, the City will take the following actions:
  - Outreach to property owners of educational and religious facilities;
  - Informational materials, including what is allowed under SB4; and
  - Technical assistance with the application process.
- Annually identify potential housing opportunities and provide information about affordable housing opportunities to interested developers via a list of properties that can be updated as needed.
- Focus on Higher opportunity, higher income, single-family neighborhoods, including western and southern Tracy.

*Responsible Agency:* Tracy Development Services Department

*Funding Sources:* General funds

### **Program 8: Housing Choice Voucher Program**

The City of Tracy contracts with the Housing Authority of the County of San Joaquin (HACSJ) to manage the Housing Choice Voucher (HCV) program, which provides rent subsidies in the form of housing assistance payments to private landlords on behalf of eligible families. The HCV program, funded by HUD, provides housing assistance to extremely low and very low income families, senior citizens, and disabled or handicapped persons. Its objective is to provide affordable, decent and safe housing for eligible families, while increasing a family's residential mobility and choice. The Voucher Program also includes programs such as Family Self-Sufficiency and Welfare to Work. These are designed to assist families in becoming economically self-sufficient.

### *Objectives and Timeframe:*

- Disseminate information to the public regarding the HCV program and promote participation by rental property owners.
- By July 2025, create a Fair Housing Factsheet to be included in the ADU application packet.

- Annually contact the HACSJ to obtain information on the status of the HCV program and other available resources.
- Continue to support HACSJ's petition for increased funding from HUD.
- Continue to work with HACSJ to provide HCVs to Tracy residents, with the goal of increasing HCV use in the City by 20 percent (from 160 recipients) by the end of 2031.
- Continue to work with the HACSJ to assist households through the Family Self-Sufficiency Program.

*Responsible Agency:* Housing Authority of the County of San Joaquin

*Funding Sources:* HUD funds

## C. Provide Adequate Housing Sites

A key element in meeting the housing needs of all segments of the community is the provision of adequate sites for all types, sizes and prices of housing. Persons and households of different ages, types, incomes, and lifestyles have a variety of housing needs and preferences that evolve over time and in response to changing life circumstances. Providing an adequate supply and diversity of housing accommodates changing housing needs of residents. The Tracy General Plan and Zoning Ordinance, as well as Specific Plans, establish where housing may locate. To provide adequate housing and maximize use of limited land resources, new development should be constructed at appropriate densities that maximize the intended use of the land.

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

**Policy 3.1** Provide for a range of residential densities and products, including low-density single-family uses, moderate-density townhomes, and higher-density apartments, condominiums, and units in mixed-use developments.

**Policy 3.2** Encourage development of residential uses in strategic proximity to employment, recreational facilities, schools, neighborhood commercial areas, and transportation routes.

**Policy 3.3** Encourage compatible residential development in areas with recyclable or underutilized land.

**Policy 3.4** Promote the adaptive reuse of existing commercial/industrial buildings as a conservation measure.

**Policy 3.5** Promote flexible development standards to provide for a variety of housing types.

### Program 9: Provision of Adequate Sites and Monitoring of No Net Loss

#### *RHNA Obligations*

For the 6<sup>th</sup> cycle Housing Element, the City has been assigned a Regional Housing Needs Assessment (RHNA) of 8,830 units, including:

- Very Low Income: 2,994 units
- Low Income: 1,879 units
- Moderate Income: 1,175 units

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- Above Moderate: 2,782 units

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

### *RHNA Shortfall*

The City is committed to providing adequate sites at appropriate densities to fully accommodate its RHNA obligations. Specifically, the City already has pending projects that account for 3,113 units (118 very low income, 23 low income, and 2,972 above moderate income units). Projected ADUs also account for 330 units. Overall, the City has a remaining RHNA obligation of 5,610 units (2,777 very low income, 1,757 low income, and 1,076 moderate income units).

Under existing zoning, the City has realistic capacity for 1,016 lower income units and 754 moderate income units, creating a lower income shortfall of 3,857 units and a moderate-income shortfall of 421 units.

