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Memorandum

DATE: April 30, 2025

TOPIC: Tracy 2023 – 2031 Housing Element

FROM: Forrest Ebbs, Community and Economic Development Director

SUBJECT: Status and Background of the Tracy Housing Element

EXECUTIVE SUMMARY

The City of Tracy is currently updating the Housing Element. The Housing Element is one of the State-required chapters of the City of Tracy's General Plan and provides a blueprint for opportunities to develop housing for all income levels in the community.

The City of Tracy received a compliance letter from the California Department of Housing and Community Development (HCD) on April 23, 2025, indicating HCD's tentative approval of the City's 6th cycle Housing Element update for the 2023 – 2031 planning period.

The 6th cycle Housing Element update has been driven by the State's goal to increase and expedite housing production in California, including requiring local jurisdictions to prove that local policies and processes are not constraints on housing development. The City's 6th cycle Draft Housing Element update went through five rounds of review with HCD prior to receiving tentative approval in April 2025. The Draft Housing Element addresses the City's regional housing needs allocation (RHNA) for the 2023–2031 planning period, which is 8,830 housing units, spread among different income categories.

Staff anticipates holding a public hearing with the Planning Commission in late May and a public hearing with the City Council in July or August to consider adoption of the Housing Element. Once the City adopts the Housing Element, the document will be submitted to HCD for certification.

Following certification of the Housing Element, the City will also need to complete the Housing Element implementation measures, which include rezones and General Plan

Amendments affecting over 100 properties and totaling approximately 200 acres spread throughout the City, as shown in the Draft Housing Element. A Public Draft Environmental Impact Report (EIR) for the rezones and General Plan Amendments is anticipated to be released this June or July for a 45-day public review period. The public hearing process for the Planning Commission and the City Council to consider the rezones and General Plan Amendments is anticipated for late 2025 or the first quarter of 2026. The City's Housing Element will be considered out of compliance by HCD until the rezones and General Plan Amendments are complete.

BACKGROUND

The 2023 – 2031 Tracy Housing Element is part of the City's General Plan, which is a comprehensive policy statement regarding the physical, economic, and social development of the city; the preservation and conservation of natural and human features of the landscape; and the reuse of land and buildings within the city. Although housing represents a high priority, planning for housing must be balanced with the community's economic needs and environmental, resource, and open space protection policies, which are also essential aspects of the City's General Plan. Whereas general plans often reflect planning periods 15–25 years long, housing elements are updated every eight years, in accordance with State law.

Housing elements address one of the State-mandated general plan topics and most basic human needs: shelter. For this reason, housing elements represent a critical link between land use and transportation policies, which define the location, layout, and movement of people and goods, and environmental/resource policies. For a city to have a strong and balanced economy, where people live in proximity to where they work, workers must have places to live within their economic means.

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.

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.

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

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

	Above-Moderate	Moderate	Low-Income	Very-Low Income	Extremely-Low Income	Total
RHNA units	2,782	1,175	1,879	1,497	1,497	8,830

CURRENT STATUS

The City is currently updating the Housing Element to reflect the current sixth cycle 2023 to 2031 timeframe. The information listed below indicates submittals made to the State (HCD).

The City submitted the 6th cycle Housing Element for first review in November 2023. The comments provided back by HCD required some extensive reviews of the proposed housing strategy and opportunity sites for 8,830 housing units in various affordability categories.

The Housing Element was submitted for a second-round review in July 2024. HCD requested additional information and identified a need for additional analysis in regard to providing housing programs to ensure housing production takes place.

The Housing Element was submitted for a third-round review in September 2024. The information request by HCD was to validate a long history of developing housing and providing housing opportunities within the City of Tracy.

The Housing Element was submitted for a fourth-round review in November 2024. The State wanted additional information on neighborhood demographics and the development pipeline report.

The City received fourth round comments from HCD in late January 2025 and revised the document as necessary. The City submitted the fifth round Draft Housing Element on April 22, 2025. HCD provided a letter on April 23, 2025, indicating that the April 2025 Draft Housing Element met the statutory requirements. Staff will now move the Draft Housing Element document forward for adoption.

NEXT STEPS

Staff anticipates holding a public hearing with the Planning Commission in late May and a public hearing with the City Council in July or August to consider adopting the Housing Element. Once the City adopts the Housing Element, the document will be submitted to HCD for certification.

After the Housing Element is adopted by the City Council and certified by HCD, the City will begin Zoning Map and General Plan Map amendments to implement the policies within the current draft document. Implementation will include rezoning approximately 200 acres to accommodate higher residential densities as required by new State law and the Housing Element. Along with the rezonings project, four General Plan elements will be revised or adopted (Circulation Element, Safety Element, Land Use Element, and an Environmental Justice Element) that will be necessary as part of the amendments for the Housing Element. As these items are concluding, the City will initiate the remainder of the comprehensive General Plan Update.

For questions on the housing element, please contact Craig Hoffman, Senior Planner at 209-831-6426 or craig.hoffman@cityoftracy.org.