### *Sites Strategy*

The City's overall strategy is to accommodate the RHNA shortfall through increasing the permitted densities of existing multi-family zones, rezoning limited single-family and commercial areas to multi-family residential, and creating programs to facilitate increased ADU production in single-family zones, as outlined in Section IV of this Housing Element and summarized below. These strategies will allow the City to fully meet its housing needs for all income levels during the 6th Cycle Housing Element. Rezoning will meet all requirements pursuant to Government Code Section 65583.2, subdivisions (h) and (i). The following zones are proposed for increased densities:

- MDR - from 5.9-12 du/ac to 5.9-20 du/ac
- MDC - from 5.9-12 du/ac to 5.9-20 du/ac
- HDR - from 12-25 du/ac to 20-35 du/ac
- GHC - from 12-25 du/ac to 20-35 du/ac

**Table V-1: Opportunity Sites Rezoned to HDR**

Existing Zone	Acres	Very Low Units	Low Units	Moderate Units	Total Units
LDR	3.8	0 70	0 43	113-	113
MDC	5.5	98	64	-	162
MDR	40.3	700	469	-	1,169
PUD	75.4	1,029	641	575	2,245
NS	3.2	59	37	-	96
I-205 – GC	7.9	146	91	-	237
I-205 – CC	19.6	357	227	-	584
M1	21.9	129	129	394	652
M1-TH	5.0	91	57	-	148
MDR-TH	15.0	276	171	-	447
GHC	1.1	17	12	-	29
<b>Total</b>	<b>198.8</b>	<b>2,902</b>	<b>1,898</b>	<b>1,082</b>	<b>5,882</b>
				<b>1,871</b>	<b>1,109</b>

The City of Tracy will create a new mixed-use zone (MU-1) with a density of 20-35 du/ac to allow properties to be developed with a mix of commercial retail office and/or residential uses. The

appropriate development standards will be established to ensure that maximum allowable densities can be achieved. As illustrated in Table V-2, this new zone will allow for 706 residential units, including 141 very low, 141 low and 424 moderate income units.

**Table V-2: Opportunity Sites Rezoned to MU-1**

Existing Zone	Acres	Very Low Units	Low Units	Moderate Units	Total Units
M1	40.3	141	141	424	706

### *By-Right Approval*

As required by law, the following types of sites are subject to by-right approval without discretionary review if the project includes 20 percent of the units as housing affordable to lower income households:

- Reuse Sites: Vacant sites that were used to meet the City's 4<sup>th</sup> and 5<sup>th</sup> cycles RHNA for lower income units;
- Reuse Sites: Nonvacant sites that were used to meet the City's 5<sup>th</sup> cycle RHNA for lower income units; and
- Rezone Sites: Sites to be rezoned to meet the 6<sup>th</sup> cycle RHNA for lower income units.

### *Monitoring of No Net Loss*

To ensure that the City complies with SB 166 (No Net Loss), the City will monitor the consumption of residential and mixed-use acreage to ensure an adequate inventory is available to meet the City's RHNA obligations. To ensure sufficient residential capacity is maintained to accommodate the RHNA, the City will develop and implement a formal ongoing (project-by-project) evaluation procedure pursuant to Government Code Section 65863. Should an approval of development result in a reduction in capacity below the residential capacity needed to accommodate the remaining need for lower and moderate income households, the City will identify and if necessary, rezone sufficient sites to accommodate the shortfall and ensure "no net loss" in capacity to accommodate the RHNA.

#### *Objectives and Timeframe:*

- By **July 2025** establish a formal procedure to monitor no-net-loss of capacity in meeting the City's RHNA and amend the Zoning Ordinance to provide for by-right approval for projects that include 20 percent of the units for lower income households.
  - By-right approval is available to reuse sites (not requiring rezoning) effective December 31, 2023
  - By-right approval is available to rezone sites effective upon rezoning
- By **July 2025**, complete rezoning of the sites identified in the sites inventory for rezoning. Appropriate development standards will be established to ensure maximum allowable densities are achievable.
- Make the inventory of sites available to interested developers after adoption of the Housing Element.
- In 2027, the City will evaluate the progress of pending projects counted toward the RHNA to ensure that development of housing units is occurring as projected. If it is determined after consultation with developers that the projects are not proceeding as

## V. Housing Plan

planned and would result in a shortfall in RHNA sites, the City will identify alternative sites strategies (including potential rezoning) within six months.

*Responsible Agency:* Tracy Development Services Department

*Funding Sources:* Departmental Budget

### Program 10: Development of Large Sites

The sites inventory for meeting the RHNA includes 10 large sites (larger than 10 acres) that are expected to offer affordable housing opportunities for lower income households. The 10 opportunity sites consist of parcels ranging in size from 11.4 to 104.1 acres. The sites inventory does not utilize the entirety of each large possible, as subdivision is anticipated. Three of the sites (between 11.4 and 14.3 acres) are projected to develop the entire property. To facilitate the development of these large sites, the City will:

- Facilitate the development and subdivision of large lots and vacant portions of non-vacant parcels to sizes appropriate for the development of affordable housing units (0.5-10 acres) through master plans or specific plans and will give high priority to processing subdivision maps that include affordable housing units. To facilitate the development of these large sites, the City will include incentives similar to what is already provided to large-scale projects in Tracy:
  - To facilitate the subdivision of sites into smaller parcels, the City will establish a new process for the by-right subdivision of parcels over 10 acres in size.
    - This parcel map process will be simplified, including removing infrastructure requirements at the time of a lot split and instead move this requirement to the development phase.
  - Provide technical assistance, incentives, and strategies as appropriate to facilitate development of affordable housing, including parceling at appropriate sizes or other site planning tools such as clustered development, allowing flexibility for the transferring of densities within the property;
  - Provide technical assistance, incentives, and strategies (such as community outreach) during the development phases and when applications come into the City for the identified parcels.
  - Annually meet with property owners and developers to encourage the development of mixed income housing with a mix of unit sizes, types and prices.
  - Allow the development in phases within 8 years of the Housing Element planning period.
  - Offer expedited processing and fee deferrals, reductions, or waivers for affordable units in development on large sites identified in the sites inventory.
- Provide site planning tools such as clustered development, allowing flexibility for the transferring of densities within the property.
- Meet with property owners and developers to encourage the development of mixed income housing with a mix of unit sizes, types, and prices.
- Allow the development in phases within eight years of the Housing Element Planning period.

***Objectives and Timeframe:***

- Meet with developers/property owners at least semi-annually beginning 2024 to facilitate development of sites.
- By the end of 2025, establish objective development standards for clustered development to facilitate large-site development.

***Responsible Agency:*** Tracy Development Services Department

***Funding Sources:*** Departmental Budget

**Program 11: Property Acquisition and Improvement**

The City will continue to identify and seek partnerships with organizations and the County in order to acquire, improve, and develop affordable housing.

***Objectives and Timeframe:***

- Annually identify and seek partnerships with organizations and the County in order to acquire, improve, and develop affordable housing.
- Annually pursue funding available at the state and federal levels for affordable housing development.
- As funding permits, prioritize funding assistance to affordable housing projects that set aside units for seniors, persons with disabilities, and extremely low income households.

***Responsible Agencies:*** Tracy Development Services Department; Economic Development Division; San Joaquin County Neighborhood Preservation Division; and local nonprofits

***Funding Sources:*** CDBG funds and other funding sources, as available

**Program 12: Accessory Dwelling Units**

The City last updated its ADU ordinance in 2018. Since that time, the law on ADUs has substantially changed. The City will update its ADU ordinance to comply with California Government Code Sections 65852.2 and 65852.22. The City will facilitate the construction of ADUs as an alternative source of affordable housing.

**Timeline and Objectives:**

- Facilitate construction of 330 ADUs within the planning period.
- Focus on Higher opportunity, higher income, single-family neighborhoods, including western and southern Tracy.
- Annually monitor permitted ADUs and their affordability as part of the Annual Progress Reports. If ADUs are not affordable to lower-income residents, reach out to community groups and advertise the tools being developed below to encourage ADU construction. ~~adjust ADU assumptions made in this Element within a year. If by the end of 2027 and the end of 2029, the number of ADUs are not meeting the projections in this Housing Element, the City will identify additional residential development sites (including rezoning if needed) within six months of the identified ADU shortage.~~

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- By **July 2025**, achieve the following:
  - Update the Zoning Code to comply with State requirements for ADUs.
  - Update City website to provide a link to California Housing Finance Agency (CalHFA) ADU Grant Program.
  - Develop an information sheet/brochure on ADUs, including building requirements and the permitting process, which may be given to interested property owners and kept at the Planning/Development Services Department. This information should also be included on the City website.
  - Develop and include a Fair Housing Factsheet, especially on Source of Income protection (i.e., use of public subsidies such as Housing Choice Vouchers for housing payments) in the ADU application packet.
  - Develop incentives to encourage development of ADUs, including financial assistance (from state programs if available) to assist lower income homeowners with construction, pre-approved plans, and dedicated counter time for technical assistance, among others.
  - Modify the building permit tracking system to document and monitor ADU construction and demolition permits.

***Responsible Agency:*** Tracy Development Services Department

### **Program 13: Inclusionary Housing**

Inclusionary programs are established through local ordinances that require market rate residential developers to set aside a certain portion of units in a development for income-restricted affordable housing (both rental and homeownership). In order to make affordable housing more accessible to workforce-income households, the City could consider ways to incorporate voluntary inclusionary housing incentives into the GMO to increase the supply of low, moderate, and/or workforce income units.

The City Council conducted a workshop on workforce and affordable housing on June 4, 2019, during which inclusionary housing was discussed. On March 2, 2021, the City Council approved a scope of work for an action plan that would encourage more affordable/workforce housing, for which the City subsequently received grant funding. The City Council directed City staff to evaluate inclusionary housing on June 1, 2021. The City is working through each item in the action plan toward implementation.

#### ***Objectives and Timeframe:***

- Explore the potential and set the stage for an inclusionary housing program that includes an extremely low income housing component by the end of 2025.

**Responsible Agency:** Tracy Development Services Department

**Funding Sources:** Departmental Budget

## D. Remove Governmental Constraints

Pursuant to State law, the City is obligated to address, and where legally possible, remove governmental constraints affecting the maintenance, improvement, and development of housing. Removing constraints on housing development can help address housing needs in the City by expediting construction, and lowering development costs.

**Goal 4.0** **Mitigate any potential governmental constraints to housing production and affordability.**

**Policy 4.1** Review and adjust as appropriate residential development standards, regulations, ordinances, and processing procedures that are determined to constrain housing development, particularly housing for lower and moderate income households and for persons with special needs.

**Policy 4.2** Allow more than 150 affordable housing units as exceptions under the GMO.

### Program 14: Zoning Ordinance

The City will amend the Zoning Code to address the following to facilitate the development of a variety of housing types:

*Objectives and Timeframe:*

- Complete Zoning Ordinance amendments to address the provision of affordable and special needs housing by the end of 2025. Specifically:
  - **Net Densities:** Currently, project densities are regulated by net densities in the Zoning Ordinance. However, in order to be consistent with the General Plan, the Zoning Ordinance will be amended to remove the net density regulations. Densities will be regulated by gross density ranges only.
  - **Density Bonus:** The City's Density Bonus must be updated to reflect recent changes to State law, such as AB 1763, which made several changes to density bonus requirements for 100 percent affordable projects, and AB 2345, that further incentivizes the production of affordable housing.
  - **Residential Care Facilities:** In accordance with the Lanterman Act, amend the Zoning Ordinance to permit residential care facilities serving six or fewer persons as a single-family residential use and permitted by right in all residential zones. In addition, amend the Zoning Ordinance to remove the CUP language and allow residential care facilities of seven or more persons in all zones where residential uses of the same type are permitted.
  - **Farmworker Housing:** The California Employee Housing Act further defines housing for agricultural workers consisting of 36 beds or 12 units be treated as an agricultural use and permitted where agricultural uses are permitted. The City of Tracy permits crop and tree farming in the A, LDR, MDC, MDR, and HDR zones. The City will amend the Zoning Ordinance to address the provision of farmworker housing consistent with the Employee Housing Act.

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- **Employee Housing:** The California Employee Housing Act requires that housing for six or fewer employees be treated as a regular residential use. The City will amend the Zoning Ordinance to address the provision of farmworker housing consistent with the Employee Housing Act.
- **Low Barrier Navigation Center:** While the City is working on the Low Barrier Navigation Center on Arbor Avenue, the Zoning Ordinance does not address this type of facility. AB 101 requires cities to allow a Low Barrier Navigation Center development by right in areas zoned for mixed uses and nonresidential zones permitting multifamily uses if it meets specified requirements. The City will amend the Zoning Ordinance to be in compliance with AB 101.
- **Emergency Shelter Parking Standards:** The Zoning Ordinance does not specify any parking requirements for emergency shelters. AB 139 specifies that local governments may impose a parking requirement, but that it shall only be an amount adequate for parking for shelter staff may not exceed the requirements for residential and nonresidential uses in the same zone. The City will amend the Zoning Ordinance to be in compliance with AB 139.
- **Transitional and Supportive Housing:** State law (AB 2634 and SB 2) requires local jurisdictions to allow for transitional and supportive housing subject to the same standards as similar residential uses within the same zone. AB 2162 requires that supportive housing that meets specific criteria to be permitted by right in zones where multi-family and mixed-use developments are permitted. Specific criteria include the size of the project and percentage set aside for target population, and specified amount of floor area for supportive services, among others. For projects locating within 0.5 mile from transit, no minimum parking requirements may be applied. The City will amend the Zoning Ordinance to be in compliance with these state laws.
- **SROs:** Add specific standards, including parking requirements, for SROs permitted in the MDR and HDR zones and conditionally permitted in the MDC zone.
- **Parking Standards:** Amend the City's parking ordinance to reduce the number of off-street parking spaces required for new multi-family housing development projects, particularly for smaller bedroom types (i.e. studio and one-bedrooms). This reduction should take into account a project's proximity to transit and amenities.
- **Definition of Family:** The City's current definition of "family" is "one or more persons occupying a single dwelling unit, under no more than one written or oral rental agreement." This definition may act as a constraint on housing for persons with disabilities. The City will revisit this definition of family to ensure that it poses no negative impacts for persons with disabilities.
- **SB 35 and SB 330 Processing:** In compliance with State law, the City will establish written procedures for processing SB 35 and SB 330 development applications.
- **Manufactured Housing:** Amend Section 10.08.1080 to show manufactured homes permitted in all zones where single-family homes are permitted.
- **Reasonable Accommodation:** Amend the conditions for approval of a reasonable accommodation to remove the consideration on impacts on surrounding properties. This consideration may be subjective and potentially constrain the development of

housing for persons with disabilities. The City will also remove the reasonable accommodation application fee

- **Development Review Permits:** revise the two required findings to remove subjective language and allow for approval certainty. In addition, any other constraints identified by the City's Process Review Committee will be addressed through Zoning Code Amendments by the end of 2025. This includes the Process Review Committee reviewing the Development Review Permit Process and removing any subjective language that may impede development.
- **Conditional Use Permit:** revise finding (c) to remove subjective language and allow for approval certainty.

*Responsible Agency:* Tracy Development Services Department

*Funding Sources:* Departmental Budget

## Program 15: Objective Design/Development Standards

As part of the City's rezoning efforts to accommodate the RHNA, the City will establish objective design/development standards to facilitate multi-family and mixed use development in the City.

*Objectives and Timeframe:*

- Adopt objective design/development standards by the end of 2025.

*Responsible Agency:* Tracy Development Services Department

*Funding Sources:* Departmental Budget

## Program 16: Growth Management Ordinance (GMO)

The City of Tracy adopted the residential Growth Management Ordinance (GMO) and the Guidelines in 1987. The GMO was amended from time to time with significant amendments occurring in 1994, 2000, 2009, 2012, 2013, 2014, and 2015. Under the GMO, builders must obtain a Residential Growth Allotment (RGA) in order to secure a residential building permit. The 2015 amendment account for projects that were identified in the RHNA sites list and projects that would contribute to meeting the City's RHNA obligation for the various income categories. The maximum number of building permits issued may be the limit prescribed in the GMO (in general, 600 annual average or 750 per year max) or the number of units identified in the RHNA (by income category), whichever is higher. RHNA projects are issued building permits and are effectively exempt from the GMO provisions. Since 2014 no RHNA based housing has been denied building permits to construct.

Other exemptions in the GMO include the following: (1) rehabilitation, remodeling or additions to existing structures; (2) replacement of previously existing dwelling units that had been demolished; (3) construction of "model homes" until they are converted to residential units; (4) development of a project with four or fewer dwelling units; and (5) secondary residential/accessory dwelling units. Residential projects exempt from the GMO are not counted toward the 600 annual average or the 750 annual maximum. The City will continue to monitor the GMO for any potential constraints to the development of housing on an ongoing basis and process amendments, as necessary.

Tracy's GMO meets the exceptions outlined in SB 330. Additionally, the annual limits in the past and in the foreseeable future have not affected (and will not affect) the supply or cost of housing. The RHNA exemption provision will effectively result in a rolling average for each RHNA cycle in

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that to the extent that the City does not achieve its RHNA in any calendar year for any income category, the number of permits to achieve the RHNA will be available in each succeeding year.

### *Objectives and Timeframe:*

- Annually monitor and evaluate the Growth Management Ordinance for the impacts on the cost, supply and timing of housing including seeking input from residential developers and affordable housing stakeholders in reviewing the effects of the GMO. The review will reflect the RHNA as a minimum and consider impacts on overall housing supply in addition to accommodating the RHNA. Information will be included and evaluated as part of the annual Growth Management Status report, published in the fourth quarter of each calendar year.
  - When evaluations determine that the GMO is negatively impacting the cost, supply and timing of housing, the GMO shall be revised by the fourth quarter of the subsequent year.
- Based on the City Council approved scope of work in March 2021, results of the affordable/workforce action plan will determine the increased number of market-rate Residential Growth Allotments (RGAs) for projects that included a specified percentage of affordable units.

*Responsible Agency:* Tracy Development Services (DS) Department

*Funding Sources:* Departmental Budget

## **Program 17: Water and Wastewater Service**

The City's Public Works Department is the provider of water, wastewater, and sanitation services within city limits. The City confirms that adequate water is available through 2045 under normal weather conditions. The 2020 Urban Water Management Plan has several projects outlined to address future capacity issues during alternative weather conditions. There are sewer services available to meet the RHNA. The City has a Phase 1 Upgrade plan in the 2022 Wastewater Master Plan Update for future wastewater capacity needs. Fees for new residential development include water and wastewater fees to help meet capacity needs from increased population growth.

### *Objectives and Timeframe:*

- By December 31, 2025, adopt a policy to grant priority water and wastewater services to housing with affordable housing units (SB 1087).
- Continue to collect water and wastewater fees from new residential developments.
- Carry out the projects outlined in the 2020 Urban Water Management Plan and 2022 Wastewater Master Plan Update.
- Annually, conduct outreach and education on water conservation measures through a social media campaign.

*Responsible Agency:* Tracy Development Services Department; Tracy Public Works Department

**Funding Sources:** Departmental Budget**E. Provide Equal Housing Opportunities**

To meet the housing needs of all segments of the community, the Housing Plan includes a program to promote housing opportunities for all persons consistent with Federal and State fair housing laws. The City works with the Stockton-San Joaquin Community Housing Resource Board, which provides several fair housing and tenant/landlord services.

**Goal 5.0** Continue to promote equal housing opportunity in the City's housing market consistent with Federal and State fair housing laws.

**Policy 5.1** Comply with federal, state, and local Fair Housing and anti-discrimination laws, and affirmatively further fair housing for all, ensuring equal access to housing regardless of their special circumstances as protected by fair housing laws.

**Policy 5.2** Provide fair housing services to Tracy residents and ensure that residents are aware of their rights and responsibilities regarding fair housing.

**Policy 5.3** Promote housing mobility by expanding housing choices and increasing housing opportunities in higher resource areas.

**Policy 5.4** Protect tenants from discriminatory housing practices and displacement.

**Policy 5.5** Promote the integration of affordable and special needs housing projects in existing neighborhoods.

**Program 18: Fair Housing**

The City actively furthers fair housing in the community. Specifically, the City contracts the San Joaquin Fair Housing Association to promote fair housing and provide fair housing services for its residents. The City participates in providing an annual direct allocation to the San Joaquin Fair Housing Association through the CDBG program.

*Objectives and Timeframe:*

- Continue to support the San Joaquin Fair Housing Association, or other qualified fair housing agencies, annually with CDBG funds and refer residents seeking fair housing assistance on an ongoing basis.
- Advertise the services provided by the San Joaquin Fair Housing Association (or other qualified fair housing agencies) on an ongoing basis in City buildings and other public buildings (such as public libraries, community centers, County Housing Authority offices, and post offices, etc.)
- By July 2025, begin promoting housing programs and fair housing services via social media platforms in addition to information on City website and public counters.
- Expand Spanish engagement to target outreach to the Hispanic population (especially in areas with concentration of Hispanic residents, such as Downtown).
- Citywide, targeted outreach in lower resource, lower income neighborhoods, including central northern and northeastern Tracy.

**Responsible Agency:** Tracy Mobility and Housing Department and San Joaquin Fair Housing Association

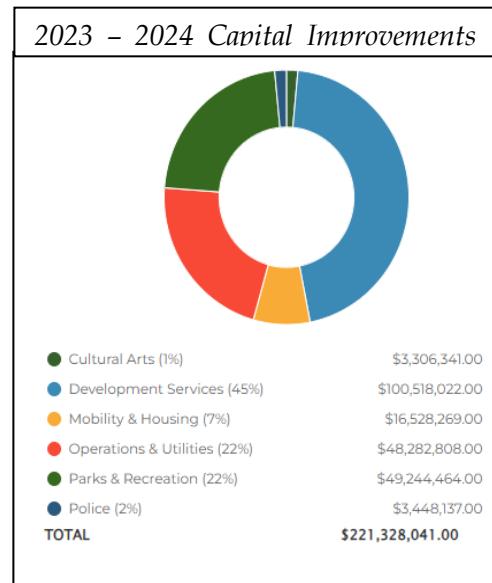
## V. Housing Plan

**Funding Sources:** CDBG funds

### Program 19: Place-Based Improvements

The City is pursuing a number of investments, long-range planning efforts, and improvements in various geographic areas of the City with greater need, specifically downtown Tracy and central areas of the City. These place-based improvements will help improve quality of life and spur economic investment in areas of the City with greater need.

The City will continue to prioritize the Capital Improvement Program and implement broader planning efforts, annually apply for funding, and implement broader planning efforts, including but not limited to such as the Active Transportation Plan, the Parks, Recreation and Trails Master Plan and the Downtown TOD Specific Plan. These plans will serve to continue to improve communities through neighborhood improvements such as enhanced streetscapes, multi-modal and active transportation, pedestrian safety improvements, safe routes to schools, community facilities, park improvements, and other community amenities.



#### Objectives and Timeframe:

Specific place-based efforts including the following (Completion of four CIPs in each of the top three prioritized key areas identified in the 10-Year Economic Development Strategic Plan):

- Focus on areas of low opportunity and low income, including central northern and northeastern Tracy.
- City has multiple projects in its Capital Improvements Plan identified to improve mobility, and active transportation opportunities, and park quality in the downtown and central parts of the City. The 2023-2024 Capital Improvements Plan includes investment of \$221,328,041 into 104 capital improvement projects. Many of these identified projects are in the downtown and central areas of the City, including:
  - **Grand Theater Repair.** Exterior repair for the historic Grand Theater/Center of the Arts building in downtown Tracy.
  - **Holly Drive Pedestrian & Bikeway Improvements:** The City is investing 1.83 million dollars to improve pedestrian and bikeway infrastructure in the central area of the City on Holly Drive between 11th Street and Clover Road, including installing a Class 3 bike route, Class 2 bicycle lanes, sidewalk, pavement patching, slurry seal, signage, striping, and pavement markings.
  - **Tracy Boulevard Sidewalk.** This project will close the missing sidewalk gap to the ACE Train Station parking lot immediately south of the project area. (\$852,465)
  - **Valpico Roadway Improvements - Tracy Blvd to MacArthur Drive.** This project will involve the roadway widening of Valpico Road from Tracy Blvd to MacArthur Drive, with two lanes in each direction, complete with all necessary

improvements like curb, gutter, sidewalk, median, irrigation facilities, landscaping, drainage facilities, street lighting, signage and striping. (\$6,053,140)

- **A.R. Glover Park Improvements:** Renovation of the playground, a new picnic area, renovation of the sport court, pathway lighting, ADA barrier removal, landscaping, and site furnishing replacements (\$725,000).
- **Hoyt Park - Per Capita Improvements.** The City of Tracy has the opportunity to rehabilitate existing infrastructure at Hoyt Park through the Proposition 68, Per Capita Program. (\$348,835)
- **Clyde Bland Park BMX Pump Track.** Construction of a new 1/2 acre BMX pump track (bike park) in an existing City park. The project would create a looped asphalt track with a sequence of rollers and berms for bike riders. Associated improvements would include: earthwork, drainage, accessibility, shaded seating as well as related site furnishings, and landscaping. (\$999,416)
- The City will annually prioritize the capital improvement program to improve mobility, active transportation opportunities and other community services in targeted neighborhoods.
- Ten-Year Economic Development Strategic Plan: In September 2023, the City adopted a Ten-Year Economic Development Strategic Plan to help the City focus implementation efforts on strategic economic development priorities. The strategic plan identified and prioritized eight key areas as opportunity sites. The top priority identified is the downtown area, the second is the west side, and the third is commercial corridors in the center of the City. The downtown area and commercial corridors are lower resource areas, compared to the rest of the City. The strategic plan helps support growth in these areas and makes recommendations to enhance economic resilience, expand market access, encourage investment, improve quality of life, and improve infrastructure in these areas.
  - The City will annually apply for funding to assist with implementation.
- Downtown Transit-Oriented Development (TOD) Plan: The Downtown Transit-Oriented Development (TOD) Plan will identify the community's vision and establish goals, objectives, and policies for future development in Downtown Tracy. In 2020, the City released the Downtown TOD Study which comprises the first phase of the Downtown TOD Project. The study provides recommendations for planning tools that the City can prepare and adopt to implement the concept, along with possible grant funding sources to help fund the preparation of the planning tools, catalyze development, and pay for infrastructure improvements.
  - The City will annually apply for funding to assist with implementation.

The study highlights circulation improvement recommendations for 11<sup>th</sup> Street, Central Avenue – Downtown, 3rd Street, Central Avenue, and Mt Diablo Avenue to improve the following:

- Decrease crossing distances for pedestrians,
- Improve safety for bicyclists, and
- Increase the visibility of both pedestrians and bicyclists.

**Responsible Agency:** Tracy Development Services Department

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**Funding Sources:** Capital Improvement Fund; General Fund

### **Program 20: Housing Resources Education and Bilingual Materials**

The City will promote and advertise available housing resources to residents through a variety of media and methods. The City will continue to promote homebuyer assistance programs available through the City, County, and State, such as the Tracy Down Payment Assistance Loan Program, the San Joaquin County Home Rehabilitation Program, the Mortgage Credit Certificate (MCC) program and California Housing Finance Agency's down payment assistance programs.

**Objectives and Timeframe:** Specific actions shall include:

- The City will provide bilingual (Spanish and English) information on housing resources to at least 200 households annually, through the following methods (utilize a minimum of 4 mediums of outreach):
  - Providing information regarding housing resources on the City website.
  - Pamphlets on the programs available at City Hall and other community locations such as the Senior Center and Library.
  - Advertising housing resources through social media.
  - Presence at a booth at community events at least once per year.
  - Provision of materials in Spanish and English.
- The City will continue to encourage improved community participation and representation in all official city business, events, and communications. The City will make translation service available as needed for meetings, including a standard note on all hearing notices and communications in Spanish indicating that interpretation and translation services are available upon request.
- The City will review demographic changes in the City to determine if translation should be provided for new or additional languages every four years. Translation to additional languages added as determined by demographic analysis.
- Citywide, targeted outreach in lower resource, lower income neighborhoods, including central northern and northeastern Tracy.

**Responsible Agency:** Tracy Development Services Department

**Funding Sources:** General Fund

### **Program 21: Displacement Prevention**

Providing residents with adequate information on upcoming development projects, new housing opportunities, and available programs and services will help residents deal with displacement risks.

**Objectives and Timeframe:**

The City will outreach to 100 households or landlords annually to provide information and resources regarding displacement prevention and income protection through the following efforts:

- By Q2 2025, coordinate with a qualified fair housing service provider to conduct a meeting/workshop to inform residents and landlords of sources of income protection and state rent control laws such as AB 1482. This may be done in coordination with the City's fair housing service provider.

- Coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter's financial eligibility.
- Pursuant to SB 330, AB 1397, and State Density Bonus law, ensure a no net loss of housing units by income category when existing housing is demolished so that, at a minimum, an equivalent number of replacement units are created at the same level of affordability. The City's GMO also exempts permits for the replacement of demolished units.

- Objective: No net loss of affordable housing units

*Responsible Agency:* Tracy Development Services Department

*Funding Sources:* General Fund

## F. Summary of Quantified Objectives

The following objectives are based on the assumption that funding and partnership opportunities will become available to implement the housing programs detailed above.

**Table V-3: Summary of Quantified Objectives**

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
New Construction	1,622	1,622	2,129	1,175	2,782	9,330
Rehabilitation	2	3	10	0	0	15
Conservation Assistance	118	119	0	0	0	237
Down Payment Assistance	0	5	5	0	0	10
Housing Choice Vouchers	80	80	0	0	0	160